

CONTRACT LABOUR AND EMPLOYEE RELATION

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ABSTRACT

Employee relations, known historically as industrial relations, are concerned with the contractual, emotional, physical and practical relationship between employer and employee. The term employee relation is increasingly used due to recognition of the fact that much of the relationship is actually non-industrial. Some authors cite employee relations as dealing only with non-unionized employees and labor or industrial relations with unionized employees. Others suggest that industrial relations and employee relations are dead fields, replaced by the more all-encompassing human resource management. The concept study deals with the contract labour force and employee relations.

KEYWORDS: Contract Labour, Employee Relation, Constitutional Rights

INTRODUCTION

The origins of industrial relations emerged from the industrial revolution and the creation of free markets and large, unified movements of workers. The resulting tensions escalated and created an urgent need for forces that could regulate the relationship. Intellectually, the first piece of literature that seriously addressed the relationship between employer and employee was Sidney Webb and Beatrice Webb's. In the past employee relations, under the industrial relations umbrella, was concerned with conflict management and managing the vastly different agendas of employer and employee. Nowadays the term is used more collaboratively and looks at ways both employer and employee can benefit from new schemes and initiatives. Increasingly there is the belief that the needs of both employer and employee entwine, although some scholars and businesses find it difficult to reconcile the needs of businesses operating in a competitive, free market with those of employees.

In other words Employee Relations involves the body of work concerned with maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale. Essentially, Employee Relations is concerned with preventing and resolving problems involving individuals, which arise out of or affect work situations

Advice is provided to supervisors on how to correct poor performance and employee misconduct. In such instances, progressive discipline and regulatory and other requirements must be considered in effecting disciplinary actions and in resolving employee grievances and appeals. Information is provided to employees to promote a better understanding of management's goals and policies. Information is also provided to employees to assist them in correcting poor performance, on or off duty misconduct, and/or to address personal issues that affect them in the workplace. Employees are advised about applicable regulations, legislation, and bargaining agreements. Employees are also advised about their grievance and appeal rights and discrimination and whistleblower protections.

NEED FOR EMPLOYEE RELATION

Human beings are not machines they cannot start working just at the push of a mere button they need to share talk

their happiness and sorrow. An isolated environment demodulates an individual and spreads negativity around. It is essential that people are comfortable with each other and work together as a single unit in order to achieve goals.

- Several issues on which individual; cannot take decisions alone. Guidance and advice of fellow workers come out with a brilliant idea, which enables us to achieve targets at a much faster rate.
- Healthy relation will ease workload and in turn increases productivity. A healthy relation with your fellow workers would ease the work load on you and in turn increases your productivity. One cannot do everything on his own. Responsibilities must be divided among team members to accomplish the assigned tasks within the stipulated time frame. If you have a good rapport with your colleagues, he will always be eager to assist you in your assignments making your work easier.
- If people talk and discuss things tension automatically evaporates and ones feel better ultimately organization becomes happy place to work if the employees work together as a family. An individual tends to lose focus and concentration if his mind is always clouded with unnecessary tensions and stress. It has been observed that if people talk and discuss things with each other, tensions automatically evaporate and one feels better. Learn to trust others, you will feel relaxed. One doesn't feel like going to office if he is not in talking terms with the person sitting next to him. An individual spends around 8-9 hours in a day at his workplace and practically it is not possible that one works non stop without a break. You should have people with whom you can share your lunch, discuss movies or go out for a stroll once in a while. If you fight with everyone, no one will speak to you and you will be left all alone. It is important to respect others to expect the same from them.
- An individual feels motivated in the company of others whom he can trust and fall back when never needed One feels secure and confident and thus delivers his best. It is okay if you share your secrets with your colleagues but you should know where to draw the line. A sense of trust is important.
- Healthy employee relations also discourage conflicts and fights among individuals. People tend to adjust more and stop finding faults in each other. Individuals don't waste their time in meaningless conflicts and disputes, rather concentrate on their work and strive hard to perform better. They start treating each other as friends and try their level best to compromise and make everyone happy
- A healthy employee relation reduces the problem of absenteeism at the work place. Individuals are more serious towards their work and feel like coming to office daily.

PURPOSE OF EMPLOYEE RELATION MANAGEMENT

Employee relations are an area within the human resources field. The purpose of employee relations is to strengthen the employer-employee relationship through identifying and resolving workplace issues, measuring employee satisfaction and morale, and providing support and input to the company's performance management system. Employee relations are important because human resources strategy and organizational success depend heavily on the productivity and engagement of a company's work force.

EMPLOYEE RELATIONS SPECIALIST DUTIES

Fully staffed human resources departments generally have an employee relations specialist. However, an HR

generalist can perform the same duties provided the generalist's level of expertise includes significant work in all human resources disciplines. A seasoned employee relations specialist has expertise in compensation and benefits, workplace safety, recruitment and selection, and training and development. Given the broad exposure to HR topics, some human resources managers start their careers in employee relations.

WORKPLACE ISSUES

Workplace issues range from employee complaints about working conditions to allegations of discriminatory employment practices. The employee relations area of HR must be capable of handling all types of workplace concerns. Investigating, resolving and mediating employee complaints are functions of the employee relations discipline. In companies where employees are represented by a labor union, the employee relations or labor relations specialist is responsible for handling labor management issues, collective bargaining agreement interpretations and employee grievances.

EMPLOYEE SATISFACTION

Measuring employee satisfaction is another important function of employee relations. Employee satisfaction, morale and engagement are intangible references to how well employees enjoy working for the company. It's the responsibility of the employee relations area to determine if employee morale is high or low, and if it's low, why. Conducting employee opinion surveys is a common method that employers use to measure the workplace climate. Administering the survey and analyzing survey results are within the purview of employee relations. Employee relations specialists understand the types of questions necessary to elicit information about employee satisfaction. They also know how to design action plans that bring about results and changes in working conditions.

REQUIREMENTS FOR A HEALTHY EMPLOYEE MANAGEMENT

Elements of Good Employee Relations

An effective employee relations program starts with clearly written policies. Employee relations policies describe the company's philosophy, rules and procedures for addressing employee-related matters and resolving problems in the workplace. Many companies have one or more employee relation's representatives who work in the human resources department and ensure that company policies are followed fairly and consistently. Employee relation's representatives listen to employees and supervisors, and work with both groups to resolve problems and address concerns.

Employee relations are not a one-size-fits-all solution. Strategies for good employee relations can take many forms and vary by a number of factors, including industry, location, and company size, even individual leadership philosophies. Issues that concern construction workers on the job can be very different from the problems facing nurses or accountants. Nevertheless, there are some elements that transcend boundaries to contribute good employee relations in any setting.

Communication

Perhaps the most important element for successful relationships with employees is communication. To feel engaged in the business, employees need to be informed of what's going on with the company, including management's plans and how those plans may affect their jobs. Management can keep workers informed of the latest developments by

any number of means, including email announcements, newsletters, employee portals, regular meetings and special events. Effective communications goes both ways; employees should feel as though their opinions, feelings and concerns are being heard by managers.

Open lines of communication can be informal, such as day-to-day interactions between employees and supervisors, or formal mechanisms for employee feedback, such as workplace satisfaction surveys or grievance and appeals procedures. Grievances and appeals are processes that allow employees to challenge management decisions or labor issues through a formal dispute resolution process.

Employee Recognition

Many organizations conduct periodic (often annual) employee performance reviews and provide opportunities for individual recognition. Employees will be more engaged if they feel like they are recognized for their efforts and ideas. Employees can be rewarded for their years of service or for an outstanding contribution or achievement. Who doesn't like being recognized for a job well done?

BOSS AND EMPLOYEE RELATION

Balancing Work and Life Needs

There is a widespread recognition in the 21st century that effective employee relationship management requires consideration of the whole employee. That means taking steps to ensure that the employee's work-life needs are well balanced. This can occur through creative staffing that might involve part-time, flextime or even off-site work assignments.

Open, Honest Communication

Communication is critical to establishing strong employee relationships. Managers must be committed to communicating regularly and honestly with employees about the issues that impact their work. The more open organizations can be, the more likely they are to establish strong relationships that lead to increased loyalty and productivity among employees and decreased turnover and dissatisfaction.

Measuring and Monitoring Results

Effective employee relationship management requires ongoing attention. That means that managers and their HR departments should be alert at all times for signs of discontent, which can be subjective, as well as carefully monitoring the results of more formal assessments. These results should also be shared with employees. Too often employees are asked to complete surveys and are not informed of the results--or what will be done with the results.

Relationships are Interpersonal

Ultimately, employee relationship management requires the same skills and processes required to manage any relationship; a clear understanding of employees' needs and a desire to meet those needs is foundational. Then steps must be taken to interact effectively with employees through a variety of communication channels, both interpersonal and formal (e.g., intranet site, employee newsletters, etc.). Finally, measurement of the effectiveness of these efforts should be frequent and ongoing, with improvements and adjustments made when results are not showing continual improvement or satisfactory levels of performance.

CONTRACT LABOUR

The labour of workers whose freedom is restricted by the terms of contractual relation and by laws that make such arrangements permissible enforceable. The essence of the contract laborer's obligation is his surrender for a specified period of the freedom to quit his work and his employer. Other stipulations cover such matters as repayment of the costs of transportation, housing, training, and other expenses.

Labour in India

Labour in India refers to employment in the economy in India. In 2012, there were around 487 million workers, the second largest after China. Of these over 94 percent work in, unorganized enterprises ranging from pushcart vendors to home-based diamond and gem polishing operations. The organized sector includes workers employed by the government, state-owned enterprises and private sector enterprises. In 2008, the organized sector employed 27.5 million workers, of which 17.3 million worked for government or government owned entities.

History

Indian labour law is closely connected to the Indian Independence Movement and the campaigns of passive resistance leading up to independence. While India was under colonial rule by the British Raj, labour rights, trade unions, and freedom of association were all suppressed. Workers who sought better conditions, and trade unions who campaigned through strike action were frequently, and violently suppressed. After independence was won in 1947, the Constitution of India of 1950 embedded a series of fundamental labour rights in the constitution, particularly the right to join and take action in a trade union, the principle of equality at work, and the aspiration of creating a living wage with decent working conditions.

Constitutional Rights

In the Constitution of India from 1950, articles 14-16, 19(1)(c), 23-24, 38, and 41-43A directly concern labour rights. Article 14 states everyone should be equal before the law, article 15 specifically says the state should not discriminate against citizens, and article 16 extends a right of "equality of opportunity" for employment or appointment under the state. Article 19(1)(c) gives everyone a specific right "to form associations or unions". Article 23 prohibits all trafficking and forced labour, while article 24 prohibits child labour under 14 years old in a factory, mine or "any other hazardous employment".

Scope for Protection

Indian labour law makes a distinction between people who work in "organized" sectors and people working in "unorganized sectors".¹ The laws list the different industrial sectors to which various labour rights apply. People who do not fall within these sectors, the ordinary law of contract applies.

India's labor laws underwent a major update in the Industrial Disputes Act of 1948. Since then, an additional 45 national laws expand or intersect with the 1948 act, and another 200 state laws control the relationships between the worker and the company. These laws mandate all aspects of employer-employee interaction, such as companies must keep 6 attendance logs, 10 different accounts for overtime wages, and file 5 types of annual returns. The scope of labour laws extend from regulating the height of urinals in workers' washrooms to how often a workspace must be lime-washed.

Inspectors can examine workspace anytime and declare fines for violation of any labour laws and regulations.

Wage Regulation

The Payment of Wages Act 1936 requires that employees receive wages, on time, and without any unauthorized deductions. Section 6 requires that people are paid in money rather than in kind. The law also provides the tax withholdings the employer must deduct and pay to the central or state government before distributing the wages

The Minimum Wages Act 1948 sets wages for the different economic sectors that it states it will cover. It leaves a large number of workers unregulated. Central and state governments have discretion to set wages according to kind of work and location, and they range between as much as ₹ 143 to 1120 per day for work in the so-called central sphere. State governments have their own minimum wage schedules.

The Payment of Gratuity Act 1972 applies to establishments with 10 or more workers. Gratuity is payable to the employee if he or she resigns or retires. The Indian government mandates that this payment be at the rate of 15 days salary of the employee for each completed year of service subject to a maximum of ₹ 1000000.

The Payment of Bonus Act 1965 which applies only to enterprises with over 20 people, requires bonuses are paid out of profits based on productivity. The minimum bonus is currently 8.33 per cent of salary.

Working Time

- Weekly Holidays Act 1942
- Beedi and Cigar Workers Act 1966

Health and Safety

The Workmen's Compensation Act 1923 requires that compensation is paid if workers are injured in the course of employment for injuries, or benefits to dependants. The rates are low.

- Factories Act 1948 consolidated existing factory safety laws

Pensions and Insurance

The Employees' Provident Fund and Miscellaneous Provisions Act 1952 created the Employees' Provident Fund Organization of India This functions as a pension fund for old age security for the organised workforce sector. For those workers, it creates Provident Fund to which employees and employers contribute equally, and the minimum contributions are 10-12 per cent of wages. On retirement, employees may draw their pension

- Indira Gandhi National Old Age Pension Scheme
- National Pension Scheme
- Public Provident Fund (India)

The Employees' State Insurance provides health and social security insurance. This was created by the Employees' State Insurance Act 1948

The Unorganised Workers' Social Security Act 2008 was passed to extend the coverage of life and disability

benefits, health and maternity benefits, and old age protection for unorganised workers. "Unorganised" is defined as home-based workers, self-employed workers or daily-wage workers. The central government was meant to formulate the welfare system through rules produced by the National Social Security Board

The Maternity Benefit Act 1961 creates rights to payments of maternity benefits for any woman employee who worked in any establishment for a period of at least 80 days during the 12 months immediately preceding the date of her expected delivery.

INTERNATIONAL COMPARISON OF INDIAN LABOUR LAW

The table below contrasts the labour laws in India to those in China and United States, as of 2011.

Table 1

Practice Required by Law	India	China	USA
Minimum wage (US\$/month)	₹6000 (US\$94) /month	182.5	1242.6
Standard work day	8 hours	8 hours	8 hours
Minimum rest while at work	30 minutes per 6 hours	None	None
Maximum overtime limit	200 hours per year	432 hours per year	none
Premium pay for overtime	100%	50%	50%
Dismissal due to redundancy	Yes, if approved by government	Yes, without approval of government	Yes, without approval of government
Government approval required for 1 person dismissal	Yes	No	No
Government approval required for 9 person dismissal	Yes	No	no
Government approval for redundancy dismissal granted	Rarely	Not applicable	Not applicable
Dismissal priority rules regulated	Yes	Yes	no
Severance pay for redundancy dismissal of employee with 1 year tenure	2.1 week salary	4.3 week salary	none
Severance pay for redundancy dismissal of employee with 5-year tenure	10.7 week salary	21.7 week salary	none

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