CHAPTER - I
INTRODUCTION

Labour welfare occupies a place of significance in the industrial development and economy. It is an important facet of industrial relations, the extra dimension, giving satisfaction to the worker in a way which even a good wage cannot. With the growth of industrialization and mechanization, it has acquired added importance. A happy and contented work force is an asset for the industrial prosperity of any nation. Labour welfare is nothing but the maintenance function of personnel in the sense that it is directed specifically to the preservation of employee health and attitudes. In other words, it contributes to the maintenance of employee morale. The welfare services in an industry is to improve the living and working conditions of workers and their families because the workers well-being cannot be achieved in isolation of his family. Labour welfare, though it has been proved to contribute to efficiency in production, is expensive. Each employer depending on his priorities gives varying degrees of importance to labour welfare. It is because the government is not sure that all employers are progressive minded and will provide basic welfare measures that it introduces statutory legislation from time to time to bring about some measure of uniformity in the basic amenities available to industrial workers. "Obviously, there is some creation and stimulation in the maintenance function just as there is some maintenance in all other operative personnel functions. But the primary emphasis in employee service programme has been on maintaining an employee's favourable attitude towards his work and work environment."
Today, welfare has been generally accepted by employers. The state only intervenes to "widen the area of applicability". The Committee on Labour Welfare (CLW), formed in 1969 to review the labour welfare scheme, described it as social security measures that contribute to improve the conditions under which workers are employed in India. Vaid considers it as an "expression of the assumption by industry of its responsibility for its employees". Though industrial workers are generally better paid, their conditions of work, and often poorer living conditions necessitate more than minimum amenities, and hence most statutory legislations apply to them.

In a resolution in 1947, the ILO defined labour welfare as "such services, facilities and amenities as adequate canteens, rest and recreation facilities, arrangements for travel to and from work, and for the accommodation of workers employed at a distance from their houses, and such other services, amenities and facilities as contribute to improve the conditions under which workers are employed".

The welfare measures influence the sentiment of the workers and contribute to the maintenance of industrial peace. Labour welfare is, thus, one of the major determinants of industrial relations. Apart from improved morale and loyalty welfare measures are of significance to reduce absenteeism and labour turnover in industries. Whatever improves conditions of work and life for the employee, whatever leads to the increasing adaptation of the worker to his task and whatever makes him well contented will lessen his desire or need to leave. One of the thrust areas in the personnel in future would be the creation of the type of organizational environment that will help to make work more satisfying.
Welfare measures also serve to enhance an organization's image as a caring employer. This image can be very useful to organizations in recruiting the workers.

Social advantage of labour welfare is by no means less important than economic ones. The provision of canteen, where balanced diet is available at subsidized rates, improves workers' health, entertainment's tend to reduce the incidence of vices, medical aid and maternity benefits improve the health of workers and bring down the rates of general, maternal and infant mortality and like wise educational facilities broaden their outlook and improve mental health.

The welfare measures have more relevance in the context of the poor standard of living of the Indian working class. It is, therefore, one major aspect of national programmes towards the promotion of the welfare of the people and is as such designed to create a life and work environment of decent comfort for working class. As stated already, the directive principles of state policy in our constitution have very significantly highlighted the need for securing just and humane conditions of work for this vital segment of the community.

**Objectives of Labour Welfare**

There could be multiple objectives in having a labour welfare programme. The concern for improving the lot of the workers, a philosophy of humanitarianism or what is now termed as internal social responsibility, a feeling of concern, a caring by providing some of life's basic amenities, besides the basic pay packet. Such caring is supposed to build a sense of loyalty on the part of the employee towards the organization.
The humanitarian approach has given way to a more practical utilitarian approach. The utilitarian approach views investment in welfare through an economic framework where the possible cost benefit to the organization gains greater concern through improved or quicker services from the employees.

"The welfare package by taking care of the basics of living, frees the worker to devote his time and attention to the organizational task and thus enhance efficiency and output. An attractive package, which provides benefits throughout the course of an employee's career, serves to attract and retain the better workers and simultaneously enhance their morale. The organization is also eligible to certain tax concessions by spending on employee welfare".  

Approaches to Labour Welfare

Welfare is a dynamic concept and so it needs to be constantly adapted to the changing circumstances. This is a truism in the industrial system as well. For example the first approach was the paternalistic approach. This approach to labour welfare can be traced back to the beginning of the modern industrial system when there was hardly any difference between management and ownership and the owners got first hand information of the living and working conditions of workers. Some of them, motivated by philanthropic, humanitarian and religious considerations, did much to improve the lot of the working masses. Though considerable amount of the so called welfare work was done during the post first world war period; (mainly as a product of the stresses and strains of the war) it was insufficient to result in promoting welfare as is clear from the following observation of the British Trade Union congress Delegation (1927-28). "We became convinced that under the cover of paternalism and benevolence, many unjust
conditions of work obtained... and that was not really much, if anything, to be said in favour of employees parsing welfare work as against others who do not.... Our general conclusion on welfare work as at present carried on is that it is a delusion and a snare.\textsuperscript{11}

Paternalistic approach was followed by the industrial efficiency approach. Industrial efficiency approach was an outcome of the growth of big companies which brought about a separation of functions of management and ownership, and increased the distance between the owners and the workers.

Personal relationship was replaced by impersonal rules. With "bigness" arose the problem of commitment and efficiency, and a solution was attempted by formulating welfare schemes, Thus, philanthropy was substituted by enlightened self-interest. The primary drawback of this approach was that it is the ulterior motive of improving efficiency that guides employer's welfare scheme.

The latest approach to labour welfare is to conceive it as an integral part of the programme of general welfare. This approach, being a social approach, is neither philanthropic nor with any ulterior motive. It is so designed as an end in itself, to serve as an instrument of socio-economic policy. The objective of labour welfare scheme has at last aims "it serves man, to alleviate the burdens of his struggle for existence and to reduce the hardships of life"\textsuperscript{12}.

**Principles of Labour Welfare**

Labour welfare is not a substitute for low wages and other allowances, nor can it be used as an argument against raising the earnings of workers. A failure to understand this basic principle will only make labour welfare measures unpopular.
The cardinal principle of labour welfare programmes is to ensure that it serves the real needs of workers concerned. Special classes of workers require special type of welfare services. Proper assessment of needs of the workers and determination of priorities, thereof, must be done.

Workers should be asked to participate in the formulation and administration of welfare programmes. This is necessary because the programmes are meant for them and their participation ensures that the welfare measures correspond to their needs. It also removes the suspicion of workers and the stigma of paternalism.

Workers should be free to use or not to use the facilities and amenities provided. Any compulsion or pressure is encroachment upon workers' right to live as they please and they will resent it.

The cost of welfare schemes must be well estimated and its financing must be established on a sound basis. Ill-conceived welfare scheme without adequate consideration of its financing will mean either its failure or consequent financial strain to the management. It will also unnecessarily cause threat to industrial harmony since a service introduced once is difficult to be abandoned by the management.

**Classification of Labour Welfare Work**

The classification of labour welfare is based on dividing industrial welfare measures into three categories. 1. Statutory, 2. Voluntary, 3. Mutual

Statutory welfare is the product of the coercive power of the government. Statutory stipulations compel employers to implement welfare schemes. The
government enacts rules in regard to labour welfare in order to enforce the minimum standard of health and safety of the workers. Employers have to observe the rules relating to working conditions, hours of work, hygiene, safety, light, ventilation, sanitation etc. Government has increased the statutory control of labour welfare.

Voluntary welfare includes all those activities which employers undertake for their workers on a voluntary basis. There are some social organizations, which also undertake voluntary welfare work. Mutual welfare is undertaken by the workers themselves. Some trade unions also undertake the responsibility of workers welfare.

Labour welfare is also classified under intra-mural activities, and extra-mural activities. The former include services provided inside the factory premises, and the latter include services and amenities outside the factory. Welfare Programmes for Organized Sectors

Social Security in India

The following legislative measures have been adopted by the government of India by way of social security schemes for industrial workers.

I. Workmen's Compensation Act 1923

Under the Act, compensation is payable by the employer to workmen for all personal injuries caused to him by accident arising out of and in the course of his employment which disable him for more than three days. If the workman dies, the compensation is to be paid to his dependents,
II. Employee's State Insurance Act, 1948

Under the Act, an insured person is entitled to receive benefits such as medical benefit, sickness benefit, maternity benefit, disablement benefit, dependents benefit, funeral benefit etc.

III. The Employees Provident Funds and Miscellaneous Provisions Act, 1952

The Act has made schemes for three types of benefits viz, provident fund, family person and deposit linked insurance.

IV. The Payment of Gratuity Act, 1962

Under the Act gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years. The completion of continuous service of five years is, however, not necessary where the termination of the employment is due to death or disablement.

V. The Industrial Dispute Act 1947

Under the Act, a retrenched worker is entitled to compensation at the rate of 15 days average earning for every completed years of service or part thereof. When the closure of the undertaking is due to circumstances beyond the control of the employer, compensation is limited to the maximum of three months average earnings.

VI. Maternity Benefits Acts, 1961

The Act applies to women in factories, mines and other establishments. This Act replaced the Mines Act and it was adopted by most of the states, it does not apply to those covered by the ESI schemes.
VII. Coal Mines Provident Fund Bonus Scheme Act 1948

It applies to workers employed in the coal mines (including the National Coal Development Corporation) earning less than Rs. 300 per month. The Bonus scheme applies to all those earning less than Rs. 300/- per month in coal mines other than the NCDC and is paid entirely by the employers.

VIII. The Seaman's Provident Fund Act 1966

Under this workers contribution of 8 percent with an equal contribution from the employers and are entitled to a full refund on retirement or after 15 years of membership.

IX. The Plantation Labour Act 1951

The benefits statutorily provided under this Act include the provision of drinking water and its conservancy, medical facilities, canteen in the case of 150 or more workers, creches in case of 50 or more women workers, recreational facilities, umbrellas, blankets and rain coats. Cash benefits in the case of sickness and maternity are also available to the workers as per rules prescribed by the state governments which also lay down qualifying conditions.

X. Employees Family Pension Scheme, 1971

The family pension seeks to provide some monetary relief to the family members of employees, who die in service, that is, before superannuation. In the event of an employee's death, his family gets pension on a graded scale depending on the employee's last salary grade.
Recent Trends

While most employers offer a variety of benefits to employees, employees very rarely have any choice in the benefits they receive. Employee benefits are generally selected for employees by management. One study found that union representatives did not have a good idea of the benefits desired by their constituents. Another study found that when given the opportunity, 80 percent of the respondents were in favour of changes in their benefits packages.

In the light of the above findings the recent "cafeteria style" approach to benefit represents a major step in the evolution of employee benefits based on age, sex, number of children family status, life style and preferences. Under this system, each employee is allowed to select on individual combination of benefits within some overall limits. There are two important advantages to a cafeteria style approach. First, it allows employees to have the benefits they need and desire most; second, by their active involvement in benefits selection, employees become more aware of the benefits they have and of their cost. But at times an inappropriate benefit package may be chosen by employees.

Labour welfare services is an important personnel function in a business. The earlier view of considering labour as nothing more than a factor of production had changed over the years and now welfare for the employees holds a place of importance in the minds of every employer.

The effective utilization of other factors of production depends on the efficiency of human factor. The worker spends more than a quarter of his life in his working place.
Therefore the workers has every right to demand that the condition under which he works should be reasonable and provides proper safeguards for life and health. The amount of dedication, quality of work, commitment to the organisation, morale etc. are all determined by the type and amount of welfare a worker receives.

**Industrial Relations**

The concept of ‘Industrial Relations’ has generally been developed as a consequence of the Industrial Revolution. The Master-servant relationship that existed prior to Industrial Revolution was quite simple and of a personal nature. Due to rapid industrialization, this aspect became more complex and impersonal. Industrial relations are as old as history of industry itself. However, with the passage of time, problems connected with it have grown considerably in number and complexity, and of today, one of the most delicate issues in the modern industrial society.

Basically the term ‘industrial relations’ is used to refer to the relations between the parties concerned with industry. Under the present day factory system of production, the two parties who are directly and primarily concerned with industry are the employer/management and the employee/worker/trade unions. Both these parties have a common interest in industry, and yet on numerous occasions they are found pulling in opposite directions. In case of public sector undertakings, government companies or institutions where the State itself is the employer, the Government has to play a direct role in maintaining healthy industrial relations. In other cases, the State often plays the role of a mediator.
An examination of the literature reveals that there is no universally accepted definition for the term Industrial Relations. Referring to the wide scope of the subject, Richardson (1954)\textsuperscript{21} says: “How people get on together at their work, what difficulties arise between them, how their relations including wages and working conditions are regulated, and what organizations are set up for the protection of different interests - these are some of the main problems of

While defining the concept of Industrial Relations, one must take note of the comprehensive definition given by Dunlop (1958)\textsuperscript{22} “An Industrial Relations System at any one time in development is regarded as comprised of certain actors, certain contexts, an ideology which binds the Industrial Relations System together and a body of rules created to govern the actors at the workplace and work community.”

The industrial relations system functions through three participants- workers, employers and Government agencies. In a productive organization, where the work is carried out by the workers and decisions taken by the management on behalf of the employers, the field of employment relationship provided the focus for industrial relations. In the setting of collective relations, the interests of workers are represented by their organizations, i.e. the trade unions. These performers, in the sphere of industrial relations, would like to regulate their relationship by rules, which they frame themselves or in association with Government agencies.

Industrial relations touch all aspects of labour such as union policies, personnel policies and practices including wages, welfare and social security, service conditions, supervision and communications, collective bargaining; attitude of management, trade
unions and Government action on labour matters.

For the purpose of the study, the following definition was kept in view, “Industrial Relations is defined as all relationships between the members of an organization as individual or groups, trade unions, management, and the State institutions concerned specifically related to the various aspects of industrial labour-management problems.”

In the conduct of industrial relations, the Government plays an important role with a view to further the welfare interest of all sections of the society including employers and workers. The role played by the Government agencies varies in degree. It ranges from only formulation of rules for the observance of the two parties-employers and the workers-to direct intervention when the Government agencies regulate the terms of bargain and intervene in industrial disputes to fasten their settlement.

India is being rapidly transformed from a state-driven economy into a market-driven economy committed to privatization, liberalization, and globalization. At the regional level, the states are forced to enter the rat race of liberalization among them to attract funds for investment and development.

The State is withdrawing from many areas of activity and throwing up these areas to private sector. The State is becoming less interventionist and it is shifting from a pro-labour to pro-investor policy. In the process, the State has ceased to be tender minded and less sensitive to the problems of working people and has shown readiness even to dilute some of the labour statutes which hitherto had provided some
protection to the working people. It does not take violations of statutes as seriously as in the past.

Misunderstandings and conflict of interest, particularly between the employer and the employee over industrial issues have assumed enormous dimensions and can’t be easily resolved. It is of vital concern to all in the society, viz., management, workers, shareholders, Government, creditors, consumers, suppliers and the general public as well. With the rise of trade unions as powerful organizations, the conflict between labour and management often gets intensified, and this results in strikes, lockouts and other industrial disturbances.

**Important of industrial relations**

It has been shown by the Hawthorne studies that money and fatigue were not the sole determinants of work effort. Employee attitudes, management-employee relations and the informal and social organizations of employees are the crucial factors in achieving the goals of the organizations.

According to Nagaraju (1981)\textsuperscript{23} “mere technical efficiency, modern machinery, good plant layout and dynamic organizations etc. are not enough to make a business profitable and lead to economic growth and social improvements. It is harmonious and constructive labour-management relationship in industry which plays utmost a decisive role in this respect.”

Good industrial Relations are necessary for the economic development of a country and for establishing and maintaining true industrial democracy. It encourages the collective bargaining as a means of self-regulation and to help Government in
making laws forbidding unfair practices of unions and employers. It boosts up the discipline and morale of workers.

In modern era, industry makes the infrastructure for the economic development of every country. The forward leap and backward stride of an industry depends on the efficiency and goodwill of the employees and the satisfactory employer-employee relationship as they form the heart and soul of every industrial concern. V.V. Giri (1972)\textsuperscript{24}, the former President of India, has rightly pointed out, “I would treat Industrial Relations on the same basis as human relations just as there could be no harmony in a Hindu joint family, unless the various members try to maintain cordial understanding, so also in an industry, unless both the parties – workers and the management – realize their mutual responsibilities and liabilities and rights and privileges, there can be no progress in the growth of the industrial structure.”

Cordial industrial relations are possible only if the workers have minimum grievances, good working conditions, better job satisfaction and a proper balance between individual aspirations and organizational goals.

It is obvious that the functions of industrial relations are to bring about solutions for conflicts between labour and management-conflicts between objectives and values, between profit motive and social gain, between the discipline and freedom, between authority and workers, between bargaining and co-operation, and these solutions should be in the interest of individual, the group and the community.
Statement of the Problem

Transport and economic development

Transportation plays a crucial role in shaping the destiny of a nation. “In fact, the whole structure on industry and commerce rests upon the well-laid foundation of transport”. The importance of transport in different branches of economics is given below:

1. Transport and Production
2. Transport and Consumption
3. Transport and Exchange
4. Transportation and Distribution
5. Transport and Geographical Specialization
6. Transport and Land Utilisation
7. Transport and Agricultural
8. Transport and Industrial Development
9. Transport and Employment
10. Transport and Planned Economy
11. Transport as Public Utility Concern

To achieve the above said objectives through Transport provision of labour welfare facilities and the industrial relations are much necessary. But unfortunately, the globalization process and the introduction of New Economic Policy hampered the Labour Welfare Facilities that led to gap in industrial relations. In India, particularly in Tamil Nadu, the transport sector faced the problem of loss. This has also resulted in to the reduction of labour welfare facilities. Further, the government has decided not to
fill the past and existing vacancies. With this result the burden of remaining labours has doubled. In the midst of shortage of labour welfare facilities, the existing labours got exhausted. The Trade Union has also unable to do anything that led to a gap in industrial relations.

In this context, it is necessary to study the labor welfare facilities and the status of industrial relations with particular reference to Tamil Nadu State Transport Corporation, Villupuram Division.

On the basis of the above the following objectives have been framed for further analysis.

**Objectives**

(1) To analyse the various dimensions of labour welfare measures that are perceived by the labours.

(2) To study the satisfaction level of individual labour welfare schemes, family welfare schemes offered by the Tamil Nadu State Transport Corporation, Villupuram Division.

(3) To examine the various dimensions of Trade Unionism in Tamil Nadu State Transport Corporation Ltd, Villupuram Division

**Hypothesis**

1. There is significant difference between the labours of different division in the context of level of satisfaction about the labour welfare facilities.
Organisation of the Thesis

First chapter deals with Introduction and the issues to be solved.

Second Chapter has been devoted to Review of Literature. Past studies on labour welfare and industrial relations related to transport corporation have been reviewed.

Third Chapter discussed about the Methodology and the description about the Transport Corporation of Tamil Nadu, particularly about the Transport Corporation, Villupuram Division.

Fourth Chapter portrays the Analysis and the

Fifth Chapter provides Findings, Policy Suggestions and Conclusion of the study.
References


5. K.N. Vaid, Labour Welfare in India, Shri Ram Centre for Industrial Relations, New Delhi, 1970, p.27.


