INTRODUCTION

Concept of Labour Welfare Measures

The economic development of a country depends upon the production of commodities and services. The production is the result of five factors of production viz; land, labour, capital, organization or management and entrepreneurship. Out of these five factors, the labour is the active factor of production. The productivity of labour has gained the greatest attention of industrial psychologists and researchers in the field of economics and management. The productivity of labour depends upon its efficiency. Quality of labour depends primarily upon its health and nutrition, literacy and social values and customs. Poor diets, unhygienic conditions, inadequate disease preventive measures and lack of medicines and medical care have an adverse bearing on their efficiency. The happiness and the efficiency of workers are the mirror of the prosperity of an industry. This prosperity of an industry is the end result of productivity. To neglect the labour class is to neglect the productivity. So labour welfare measures become crucial because of the reasons like low level of wages, irregular working hours, inability of trade union to undertake welfare work, to build up a stable labour force for creating a genuine welfare state, to create good psychological feelings and to create good moral habits. Under such conditions labour welfare can be only relief to labouring class.

The concept of ‘labour welfare’ is necessarily flexible and elastic and differs widely with time, region, industry, social values and customs, degree of industrialization, the general socio-economic development of the people and the political ideologies prevailing at a particular time. It is also moulded according to the
age-group, sex socio-cultural background, marital and economic status and educational level of the workers in various industries. Accordingly, the concept cannot be very precisely defined. A series of sharply diverse opinions exists on the motives and merits of labour welfare as well. In its widest sense, it is more or less synonymous with labour conditions and as a whole, including labour legislation and social insurance. Another focus of interpretation centres round the voluntary or statutory nature of welfare for working class.

Welfare in Indian industry implies the provision of medical and educational services, a congenial work atmosphere, etc. The need for providing such services and facilities arises from the social responsibility of industry, a desire for upholding democratic values and a concern for employees. Labour welfare implies providing better work conditions, such as proper lighting, heat control, cleanliness, low noise level, toilet and drinking-water facilities, canteen and rest rooms, health and safety measures, reasonable hours of work and holidays, and welfare services, such as housing, education, recreation, transportation and counseling.

**Definitions of Labour Welfare Measures**

A few definitions of labour welfare measures are given as under:- The Labour Investigation Committee was of the view to include under ‘Labour Welfare:

“Anything done for the intellectual, physical, moral and economic betterment of the workers, whether by employers, by government or by other agencies, over and above what is laid down by law or what is normally expected of the contractual benefits for which workers may have bargained.”

According to the Committee on Labour Welfare, welfare services should mean, “Such Services, facilities, and amenities as adequate canteens, rest and recreation facilities, sanitary and medical facilities, arrangements for travel to and from place of work, and for the accommodation of workers employed at a distance from their homes; and such other services, amenities and facilities, including social
security measures as contribute to the conditions under which workers are employed.”

The International Labour Organisation (ILO) report refers to labour welfare as, “Such services, facilities and amenities as may be established in or in the vicinity of undertakings to enable the persons employed in them to perform their work in healthy, congenial surroundings and provided with amenities conducive to good health and high morale.”

The Encyclopedia of Social Sciences has defined labour welfare work as, “The voluntary efforts of the employers to establish, within the existing industrial system, working and sometimes living and cultural conditions of the employees beyond what is required by law, the custom of the country and the conditions of the market.”

The Committee of Exports on Welfare Facilities for Industrial Workers convened by ILO (in 1963) included the following items under the term ‘labour welfare.’

(A) Welfare and Amenities within the Precincts of the Establishment:

1. Laterines and urinals
2. Washing and bathing facilities
3. Crenches
4. Rest Shelters and canteens
5. Arrangements for drinking water
6. Health services, including occupational safety
7. Arrangement for prevention of fatigue
8. Administrative arrangements for the welfare of employees
9. Uniform and protective clothings
10. Shifts allowance

(B) Welfare Outside the Establishment:
1. Maternity benefit
2. Social insurance measures (including gratuity, pension, provident fund and rehabilitation)
3. Benevolent funds
4. Medical facilities (including programmes for physical fitness and efficiency, family planning and child welfare)
5. Education facilities
6. Housing facilities
7. Recreational facilities (including sports, cultural activities, library, reading rooms)
8. Holidays homes and leave travel facilities
9. Workers’ co-operation, including consumers’ cooperation stores, fair price shops, and co-operative credit and thrift societies
10. Vocational training for dependents of workers
11. Other programmes for the welfare of women, youth and children
12. Transport to and from the place of work,

According to Proud, welfare work refers to “the efforts on the part of employers to improve within the existing industrial system, the conditions of employment in their own factors.” Prof. Richardson, on the other hand, includes under it, “any arrangement of working conditions, organization of social and sports club and establishment of funds by a firm, which contribute to the worker’s health and safety, comfort, efficiency, economic security, education and recreation.” Dr. Panandikar defines it as, “work for improving the health safety and general well-being and the minimum standard laid down by labour legislation.” The fact of the matter is that, “Welfare Services are as varied as life itself and are constantly being adopted to new circumstances. They form a fluid and developing pattern which changes as human needs change, as problems of adjustment to social environment arise or with the changes which are perpetually going on in the structure of society itself. It is no wonder, therefore, that concepts of industrial welfare vary from
country to country and that within the same country the significance attached to the
term may differ from industry to industry, and even from undertaking to undertaking.”

After studying the above definitions it may be concluded that the term ‘labour
welfare measures’ has been use in a ‘wide’ as well as ‘narrow’ sense. In the ‘broader
sense’, it may include not only the minimum statement of hygienic and safety laid
down in general labour legislation, but also such aspects of working life as social
insurance schemes, measures for the protection of women and young workers
limitation of hours of work, paid vacations, etc. In the ‘narrow sense’ welfare in
addition to general physical working conditions is mainly concerned with the day-to-
day problems of the workers and the social relationships at the place of work. In
some countries, the use of the welfare activities provided is confined to the workers
employed in the undertakings concerned, while in others, the workers’ families are
allowed to share in many of the benefits which are made available.

On the basis of the above various definitions, the basic characteristics of the
labour welfare measures may be put as under:-

1. Labour welfare is the work which is usually undertaken within the premises or in
the vicinity of the undertakings for the benefit of the employees and the members
of their families.

2. The work generally includes those items of welfare which are over and above what
is provided by statutory provisions or required by the custom of the industry or
what the employees expect as a result of a contract of service from the employees.

3. The objective of providing welfare amenities is to bring about the development of
the whole personality of the worker- his social, psychological, economic, moral,
cultural and intellectual development to make him a good worker, a good citizen
and a good member of the family.

4. These amenities may be provided voluntarily by the progressive and enlightened
entrepreneurs at their own accord out their realization of social responsibility
towards labour, or statutory provisions may compel them to make these facilities
available; or these may be undertaken by the government or trade unions, if they have the necessary funds for the purpose.

5. ‘Labour Welfare’ is a very broad term, covering social security and such other activities as medical aid, crenches, canteens, recreation, housing, adult education, arrangements for the transport of labour to and from the work place.

6. It may be noted that not only intra-mural but also extra-mural, statutory as well as non-statutory activities, undertaken by any of the three agencies the employers, trade unions or the government- for the physical and mental development of a worker, both as a compensation for wear and tear that he undergoes as a part of the production process and also to enable him to sustain and improve upon the basic capacity of contribution to the process of production, “which are all the species of the longer family encompassed by the term ‘labour welfare’.

The progress of an industry to a large extent depends on its committed labour force. In this regard the importance of labour welfare was recognized as early as 1931, when the Royal Commission on Labour stated that the benefits which go under this nomenclature are of great importance to the worker who is unable to secure by himself. The schemes of labour welfare may be regarded as “wise investment” which should and usually does bring a profitable return in the form of greater efficiency. Twenty years later (i.e. in 1951), the Planning Commission realised the importance of labour welfare, when it observed that “In order to get the best out of a worker in the matter of production, working conditions require to be improved to a large extent. The workers should at least have the means and facilities to keep themselves in a state of health and efficiency. This is primarily a question of adequate nutrition and suitable housing conditions. The working condition should be such as to safeguard his health and protect him against occupational hazards. The worker should also be equipped with necessary technical training and a certain level of general education.
The Labour Welfare Work aims at providing such service and amenities as would enable the workers employed in industries/factories to perform their work in healthy, congenial surroundings conducive to good and high morale.

(1) It is partly humanistic for it enables the workers to enjoy a fuller and richer life.

(2) It is partly economic because it improves the efficiency of the worker, increases its availability where it is scarce and keeps him contended. It, therefore minimizes the inducement to form or join unions and to resort to strikes.

(3) The aim is partly civic because it develops a sense of responsibilities and dignity among the workers and thus makes them worthy citizens of the nation.

M.V. Moorthy has assessed the impact of labour welfare measures and hold that labour welfare has two sides, negative and positive. On the one hand, it is associated with the counteracting of the harmful effects of large-scale industrialization on the personal, family and social life of the worker, while on the other hand, the positive side, it deals with the provisions of opportunities for the worker and his family for a socially and personally good life. The term ‘labour welfare’ is very comprehensive and includes various types of activities undertaken for the economic, social, intellectual or moral benefit to the labour community. The activities are so varied that the concept of labour welfare may vary from country to country.

Need of Labour Welfare Measures

The need for the labour welfare arises from the very nature of the industrial system, which is characterized by two basic factors; one, the conditions under which work is carried on are not congenial for health; and second, when a labourer joins an industry, he has to work in an entirely strange atmosphere, which create problems of
adjustments. **L.S Kudchelkar** calls these two factors “the long arm of the job,” and “the social invasion of the factory.”

It is noteworthy that working-environment in industries/mines is such as adversely affects the workers’ health because of the excessive heat or cold, noise, odours, fumes, dust and lack or inadequacy of sanitation and pure air etc. All these lead to occupational hazards. These have, therefore, to be held in check by providing ameliorative services, protective devices and compensatory benefits following of accident or injury or disablement. This has been referred to as “the long arm of the job which stretches out its adverse effects on to the worker long after his normal 8 hour.” Hence, the need for provision of welfare services within the premises of the factory, mine or plantation arises.

When a worker, who is in fact a ruralite, comes to work in a factory, has to work and live in unhealthy, congested factories and slum areas, with no outdoor recreation facilities. To escape from the tiring conditions of his tedious and tiresome job, he absents himself, become irregular and often indisciplined. Hence, the need for providing welfare services arises. For whatever improvements in the condition of work and life of the employees, whatever leads to increasing adaptation of the worker to this job, and whatever make him fully contented lessen his desire or need to the burden of this social invasion of the factory. There is a social reason also as pointed out by the **Labour Investigation Committee**, “the provision of canteens improves the physic, entertainment reduce the incidence of vices; meical aid and maternity and child welfare services improve the health of the workers and bring down the rates of general, maternal and infantile morality; and education facilities increase their mental efficiency and economic productivity.”

The need for labour welfare was strongly felt by the **Royal Commission on Labour** as far back as in 1931, primarily because of lack of commitment to industrial work among factory workers and also the harsh treatment they received from their employers. This need was emphasized in independent India by the Constitution in
the chapter on the **Directive Principles of State Policy** which contains the following Articles in this regard:-

**Article 41 of the Constitution of India.**

“The State shall, within the limit of its economic capacity and development, make effective provisions for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement and in other cases of undeserved want.”

**Article 42 of the Constitution of India**

“The State shall make provision for securing the just and humane conditions of work and for maternity relief.”

**Article 43 of the Constitution of India**

“The State shall endeavour to secure, by suitable legislation or economic organization or in any other way, to all workers, agricultural, industrial or otherwise, work, a wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities; and in particular, the State shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas.”

The above analysis shows that labour welfare services should do the following:-

1. They should enable workers to live a richer and more satisfactory life.
2. They should raise the standard of living of the workers by indirectly reducing their burden.
3. They should be similar in all enterprises.
4. They should contribute to the productivity of labour and efficiency of the enterprise.
5. They should be administratively viable and essentially develop oriented in outlook.

According to **Labour Investigation Committee**, the need of labour welfare measures arises as these have following benefits:-
(a) Educational facilities, sports, entertainment etc., make the workers feel that the employer is interested in their day-to-day life.

(b) Housing, canteens, sickness and maternity benefits, provident fund, gratuity, pensions, etc make the workers feel that they have a stake in the industry as much as anyone else has.

(c) Provisions of good and clean food in the canteens improve their health, entertainment reduces the incidence of vices, medical and maternity benefits free the workers of worries.

The labour welfare measures in present day scenario do play a crucial role resulting in not only increase in labour productivity but also increase in the efficiency of the enterprise as a whole. The reasons may be put as under:-

- The welfare measures influence the sentiments of the workers. The workers feel that the employees and the State are interested in their happiness as they are active factor of production and higher is the production and productivity, higher would be the prosperity of the nation, is well known to both of them. The development of such feeling arises mental revolution which paves the way for industrial peace.

- The provision of various welfare measures makes the workers realize that they also have some stake in the enterprise in which they are engaged and so think thrice before taking any reckless action which might prejudice the interest of the enterprise.

- The welfare measures like cheap food in canteens, free medical and educational facilities etc., help in increasing the real income of the workers in indirect way. They may save handsome amount in this way resulting in elevation in their standard of living. Such measures help in avoiding industrial disputes and the workers do not resort to strikes.

- Welfare activities help in reducing labour turnover and absenteeism and create permanent settled labour force by making service attractive to the labour.
Lastly, welfare measures will improve the physique, intelligence, morality and standard of living of the workers which in turn will improve their efficiency and productivity.

Kinds of Labour Welfare Measures

The labour welfare measures may be studied from different angles, such as:

- The location, where these amenities are provided, **within and outside the industrial undertakings**;
- The nature of amenities such as those **concerned with “conditions of employment” and “living conditions of work place.”**
- The welfare activities termed as ‘**statutory’, ‘voluntary’ and ‘mutual’,**
- The agency which provides these amenities.

On the basis of the location of welfare activities, labour welfare work has been classified by Dr. G.M. Broughton in two specific categories namely, (a) intra-mural and (b) extra-mural. It was also supported by the committee of experts on welfare facilities for industrial workers constituted by ILO in 1963,

(a) **Intra mural activities:** The labour welfare measures or activities or schemes that are provided within the premises of the industry are called intra-mural activities. These include medical facilities, compensation for accidents, provision of safety measures such as fencing and covering of machines, good lay-out of the machinery and plant, sufficient lighting, first aid appliances, fire extinguishers, activities relating to improving conditions of employment, recruitment and discipline and provision of provident fund, pension and gratuity, maternity benefits etc alongwith latrines, urinals, rest shelters, arrangements for prevention of fatigue, health service including occupational safety, administrative arrangements within a plant to look after welfare, uniforms and protective clothing and shift allowances.

(b) **Extra-mural Activities:** The labour welfare activities that are provided outside the premises of the industry are termed as extra-mural activities or measures.
These cover housing accommodation, indoor and outdoor recreation facilities, amusement and sports, educational facilities for adults and children, provision of libraries and reading rooms, social insurance measures including cultural activities, holiday, homes and leave travel facility, workers cooperatives including consumer’ cooperative stores, fair price shops and cooperatives, thrift and credit societies, vocational training for dependents of workers, other programmes for the welfare the women, youth & children and transport to and from the place of work.

The other classification of labour welfare measures is given as under:

(a) **Welfare Activities concerned with Conditions of Employment:** In the welfare activities concerned with conditions for the management of problems arising out of hours of work, wages, holidays with pay, rest intervals, sanitations and safety, continuity of employment, control over the recruitment of female and juvenile labour.

(b) **Welfare Activities concerned with Conditions of Workers:** All such schemes of benefits as co-operative societies, legal and medical aid, and housing are included in the category of activities concerned with “Conditions of workers.”

Some experts have classified welfare facilities into three categories given as under:-

(a) **Statutory Labour Welfare Measures:** It is statutory when such activities have to be undertaken in furtherance of the legislation enacted by the government. It comprises those provisions of welfare whose observance is binding on the employers seen with a view to maintain minimum standards of health and safety etc. of the worker. The Governments enacts certain rules under various Acts or Ordinances which have to be followed by the employees.

(b) **Voluntary Labour Welfare Measures:** It is voluntary when the activities are undertaken at their own accord by the employers or some philanthropic bodies or when a labour organization undertakes such activities for the welfare of their members. This includes all activities which are
conducive to the welfare of the workers. These facilities are provided by the employers of their own free will. The idea is apparently philanthropic, but when observed separately, it is sound investment because they not only increase the efficiency of the workers but also reduce the chances of conflicts.

(c) **Mutual Labour Welfare Measures:** It is mutual when all parties join hands to bring about the social and economic uplift of the workers. It is co-operative enterprise of the workers. The workers and employers sometimes help each other by mutually agreed manner. For example, activities of trade unions which are conducive to the welfare of their members are included under this category.

**The National Commission on Labour** (1966) has classified various labour welfare measures under the following two distinct classes given as under:-

(i) those which have to be provided, irrespective of the size of the establishment or the number of the persons employed therein such as facilities relating to washing, storing, drinking, the clothing, first-aid, drinking water, latrines and urinals; and

(ii) those which are to be provided subject to the employment of specified number of persons, such as canteen, rest shelter, crèche, ambulance etc.

**Encyclopedia of Social Sciences** has put in labour welfare measures in the following three categories:-

(a) **Those dealing with immediate working conditions**
   
   It includes special provisions for adequate light, heat, ventilation, toilet facilities, accident and occupational disease prevention, lunch rooms, rest room, maximum hours, minimum wages etc.’

(b) **Those concerned with less immediate working condition and group interests**
It includes gymnasiums, club rooms, playgrounds, gardens, dancing, music, house organs, mutual aid societies, vacation with pay, profit-sharing, stock ownership, disability and unemployment funds, pensions, savings banks, provisions for conciliation and arbitration, shop committees and workers’ councils.

(c) Those designed to improve community conditions

These are housing, retail stores, schools, libraries, kindergartens, lectures on domestic sciences, day nurseries, dispensary and dental service screening of motion pictures, arranging athletic contests and picnics and summer camps.

**Labour Productivity**

A given output is the result of combination of many different factors of inputs, such as raw materials, machines, power, worker time and entrepreneurship. Since a unit of input might be on worker, one hour of labour time, one machine, one acre of land, one ton of raw material or one kilowatt of electric power, it has generally been considered desirable to choose one yardstick of input which is present in all production. For this reason the input factors most frequently used in productivity studies is a man hour of working time popularly known as “labour productivity.”

The International Labour Organisation defines productivity as, “the ratio between the volume of output as measures by production indices and the corresponding volume of labour input as measured by employment indices.” This definition is widely accepted because-

(i) Labour time is more readily measurable than other input factors and it is universal element common to all plants, processes and industries.

(ii) There is widespread interest in labour saving because such saving can effect costs, prices, profits and even the level of living.

This definition, though simple and widespread, however, measures productivity of labour alone and not the productivity of all the combined input factors. Input of labour is, however only a part of the resources that goes into production. This ratio
has been characterized as misleading because it failed to include the input of other elements of production like raw materials, capital, fuel and equipment. Labour productivity is the ratio between the output and the number of man hours worked. Labour productivity simply indicates the effectiveness with which labour is being utilized along with other factors of production. Labour productivity is expressed generally as “labour cost per unit of output” or as “output per man hour.” Labour productivity depends on three sets of factors, viz; (i) the ability or competence of the worker, (ii) the willingness of the worker, and (iii) the environments under which he has to work.

The ability or competence of the worker to perform his job more efficiently depends upon his inherent and acquired skill, general training and experience, aptitude and capacity and his intelligence and outlook. The worker’s attitude and willingness are influenced partly by the system of wage payment and provision of other incentives and partly by his morale, feeling of responsibility, general outlook and trade union practices and attitude. The working conditions too exercise an important influence on labour-productivity. Where the working hours are too long, the labour productivity will tend to decline.

The success of an industrial system depends to a large extent upon increased productivity which can be achieved through an effective use of the various input factors. Of all the various measures of productivity, productivity of labour has received the huge attention of industrial psychologists and researchers in the field of economics and management. They have made specialized endeavors to explore the reasons that are responsible for increase in productivity as also the reasons that are responsible for the decline thereof. The enhancing of productivity in industrial organizations has become one of the important issues for researchers in the field of management and industrial psychology. Though, every employee in a business organization works with similar tools, machines and materials, yet individual differences are often evident in their levels of performance. The level of
performance of an individual on a task is a direct function of his motivation to perform efficiently.

In general, productivity depends upon two major variables- worker’s job performance and resources utilized. The resources illustrated here are raw materials and technology. Obviously, improvement in technology- plant and equipment plus knowledge concerning the process- can make a significant difference in the productivity of the system. Similarly, changes in raw material(s) to be processed may also affect efficiency. The relative importance of technology in productivity depends upon the particular situations. In automated system, the human element is not very important. However in most organizations the performance of worker is relatively more important than equipment and raw materials. Even in automated operations, productivity in strategic and coordinative sub-systems largely depends upon human performance.

The productivity of an individual depends primarily upon ability and motivation to perform. Ability depends upon both skill and knowledge. General economic conditions and his own personal situation at a particular point of time may have significant impact on the behavior of the workers on the job.

The concept of productivity has been explained by various authors and authorities in different terms given as under:-

Frenkse (1968) defines the term ‘productivity’ in five different ways as given below:-

(i) Productivity is a form of efficiency;
(ii) Productivity is the utilization of resources or effectiveness of utilization of resources;
(iii) Productivity is a ratio (rather than phenomenon);
(iv) Productivity is a measure of some kind (rather than a variable requiring measurement);
(v) Productivity is a return (primarily in monetary terms)
But all the above views on productivity is vague as they do not provide any specific measurement. Ram Terath Tewari has defined productivity “One of the major determinants of the productivity is the quality and quantity of labour.” Quality of labour depends upon primarily its health and nutrition, literacy and social values and customs. Poor diets and because of unsanitary conditions, inadequate disease prevention and lack of medicines and medical care, they have an adverse bearing on their efficiency.

Productivity is the end result of labour welfare measures. The prosperity of an industry depends upon labour productivity. To neglect the labour class is to neglect productivity. So, labour welfare measures become all the more important because of the reasons like low level of wages, irregular working hours, to build up a stable labour force for creating a genuine welfare state, to create good moral habits. Under such conditions labour welfare can be the only relief to laboring class. Economists and statisticians do not seem to have consensus as to the precise definition of the concept of productivity, but in general, they are found to agree with the meaning of productivity given by the ILO.

According to International Labour Organization “the ratio between output and one of the factors of production is generally known as productivity of the factor considered.” But the ILO opined that the greatest interest has always centered in the in the relationship between production and labour. Hence, it defined productivity as “the ratio of output to the corresponding input of labour.” In the broadcast sense, the problem of increasing productivity implies the full, proper, and efficient utilization of available resources of men, machine, money, power, land, etc. It implies development of an attitude of mind and inculcates a constant urge to find better, cheaper, quicker, easier and safer ways of doing a job, manufacturing a product or providing a service. It aims at the maximum utilization of resources for yielding as many goods and services as possible.
Generally, the term productivity has been taken to represent a change in the efficiency of labour as a factor input only in combination with changes in the magnitude and direction of other input like capital and technology. Labour output ratio, as is usually defined, would be influenced by, among others, the skill and cleverness of the workforce, capital-labour substitution, technical improvements, managerial efficiency etc. Changes in this ratio significantly only whether labour as a factor input has been utilized better or otherwise in conjunction with other factors of production.

**Measurement of Labour Productivity**

Labour productivity measurement is an important tool of economic and social analysis. Through comparison of productivity in industries efforts have been made to locate the factors responsible for rapid growth and competitive strength. At the industry level, productivity measurement gives a thorough knowledge about their working as well as the efficiency of the industry. It also forms the basis for determining the competitive position of the industry and also is helpful in locating the low productivity factors and in deciding upon the ideal standard of technique and organization. At last, if the data given by productivity analysis is correct, it will also help in the development of productivity itself.

Productivity is generally expressed as the ratio between output and input,

\[
\text{Productivity} = \frac{\text{Net Output}}{\text{Effort Input}}
\]

If productivity is to be calculated as a ratio between output and labour, then it is known as labour productivity. Labour Productivity in terms of labour input given as under:

\[
\text{Labour Productivity} = \frac{\text{Net Output}}{\text{Number of workers or number of man-hours}}
\]
If productivity is to be calculated as a ratio between output and capital, symbolically, it may be expressed as:

\[
\text{Net output} \\
\text{Capital Productivity} = \frac{\text{Net output}}{\text{Net capital employed}}
\]

**Difficulties in Labour Productivity Measurement**

Although ILO opined that in as much as the interest most often centered round the relationship between production and labour, the word ‘Productivity’ establishes relationship between output and labour. There is difficulty in arriving at the homogeneity of data concerning labour due to difference in skills, energy, training, environment incentives and rates of a pay, etc. Besides, the fundamental theoretical objection remains the same that all the factors of production i.e., land, labour, capital and organization were not utilized in measuring productivity, though all of them have combined influence on total production. Hence productivity should be defined taking all of them into consideration. Other difficulties in the measurement of productivity are:-

1. Productivity of services industries like banking, insurance etc. is difficult to be measured as the output cannot be directly measurable in terms of physical units.
2. Productivity measurement is also difficult in case of industries producing heterogeneous goods like chemicals, engineering, electric and glass items.
3. Output is usually conceived as the volume of completed or finished product, and little attention is paid to the work-in-progress which is just as much as the result of application of input factor, as the completed product.
4. It is not possible to take into account many invisible and intangible output or associated services which may have no bearing on current production while measuring productivity, as in the case of maintenance of scientific and industrial research laboratories, market research bureaus etc.
(5) Through labour productivity is the most important in measuring industrial productivity, the bases like man-hours worked or the total number of workers employed are not clearly defined. The man-hours concept does not take into account the qualitative differences in the character and composition of labour. If we take the number of workers employed for the purpose, it is difficult to fix any specific weights for all the categories of labour.

(6) The completion of international comparison is highly complicated and a very difficult task. They are subject to more details of limitations and qualifying conditions under which they are compiled. The difficulty in selecting a suitable yardstick for measuring productivity is the cause for such a situation. In certain countries the real net product per man-hour worked is taken as a yardstick. But the depreciation for national stock of capital is not statistically measurable. In certain counties productivity of capital is taken. In the intervening periods of comparisons the price changes will come up and they are to be eliminated. The exchange rate that are fixed in the periods of comparison do not reveal the relative changes over time.

To quote Chamberlin: The term labour productivity by no stretch of imagination is intended to measure the contribution of labour or to impute to workers the credit for increasing industrial efficiency or discredit economic efficiency. The term labour productivity means only that productivity is being measured in terms of man-hours of labour. The expression of productivity only in terms of output per unit of labour time would, therefore, constitute a narrow concept of productivity. A given labour productivity achieved in association of the labour concerned is neither a measure of absolute contribution of the labour unit concerned nor a reliable reflector of all the relative cost components or ratios. Since, labour productivity is the result of cumulative operation of a large number of separate but inter-related factors like factor-proportions, qualities, utilization of plant capacities, managerial attainments,
attitudes of workers and other input-suppliers, etc., it does not present a clear and complete picture of overall productivity. Speaking of labour productivity, Mills wrote that “it is even an incomplete measure of labour input taking no account of supervisory labour or the labour which built the machines or factory in which it operated.” The net output index divided by a combined input index may well measure the total productivity. Labour productivity does play an important role in influencing the growth of the national economy. Indeed, it is the effectiveness of labour that ultimately determines the rate of capital formation, productivity of capital and overall rate of growth of economy.

Importance of the Study

The study of labour welfare measures which influence the attitude of the workers towards work occupies an important place in the study relating to productivity of an industry. These labour welfare measures constitute an important factor in raising productivity in association with other factors of production including an efficient management. Generally, the productivity of an industry increases in two ways-one direct and the other indirect. The direct way aims at increasing productivity through technological improvements, systematic planning of work and technical know-how. All these improvements fall in the sphere of management. The indirect way relates to the elimination of wastages in labour, material and time which arise from defective planning of work, imperfect labour policy, low wage rates and inadequate non-wage benefits. The harmful effect of these factors reflects in strikes, low productivity etc. Thus, the increase in productivity heavily depends upon the role and attitude of labour in the production process.

The desired objective of enhanced labour productivity cannot be achieved unless some other incentives apart from money wages are also offered. Housing facilities, clothing, holiday with wages, subsidized canteens for breakfast and lunch, educational facilities to children, crèches, sports, games and plays for recreation, cleanliness, health and medical facilities, transportation facilities and all other
facilities whose objective is mental, physical, moral, economic, social and cultural upliftment of workers are covered by welfare measures. These labour welfare measures may be classified as extra-mural and intra-mural as well as statutory and non-statutory and may be undertaken by the employers, Governments, trade unions or voluntary organizations.

**Importance of Labour Welfare Measures**

Labour Welfare Measures got importance because of the following reasons-

- The welfare activities influence the sentiments of the workers. When the workers feel that the employers as well as the Government are interested in their happiness, their tendency to grouse and grumble will steadily disappear. The development of such feeling paves the way for industrial peace.

- The provision of various welfare measures makes the workers realize that they also have some stake in the undertaking in which they are engaged thus avoiding any reckless action injurious to the interest of the undertaking.

- The welfare measures like subsidized food in canteens, free medical and educational facilities etc. indirectly increase real income of the workers resulting in avoidance of industrial disputes and strikes.

- Welfare activities will go a long way to better the mental and moral health to workers by reducing the incidence of vices of industrialization.

- Welfare activities help in reducing labour turnover and absenteeism and create permanent settled labour force by making service attractive to the workers.

- Lastly, welfare measures improve the physique, intelligence, morality and standard of living of the workers which in turn will improve their efficiency and productivity.
The Kumaun region of Uttarakhand has only 82 large scale industrial units established till date having an investment in plant & machinery not less than Rs. 10 crore. The SIDCUL (State Industrial Development Corporation of Uttarakhand Limited) is striving and attracting more and more large scale in region so that industrialization of the region may be strengthened. Large scale industries act as an engine to industrial development of a region. Inspite of large number of fiscal incentives, concessions and rebates being grouted to these industrial units, the state of labour welfare measures is very poor. Frequent strikes by the workers, agitations and dharnas show that the workers are not satisfied with the management of these units. The workers often complain that the management is reluctant to welfare measures which resulted in fall in labour productivity and hence profitability of these units. The topic for proposed study is quite burning one and relevant to the present day conditions in which labour-management relations are worsening day-to-day. To the best of my knowledge & belief nobody has done research on this yet.


**Objectives of the Study**

The present study has strived to find out-

(i) What is the relationship between labour welfare measures and labour productivity?
(ii) What are the labour welfare measures adopted by the Government?
(iii) What are the labour welfare measures adopted by the trade unions and voluntary organization?
(iv) What is the workers’ responsiveness to labour welfare measures?
(v) What are the deterrents in the adoption of labour welfare measures?

After evaluating the labour welfare measures adopted by the large scale industries of Kumaun region, its impact on labour productivity has also been assessed. The leakages, obstacles and weak spots inherent in the effective enforcement of welfare measures have also been identified. Lastly, suggestion have been made to improve the effectiveness of welfare measures so that labour productivity might be increased to ensure the successful running of these large scale industrial units which are engine to industrial development of the region.

**Hypotheses**

The following hypotheses have been undertaken to conduct the study and test results thereof:-

(i) The labour welfare measures are conducive in increasing the labour productivity.
(ii) The labour productivity has a bearing upon the profitability of an enterprise.
(iii) Welfare measures have become quite inevitable to justify the concept of “establishment of a Welfare State”
Scope of the Study

The present study is confined to:

(i) Study of large scale industries of Kumaun region only.
(ii) Study of labour welfare measures adopted by the large scale industries only.
(iii) Study of effectiveness of labour welfare measures on labour productivity only.
(iv) Study of economic variables of labour welfare measures only.

Research Design and Methodology

The present study is based on both the primary as well as secondary data. The primary data have been collected through (1) schedules; (ii) mailed questionnaire; (iii) personal interviews; (iv) personal discussions and (v) indirect oral investigations. The questionnaires were put before the-

(i) Executives of the large scale industrial units of Kumaun region.
(ii) Workers employed in the large scale industrial units of Kumaun region.
(iii) Intellectuals/social activists/political activists interested or connected or having knowledge of labour welfare measures, labour productivity and industrial/economic development.

To judge the impact of labour welfare measures change in level of knowledge, attitude and behaviour has been assessed. The productivity of workers as a result of efficiency has been assessed. The degree and quality of labour welfare measures may be measured only through the positive impact on performance which is revealed by increase in productivity. This is why productivity has been measured by the use of production function as given by Cobb-Douglas. The welfare activities help in creating good working environment tending to enhance efficiency. The measurement of efficiency is an uphill task being it a qualitative phenomenon, hence workers’ attitude has been assessed with the help of oral investigation and filling in of schedule. The period of survey ranges from 2009 to 2012.
**Sampling**

A field survey of 30 sample large scale industrial units of Kumaun region was undertaken out of total 82 units in operation till date. The samples have been chosen taking into consideration the product/products manufactured by these units as under:

<table>
<thead>
<tr>
<th>Name of Product</th>
<th>No. of Sample Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar</td>
<td>2</td>
</tr>
<tr>
<td>Paper Products</td>
<td>2</td>
</tr>
<tr>
<td>Glycols</td>
<td>1</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>2</td>
</tr>
<tr>
<td>Plywood</td>
<td>1</td>
</tr>
<tr>
<td>Polyester Film, Chips</td>
<td>1</td>
</tr>
<tr>
<td>Confectionery items</td>
<td>2</td>
</tr>
<tr>
<td>Healthcare items</td>
<td>2</td>
</tr>
<tr>
<td>Electronic items</td>
<td>2</td>
</tr>
<tr>
<td>Electrical items</td>
<td>4</td>
</tr>
<tr>
<td>Edible Oil</td>
<td>2</td>
</tr>
<tr>
<td>Automobiles &amp; Auto-parts</td>
<td>2</td>
</tr>
<tr>
<td>Plastic Products</td>
<td>2</td>
</tr>
<tr>
<td>Heavy Engineering Equipments</td>
<td>1</td>
</tr>
<tr>
<td>Engineering goods</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
</tr>
</tbody>
</table>
Ten workers from each sample large scale industrial unit were selected taking into consideration their nature of job, skill level, sex, Caste and inhabitation. In this way the sample collected 300 workers in all.

In the selection of sample units both stratified as well as random sampling techniques have been used. First the industrial units were selected on the basis of nature of business activity i.e assembling, manufacturing or otherwise. The industrial units were also categorized on the basis of finished goods groups such as pharmaceuticals, confectionary items, electronic items, electrical goods, automobiles & auto-parts, heavy engineering equipments etc. The workers were selected on the basis of stratified sampling by keeping their nature of job, skill level, caste and the place of their birth as all these factors are crucial in judging the attitude, behaviour and efficiency of the workers.

The secondary data have been collected from the Annual Reports and other relevant material of the sample large scale industries; statistical journal issued by the District Statistical Officers of Kumaun Division and printed material to be supplied by the concerned General Managers, DICs of Kumaun Division, Indepth discussions have been undertaken with the executives of these large scale samples units and the authorities of Government agencies responsible for labour welfare and enactment of various Acts which have provisions of labour welfare. For the analysis, presentation and interpretation of the relevant material thus collected appropriate statistical tools would be used to arrive at sound judgement. As regards responsiveness of the workers towards welfare measures is concerned Likert’s 5 point behavior scaling method has been used to assess the qualitative information.

**Limitations of the Study**

The history of industrialization of Kumaun region is only three decades old. In the words, industrialization of the region is in infant stage only. This is why labour welfare measures too could not be applied on the scale as prescribed under different Acts. During on survey it was noticed that most of the workers were not aware of the labour welfare measures available to them. Further, the impact of
labour welfare measures on the sentiments of the workers, level of industrial peace and integrity of the workers could not be measured as the data relating to these facts was not available. Besides the illiteracy and low level of education of the workers proved to be as a hurdle in the computation of savings or indirect increase in real income of the workers resulting in avoidance of industrial disputes and strikes. The impact of labour welfare measures on the health, turnover, absenteeism and efficiency of the workers could not be assessed because of lack of receipt of relevant information. This is why this study has been made limited to productivity for which data were collected from published accounts of the concerned large scale industries.

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