Chapter 1

INTRODUCTION
AND
METHODOLOGY
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INTRODUCTION

Labour is an important factor of production and plays a crucial role in the economic development of the country. Industrialisation, an important instrument of economic growth, has brought about certain social and psychological strains and stresses on the workers in every country including India. To relieve them of these strains and stresses welfare measures have become necessary to be implemented. Welfare measures would improve living and working conditions as well as morale and productive efficiency of the people employed. Improvement of the lot of the people employed at the lowest wage becomes relevant, immediate and significant when the establishment of the socialist pattern of society and of ultimate welfare state are set to be the goals of the nation.

Labour welfare implies services, facilities and amenities undertaken in and around the undertakings to enable the employees to work in healthy, congenial and suitable conditions. The philosophy of labour welfare resting on bridging the gap between the 'haves' and 'have nots' is accepted by the government as well as by the public for effective translation into action. While the
government has been initiating various legislative measures, some of the employers have been adopting an enlightened view towards this end. Welfare programmes, statutory and non-statutory, within and outside the factory, and for the benefit of the worker as well as his family, are undertaken by various agencies, viz. government, employer and union. Thus, opportunities are provided to the worker and his family to have a socially, physically, morally, economically and culturally contented life. A worker who is physically strong, materially contented is always an asset to the community, apart from the industry he belongs to. In view of this labour welfare is no more interpreted as a charity or as an unwise investment or as a barren liability. On the other hand, at the initiative taken by the International Labour Conference in 1919, many of the governments throughout the world have realised the need to satisfy the urges of this human factor, viz., the labour and started contemplating on the introduction of various benefits such as pension, provident fund, gratuity, housing, medical assistance, transport, education, canteen and other safety benefits.

STATEMENT OF THE PROBLEM

The labour welfare is assigned a pioneering role in building up an abiding mutual faith between the management and employees
and in establishing proper industrial relations firmly based on peace, discipline, and devotion to the industry.

In view of the important place of the labour welfare and its impact on the industrial relations, efficiency and productivity, there is a need to study the nature and extent of implementation of the welfare programmes and Social Security Schemes, awareness and reactions thereof, of the employees in different types of industries, particularly in growing towns like Anantapur.

REVIEW OF LITERATURE

A brief review of literature in the area related to the present research problem is more in the nature of reports submitted by various enquiry committees than the exploratory research studies, as presented below.

The Royal Commission on Labour,¹ headed by J.H. Whitely, submitted its report in 1931. The Commission made a comprehensive investigation into almost all the problems relating to labour in factories and plantations. It made a series of recommendations on

health, safety, welfare and housing for industrial workers. It also made elaborate recommendations relating to provision of first aid, water supply, creches and canteens inside the factory establishments. The Commission emphasized that proper attention should be paid to general cleanliness in factories. Thus, the recommendations of the Royal Commission on Labour laid down the framework for the extensive implementation of welfare measures in the country.

The National Planning Committee, 1937, appointed a sub-committee\(^2\) on labour to investigate various labour problems on the basis of its recommendations. It suggested, apart from 48 hours of work per week or 8 hours per day, that the employer must pay due attention to the housing problem of the workers. It also suggested a system of contributory and compulsory insurance for industrial workers.

The study of Zacharaiah\(^3\), based on a sample survey of manufacturing undertakings in Bombay, covered welfare services and working conditions while surveying the factors affecting industrial

\(^2\) 'Report of the Sub-Committee on Labour', 1937, p.15.

relations. It was observed that better working conditions and adequate provision of welfare services would contribute much to harmonious industrial relations.

A study Team (1960)\(^4\) appointed by the Union Labour Ministry, examined the entire range of labour welfare activities and made recommendations on which the labour welfare schemes in the Third Five Year Plan were based.

The survey\(^5\) conducted by the Labour Bureau in 1961 showed a good deal of awareness on the part of employers in the jute industry in the matter of providing welfare amenities to their workers and their children in the field of education, recreation, housing and medical aid. The survey revealed that the facilities extended by the jute mills were over and above the obligations cast on employers under various enactments.


The Committee on Labour Welfare\textsuperscript{6} constituted by the Government of India in 1966 to review the functioning of various statutory and non-statutory welfare schemes in industrial establishments both in the private and public sectors, and to make such recommendations as may be deemed necessary to improve the functioning of the existing welfare schemes in different types of industrial establishments like Iron and Steel, Sugar, Cotton Textiles, Jute, Cement, Railways, Post and Telegraphs, Defence Installations and workshops, Life Insurance Corporation etc. The Committee observed that while certain facilities have been provided on a satisfactory scale in some industries by some managements, there seems to be considerable scope for improvement in the rest of the industries.

Murthy and Narayana\textsuperscript{7} (1970) in their study on participation of workers in welfare work, examined the extent of participation of workers in the welfare policy formulation, programme formulation and implementation, level of assuming responsibility for administering the programme and participation at the levels of assessment of results.


The study was confined to the workers working in various factories in Visakhapatnam district of Andhra Pradesh. They concluded that participation of workers in welfare work mostly depended upon the age of the worker, type of welfare activity, experience and ambitions of the workers, living in contiguity with the work place, domestic problems of the workers, etc.

The research work of Misra (1971)\(^8\) aimed at sociological analysis of the labour welfare problems of sugar industries. The analysis was based on the first hand data collected from the sugar factories of Eastern Uttar Pradesh. The study concluded that the conditions of work in sugar factories of eastern region of Uttar Pradesh were not very satisfactory, particularly in respect of safety measures, cleanliness, sanitation, latrine-facilities, drinking water, rest shelters, etc. It was also pointed out that provisions for leave and holidays, lighting, housing, medical care and education were far from satisfactory.

In a study made by Verma (1971)\(^9\) in Jamshedpur, it was observed that various agencies of labour welfare had made attempts,

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on a partial scale, to improve the recreation, working and living conditions of the workers, engaged in various industrial organisations. It was also found that the provision of housing, water supply, educational facilities, training programmes, arrangement of canteen services, road and electric supply, medical facilities and the health services were safely comparable to the All India level. But it was felt that the acceptable norm was not what was prevailing in India on an average but what it would be in the context of the developing economy. Viewed against this background, it was suggested that the welfare measures in Jamshedpur deserve extended application. The study proved that the correlation between welfare expenditure and average productivity was significantly positive but between welfare expenditure and profit was found to be negative.

In Ahmedabad, an important textile city in India, a study of workers' needs and welfare was conducted by Verma,10 with regard to welfare facilities. He came to the conclusion that the housing condition was bad and that the felt-need of the workers was particularly related to such facilities as sanitation, primary schools, co-operative housing society and vocational education.

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The work of Hrishikesh (1974)\textsuperscript{11} was concerned with the study of the development and problems of social security in the context of economic backwardness and the requirements of economic development. Special attention was paid to the problems of Uttar Pradesh. The study concluded that social security measures promote the commitment of labour to industrial life, reduce absenteeism and encourage attitudes favourable to economic development while covering the major trends in the evolution of social security. It also attempted to assess the impact of the social security measures by investigating more than 500 workers, trade union leaders, officers and administrative personnel.

According to a study conducted by Koshal (1975)\textsuperscript{12}, despite statutory provisions and enforcing agencies in India, the welfare facilities were absent, and cement industry was the only industry where provisions were adequately enforced. The Study suggested the need for overhauling and tightening the machinery of inspection. Appointment of welfare inspectors for different industries,

\textsuperscript{11} Hrishikesh, 'Study of Some Aspect of Social Security in Uttar Pradesh', Lucknow University, Lucknow, 1974, p.45.

distinguishing the duties of factory inspectors from those of welfare inspectors and the duties of welfare officers from those of welfare inspectors, requiring the welfare inspectors to submit annual and quarterly reports and empowering the welfare inspector to fine, in case of default, were some of the steps suggested in this study.

Bhattacharya (1978)\textsuperscript{13} made a comparative analysis of the different phases of social security measures in India and in other developed countries. He concluded that social security measures introduced in India suffer from glaring gaps, and the efforts of the Government and the other employers are not coordinated. The study found that though the Government had taken up the question of protecting the interests of labour and had enacted a number of labour legislations in the post-independence era, a big gap existed between the policy and its implementation. It suggested that the Government of India should set up a research centre for an analytical study of the social security measures for millions of workers in the country on the field, in the factories and in the mines.

A study conducted by Saiyadin (1983) examined the purpose and the cost of non-statutory welfare activities for the organisations. Five public and six private sector organisations were selected for the study. The study brought about an important conclusion that the most predominant themes in the minds of organisations, when they think of the voluntary welfare measures were not output and efficiency but increasing loyalty and morale. In respect of cost, the study revealed that the public sector organisations spend more on welfare activities, as compared to private sector organisations. While public sector spent more on housing.

Prayag Mehta undertook a case study of Central Welfare Organisations which are meant for the purpose of administering welfare funds created in India to provide welfare facilities with a view to improve the quality of organised and scattered workers like those in mica, iron and manganese ore mines and the beedi industry. The study was undertaken to assess the effectiveness of the programmes for improving living standards and quality of life of the

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concerned workers, to find out the extent and needs of the various welfare programmes and to identify organisational and management problems related to the functioning of various welfare activities. The study identified the need for developing an integrated community health approach in various activities like family planning and nutrition and the need for appropriate programmes for welfare personnel including medical personnel. According to the study, the housing and educational programmes indicated very little coverage and as such a need for more vigorous and innovative programmes was felt necessary. In regard to the welfare organisations, the study concluded that they needed urgent re-orientation and re-organisation with proper administration and organisational structure and management.

The National Development Council at its meeting held on 22-23 May, 1992 has approved the draft Eight Five Year Plan. Four-fold focus outlined in the draft plan includes creation of social security net through employment generation, improved health care and provision of extensive education facilities throughout the country and creation of appropriate organisations and delivery systems to ensure that the benefits of investment in the social sectors reach the intended beneficiaries.\(^\text{16}\)

R. Mare Gowd\textsuperscript{17} in his doctoral thesis on "Labour Welfare and social security in mining industry (A comparative study of select public and private sector mining units)", observed that awareness about welfare measures is high and satisfaction low in the public sector unit. It is quite opposite in the private sector unit. Certain statutory and non-statutory provisions which provide for basic necessities of life are taken more care in the private sector unit that in the public sector unit.

**NEED FOR THE PRESENT STUDY**

It is evident from the above review of literature that empirical studies on labour welfare measures, particularly in small-scale and medium scale industries, are rather limited. Further, in view of the widespread variations in regard to physical, economic and social conditions pertaining to different types of industries, it is necessary to conduct more number of micro-level studies to bring out the ways in which labour welfare measures are being implemented and their contribution to building up healthy industrial relations. Hence, an attempt is made here to study the nature and extent of

\textsuperscript{17} R. Mare Gowd, 'Labour Welfare and Social Security in Mining Industry (A comparative study on select Public and Private Sector Mining Units)', Sri Krishnadevaraya University, 1992 (Unpublished Ph.D. thesis).
implementation and impact of labour welfare measures in a medium-scale industry, viz. Andhra Pradesh Lightings Ltd., located in Anantapur town of Andhra Pradesh. The study is expected to throw light on the perceptions of workers and the management on labour welfare and problems faced in the implementation of labour welfare measures in a growing medium-scale industry. It is also hoped that the study would endeavor to fill the research gap in this field to some extent.

OBJECTIVES OF THE STUDY

The specific objectives of the study are to:

1. analyse the socio-economic background of the sample workers and their felt-needs regarding congenial and healthy working conditions;
2. study the nature and extent of implementation of labour welfare and social security measures in the selected unit;
3. assess the level of satisfaction of the sample workers with the implementation of labour welfare and social security measures in the selected unit; and
4. suggest measures, in the light of the findings of the study, for building up healthy industrial relations in the selected unit.
METHODOLOGY

The methodological aspects of the study such as sample, sources of data, tools of data collection, analysis of data and the chapter scheme are presented below.

i) Selection of sample:
As it was not possible to cover all the employees in the unit selected, it was decided to select a sample of 100 workers on the basis of random sampling method for the purpose of the present study. With a view to give adequate representation to permanent and temporary casual workers, it was decided to select 40 permanent workers and 60 temporary workers as the sample for the present study. Among the temporary workers, it was decided to select 30 males and 30 females. This was done to ensure that there are at least 30 sample\textsuperscript{18} from each category of workers employed in the selected unit. Besides, all the officers of the personnel and administration departments of the selected unit and the present office-bearers of the Trade Union have been interviewed to ascertain their views on labour welfare.

\textsuperscript{18} A sample of 30 is considered a large sample in statistics and inferences based on a large sample are considered valid and reliable.
Source of Data and Tools of Data Collection

The source of data for the present study constitutes both secondary and primary sources. The secondary data was collected from the office records/annual reports of the selected unit, while the primary data was collected from the sample workers with the help of an interview schedule.

Analysis of Data

The data collected through the interview schedules has been processed and analysed with the help of certain statistical tools like averages, percentages, etc.

Chapter Scheme

The present study is presented in five chapters.

In the first chapter, the survey of the available literature, the problem and its significance, objectives of the study and research methodology followed are presented.

The second chapter gives a brief account on the meaning and scope of labour welfare and traces the historical
evolution of labour welfare movement in India. An analysis of the Labour Welfare Programmes in India in the Five Year Plans is also presented in this chapter.

The third chapter deals with the profile of the unit selected and the socio-economic background of the workers included in the sample.

The fourth chapter presents an imperial analysis of the implementation of the statutory and non-statutory labour welfare measures in Andhra Pradesh Lightings Ltd. with reference to the sample workers.

A summary and the findings of the study, conclusions drawn and suggestions for promoting better industrial relations in the selected unit are present in the fifth and the last chapter.

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