

# Experience Wise Satisfaction Level of Workers to Labour Laws

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**Abstract:** *The study aims to discuss the experience wise satisfaction level of workers regarding labour laws. This paper is based on an empirical study. The data was collected using both qualitative and quantitative methods from 750 workers working in industrial sector of Northern India. A questionnaire survey on labour laws was conducted on the respondents. Satisfaction level of workers has been determined on the basis of experience regarding Factories Act, Industrial Disputes Act, Minimum Wages Act and Payment of Wages Act. Various statistical tests have been used for data analysis. Significant difference is found in the satisfaction level of workers regarding some provisions under labour laws.*

**Keywords:** Experience, Factories Act, Industrial Disputes Act, Labour Laws, Minimum Wages Act, Payment of Wages Act

## 1. Introduction

During the last quarter of a century, India has made a massive progress in industrial development (Rao, 1944). Industrial Relations assume that the most subtle and multifaceted issue in the current day industrial setup is the principle of egalitarianism and its influence in the management of labour. The conflicts between employers and employees are inherent in any economic activity. Conflict is permissible, if it aims at minimum interruption in economy. In India it has much significance and the unbiased settlement is its ultimate motive (Selvam, 2003).

Labour of India ranges from large numbers of uneducated workers to a significant pool of highly educated and experienced professionals. Labour welfare activities in India originated in 1837 (Joseph et al., 2009s).

As far as the statutory provisions to defend the prosperity of factory workers are concerned, the beginning of the same was made with the passing of the Factories Act in 1881 as a result of the joint efforts of the humanitarian and social workers and Lancashire manufacturers in Britain. This Act applied to manufacturing establishments using mechanical power and employing 100 or more persons. The Act also constitutes the provisions relating to safety and inspection of factories. Later on, the scope of this act was expanded more and more with time, finally concluding in the Factories Act, 1948 (which came into force on 1st April, 1949) which is in existence even today with some notable amendments introduced in 1954, 1976 and 1987. The Industrial Disputes Act 1947 extends to the whole of India and regulates Indian labour law so far as that concerns trade unions. It came into force April 1, 1947. Minimum Wages Act provides for fixing wage rate (time, piece, guaranteed time, overtime) for any establishment that has at least 1000 workers. The main objective of the Payment of Wages Act is to avoid unnecessary delay in the payment of wages and to prevent unauthorized deductions from the wages. Here are some principles regarding labour welfare in the establishments.

## 2. Principles of Labour Welfare

There are certain principles related to the labour welfare. According to Mishra and Bhagat (2007), these principles are

- **Principle of social Responsibility-** Wood (1991) states that it is the mixture of business and society. It is the sense of responsibility of an industry towards the society. Industries follow some policies and guidelines which will serve to the society. This principle is based on the social conception of the industry; role of social responsibility is understandable by the industry.
- **Principle of democratic values-** Industry has an obligation to gratifying needs of the workers. Management of the organizations takes decisions for fulfilling the needs of the workers. According to this principle, every individual has a right to tell needs to the management of the organization.
- **Principle of adequacy of wages-** There is no substitute of wages. It is an important part of workers. There is a minimum standard of wages which has to be paid by the organization to the workers. In spite of providing various welfare services to the workers, wages can be paid in fewer amounts.
- **Principle of efficiency-** In today's world, stress is a common aspect and a big obstacle for the organizations. Some industries don't follow social responsibility, although they are accepting for introducing efficiency. There are many aspects like training, education, recreational activities which provide efficiency to the workers.
- **Principle of welfare-** Totality of the welfare is accepted at different hierarchies of the organization and it permeates throughout the levels of the organization.
- **Principle of co-ordination-** Team spirit of workers motivates them to promote healthy development which will directly affect the profitability of the organization.

### Significance of Labour Laws

Welfare measures provide better physical and mental health to workers and thus promote a healthy work environment in the organization. Housing schemes, medical benefits, educational and recreational facilities help workers in raising their standards of living. The employee welfare schemes can be classified into two categories viz. statutory and non-statutory welfare schemes. These make workers to pay more

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attention towards work and thus increase their productivity. Employers get stable labor force by providing welfare facilities to them. Workers take active interest in their jobs and work with a feeling of involvement and participation. Employee welfare measures increase the productivity of organization and promote healthy industrial relations thereby maintaining industrial peace. The social evils prevalent among the labors such as substance abuse, etc. are reduced to a greater extent by the welfare policies. Organizations provide welfare facilities to their employees by keeping their motivational level very high. The statutory schemes are those schemes which are compulsory to provide by an organization as compliance to the laws governing employee health and safety.

### 3. Review of Literature

Garg and Jain (2013) studied awareness, implementation and level of satisfaction regarding welfare provisions at Cotton Textile Industry in Punjab. A sample of 250 respondents was selected for the study. The results revealed that majority of the respondents were aware of the welfare measures. Overwhelming proportion of the respondents was having average level of satisfaction with the implementation of employees state insurance (ESI) welfare provisions. The study suggested that management should formulate a problem solving committee for conducting hearings from the workers so that it can solve their problems. Organization should differentiate the satisfying factors from dissatisfying ones for taking effective steps to improve the labour welfare facilities which in turn would increase the efficiency of the workers.

Jebadurai (2013) studied status of labours and their perceptions towards the various welfare schemes at spinning mills of Rajapalayam in Tamil Nadu. The sample size was 140 selected for the study. Chi-square analysis revealed that there was no significant relationship exists between marital status of the labour and satisfaction on present leave procedure. The study suggested that improvement should be done in all welfare facilities i.e. housing, communication and medical facilities. Government should frequently visit the labours and made awareness to the labourers about the welfare schemes offered to them.

Kumar and Vedanthadesikan (2013) analyzed the satisfaction level of employees regarding labour welfare facilities provided in the Public State Transport Corporation (PSTC) at Villupuram Division of Tamil Nadu. The sample size was 100 employees. Overwhelming proportion of the respondents was satisfied with the family welfare measures provided in PSTC. Respondents were aware of the welfare measures in the PSTC. The study suggested that government should take proper steps to share the work among employees so that workload can be reduced up to some extent.

Logasakthi and Rajagopal (2013) highlighted the employees' satisfaction level regarding health, safety and welfare measures at chemical industry in Salem region. The sample size of study was 100 employees. Majority of the respondents were satisfied with disposal of wastes in the proper way and periodical health check-up facility provided by the organization. Chi-square test showed significant

relationship between the experience and safety office work. While, there was no significant relationship between age and periodic health checkup facilities in the organization. The study suggested that industry should concentrate towards settlement of funds internally for the medical reimbursement facilities. There was also provision of mask and overcoat to avoid health hazards. Various training programs should be conducted to motivate the employees and improving their performances. Pandey and Agarwal (2013) studied health and safety provisions with respect to Factories Act, 1948 at Godawari Power and Ispat Limited of Siltara, Raipur (GPIL). A sample of 50 respondents was selected for the study. Majority of the respondents were satisfied with the health and safety provisions of the Factories Act, 1948. The study suggested that health and safety standards of the organization should be improved by adding some more value added services like advancement on safety provisions. Monthly or quarterly health checkup camp should be scheduled by the organization.

Prabakar (2013) explored employees' satisfaction regarding welfare measures with reference to Don Bosco College of Art & Science at Sogathur in Dharmapuri. A sample of eighty employees was selected for the study. The study revealed that majority of the employees was highly satisfied with the transport and canteen facilities provided by the college. Overall, employees were satisfied by the intramural facilities provided by the company. The study suggested that there should be proper functioning of the existing welfare schemes to motivate the staffs. Improvement should be done in the field of cleanliness, canteen, recreational facilities and maternity benefits. Modifications in the field of rest room facilities, service awards and various welfare policies can motivate the workers in an effective manner.

Reenu and Panwar (2013) focused on the current trends in employee welfare schemes in retail sector at Udaipur. The study was carried out in various retail stores in Udaipur city. The findings of the study revealed that retail stores should provide transport facilities, accommodation facilities and sports activities to the employees. The stores must come forward to sponsor the higher education desires of deserving candidates and take initiative to conduct corporate social responsibility at the store level. The study suggested that the stores should provide amenities which may provide health and living standards of the employees. The organization should adopt good policies so that effective and efficient policies for welfare facilities could make the employees to perform the job better.

Regi, Anthony and Franco (2013) examined satisfaction level of employees towards welfare measures with reference to Indian Overseas Bank. The sample size was 60 bank customers selected from the various branches of the bank. The results revealed that majority of the respondents were satisfied with the overall welfare facilities provided by the bank. Overwhelming proportion of the customers was satisfied with the employee provident scheme provided to them. The study suggested that implementation of similar welfare policies in the bank could encourage the academicians. More welfare schemes and facilities like canteen, restroom and toilet facilities should be introduced for motivating their staff members.

Reshma and Basavaraj (2013) studied statutory welfare measures in mining industry at Donimalai Iron Ore Mine in Bellary District. The sample size for the research was 100. Forty percent of the respondents were fully satisfied with quality, quantity and cost of food in the canteen. Eighty percent of the respondents were satisfied with the provision of lighting, drinking water, shelter, rest room and lunch room facilities and cleanliness maintenance in the organization. Improvements should be made regarding canteen, medical and first aid box facilities. Modifications were required in the field of statutory welfare measures so that effectiveness and efficiency of the organization can be improved. Management should take initiatives to frame effective measures for the employees and be empathetic towards them.

#### 4. Objective of the Study

To examine the satisfaction level of workers on the basis of experience regarding Factories Act, Industrial Disputes Act, Minimum Wages Act and Payment of Wages Act.

#### Hypothesis

$H_a$  = There is significant difference in satisfaction level of workers on the basis of experience regarding Factories Act, Industrial Disputes Act, Minimum Wages Act and Payment of Wages Act.

#### Research Methodology

Exploratory cum descriptive research design has been used in present study. The population of interest in present study is workers of industrial sector of Northern India (Haryana, Punjab and NCR). Stratified random sampling has been used in the study as the population divided on the basis of demographic variable i.e. experience. The study is based on primary data which has been collected through questionnaire filled in by 750 workers. Responses have been evaluated on five point Likert scale "highly dissatisfied-1, satisfied-2, neutral-3, satisfied-4 and highly satisfied-5".

#### 5. Data Analysis

Mean, standard deviation, percentage (descriptive statistics) and ANOVA have been used to analyse the collected data with the help of SPSS (Version 18). Cronbach's alpha coefficient (reliability) has been used to check the internal consistency of the data collected for the study. ANOVA has been performed on the questions under survey regarding respondent's satisfaction regarding Factories Act applicable in the industry. T-test and ANOVA test have been used to compare the satisfaction of workers on the basis of experience regarding various amenities under labour laws. Table 1 shows the sample description of the respondents.

**Table 1: Sample Description**

Demographic Variables	Category/ Class	N=750	Percentage	Cumulative Percentage
Experience	Less than 5	324	43.2	43.2
	5-10	222	29.6	72.8
	More than 10	204	27.2	100

Source: Primary

Respondents are divided in the 3 categories on the basis of work experience. Forty four per cent of the respondents said that they have work experience less than 5 years. Thirty per cent of the workers have work experience 5-10 years. Twenty seven per cent of the workers have experience more than 10 years.

**Table 2: Experience-wise Satisfaction Level of Workers regarding Factories Act**

Statements	Experience (in years)	N (750)	Mean	Standard Deviation	F-value (p-value)
Health provisions	Less than 5	324	3.2222	1.40983	1.441 (0.237)
	5-10	222	3.0135	1.49351	
	More than 10	204	3.1765	1.42401	
Safety provisions	Less than 5	324	3.2500	1.36378	2.397 (0.092)***
	5-10	222	3.0631	1.41919	
	More than 10	204	3.0049	1.28077	
Welfare provisions	Less than 5	324	3.1698	1.41822	0.606 (0.546)
	5-10	222	3.0360	1.44227	
	More than 10	204	3.0833	1.46483	

Note: \*\*\*Significant at 0.10 level

Table 2 illustrates the satisfaction level of workers on the basis of experience regarding provisions under Factories Act, 1948. Workers having experience less than 5 years (M=3.2222) are relatively more satisfied as compared to the workers having experience above 10 years (M=3.1765) regarding health provisions. With respect to safety provisions under Factories Act, the satisfaction level of workers varies in the decreasing order as the experience increases. Workers having experience less than 5 years (M=3.2500) are more satisfied than the workers having experience 5 to 10 years (M=3.0631) to the safety provisions. Workers having experience above 10 years (M=3.0049) are at the average satisfaction level with regards to the safety provisions. Workers having experience less than 5 years (M=3.1698) are the most satisfied amongst workers regarding welfare provisions under Factories Act. Workers having experience above 10 years (M=3.0833) are slightly more satisfied as compared to workers having experience 5 to 10 years (M=3.0360) to the welfare provisions.

It may be conferred that significant difference at 10 per cent significance level is found in the satisfaction level of workers on the basis of experience in relation to safety provisions under Factories Act.

**Table 3:** Experience-wise Satisfaction Level of Workers regarding Industrial Disputes Act

Statements	Experience (in years)	N (750)	Mean	Standard Deviation	F-value (p-value)
Conciliation provision	Less than 5	324	3.3333	1.38769	1.800 (0.166)
	5-10	222	3.1126	1.43673	
	More than 10	204	3.1618	1.50477	
Arbitration provision	Less than 5	324	3.2778	1.35496	2.229 (0.108)
	5-10	222	3.1081	1.43550	
	More than 10	204	3.0294	1.38219	
Adjudication provision	Less than 5	324	3.3025	1.29102	0.484 (0.616)
	5-10	222	3.1937	1.36317	
	More than 10	204	3.2206	1.42993	
Works committee provision	Less than 5	324	3.2191	1.38260	1.410 (0.245)
	5-10	222	3.1216	1.38138	
	More than 10	204	3.0147	1.33346	
Strikes & lockouts	Less than 5	324	3.2130	1.26919	0.069 (0.933)
	5-10	222	3.1712	1.32756	
	More than 10	204	3.1961	1.27916	
Layoffs & retrenchment	Less than 5	324	3.2191	1.36230	1.127 (0.324)
	5-10	222	3.1937	1.37639	
	More than 10	204	3.0441	1.30290	
Prohibition of unfair labour practices	Less than 5	324	3.3086	1.38002	1.170 (0.311)
	5-10	222	3.1667	1.37006	
	More than 10	204	3.1373	1.45568	
Compensation to workmen in case of closure/transfer of undertakings	Less than 5	324	3.3457	1.38242	2.530 (0.080)***
	5-10	222	3.1892	1.44594	
	More than 10	204	3.0637	1.47587	
Offences and penalties for employers	Less than 5	324	3.2407	1.35293	0.166 (0.847)
	5-10	222	3.2297	1.37410	
	More than 10	204	3.1716	1.44351	

Note: \*\*\*Significant at 0.10 level

Table 3 demonstrates the satisfaction level of workers on the basis of experience regarding various provisions of Industrial Disputes Act under study. Workers having experience less than 5 years are the most satisfied among workers to all the provisions under Industrial Disputes Act. The level of satisfaction decreases as the experience increases for the provisions i.e. arbitration provision, works committee provision, layoffs & retrenchment, prohibition of unfair labour practices, compensation to workmen in case of closure/transfer of undertakings and offences & penalties for employers. The level of satisfaction is found to be same for the workers having experience 5 to 10 years (M=3.1126) and more than 10 years (M=3.1618) with respect to conciliation provision. In case of adjudication provision, workers having

experience 5 to 10 years (M=3.1937) are the least satisfied among workers to the adjudication provision under Industrial Disputes Act. Workers having experience more than 10 years (M=3.2206) are slightly less satisfied than the workers having experience below 5 years (M=3.3025) to the adjudication provision. Workers having experience 5-10 years (M=3.1712) and more than 10 years (M=3.1961) are almost at the same satisfaction level regarding strikes and lockouts. F-value (2.530) is found to be statistically significant at the 0.10 level of significance in case of compensation to workmen in case of closure/transfer of undertakings. The hypothesis of significant difference between two variables stands rejected.

**Table 4:** Experience-wise Satisfaction Level of Workers regarding Minimum Wages Act

Statements	Experience (in years)	N (750)	Mean	Standard Deviation	F-value (p-value)
Fixation of minimum wages	Less than 5	324	3.1512	1.31859	1.446 (0.236)
	5-10	222	2.9865	1.35366	
	More than 10	204	2.9755	1.42268	
Wage rates of different classes	Less than 5	324	3.3735	1.29037	5.635 (0.004)*
	5-10	222	3.0631	1.39020	
	More than 10	204	3.0343	1.26093	
Methods of wage fixation	Less than 5	324	3.1142	1.35012	1.484 (0.227)
	5-10	222	3.2973	1.38900	
	More than 10	204	3.0931	1.46760	
Employment covered provisions	Less than 5	324	2.9074	1.38235	0.862 (0.423)
	5-10	222	2.9505	1.44969	
	More than 10	204	2.7794	1.38086	
Wage revision period	Less than 5	324	3.1944	1.41065	0.755 (0.470)
	5-10	222	3.0405	1.52303	
	More than 10	204	3.1029	1.48695	

Note: \*Significant at 0.01 level

Table 4 depicts the satisfaction level of workers on the basis of experience regarding Minimum Wages Act. The satisfaction level of workers decreases as the level of experience increases to the provisions i.e. fixation of minimum wages and wage rates of different classes. Workers who have experience less than 5 years are the most satisfied with the fixation of minimum statutory wages and wage rates of different classes. Workers having experience 5-10 years (M=3.2973) are the most satisfied among workers regarding methods of wage fixation. Workers having experience more than 10 years (M=3.0931) are less satisfied than workers having experience below 5 years (M=3.1142). The satisfaction level of workers in the experience group 5 to 10 years (M=2.9505) are neutral to the employment

covered provisions. Workers having experience more than 10 years (M=2.7794) and less than 5 years (M=2.9074) are at the same dissatisfaction level regarding employment covered provisions. Workers having experience less than 5 years are the most satisfied (M=3.1944) among workers to the wage revision period. Workers having experience more than 10 years (M=3.1029) are less satisfied than the workers having experience 5-10 years (M=3.0405) to the wage revision period. F-value is found to be statistically insignificant to all the provisions under Minimum Wages Act. The hypothesis of no significant difference between these two variables stands accepted to all the provisions under Minimum Wages Act.

**Table 5:** Experience-wise Satisfaction Level of Workers regarding Payment of Wages Act

Statements	Experience (in years)	N (750)	Mean	Standard Deviation	F-value (p-value)
Fixation of wage payment period	Less than 5	324	3.1883	1.33715	2.818 (0.060)***
	5-10	222	3.0676	1.44270	
	More than 10	204	2.8873	1.51577	
Deduction from wages for fines	Less than 5	324	3.0093	1.42617	0.558 (0.572)
	5-10	222	2.8784	1.42015	
	More than 10	204	2.9559	1.41526	
Deduction for absence from duty	Less than 5	324	2.7778	1.34464	1.751 (0.174)
	5-10	222	2.7387	1.41557	
	More than 10	204	2.9706	1.39638	
Deduction from wages for damage/loss	Less than 5	324	3.0309	1.34658	0.036 (0.964)
	5-10	222	3.0045	1.44428	
	More than 10	204	3.0392	1.49166	

Note: \*\*\*Significant at 0.10 level

Table 5 demonstrates the satisfaction level of workers on the basis of experience regarding Payment of Wages Act. The satisfaction level of workers decreases as the experience increases to the fixation of wage payment period. Workers having experience above 10 years (M=2.8873) are dissatisfied to the fixation of wage payment period. Workers having experience 5-10 years (M=3.0676) and below 5 years (M=3.1883) are satisfied with respect to fixation of wage payment period under Payment of Wages Act. Workers having experience below 5 years (M=3.0093) are satisfied at the average level regarding deduction from wages for fines. Workers having experience more than 10 years (M=2.9559) and 5 to 10 years (M=2.8784) are dissatisfied with respect to deduction from wages for fines. Workers having experience more than 10 years are almost at the average level of satisfaction (2.9706) regarding deduction from wages for absence from duty. Workers having experience less than 5 years (M=2.7778) and 5 to 10 years (M=2.7387) are almost at the same dissatisfaction level to the deduction from wages for absence from duty. Workers having experience less than 5 years (M=3.0309) are equally satisfied to the workers having experience more than 10 years (M=3.0392) with respect to deduction from wages for damage/loss. Workers having experience 5-10 years (M=3.0045) are at the average level of satisfaction to the deduction from wages for damage/loss. F-value (2.818) is found to be statistically significant at the 1 per cent significance level regarding fixation of wage payment period. The hypothesis of significant difference between these two variables stands rejected.

## 6. Discussion

Satisfaction level of workers decreases with the experience increases regarding provisions under Factories Act, Industrial Disputes Act, Minimum Wages Act and Payment of Wages Act. Less experienced workers are more satisfied than the highly experienced workers. Highly experienced workers are expecting more from the organization as compared to new and less experienced workers. They are expecting proper and effective implementation of statutory welfare laws in the organization. New workers don't have as much responsibilities as senior workers (on the basis of experience) in the organization. To fulfill the responsibilities of family, they want more satisfaction and expecting more from the organization as compared to new workers. Highly experienced workers are not satisfied with the prohibition of illegal strikes, lockouts, unfair labour practices implemented in the organization.

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