

## UNIT-IV

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### ESSENTIALS OF A WAGE SYSTEM

The components of a sound wage system are :

- 1.Fair Standard :** It must be based on a fair standard , after a careful time and motion study.
- 2.Fairness to employer and employee:** Both the employer and the employee should feel that the system is fair.
- 3.Unambiguity :** The wage plan should be clear and unambiguous .Every employee should understand the mechanics of wage calculation.
- 4.Equity:** Employees should experience individual, interpersonal and organizational equity . In other words , pay should be so devised that employees experience absolute equity
- 5.Annual increment :** Annual increment should be part of his pay structure in recognition of his service.
- 6.Incentives :** Pay should include an incentive component to reward the extra effort put in by high performers.
- 7.Cost of living:** Dearness allowance should be a part of pay which compensates the employee against continuous hike in cost of living.
- 8.Prompt payment :** Pay should be released on the stipulated date so that employee's plans are not upset .
- 9.Economic stability :** Any wage plan should guarantee stable income for the employee. Piece based pay should guarantee element of a minimum but a fair fixed pay.

### Types of Wages

Wage means economic compensation paid by employers to employees for the services rendered by the latter. The committee on Fair Wages (1948) and the 15<sup>th</sup> session of Indian Labour conference (1957) Propounded certain wage concepts such as Minimum Wage, Fair Wage , Living Wage and Need-based Minimum Wage .

**Minimum wage :** A minimum wage is a compensation to be paid by the employer to his employee irrespective of his ability to pay. The minimum wage must provide not only for the bare necessities of life but also for preservation of efficiency of the worker namely education health, order requirements and amenities.

**Living wage :** A living wage is a compensation which enables the earner to provide himself and his family with not only the barest necessities of life like food, shelter, and clothing but also a

measure of frugal comfort including education for children , protection against ill health , demands of social needs , insurance against misfortunes and old age needs. This wage ensures standard of living.

**Fair wage :** It represents the average of minimum wage and living wage. It is above the minimum wage and below the living wage. The wage is linked with the capacity of the industry to pay. It depends on factors like labour productivity , wage prevailing in the same and neighboring localities, the level of national income and its distribution and the place of industry in the economy of the country.

### **Methods of Wage payment**

There are three methods of wage payments:

1. Payment by Time
2. Payment by Result
3. Balance Method

#### **1. Payment by Time**

Employee is paid on the basis of time spent by him/her on the work per day, per week or per week or per month without regard to output. This method is adopted for clerical and managerial jobs. It affords a sense of economic security to employees. However, it does not motivate the higher performing, talented employees.

#### **2. Payment by result or Piece-Rate System**

Workers are paid as per the output turned out by them. In other words, workers are paid according to work completed or number of units produced. This method clearly singles out performer and under performer. It is directly linked to productivity. It requires less supervision.

#### **3. Balance Method**

This is a combination of time wage and piece – wage system. Both the economic security as well as incentive aspect have been blended under this method. Worker is guaranteed a fixed wage based on time rate with an inbuilt piece wage method. If a worker produces more units in a period, for example week or month, and earns more than his time wage, he is given credit in this production falls below the time wage. When his time wage and piece wage are equal, no credit and no debit are awarded.

### **WAGE LEGISLATIONS IN INDIA**

Government has enacted various legislative measures from time to time to protect the interest of workers and also to emphasise the obligations on the part of management in this regard. We shall briefly discuss the main measures in this regard as contained in the four legislations.

#### **THE PAYMENT OF WAGES ACT, 1936**

The primary objective of the Act is to ensure that wages are paid properly and regularly and prevent the exploitation of workers by malpractices like non payments or short – payment , or payment in cash. The Act is applicable to all those employed in factories /establishments declared as factories under section 85 of factories Act, 1948 and drawing less than RS 1,600 per month . The Act provides for the wage period of one month and the mode of payment, cash ,on a working day which should be paid before the seventh for organization with less than a thousand employees and by the tenth for larger organizations’.

### **THE MINIMUM WAGES ACT,1948**

The main purpose of the Act is to avoid exploitation of workers by underpaying them for their efforts. Though formed by the central legislation, it is implemented by both the central and state governments in their respective spheres. The minimum wages can be fixed by hour, day, month or such other large period.

### **THE PAYMENT OF BONUS ACT, 1965**

The issue of bonus has been the main bone of contention between the employees and employers The Act is applicable to employees whose earning is RS 2,500 p.m basic plus dearness allowance and who have worked in the unit for not less than 30 working days in a year.

### **THE EQUAL REMUNERATION ACT, 1976**

The basic purpose of this act is to provide for the payments of equal wages/ remuneration to men and women doing the same or similar work and thus, avoid sex discrimination in the matter of remuneration.

### **INCENTIVE SYSTEM:**

#### **INTRODUCTION**

Incentives are paid to employees to enable them to achieve a higher level of performance. Incentive is any reward or benefit given to the employee in addition to normal wage so as to motivate him to excel in his work. It may be monetary or non- monetary.

#### **Definitions of Incentives**

“**Wage** incentives are extra financial motivation . They are designed to stimulate human effort by rewarding the person over and above the time rated remuneration for improvement in the presents or targeted results”

“ Incentive is a plan or programme to motivate individuals for good performance. An incentive is most frequently built on monetary reward ( incentive pay or a monetary bonus), but may also include a variety of non- monetary rewards of prizes for work of an acceptable quality produced over and above a specified quantity or standard”

## ESSENTIALS OF AN INCENTIVE SCHEME

- Incentive scheme system should be simple enough to be understood by all.
- It should be introduced after consultation with the worker and trade unions to get a wider acceptance.
- The standard fixed should be backed by time and motion study and conditions prevailing in the work. It should not be fixed arbitrarily.
- Fair rate on hourly basis should be guaranteed to infuse in workers a sense of economic security.
- The scheme should not be changed quite frequently according to the whims and fancies of the employer.
- Effective arrangement should be made for addressing incentive related grievances like to high standard, too low rate, etc.
- Incentives should unify the conflicting interests of the employer and the employee and the industrial relations.

### INDIVIDUAL INCENTIVES PLAN

#### a. Time based Individual Incentives

Author	Scheme	Merits /Demerits
Halsey's plan	Worker completing his job within standard time is paid normal wage. If he completes within standard time he is given bonus equal to 50% of money value of time saved.	Merits:1.Simple to understand 2.Assured time Wage3.Encouraging 4.Efficiency.
Rowan's Plan	Bonus is calculated on the basis of the proportion on which time saved bears to the standard time.	Merits: 1.Minimum wage is guaranteed. Demerits: 1. More the time savings, the lesser the earnings becomes. This discourages an efficient worker.
Emerson Plan	Both standard wage and day wage are fixed	Merits:1. Minimum wage guaranteed. Demerits: When standard time allowed is low, many may not fulfill efficiency criterion.

### b. Output based Individual Incentives

Author	Scheme	Merits /Demerits
F.W.Taylor	A low piece rate for those below standard. A high piece rate for those above standard.	Merits: 1. Easy for calculation. 2. Enables efficient people to earn more Demerits:1. No guaranteed wages. 2. No economic security
Gantt's Tasks Plan	Workers not producing standard output and at standard are paid time wage. Those exceeding the standard are paid piece wage	Merits: 1. Guaranteed time wage. Demerits: 2. Complicated to understand 2. All below standard cases are treated alike at standard case.

### GROUP INCENTIVE PLANS

It is not always possible to measure precisely the individual efficiency of workers and to pay incentives accordingly. In other works, division of labour is not a feature of certain work. Therefore, collective plans have become inevitable, for example, assembly units, processing units, mining, etc

#### Merits

- This method encourages teams spirit and cooperation.
- It reduces supervision work and clerical work.
- Calculation of bonus is easier.
- There is no room for jealousy and envy amongst workers.

#### Demerits

- Individual workers have no control over their earnings.
- Works- shirkers and non –performers also get benefit.

Given below is brief summary of group incentive plans.

a, **Priestman's Plan** : This was developed by Priestman in 1917. If the output in any given year exceeds above the standard output or that of the previous year, the wages of workers in the team would increase in the same ratio. For example, the goes up by 20% compared to last, year , the incentive will be up 20% compared to last year ,the incentive will be up 20%.

The positive side to this plan is that it motivates employee to work as a team performs well, all workers get a raise. Inefficient workers also get benefited out of the contribution of the efficient workers.

**b. Scanlon's Plan :** It was developed by Joseph N. Scanlon at United steel works of USA in 1937. All employees across the board can participate through suggestion schemes for cost cutting. The suggestions are screened by the screening committee. The suggestions implemented results in cost saving. All employees are incentivized on the basis of cost saved.

**c. Profit Sharing Plan:** Profit sharing is the most popular method of rewarding employees. They are paid a share in the profit.

### Features

- This plan is based on agreement between employer and employees.
- This plan is applicable to all employees across the board.
- This payment is in addition to regular pay.
- Only when the firm earns profit is beyond a certain level, a share of it is given.
- They do not interfere with other plans.

### Merits

- The scheme smoothes employer-employee relationship.
- Since employees know that their increased efforts result in getting a share in the profit, they would endeavor to improve their productivity .
- Supervision costs are reduced as employees become reward conscious.
- This scheme checks employee attrition to a great attitudinal extent.
- A sense of responsibility and fairness, attitudinal change in works would usher in cost saving, waste-avoidance and minimizing workplace accidents and labour disputes.

### Limitations

- Since the scheme is by nature profit-driven, it cannot work in the years of loss.
- This scheme is suitable for consistent profit making concerns and not for firms which are not assured of fair returns.
- Malpractices are reported in cooking up the true profit.

### NON-FINACIAL BENEFITS

It is incorrect to think that money alone can motivate a worker. However, several non-monetary motivators can inspire the employee to an unlimited extent.

**1. Compliment:** A verbal compliment may motivate the employee to put in his best effort. The very perception of being recognized may galvanize him/her into action.

**2. Merit Certificate :** Employees who successfully accomplish a challenging task may be rewarded a merit certificate. This will unleash his potential.

**3. Participation in Decision –Making :** Opportunity to participate in decision –making through participative committee, quality circles, kaisen management , employee director, autonomous team, etc., have the power to bring out hidden potentials of the employees.

**4.Job –Security:** Life term appointment removes the fear of being fired or retrenched and the employees works with a peace of mind.

**5. Grant of Autonomy :** Grant of autonomy or grant of authority may impel the employees to unleash their talents.

**6 Frequent Training :** Training give to employees whenever new developments take place on technical front.

**7.Better Titles:** The very titles and designations push them to perform enthusiastically.

**8.Flexi Hours:** An option given to employees to choose their own time of working in a week, option to work, option to work from home , opportunity to get transfer to place where sqouse is working, etc., are potent motivators.

**9. Assignment of Challenging Work :** Assigning challenging targets or task itself is a powerful motivator for achievement seekers.

**10. Promotion :** Elevation to a higher cadre has high potential to motivation the employee .

#### **11. Fringe Benefits**

- Rent-free accommodation.
- Housing quarters, leave travel concession.
- Company vehicle, daycare for babies, free education for children, medical reimbursement, leave facility for holiday resorts, company- organized tours, cultural programmes , reimbursement of tuition fees for employee’s pursuing higher studies, provident fund, gratuity, etc. are some of the benefits given by corporates.

### **LABOUR WELFARE**

#### **DEFINITIONS**

The Oxford dictionary 'defines labour welfare as "efforts to make life worth living for workmen". formed by the State of in some local custom or in a collective agreement or in the employer's own initiative. An employer may voluntarily initiate labour welfare measures in his undertaking with the following objectives:

1. To give expression to philanthropic and paternalistic feelings.
2. To win over employees' loyalty and increase their morale.
3. To combat trade unionism and socialist ideas.
4. To build up stable labour force, to reduce labour turnover and absenteeism
5. To develop efficiency and productivity among workers.
6. To save oneself from heavy taxes on surplus profits.
7. To earn goodwill and enhance public image.
8. To reduce the threat of further government intervention.
9. To make recruitment more effective .

#### **SIGNIFICANCE OR BENEFITS OF LABOUR WELFARE**

The following points highlight the significations of labour welfare:

### **Benefits to employees:**

- Providing physical and mental health to workers and keeping them happy.
- Keeping the employees contented by providing housing facilities, medical facilities, education and recreation facilities.
- Bringing about improvements in material, intellectual and cultural conditions of employees.
- Weaning the employees from drug or drinking addiction through counselling.
- Heightening the morale of employees.

### **Benefits to employers:**

- Enhancing productivity and efficiency of employees by improving their physical and mental health.
- Enhancing the employer branding in the market.
- Improving industrial peace.
- Checking or containing, the turnover of employees.
- Controlling absenteeism in the facility.
- Improving job satisfaction of employees.

### **Benefits to society**

Labour welfare is also in the interest of the larger society, because the health, efficiency and happiness of each individual represents the general well being of all. Well-housed, well-fed well-looked after labour is not only an asset to the employer but also serves to raise the standards of industry and labour in the country.

### **PRINCIPLES OF LABOUR WELFARE PROGRAMME**

The following are generally given as the principles to be followed in setting up labour welfare programme:

1. The programme should satisfy real needs of the works-
2. The programme should be such as can be handled best by a group approach.
3. The employer should not assume a benevolent posture .
4. The cost of the programme should be calculable and its financing established on a sound basis.
5. The management should ensure cooperation and active participation of units and workers in formulating and implementing the programme.
6. There should be periodical assessment or evaluation of the programme and necessary timely improvement on the basis of feedback.



## LABOUR WELFARE SERVICES

Broadly labour welfare services can be classified into two categories:

- (i) Within the Organization Services (Intra-mural ). The services provided within the organization include medical aid, recreational facilities, libraries, canteens, rest rooms, washing and bathing facilities, etc.
- (ii) Outside the Organization Services (Extra-mural). Outside the organization, welfare arrangements include housing accommodation , transport, children's education, sports fields, holiday homes, leave travel facilities, interest free loans, etc.

The welfare facilities may further be classified into three basic categories:

**1.Economic Services :** Economic services provide for some additional economic security over and above wages or salaries, Examples of economic services are pension, life insurance , credit facilities etc. Proper pension programme reduces dissatisfaction in the area of economic security.

**2.Recreational Services:** Management may provide recreational facilities to the employees. Recreation in the form of music, sports, games, art and theatre can play a very important role in the physical and mental development of employees.

**3.Facilitative Services:** These are facilities which are generally required by employees and provided by employers.

**(i) Housing facilities :**Housing is an important part of employee welfare in India. Some organization construct houses/flats for the employees and provide the same to them either free of cost or at nominal rents. Some organizations give house rent allowances to the employees, so that they can get houses on rental basis .Some organization provide loans to the employees at concessional rates to enable them to construct their own houses/flats .

**(ii) Medical facilities:** Health is a very important for employees. Within the factory premises, the employees must make provision for first aid facilities. In addition , medical schemes are generally in operation , which provide for the reimbursement of actual medical expenditure incurred by the employees.

**(iii)Education :** The National Commission on labour and the committee on labour welfare has recommended that facilities should be provided for educating the workers. Instead of starting a school, the organization may give education allowance for the children to the employees or reimburse the educational expenditure of the children of the employees.

**(iv)Transportation :**Some organization provide transport facilities to employees. With the growth of industries, the distance between work place and residence of workers has increased considerably.

**(v) Consumer Cooperative Stores:** The National Cooperative Development Board set up a committee in 1961. The committee suggested that employers should introduce consumer cooperative stores in their labour welfare programmes.

## **LABOUR WELFARE IN INDIA**

- Labour welfare activities in our country were mainly a product of the stresses and strains during the first World War (1914-1919). Before this period, there were only isolated instances of labour welfare work mostly by outside agencies on humanitarian ground. In the post war period, the industrial expansion and the concomitant process of large –scale production led to the rise of the working class as a source of power.
- After the Second World War, both the Central and the provincial Governments showed a keen interest in undertaking welfare activities for the workers. But the employers were not very much interested in providing such facilities.
- The government also appointed welfare officers to persuade, the employers to improve the welfare schemes. However, there was no notable difference in their attitude .
- In 1946, the programme for labour suggested a thorough overhauling of legislative measures to promote labour welfare . In 1947, the factories Act was amended in an extensive manner.
- After Independence, the first plan laid more emphasis on effective implementation of various statutory provisions. The same policy was continued during the Second Plan Period also.
- A committee was also appointed by the Central Government to draw up a code of efficiency and welfare. The code as drafted by the committee was extensively discussed in the Indian Labour Conference and National Productivity Council. But the code was not implemented. However, some of the elements of the code were subsequently included in the Industrial Truce Resolution of 1962. In the subsequent plans also the propositions made in the earlier plans were reiterated.

## **SOCIAL SECURITY**

### **CONCEPT OF SOCIAL SECURITY**

International Labour Organization (ILO) defines social security as protection which society provide for its members through a series of public measures, against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity , employment, injury , unemployment, invalidity, old age, death and the provision of subsidies for families with children.

#### **FOLLOWING ARE THE NINE COMPONENTS OF SOCIAL SECURITY:**

- (i) Medical care,
- (ii) Sickness benefit,
- (iii) Unemployment benefit,
- (iv) Old-age benefit,
- (v) Employment injury benefit,
- (vi) Family benefit
- (vii) Maternity benefit,
- (viii) Invalidity benefit, and
- (ix) Survivor's benefit.

## **FEATURES OF SOCIAL SECURITY:**

1. Social security is an answer to social justice
2. It is one of the essential components in the welfare of a state
3. It is a shield against contingencies like old age, sickness, maternity, disablement, unemployment and death.
4. Social security is important for protection and stability of labour force.

## **SOCIAL SECURITY IN INDIA**

Employee Social security system in India, comprises Workmen's Compensation Act, Employees State Insurance, Employees Provident Fund Maternity Benefit, Gratuity and Group Insurance.

### **The Workmen's Compensation Act, 1923**

Under this Act, employer is under obligation to compensate the employee who meet with accidents in the workplace.

The hallmarks of his Act are as follows.

#### **1 • Applicability:**

This Act is applicable to all workers engaged in factories, mines, construction work, railways, ships, circus, transportation and hazardous operation in schedule II of this act. However, army staff, casual workers and employees covered under ESI Act are outside the purview of this Act. The State Government is vested with powers to expand the scope of coverage of the Act to include any other dangerous occupation.

#### **2. Scheme Administration**

The Commissioners appointed by the State Social Government are administering the scheme.

### **Employee State Insurance (ESI) Act, 1948**

This Act provides medical facilities and unemployment insurance to industrial workers during their illness. The contribution to ESI is mandatory. The special features of ESI, 1948 are:

#### **1. Applicability**

When the number of workers employed in the industry across the sector exceed 20 and the remuneration paid to the worker exceeds 3000 p.m, this Act is applicable.

## **2. Administration**

This Act is administered by Employee State Corporation. The day- to-day administration is carried on by an autonomous body consisting of representatives of the Central and State Governments , employers, medical professionals and the parliament.

## **3. Financial Resources**

Employers and employees contribute a prescribed per wage bill towards the ESI fund. Besides, this grants, donation of various other sources are financial resources for EST Benefits are awarded out of their financial resources.

## **Employer's Provident Fund and Miscellaneous Act, 1952**

This Act deals with payment of provident fund, family pension and deposit-linked insurance.

## **The Maternity Benefit Act, 1961**

### **Objectives of this Act :**

- Regulating the employment of women in certain establishments for certain period before and after the childbirth providing for maternity benefit to women employees.
- Providing for certain benefits in case of miscarriage, premature birth or sickness arising from pregnancy.

### **Scope of the Act :**

The provisions of this Act are applicable to all establishments not covered under the ESI Act.

### **Benefits**

- Women employees can avail themselves of maternity leave up to 12 weeks.
- Out of 12 weeks, 6 weeks should be prenatal period and the rest postnatal.
- During the period of maternity leave, entitled to full wages or salary.

## **Payment of Gratuity Act,1972**

### **Scope**

All factories. mines, oil fields, plantations, ports, railways, ships or establishments where ten or more workers are employed are eligible. However the Central Government can extend the Act to any establishment and at discretion.

## **Benefits**

Gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less five years:

## **EMPLOYEE SAFETY AND HEALTH**

### **SAFETY**

The growing sophistication, mechanization, electrification, chemicalization, computerization, etc., have made the industrial jobs more and more complex. The higher degree of radiation, chemical reaction, high voltage electrical shocks and spread of fumes and gas, increase hazards for workers which may cause accident is an event unplanned and uncontrollable by the person before the occurrence of the event. The accident victim loses his active life, productivity and economic earning capacity while the employer suffers from payment of economic compensation, loss of expensive machines or loss of facility and consequent work stoppage, increasing investment in safety education and so on. Therefore, this issue assumes a singular significance.

“Accident is an occurrence in an industrial establishment causing bodily injuring to person which makes him unfit to resume his duties in the next 48 hours” –Factories Act, 1948

### **Causes of Accidents:**

Accidents are caused by multifarious factors each of which is situation specific. Heinrich (1972) concludes that 98 per cent of accidents are caused by unsafe mechanical or physical conditions or both. He propounded the theory of chain of injury. He views that accidents occur due to a chain of events which occur in a logical or fixed order. These factors that cause the occurrence of accidents are grouped into two categories i.e., unsafe condition and unsafe act.

### **Unsafe conditions**

Unsafe conditions are work-related. They are

- 1. Nature of job:** Nature of job itself is a source of accident. Some Jobs like crane operators, miners, furnace workers, chemists, drivers, etc, are accident prone.
- 2. Nature of machines:** Some machines like hand-lift trucks, wheel barrows, lifting equipments etc., can cause accidents.
- 3 .Poor physical layout:** Poor physical conditions in workplaces, poorly maintained machines, and tools poor ventilation, etc.,, causes accidents..
- 4. Psychological climate at workshop:** Mental fatigue, anxiety, monotony, boredom, frustration and other emotions also results in accidents.
- 5. Work schedules:** Work schedules involving long hours of continuous work generate fatigue which may trigger accidents. More accidents occur during late nights.

## **Unsafe acts**

These are worker related. Worker's lack of skill or knowledge also lead o accidents.

- Operating without authority.
- Failure to wear safety gears.
- Making safety devices inoperative.
- Reckless throwing of materials in the work sites.
- Working at unsafe speed-too high or too low.,
- Removing safety devices.
- Day dreaming, work-spot quarreling, adjusting. cleaning or oiling the machine when in motion.

## **Safety Measures**

Safety measures involve putting in place safety mechanism, taking proactive measures to prevent the occurrences of accidents.

### **Formulation of safety policy**

Every organization has to put in place a safety policy which should address the following:

#### **Deciding on the level of protection:**

Some employers prefer to ensure minimum safety measures to meet the legal requirements because of financial constraints or because of policy matter. Some enlightened concerns provide maximum possible level of safety.

**Choice of action:** The organizations should choose a proactive or reactive approach in providing safety measures. While the former focuses on pre-accident measures aimed in preventing accidents and later focuses on post-accident measures.

**Method of administration:** The organization should decide on the mechanism of administration of safety issues deciding the level of representation of workers and management.

## **INDUSTRIAL HEALTH**

According to WHO," Industrial health is a state of complete, physical mental, and social well being and not merely the absence of disease or infirmity" According to the I.L.O, WHO Committee on Organization, health is:

- Prevention and maintenance of physical, mental, and social wellbeing of workers in all occupation.
- Prevention of ill-health among workers caused by working condition.
- Protection of workers in their employment from risks factors which is adverse to health.
- Placing and maintenance of workers in an occupational environment adapted to their physical and psychological conditions.

## **Objectives of Industrial Health**

The following are the objectives of industrial health

- To maintain and improve productivity and quality of work.
- To improve employee motivation and morale
- To reduce spoilage and cost of operations.
- To reduce industrial unrest, indiscipline and accidents work
- To minimize absenteeism and turnover.

## **IMPORTANCE OF INDUSTRIAL HEALTH**

Industrial health programme benefits both the employer and employee. Efficiency in work is possible only when employee is healthy. Malnutrition, unsanitary and psychological conditions, work place stress and strains, hazardous work environment, etc., undoubtedly tell upon the physical, mental and emotional health of workers. Since every employee spends a great deal of time in the work spot, conducive environment is a must. The symptoms of bad health may reflect in a high degree absenteeism, lower productivity, higher employee turnover, indiscipline higher spoilage, poor performance, increasing incidence of accidents and occupational disease.

The employer suffers economic loss from the ill-health of the employee. All the aforesaid negative consequences can be turned in to positives with the right industrial interventions. Thus, any investment made in ensuring a sound industrial health will prove to be a win-win proposition.

## **INTERNATIONAL LABOUR ORGANISATION (ILO)**

The International Labour Organisation was born on April 19, 1919, as result of the peace conference convened at the end of Works War I at Versailles. As an original signatory to the treaty of peace, India became a member in 1919.

The Constitution of ILO provides for the following basic principles:

- (a) Labour is not a commodity;
- (b) Freedom of expression and of association are essential to sustained progress;
- (c) Poverty anywhere constitutes a danger to prosperity everywhere; and
- (d) The war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare".

### **Objectives of the ILO:**

1. To achieve full employment and to raise the standard of living;
2. To provide employment to workers in the occupation in which they can have the satisfaction of giving the fullest measure of their skill and make their contribution to the common well-being;

3. To provide facilities for the training and transfer of labour;
- 4 To formulate policies in regard to wages and earnings, bonus etc.,
- 5.To extend social security measures to provide a basic income to all in need of such protection and comprehensive medical care.
6. To adequately protect the life and health of workers in all occupations.
- 7.To provide child welfare and maternity protection.
8. To provide adequate nutrition, housing and facilities for recreation and culture.
- 9.. To assure equality of educational and vocational opportunity.

#### **FUNCTIONS OF ILO**

1. It passes Conventions and makes Recommendations on labour matters every year which are then considered by the government of member countries for adoption.
2. It gives expert advice to member-countries in making plans for improving their labour conditions.
3. It carries out research studies on labour problems throughout the world and publishes its findings in the form of books and magazines.
- 4.It trains people in solving labour problems in their countries.
- 5.It organises regional conferences every year.

*The contents in this E- Material has been taken from the text and reference books as given in the syllabus.*