Implementation of Labour Laws in Industrial Undertakings - with Special Reference to Chhattisgarh

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ABSTRACT
The purpose of this paper is to study the Implementation of Labour Laws in Industrial Undertakings in Chhattisgarh. The study utilized the survey approach. The sample consisted of 572 respondents. The study tries to find out whether the selected industrial undertakings had strictly followed the labour laws. For this purpose the researcher has used five factors (Wages and Remuneration, Conditions of Work, Health, Safety and Welfare, Equality of Treatment and Social Security. This paper also tries to find out the satisfaction level of Labour with respect to implementation of labour laws in selected public and private industrial undertakings. The study was limited to Chhattisgarh state only.

Keywords: Selected Industrial Undertakings, Labour Laws, Implementations

Introduction
India has been remarkably successful in boosting economic growth. Its economy has grown at about 6 per cent per annum since 1990s, with growth accelerating to 9 per cent over the past two years. Absolute poverty has been cut in half, and middle-income status has been achieved. Despite recent growth, India’s manufacturing sector still accounts for less than 15 per cent of Gross Domestic Product and employs less than 15 per cent of the work force. This is in stark contrast to the fast-growing East Asian countries such as Korea, China and Thailand, where, rapid expansion in manufacturing has generated large-scale employment that has lifted millions out of poverty. A manufacturing job in India is in the informal sector, which is characterized by low productivity and wages and to which labour laws do not apply. This is disproportionately large compared to East Asia: in India, small informal firms employ a sizeable 40 per cent of the country’s workers compared with only 4 per cent in Korea. On the other hand in 2003, India’s organized manufacturing sector employed only about 1.3 per cent of the total labour force of over 450 millions, most of it in the private sector. Even more unfortunately, employment in the formal manufacturing sector declined between 1996 and 2002. Labour Law is the body of laws, administrative rulings, and precedents which address the relationship and among employers, employees, and labour organizations, often dealing with issues of public law. The terms Labour Laws and Employment Laws, are often interchanged in the usage. Labour Laws are different from employment laws, which deal only with employment contracts and issues regarding employment and workplace discrimination and other private law issues. Employment Laws cover broader area than labour laws: Employment laws cover all the areas of employer/employee relationship except that negotiation process is and collective bargaining covered by labour laws.

Literature Review
Botero 2004 stated that labour laws govern the labour regulation in three areas: employment protection law, the law governing employee representation and industrial action, and the law of social security. Saltzman 1985 Lewis , Zax 1985; Freeman 1986 have noted that laws regarding collective bargaining affect economic outcomes, collective bargaining & thus result in increase in wages. Sen, Jyoti and Sidhu, 2003 suggest that employers have steadily gained more power which is depicted by the figures on strikes and lockouts. An increase in the number of lockouts on the part of employers has been accompanied with a fall in the number of strikes, especially in the 1990s. Additionally, many industrial disputes are left unresolved by the legal system due to the inefficiency of the Indian legal system. Heywood, 1998; Jirjahn, 2002; Nergaard 2009, Hübler and Jirjahn, 2003 have examined the role of collective agreements and works councils on the wage policy of firms or the wage level. Datta Chaudhuri observed that there are decentralizing pressures felt increasingly in Public sector industries, even though the Bureau of Public Enterprises “sends guidelines for wage settlement to all administrative ministries, setting down norms to be followed in determining basic salaries and the various categories of benefits for different classes of employees. According to Datta Chaudhuri, 1996,
Anant and Sundaram, 1998, there is a significant difference in the determination of wages between the Private and the Public sector. In the Private corporate sector, where collective bargaining largely takes place at enterprise level, unions that are willing to accept some risk have benefited from a form of gain sharing by agreeing to tie a significant part of the monthly pay to incentives.

Research Methodology
The prime objective of this research paper is to study and analyze the Implementation of Labour Laws in Industrial Undertakings - with Special Reference to Chhattisgarh. In this study, five factors have been analyzed which influence the satisfaction of the labour. Such factors are: Wages and Remuneration, Conditions of Work, Welfare, Social Security and Equality of Treatment. These factors constitute the Independent Variables. The Dependent Variable is the satisfaction of the labour towards implementation of labour laws in the selected Industrial Undertakings.

To measure the relationship between Dependent Variable (satisfaction of labour) and Independent Variable (implementation of labour laws), the researcher had used multiple regression analysis. Following hypothesis had been formulated for the purpose of the study.

<table>
<thead>
<tr>
<th>HYPOTHESIS TESTING</th>
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<tbody>
<tr>
<td>H0: Implementation of labour laws does not provide support for satisfaction of employees.</td>
</tr>
<tr>
<td>Ha: Implementation of labour laws provides support for satisfaction of employees.</td>
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<tr>
<th>RESEARCH PLAN</th>
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<tbody>
<tr>
<td>Research Design: Descriptive</td>
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<tr>
<td>Research Method Used: Survey</td>
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<tr>
<td>Research Technique Used: Structured Interview</td>
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<tr>
<td>Data Collection: Raipur</td>
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<tr>
<td>Sampling Plan: Convenience Sampling</td>
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<tr>
<td>Sample Size: 572</td>
</tr>
</tbody>
</table>
Result Analysis

![Histogram of Regression Standardized Residuals]

### Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>R Square Change</td>
<td>F Change</td>
</tr>
<tr>
<td>1</td>
<td>.805</td>
<td>.648</td>
<td>.645</td>
<td>.544</td>
<td>.648</td>
<td>208.167</td>
</tr>
</tbody>
</table>

a. **Predictors:** (Constant), REGR factor score 1 for analysis 5, REGR factor score 1 for analysis 1, REGR factor score 1 for analysis 4

b. **Dependent Variable:** satisfaction

### Conclusion

The above analysis brought out some interesting results. The value of the multiple regression correlation coefficients (R) between the independent variables and dependent variables are .805. The R2 for the model was .648, thus showing that about 64.8 per cent of the variability in the outcome is accounted for by the predictors (independent variable). The adjusted R2 for the model is .645 and it can be seen that the difference between the value of R2 and adjusted R2 (.648 - .645 = .003) is very low. This implies that if the model was derived from the population instead of the sample, it would have accounted for approximately 1 per cent of less variance in the outcome. The F statistic obtained is 208.167, thus indicating that the independent variables (Wages and Remuneration, Conditions of Work, Welfare, Social Security and Equality of Treatment) has a significant influence on the dependent variable...
(labour Satisfaction) at 5 per cent level of significance, and that the model is effective. Thus the null hypothesis is rejected and alternate hypothesis is accepted. Hence at 5 per cent level of significance, it can be concluded that there is strong relationship between the dependent variable and independent variable. As such all the factors Wages and Remuneration, Conditions of Work, Welfare, Social Security and Equality of Treatment have a significant influence on the dependent variable Labour Satisfaction.

Reference