



Social Security For Human Resources

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ABSTRACT

Industry's greatest assets and most important resource are people. Since most people use only a percentage of their talents and abilities for them to realize their full potential is always profitable for an organization. | Land, capital and organisation all are important but in spite of the combination of all these factors the wheels of an industry cannot move without help of labour. The HR functioning is changing with time and with this change, the labour welfare & social security measures are also changing. The labour welfare & social security measures are now equally important with that of other HR functions. Welfare Measures may be provided for matters concerning employees which are not immediately connected generally with their place of work. These matters will include individual services related to employees. |

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Social security and welfare benefits are provided to human resources through social security measures. Organizations provide welfare facilities to their employees to keep their motivation levels high. Social security has been on top of the International Labour Organisation (ILO). I.L.O. passed many Conventions and make Recommendations on Social Security. Many countries in the world enacted laws on various contingencies like industrial injuries, sickness, disablement, old age, provident fund, pensions, unemployment and maternity benefits. But systematic benefits were not made in the unorganised sector. Social security is conferred by the 1948 Universal Declaration of Human Rights and the Covenant on Social Economic and Cultural Rights. Right to social security is also included in the fundamental rights. The employee welfare schemes can be classified into two categories viz. statutory and non-statutory welfare schemes.

Beveridge's aim was to build a firm foundation for the welfare of each by offering benefits to all a minimum substance income, full employment, family allowances and a National Health Service. He found the causes of the wants he planned to relieve in the defects of the system and as an efficient remedy he offered the blue-print of the welfare State. These examples must serve for the moment to illustrate the way in which the concept of welfare can move along the individual-collectively axis.

Comment made by Eiji Toyoda, former CEO of Toyota Motor Corporation i.e. 'Employees are offering a very important part of their lives to us. If they don't use their time effectively, we are wasting their lives.' Employees have two components in their life: social life and work life. Invariably, there is a reciprocal influence between these two components. Social life enriches work life, while a good social life reinforces the productive capacity of the workers.

ILO Convention no.102, social security (minimum standards), 1952 covers on social security: medical care and benefits for sickness, unemployment injury, family size, maternity, invalidity and widowhood. India has not ratified ILO convention no.102 on social security. However, social security, in its broad sense, is envisaged by the Constitution of India in its Directive Principles of State Policy. The Directive Principles of the State Policy in our Constitution refers generally to the promotion of the people. In its specific application to the working class, securing just and human conditions of work has been highlighted but what these actually imply cannot be specified in rigid terms for all times.

Welfare facilities and social security schemes are important for the worker. If given in adequate measure, these improve the conditions of work and also enable a worker to face certain risks in life which he alone can't provide for. This assurance makes him more satisfied and more efficient. Social Security, taken in its widest sense means the 'security to society'. However, the term as commonly used connotes measures for economic security only under government auspicious and such economic security in underdeveloped countries like India does not extend to all members of the society but only to some restricted classes of people like industrial labour, government workers etc.

Social Security measures involve

- a) Providing cash payment to persons and families of a specified class whose income from earnings has been reduced drastically or ceased temporarily or permanently.
- b) Providing medical benefits and medical care to person in specified class in the event of sickness, maternity etc. and
- c) Providing each payment in the form of stipends, pension etc. to the dependents of a worker in the event of his death. The necessity and importance of the welfare work in India is greatest as the Indian Industrial Workers are to be weaned away from their rural links. Indian workers have regarded industrial employment as a "necessary evil" and they have been to escape from it.

The Government has undertaken various steps to provide social security to employees. However, we have only made a start so far and much need to be done as these measures has to take into account the problems. Insufficient coverage, no employment insurance, dangers and exit policy, overlapping of schemes, and inadequate facilities in relation to the needs of beneficiaries.

Labour Welfare Covers all the efforts which employers make for the benefit of their employees over and above the minimum standard of working conditions fixed by the Factories Act, and over and above the provisions of social legislation providing against accident, old age, unemployment and sickness.

The International Social Security Association has rightly given the slogan - "No peace without social justice and no justice without social security".

Protective social security measures are usually divided into two categories:

(i) Social Insurance
(ii) Social Assistance

Social Insurance Schemes are usually financed through contribution by the employers, employees and the state.

Social assistance schemes seek to provide assistance to the poor and needy persons.

Sir William Beveridge defines Social Insurance as "a plan of giving in return for contributions, benefits upon the subsistence level, as of right and without the means test to that individual may build upon it freely".

The breakdown of the joint family system and the emergence of the nuclear family system have created tensions in the normal lifestyle of the elderly population. Social security, financial security, and psychological security are the three pillars on which the foundation of the human social life persists. Social security is a product of cultural transitions and socio-political balance emerging in the society and the resultant family network. A great anxiety of old age relates to financial security. It is attached to the potential income-generation capacity of the elderly through employment, assets or whatever the medium which is socially accepted as adequate and necessary. Potential future income stream is connected with the past ownership of assets and employment. Being in the unorganized sector potential income-generation capacity at the old age is an unimaginable task and it is in such situations, the role of pensions becomes important. Even though the amount of pension given by the Welfare Board is small, that itself creates potential income generation capacity

Organizations provide welfare facilities to their employees to keep their motivation levels high. The employee welfare schemes can be classified into two categories viz. statutory and non-statutory welfare schemes.

The statutory schemes are those schemes that are compulsory to provide by an organization as compliance to the laws governing employee health and safety. These include provisions provided in industrial acts like Factories Act 1948, Dock Workers Act (safety, health and welfare) 1986, Mines Act 1962. India has enacted several legislations that provide for some mandatory benefits in respect of certain employments. Such benefits include medical care for sickness, employment injury, maternity and invalidity. Not only had these, old age had benefits also provided through some legislation. Those are Workmen's Compensation Act, 1923, Employees' State Insurance Act 1948, Employees' Provident fund and Miscellaneous Act, 1952, Maternity Benefit Act, 1961, Payment of Gratuity Act, 1972 etc deals with provisions relating to social security. The non statutory schemes differ from organization to organization and from industry to industry.

WORKMEN'S COMPENSATION ACT, 1923:

The Workmen's Compensation Act, 1923 was passed in 1923. The Workmen's Compensation Act, 1923 is a comprehensive piece of social security legislation which ensures compensation to the workers or their heirs in the event of non-fatal or fatal accident. The Act has specifically provided for the time-limit within which the compensation has to be deposited with the Commissioner appointed under the Act.

The Act makes the employer liable to pay compensation for injury sustained by the workman due to accident arising out of and in the course of his employment. It also induces employer, of necessity, to provide for safety apparatus and insist upon safety precautions, thereby minimising the accidents and increasing welfare of the workers. The Act provides for cheaper and quicker disposal of disputes relating to compensation through special tribunals than possible under the civil law. In each State there are Commissioners for workmen's compensation who settle claims and adjudicate in disputed cases.

FACTORIES ACT, 1948:

Labour Legislation was extremely protective of labour. In terms of labour standards, India's Factories Act, 1948 is among the most advanced in the world with maternity leave and benefits, the provision of child care in all factories, and advanced legislation on health and safety. It contains provisions regarding health, safety, welfare and working hours. The Act contains welfare provisions to be observed in factories, it requires that different facilities shall be provided in factories such as washing facilities, facilities for storing and drying clothing and facilities for sitting, first-aid appliances, canteens, shelters, rest-rooms, crèches, etc. The Act provides that no adult worker shall be required or allowed to work in a factory for more than 48 hours in any week and nine hours in any day. Chapter IV-A has been added containing provisions relating to hazardous processes. The workers have been given right to Warn about imminent danger. In this way the Factories Act 1948, regulates the working conditions of workers in factories.

The Act does not permit the employment of women and young in a dangerous process or operation. Children are defined, "who have not attained an age of 15 years", are not permitted to be hired. 12 weeks of maternity leave should be given to a woman.

In fact welfare includes all matters affecting the health, safety, comfort and other things necessary for happy life. The Factories Act is an important step towards this. It is an important legislation in India which enacted long back to recognise the need to maintain human conditions at work place.

EMPLOYEES' STATE INSURANCE ACT, 1948:

The Employees' State Insurance Act, 1948 provides for certain benefits to employees in case of sickness, maternity and employment injury and to make provision and certain other matters in relation thereto. The Act is at present applicable to non-seasonal factories and certain other establishments. The Employees' State Insurance Corporation had set up two Committees. The two Committees together had made a number of recommendations involving amendments of the Act. The Corporation also made certain recommendations for amendments of the Act from time to time.

The Act provides benefits to employee i.e. come under health provisions. It impliedly recognises the right to health which is a human right. Health insurance scheme is not only a blessing to the employee; it is also a boon to the employees and nation. The nation may take pride in the fact that India is the first country in South East Asia to launch such a scheme. It is a small payment to large benefit.

MATERNITY BENEFIT ACT, 1961:

Maternity Benefit Act, 1961 to regulate the employment of women in certain establishments for certain periods before and after childbirth and provide for maternity benefit and certain other benefits.

The issue of women labour and the problems facing the women workers are slowly but surely being acknowledged by the courts of the land. In a judgement benefiting casual women labourers, the Supreme Court held in the case of Municipal Corporation of Delhi V. Female Workers that the women employees of municipal corporations and municipal bodies, who have been working on daily wages, are also entitled to the benefits under the Maternity Benefit Act, 1961 and that the provisions of the Act entitle maternity leave even to women engaged on casual basis or on muster roll basis on daily wages and not only to those in regular employment.

Social Security is one of such benefits to be extended to the workers after superannuation too.

PROVIDENT FUND ACT, 1929:

In India the first Provident Fund Act was introduced in 1929. The Royal Commission on Labour stressed upon the need for industrial workers. It was 13 years later that the subject was

taken up in right earnest at a Labour Minister's Conference. The principle of setting up provident funds was accepted and it was decided that steps should be taken for voluntary institution of such funds.

The Public Provident fund (PPF) scheme, introduced about three decades ago, is meant to provide unorganised sector workers with the facility to accumulate savings for old age income security. The object of the Act is to provide for old age benefits to the workers in the organised sector.

THE EMPLOYEES PROVIDENT FUNDS AND MISCELLANEOUS ACT, 1952:

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 was enacted in India with the object of providing old age invalidity and benefit of survivors in the organised sector. The Act will apply when 20 or more employees working in scheduled industries. In India the Employees' Provident funds, Family Pension and Deposit Linked Insurance Fund Act 1952, is to provide for the Institution funds for employees in factories and other establishments. There are a number of pension schemes viz, an old age pension, invalidity pension or disability pension and a family pension including a widow's pension and children's allowance etc., in our country. The National Old Age Pension Scheme name was changed, and now it is the National Pension Scheme. Article 309 of the Constitution framed separate rules for government employees.

THE PAYMENT OF GRATUITY ACT, 1972:

Industrial workers have a right to receive gratuity. Right to Gratuity is an important worker's right. It is a social security measure which allows him to derive benefit from the employer at the time of superannuation. It is nothing but embodiment of human right. This right has been effectively protected by Courts. The Supreme Court had made efforts to regulate through judicial decisions by laying down principles for grant of Gratuity.

Gratuity is, in fact, bounty given to employees usually on retirement. The Payment of Gratuity Act as enacted in 1972 applies to every shop or establishment within the meaning of any law for the time being in force in a State in which 10 or more persons are employed on any day of the preceding 12 months. By Amendment in 1994 has been extended to all the employees irrespective of their wages.

Welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages. Welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. The welfare measures need not be in monetary terms only but in any kind/forms. Employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families.

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