

Top changes that we would want to see in the labour reforms happening in India

October 4, 2015



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The objective of Labour Law reforms should be to improve the ease of doing business and help 'Make in India' happen at an accelerated pace, upholding the spirit of competitive, fair and inclusive industrial relations.



The proposed labour code on four major areas – wages, social security, safety and industrial relations is a step in the right direction in terms of a simplified labour law landscape, avoiding overlaps.

On another note, labour reforms should seek to accomplish an attitudinal shift in 'work ethic' of the workforce, that is willingness to continuously learn new skills and adapt technological innovation to remain relevant in a highly competitive globalised business environment. Linking pay to productivity and moving from a mind-set of fixed, lifelong entitlements to a flexible framework is vital.

Industry is looking forward to flexibility in employing various types of work force including non-permanent flexible category, pay linked to productivity, regular and real time reviews of work norms, trade unions and employees co-operating with management for introduction of new technologies and new work practices, avoiding multiplicity of trade unions, and promoting internal union leadership.

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There is a need for complete revamp of compliance systems and processes, making it technology enabled and transparent.

Some of the changes that we would like to see are:

- Prior notice for change in working conditions / environment to be removed
- One annual return instead of multiple returns
- One annual inspection instead of multiple inspections
- Enhancement of over time limits
- Prior approval for retrenchment / layoff / closure - enhanced cut off limit to 500 instead of 100 now
- Replace 'public utility services' with 'industrial establishment'
- Definition of 'strike' to include obstructive practices such as 'go slow', 'work to rule' and 'mass casual leave'
- Three year time limit for raising disputes
- All office bearers of trade union should be actually employed in the establishment / industry
- Only one recognised union
- Large contractors supplying workforce to be treated as separate legal entities and considered as principal employer
- Introducing provisions for fixed term employment