

NEW LABOUR CODES & ITS IMPACT THE WORK OF HR MANAGER

Dr. Prakash Nihalani ,

Prof-Indira Institute of Management , Vishnupuri, Nanded

Ms. Gauri D. Rathi

Asst Prof-Mahatma Gandhi vidyamandir institute of management and research , nasik

ABSTRACT

The government has to introduced new labour codes which are related to wages, social security, occupational safety and health ,working condition and also industrial relations. Current overall revolution in terms of industry and new labour code will empower the worker through minimum wages and job security. The rules and regulations framed under this code are simple and clear which understand by all the stakeholders. The role of HR Manger is very crucial .HR Manager Need to get involved in critical analysis of the changes in labour laws and their implications on workers/employees/union/and management .he must understand the changes in laws and need to work towards capitalizing an opportunity to established better industrial climate in the industrial establishment.

Industrial relation code 2020 is come because it's time to consolidate and amend and modification is necessary in law to protect the employer and employee in an organization.

This research paper show that the role of HR Manager in light of changing industrial relation code 2020 and how its affect on organization and its beneficial to employer and employee. it is for the betterment of industry and justice is done for both the side.

Key words -employer, industrial relation, employee ,new labour code ,organisation development

Introduction-

Reforming labour law has been felt essential for multiple stakeholders-to be updated to the current need of labour market and support a friendly business environment .new labour code is introduced by govt which is designated to safeguard the rights of employer and employee by providing easy labour reforms and facilitating ease of doing any business .for progress of any organisation harmony and cordial relationship between employer and employee is important. The role of hr manager play significant role HR managers have to ensure compliance with a large number of labour laws. Formation and implementation of policies and procedure is the main task of any organisation and hr manager must involve in it. A new labour code provides insight to hr manager for the formation and implementation of policies and procedure according to the changes in laws.

Objectives of the study-

- 1 .To study the role of HR manager
- 2 .To know the new labour code and its impact the work of HR Manager
- 3 .To analyse the benefits of new labour code to the Employer and Employee

Research methodology

The paper is completely conceptual one whose basic foundation come from various secondary sources like research article in journals, published and unpublished scholarly papers and books, various international and local journals. Speeches, newspapers, websites .

The Role of HR Manager ---

HR managers need to be versatile and learn new laws and regulations quickly. That is the Demand of the time .As they shift industries, laws applicable can drastically change, requiring HR managers to rapidly adopt he can mitigate risks of litigation through diligence and precautions and have to ensure social security benefits actually reach the employees and ensure that the social security laws are implemented

HR managers have to know local laws and keep themselves updated with amendment he will now play a critical role in data protection as laws are becoming stringent Even a letter or email written by HR manager can be used against the organization. he help labour lawyers to build their cases HR managers have to ensure document keeping and maintenance of records, failing which organization can be at great risk. He also have to handle disciplinary proceedings and hand out penalties and punishments. Managers have to come up with and enforcement critical policies Gone are the days wherein an HR manager's job was restricted to drafting a standard code of conduct and code of ethics. Human resource managers need to be proactive in responding to workplace situations that arise and draft policies accordingly. Drafting policies has not remained a mere copy paste job. He must have to negotiate employment contracts, especially with senior employees usually; there are at least 14-16 labour and employment statutes applicable to a particular organization. An HR manager has to ensure compliance through the identification of the applicable labour laws, compliance planning, building reporting structures to discover non- compliance and handle fall outs of non-compliance. HR managers have to ensure compliance with a large number of labour laws he must have to handle raids and labour inspection HR managers are the first level of defence against potential labour and employment law cases.

Impact of new labour code on work of Human resource manger

Human resource department has to play a very crucial role..Human being is the assets of the organisation therefore if any changes are doing in organisation it's directly impact on the workers in organisation. While introducing the new labour code in the organisation hr manager has to be very careful.

“The new labour codes generalise minimum and timely payment of wages. Occupational safety to the workers and reducing compliances for enterprise .labour laws that are likely to extend and challenges and work they would offer for HR professionals.

First time such type of major reform is happening and, critical analysis of the changes in the labour laws and their implications on workers/employees/unions/management the human resource manger must get involved. Industrial Relations Code, is start with definition of Industrial Relations code, a new clause of fixed term employment has been added (Section 2(o)

Statutory benefits .allowances, equal wages, also given to a person who is appointed for fix term in proportionality of service period. Accordingly HR managers recruit the employees for fixed term employment but be ready to pay benefits.

Employee has been added including people in supervisory, managerial and administrative capacity which was not mention earlier . HR department needs to be cautious of the limitation period for raising the industrial dispute by parties (not more than 2 years from the date dispute arise), as it is a new provision that applies to all industrial disputes, including individual.

There are some changes introduced is in the area of Standing Orders Act. The scope of standing order is extended in new labour code and its applicable to every industrial establishment wherein three hundred(300) or more than three hundred(300) workers are/were employed on any day of the preceding 12 months. HRs has to be conscious about time limit has been introduced for the fact that the new labour codes, within 90 days of the suspension of the worker. Completing the disciplinary proceedings and investigation and enquiry has to be done

HR managers need to work towards capitalising on the opportunity to establish better relations of all employer and employee relations and industrial relations climate in the industrial establishment due to the fact that provisions related to the recognition of trade unions have been included in the industrial relations Code which covers the recognition of negotiating union (when only one union—employer to recognise that union as only one union of the workers whereas in case of more than one union in the establishment, only (fiftyone) 51% of workers in the union on muster rolls to be recognised as only one negotiating union, if no union having such numbers then negotiation council comprising of one representative per 20% of workers).

HR/IR managers also get an advantage from the fact that workers would no longer need permission from Government before retrenchment, lay off or closure. now it would be very difficult for workers to go on strike. Again, retrenchment provisions have been eased out and industrial establishments employing less than 300 But HR professionals are required to follow a statutory mandatory for re-skilling workers because as per section 83 of the IR Code, employer would be required to deposit an amount equal to 15 days wages last drawn by the retrenched worker.

As far as wages are concerned HR professionals need to reposition themselves as the Code on Wages offers changes in wage related provisions. The new Code on Wages, which would be universally applicable to all establishments and factories (organized as well as unorganized sector) with its provisions accessible to all categories of employees, enables the appropriate to fix a national minimum wage with the State Governments fixing their minimum wages which cannot be lower than wages fixed by the Central Government.

Definition of wages changes in light of new labour code to the extent that most of the allowances that are now a part of the minimum wages would be excluded to the limit of 50% of the remuneration. Recently, acting for cost-effectiveness, industrial establishments cap

gross pay with 25 to 50% as the basic wage and provide the rest of the remuneration as allowances

If the employee resigns from organisation, the code mandates to pay his wages within two working days of his resignation. Also, as far as disqualification from receiving bonus is concerned, conviction for sexual harassment has been added as one of the conditions.

Health safety and welfare provisions of the workers are concerned, the Occupational Safety, Health and Working Conditions Code, 2020 does not apply to offices of the Central Government and the State Governments, only applying to contract labour employed through contractor in such offices. But applies to all establishments having 10 or more workers,

The definition of contract labour is modified, it include interstate migrant workman. It provides vision to HR professionals in terms of 'core activity' in respect of the engagement of contract labour (on similar terms as has been done by Contract Labour Regulation and Abolition paving the way for HR managers to engage in contract labour without any legal trouble HR manger should know that Code has provisions for single registration of every establishment employing ten or more workers and as per section 3, every establishment to whom the Code applies shall apply for such registration within 60 days from the date of applicability of the Code on its commencement.

The new labour code make it mandatory to all HR Manager that, they need to issue appointment letter and interstate migrant workers have been defined. All the legal Compliances and policies related to the maintenance of canteen, ambulance room, welfare officer have been changed a bit. Women shall be able to work for all types of work and with their consent, the new labour Code allow them to work at night even after 7pm and till 6am as far as working conditions related to security safety and working hours are met, and also women cannot be called to work on a holiday.

HR manger must take care of health of employee and would also have to get annual health examination of employee done at employer costs as well as revisit leave provisions as in the new labour code, earned leave entitlement would be on 180 days working. Also, HR managers can now get overtime done only with worker consent and regarding hiring any worker, worker with defective vision, deafness etc having risk of accident in construction work should not be hired HR department will have to take care that workers.

Employee state insurance come under social security code and under this code it, has also been made voluntary for applicability in the case of establishment having less than prescribed ten employees, which was not the case with the existing ESI Act. HR manager would need to make a note of the fact that the new Social Security Code ensures universal social security for unorganised and organised, platform workers, gig workers, interstate migrant workers as well as independent workers.

The Code mandates provisions for setting up 'gig and platform workers social security fund' for addressing the welfare needs of the segment .EPF, Adhar has been mandatory registration for gratuity and gratuity belonging to specific category (working journalists) has been reduced from 5 years to 3 years while for fixed term employee it is one year, for other categories it is five years.

In any organisation a better work environment is required to promote a good and harmonious industrial relations. a new labour codes would contribute to better work environment, ease of

doing business and worker capability building which is in realignment with HR philosophy, we also hope that these changes would be essential for better tomorrow, as has been rightly said "Our only security is our ability to change."

Benefits new labour code to employers---

- Threshold for retrenchment, closer and layoff without requiring government approval raise From 100 to 300 workers
- Licenses, registration to be issued online and in a stipulated time period
- Compounding (settlement) in case of various offences instead of prosecution
- Bargaining rights of workers reduced by providing for 60 days prior notice before going on strike
- Inspector to now be made inspector cum facilitator arguably to end inspector raj. Random web based inspection system to be introduced instead.

Benefits of new labour code to the employees-

- universalisation of right of minimum wages and timely payment of wages to all workers including organised and unorganised workers-presently minimum wages applicable to only 30% of workers
- . Annual health checkups for workers
- Provision of accumulation of one day leave for every 20 days worked, when work done for 180 days instead of 240 days
- EPFO Coverage would be applicable on all establishments having 20 workers. At present, it is applicable only on establishments include scheduled
- 15 days salary for re-skilling in case of job loss, payment to be made in 45 days from the date of Retrenchment
- Fixed term employees to be treated at par with regular employees for social security benefits like service term, leave and gratuity etc
- Home journey allowance once in a year for migrant workers
- statutory concept of national floor wage introduced and it will reduce regional disparity in minimum wages
- fixation of minimum wages simplified, leading to less number of rates of minimum wages and better compliances
- Appointment letter to all workers-this will promote formalization
- occupational safety and health code also applicable to establishments engaged in work of hazardous nature even with threshold of less than 10 workers.
- Definition of interstate migrant workers modified to include migrant workers employed directly coming to destination state of their own besides the migrant workers employed through contractor.
- . Gratuity for fixed term employment –provision of gratuity on completion of one year service as against 5 years
- . provision for social security funds for unorganised sector
- . all occupations opened for women and permitted to work at night with safeguard

Some extra changes in new labour code

- . Maximum work limit is 8 hours per day
- . Women employment and safety in any line of work
- . the most prominent rule under new labour code mandate to cap employee salary and allowances at 50 percentages to CTC

Conclusion

-HR Manager must have to understand the changes before adopting it and study the changes in detail that how they could affect long term in organisation. The reformation of these law will impact working conditions, salary, pension and much more change the job scenario in India. These codes area regarded as revelatory steps to help better manage work and strike a better work life balance in both the sector .The new code simplifying process and enabling organisation to run their business effectively. .The code will have a lasting impact on organisation effective planning and change management are instrumental to overcoming uncertainty. HR manager has to encourage employee to accept the changes with open mind. because this new labour code changes is beneficial to employee .

References—

- <https://in.adp.com/resources/articles-and-insights/articles/i/indian-new-labour-laws-key-insights-for-hr-and-payroll-leaders.aspx>
- <https://prsindia.org/billtrack/overview-of-labour-law-reforms>
- **new labour and industrial code2021,commercial law publishers(india)pvt ltd**
- **Taxmann’s new labour and industrial laws**
- <https://www.ijlmh.com/paper/critical-analysis-of-new-labour-codes/>