



LEGAL TACTICS FOR RETAINING HUMAN RESOURCES IN ORGANISATIONS

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Abstract-Globalization and technological up gradation bring huge changes in organizational setup. Human resources are also not exception to this. It would further results in attrition of competent employees. Laws, which are for the help of organisations, would act as retaining strategies in this regards. In this light, present paper is an attempt to study the role of laws in retaining human resources in organisations. This paper is a review based study. The paper comes out with conclusion that with sound and effective implementation of laws, organisations are able to retain its best employees.

Key words: *Legal Framework, Employee State Insurance, Maternity Benefits, Factory Act.*

INTRODUCTION

Privatization, globalization and liberalization have greater impact on business environment. Every business is forced to face competition in today's scenario. As a result, numbers of complexities/problems/challenges have been reported before organisations. One of major problem is shifting the talents. Hence, organisations have to evolve certain solutions which not only retain their employees but also root out this problem for future as well. In this regard, organisations expect solutions with some legal support which would rule out their fear too. Many researches stressed the legal solutions for such kind of problems. Human Resource Management (HRM) is defined as "all management decisions and actions that affect the nature of the relationship between the organisation and the employees – its human resources" (Beer *et al.*, 1984, p. 1). The relation of human resources with its organisation and any bargaining unit of an employee-organized labor group have been defined by labor relations (McConnell, 2001). To maintain harmony in the working environment, legal aspects of human resource contributes a lot. The growth of new age industries and radical shifts in work culture and workforce management techniques have witnessed the acquired expertise in addressing the challenges faced by organisations in complying with pertinent laws. The laws enveloped human resources which include employment as well as labour provides legal assistance on workforce management. In India, employment law includes a plethora of central and state explicit employment statutes along with administrative as well as judicial regulations. The statutes implemented are contingent to the industry, strength of the workforce, nature of work done by the employees, duration of service, remuneration, etc.

With this background, present study is designed with an objective dedicated to explore some legal activities which can contribute to retain employees within organisations. This study is a review based study and depends utterly upon secondary data which is collected from various journals, books and web sources. For in-depth understanding of subject under consideration, extensive review of literature incorporating the legal activities have been gone through and discussed in detail below:

Employee State Insurance (ESI) Scheme as Retaining Strategy

G.Muthulakshmi (2014) concluded that ESI dispensaries/hospitals are not functioning up to the satisfaction of insured persons. The study further revealed the scope to improve its functions and turn into a highly trustful and reliable corporation, implementing better services. The study is based on primary data and analyzed with the help of various statistical measures such as simple percentage analysis, Averages, F-statistic, Chi-square test, Garrett ranking and percentage analysis. The study has been conducted on Tuticorin district, Tamilnadu. Dash U and Muraleedharan V R (2011) analyzed the overall trends in utilization and number of beneficiaries of ESIS over a period of time. They assessed the utilization pattern and the extent of ESI facilities that helps to protect the beneficiaries from the catastrophic health expenditure. The study explores that the overall utilization level is very low because of perceived low quality drugs, rudeness of personnel, long waiting periods as well as spells to unusual delays in reimbursement of money spent on treatment outside, lack of or low interest of employers as well as awareness of ESI procedures. In nutshell, ESI facility boosts up the satisfaction level amongst



employees and a satisfied worker may not leave the organisation easily. Thus, ESI facility would act as retaining strategy.

Maternity Benefit Act 1961 as Retaining Strategy

Maternity Benefit Act was passed to regulate the employment of women. The Act came for a great deal of protection of the working women in the industrial setups. The Maternity Benefit Act 1961 was passed by the Central Legislature as to appraise the social justice to employed female workers. The Act is applicable to every establishment from a factory establishment to Government establishments. The Act prohibits the employment of women during specified period before and after delivery. Along with maternity leave, monetary benefits are also to be paid to women workers during maternity period. Some research related to maternity benefits to female employees confirms this as retaining strategy. Some studies concluded that women who leave work late before childbirth or join work soon after childbirth suffers from more mental as well as physical health (Guendelman *et al* 2009, p 30). Chatterji & Markowitz 2005 in their paper is investigated the impact of the length of maternity leaves on maternal health of working mothers. Two measures of depression and a measure of overall health have been used to represent maternal health. Ordinary Least Squares models provide baseline estimates, and instrumental variables models accounted for the potential endogeneity of the return-to-work decision. The findings suggested that returning to work later may reduce the number or frequency of depressive symptoms, but the length of time before returning to work is not associated with a lower probability of being a likely case of clinical depression. Similarly, there is little evidence that longer maternity leave impacts physical and mental health as measured by frequent outpatient visits during the first six months after childbirth. From an economic aspect, economic participation is must for women's independence and empowerment. A salaried woman is less economic dependent on family as well as the spouse. Labour force participation is always not necessarily positive, since it can be a result of economic pressure and inequalities or poverty, or somehow can place a double burden of work on women (domestic as well as office work). Hence, maternity benefits are believed to create an environment that improves a woman worker's capacity for work life balance. Thus, maternity benefits would also work as retaining best employees.

Industrial Relations as Retaining Strategy

Debi S Saini and Pawan Budhwar in their study concluded that industrial growth promoted with social justice has projectedly guided the IR policy of the Indian government. They further said that major non-legislative initiatives in IR came into existence from the Government in 1958 (as a result of the deliberations at this forum) in the form of the Code of Discipline and the Joint Management Councils. These instruments were to be used for recognition of unions and facilitation of collective bargaining. However, the impact of these bodies was merely transitory (Johri, 1998: 49). They further said that legal means and interventions continued to dominate the IR scene in the country. Labour is now more prone to accepting the unilateral decisions of the employers regarding pay and benefits, especially in the private sector. Conducive work environment would motivate workers to stay long in the setup. Thus, IR would act as retaining strategy for the organisations.

Factories Act as Retaining Strategy

Ashok Kumar Sheoran explored in his study that the First Factories Act was approved and implemented in 1881 for the industries employed 100 or more workers. Amendments to this Act were made in 1890, making it applicable to the undertakings having 50 or more workers as per the recommendations of the Bombay Factories Commission, 1890. He further concluded that legislations like the Employees State Insurance Act, 1948; the Factories Act, 1948; Minimum Wages Act, 1948; Industries Act, 1951; the Employees Provident Fund, Family Pension Fund and Deposit Linked Insurance Fund Act, 1952; Maternity Benefit Act, 1961; the Payment of Bonus Act, 1965; the Payment of Gratuity Act, 1972 etc. were passed in order to protect the interest of labour force and to reduce the dissatisfaction amongst the employees. However, the Factories Act, 1948 is considered more important because it incorporates safety, health and welfare measures for workers. The universe of the study consists of three industrial undertakings namely National Fertilizers Ltd., Panipat, SPL Ltd., Bahadurgarh and Cooperative Sugar Mill, Karnal in Haryana. Legal framework ensures employees about their protected interests. A satisfying worker may not leave organisation for petty money. Thus, factories act here also proves as retaining strategy for the organisations.

**CONCLUSION**

From the above discussion, it is concluded that employee state insurance act, IR act, maternity benefit act and factories act would be important to create harmony at work place and is used as retaining strategy at work place. Effective and sound implementation of such legal framework would ensure performance of the employees results in improvement in satisfaction level of workforce. The relationship will be stronger between an employee as well as an organisation. Thus, attrition would be minimized.

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