

EFI Announces its Flagship Event

"EFI National HRM Summit - 2017"

EFI announces its flagship event - "EFI National HRM Summit" on 6 - 7 December, 2017 at Centrum, 1st Floor, World Trade Centre I, Cuffe Parade, Mumbai 400005.

The Theme of the Summit is

"Sustainable Business Competitiveness through Employee Relations".

Sustainability has been a big challenge for businesses all over the world during last few years. Sustainability implies a strong long-term orientation. The notion of sustainability provides a way to assess societal challenges over a much broader time horizon. As a result, it promotes importance of interdisciplinary and trans-disciplinary practices. Maintaining sustainable competitiveness is utmost important, in which, employee participation is a key factor. Encouraging employees' engagement, recognizing their contribution, encouraging relationship, help to improve productivity, which is helpful to maintain sustainable competitiveness.

Salient features of EFI national HRM Summit 2017 are -

- Presentation of McKinsey Global Institute India's Labour Market - A new Emphasis on Gainful Employment
- Distribution of National Awards for Excellence in Employee Relations
- Business School Competition

Union Cabinet approves doubling of gratuity payment

The Union cabinet on 12th September, 2017 approved two worker-friendly proposals.

While one entails extra compensation to central government employees, the other proposes to extend gratuity payment norms, available at present to government employees, to staffers in the private sector companies as well as public sector firms.

Accordingly, the gratuity withdrawal limits for staff in private companies and public-sector units have been doubled to Rs 20 lakh. At present, even if a worker accumulates more than Rs 10 lakh as gratuity contribution, the withdrawal is capped at Rs 10 lakh and the rest is paid out after deduction of taxes.

To be sure, this will only come into effect once the Payment of Gratuity Act is amended. The cabinet on 12th September approved the introduction of the amendment bill in Parliament.

The cabinet also approved an increase in the dearness allowance (DA) and dearness relief for over 11 million central government employees and pensioners.

The hike in dearness allowance and gratuity, once implemented, may also boost consumption in the economy.

A cabinet statement said the gratuity decision will "increase the maximum limit of gratuity of employees in the private sector, and in public sector undertakings/autonomous organizations under government who are not covered under the Central Civil Services (Pension) Rules".

The doubling of gratuity withdrawal for such workers was a key demand after the central government approved the Seventh Pay Commission recommendations last year, relaxing the gratuity payment ceiling for staffers.

However, it is not clear whether the cabinet approved any change to the gratuity payment tenure rules. Currently, a worker

with at least five years of continuous service is eligible to get gratuity, which forms part of the overall salary package but is not paid monthly. There have been demands to reduce this threshold from five to three years.

All organizations and firms deploying 10 or more staff come under the Payment of Gratuity Act. Gratuity is calculated according to the following formula: Last drawn salary x 15/26 x number of years of service. Salary here means basic pay plus dearness allowance; 15/26 means 15 working days' pay of the 26 days of pay a month.

The 1% increase in dearness allowance to central government staff and dearness relief to pensioners is with effect from 1 July.

The hikes will cost the central government Rs 3,068.26 crore per annum and benefit about 4.92 million central government employees and 6.11 million pensioners.

In another decision, the cabinet committee on economic affairs (CCEA) approved setting up of a Rs 10,881-crore Dairy Processing and Infrastructure Development Fund. It was initially announced in the 2017 Union budget.

It will be managed by the National Bank for Agriculture and Rural Development.

Mint Dated : 12-09-2017

Centre yet to fix minimum monthly national wage

Seeking to clear the air, the labour ministry on 5th September said the Centre has not fixed Rs 18,000 as national minimum monthly wage under the Code on Wages Bill.

The bill was introduced in the Lok Sabha earlier last month. "Recently, some news reports have been published regarding the fixation of minimum wage as Rs 18,000 per month by the central government. It is clarified that the central government has not fixed or mentioned any amount as national minimum wage in the Code on Wages Bill, 2017," the labour ministry said in a statement.

The ministry further clarified that the notion that a minimum wage of Rs 18,000 has been fixed for all employees is "incorrect, false and baseless". The minimum wages will vary from place to place depending on skill required, arduousness of the work assigned and geographical location, it added. The clause 9 (3) of the Bill clearly states that the central government, before fixing the national minimum wage, may obtain the advice of the central advisory board, having representatives from employers and employees.

The ministry explained that the code provides for a consultative mechanism before determining the national minimum wage, referring to media reports on the revised methodology for calculation of minimum wages by increasing units from three to six. "It was purely a demand raised by trade unions in the recent meeting of the central advisory board on Minimum Wages. However, it is clarified that such proposal is not part of the Code on Wages Bill," it added.

As part of labour law reforms, the government has undertaken an exercise of rationalisation of 38 Labour Acts by framing four labour codes, namely

- a. Code on Wages',
- b. Code on Industrial Relations, c.
- c. Code on Social Security and
- d. Code on Occupational Safety, Health and Working Conditions.

The Code on Wages Bill, 2017, was introduced in the Lok Sabha on August 10, which seeks to subsume four existing laws - the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965 and the Equal

Remuneration Act, 1976.

With enactment of the Code on Wages, all these four Acts will get repealed. The codification will also remove the multiplicity of definitions and authorities, leading to ease of compliance without compromising on wage and social security of workers.

Mint Dated : 05-09-2017

Global Human Capital Index: India ranks 103, lowest among BRICS economies

India has been placed at a low 103 rank, the lowest among BRICS economies, on the WEF's Global Human Capital Index, which has been topped by Norway.

India also ranks "among the lowest in the world" when it comes to the employment gender gap, but has fared well when it comes to development of skills needed for the future with a rank of 65 out of total 130 countries surveyed.

The list compiled by Geneva-based World Economic Forum (WEF) takes into account "the knowledge and skills people possess that enable them to create value in the global economic system" to measure the 'human capital' rank of a country. India was ranked 105th on this list last year, while Finland was on the top which has pushed by Norway to second place this year.

The WEF said India is ranked lower than its BRICS peers, with Russian Federation placed as high as 16th place, followed by China at 34th, Brazil at 77th and South Africa at 87th place.

Among the South Asian countries also, India was ranked lower than Sri Lanka and Nepal, although higher than neighbouring Bangladesh and Pakistan.

"India is held back by a number of factors, including low educational attainment (primary education attainment among 25 -54 year olds is 110th for example) and low deployment of its human capital, meaning the skills available are not getting put to good use", WEF said.

Giving examples, WEF said India ranks 118 for labour force participation among the key 35-54 year old demographic, suggesting far too many Indians are engaged in informal or subsistent employment.

"However there is a modern India rising. When it comes to development of skills needed for the future, the country fares strongly, ranking 65 out of 130," it said adding the country also performed well in the know-how parameter that measures the use of specialised skills at work.

"India faces a number of challenges but looks to be moving in the right direction," WEF noted. The overall list was topped by Norway, followed by Finland and Switzerland in the second and third place respectively.

Other countries in the top 10 include, the United States (4th), Denmark (5th), Germany (6th), New Zealand (7th), Sweden (8th), Slovenia (9th) and Austria (10th).

The report measures 130 countries against four key areas of human capital development; Capacity (determined by past investment in formal education), Deployment (accumulation of skills through work), Development (continued upskilling and reskilling of existing workers) and Know-how (specialised skills-use at work).

According to the report, 62% of human capital has now been developed globally.

"The Fourth Industrial Revolution does not just disrupt employment, it also creates a shortfall of newly required skills. Therefore, we are facing a global talent crisis," said Klaus Schwab, founder and executive chairman, World Economic Forum. Schwab further noted that "we need a new mind-set and a true revolution to adapt our educational systems to the education needed for the future work force".

Mint Dated : 13-09-2017

India among most optimistic in hiring plans; momentum slows

Indian employers expect hiring to remain positive in October-December time frame but project a considerably slower pace compared to last year. According to a new ManpowerGroup Employment Outlook Survey, 5,005 employers indicates that the hiring outlook has rebounded slightly from the prior quarter. Once the data is adjusted to allow for seasonal variation, employers report an Outlook of +19%. The fourth-quarter hiring plans represent a hopeful turnaround in employer confidence from the prior quarter's results.

AG Rao, group managing director at ManpowerGroup India said "Looking at the current outlook of the economy, e-commerce giants are in the process of ramping up workforce across various functions, particularly engineers and other specialists with an intention to be technology, product and engineering-driven companies. Employer hiring intentions remain positive in all seven sectors, primarily driven by Services, Transportation and Utilities, Wholesale and Retail Trade, and Public Administration and Education sectors."

Rao added that the difference between the skills needed on the job and those possessed by job applicants is huge. Companies are cautiously hiring and going to greater lengths to identify the candidates who have the right mix of skills.

Sectoral Trends

Employers in all seven industry sectors expect to add to payrolls during the coming quarter. The strongest hiring prospects are reported in the Services sector, with a Net Employment Outlook of +23%, and in the Transportation & Utilities sector, where the Outlook stands at +20%. Elsewhere, upbeat hiring plans are evident in the Mining & Construction sector and the Public Administration & Education sector, where Outlooks stand at +19% and +18% respectively, while the Outlook for the Wholesale & Retail Trade sector is +17%. Meanwhile, respectable workforce gains are likely in both the Manufacturing sector and the Finance, Insurance & Real Estate sector, according to employers who report Outlooks of +14% and +12%, respectively.

When compared with the previous quarter, Outlooks strengthen in five of the seven industry sectors, most notably 8 percentage points in the Services sector. Mining & Construction sector employers report an improvement of 7 percentage points, while Outlooks increase by 4 and 3 percentage points in the Manufacturing sector and the Transportation & Utilities sector, respectively. However, employers in the Wholesale & Retail Trade sector report a slight decline of 2 percentage points.

Hiring prospects weaken in six of the seven industry sectors when compared with this time one year ago. Wholesale & Retail Trade sector employers report the most notable decrease of 19 percentage points. Hiring plans also decline considerably in the Manufacturing sector and the Finance, Insurance & Real Estate sector, decreasing by 15 and 13 percentage points, respectively, while the Services sector Outlook is 12 percentage points weaker. Meanwhile, Mining & Construction sector employers report no year-over-year change.

Employers in all four regions forecast an increase in staffing levels during 4Q 2017. The strongest labor market is anticipated by employers in the North, who report a Net Employment Outlook of +27%. Elsewhere, employers expect a favourable hiring pace in the South, reporting an Outlook of +20%, while respectable payroll gains are anticipated in the West, where the Outlook is +15%. Meanwhile, the most cautious regional Outlook of +7% is reported in the East.

When compared with 3Q 2017, hiring prospects are 11 percentage points stronger in the North and employers in the West report an improvement of 6 percentage points. Meanwhile, employers report no change in the South and the Outlook for the East declines by 2 percentage points.

Hiring intentions weaken in all four regions when compared with the final quarter of 2016. Considerable decreases of 17

and 15 percentage points are reported for the East and the West, respectively. The Outlook for the South declines by 11 percentage points, while employers report a decrease of 7 percentage points in the North.

Global Trends

Fourth-quarter forecasts are mostly positive with employers in 42 of 43 countries and territories expecting workforces to grow by varying margins over the next three months. Only employers in Switzerland forecast a flat fourth-quarter hiring pace. As a result, for the first time since Quarter 2 2008 and the ensuing global recession there are no negative Net Employment Outlooks in any of the 43 countries and territories surveyed. When compared with Quarter 3 2017, Outlooks improve in 23 of the 43 countries and territories, decline in 13 and are unchanged in seven. When compared with this time one year ago, hiring plans strengthen in 25 of the 43 countries and territories, weaken in 15 and are unchanged in three. The most optimistic Net Employment Outlooks are reported in Japan, Taiwan, Costa Rica, India and Hungary. The weakest fourth-quarter hiring plans are reported in Switzerland, Brazil and the Czech Republic.

Employers in all 10 countries in the Americas expect to grow staffing levels by varying degrees in Quarter 4 2017. Hiring prospects improve in five countries when compared to Quarter 3 2017, weaken in two and are unchanged in three. In a year-over-year comparison, employer hiring confidence improves in six countries, but weakens in four. Employers in Costa Rica and the United States report the strongest fourth-quarter hiring plans. The weakest hiring climate is expected in Brazil; employers there report subdued, but positive, hiring plans for the second consecutive quarter following more than two years of negative forecasts.

Payroll growth is forecast in each of the eight Asia Pacific countries and territories, with hiring prospects improving from three months ago in five, declining in two and remaining unchanged in one. When compared to Quarter 4 2016, forecasts strengthen in four countries and territories, decline in three and are unchanged in one. Employers in Japan and Taiwan report the strongest job prospects while the weakest forecast is reported in China.

Across the 25 countries in the Europe, Middle East and Africa (EMEA) region, employers expect some job growth in 24 countries, with only Swiss employers expecting a flat hiring environment. Hiring intentions strengthen in 13 countries when compared with the third quarter, weaken in nine, and are unchanged in three. In the year-over-year comparison employers in 15 countries report stronger forecasts, those in eight expect the hiring pace to slow, while forecasts in two countries remain unchanged. For the second consecutive quarter employers in Hungary report the EMEA region's strongest forecast. Swiss employers report the weakest fourth-quarter hiring plans.

ET Dated : 12-09-2017

Telangana State Labour dept makes it easy for registration of firms

By launching a round the clock online registration system, the Telangana State Labour Department (TSLD) has the prospective entrepreneurs and industrialists from within the country and abroad who could apply for labour registrations online by uploading the necessary documents.

According to official sources, as per the Central government norms to qualify for rating the Ease of Doing Business, the department had fulfilled 71 out of 72 parameters prescribed for the department.

This would save time for the applicants and they need not come to office for such routine transactions such as line registrations and renewals. The department provides a check list and the applicants could just submit the necessary documents as per the check list online for getting their

certificates or approvals.

Further, in case of any deficiency with regard to the documents submitted, the department provides online feedback to the applicants making it easy for them to upload the required document sought by the department.

Apart from registrations and approvals, the department had also configured the entire process of inspections.

Each organisation or entity registered under the department prepares a calendar scheduling the inspections. Accordingly, the department communicates the place and date of inspection 15 days ahead to registered entities.

Once the inspections are carried out, the inspection reports would be made available online which can be downloaded by the parties concerned. This would help to take corrective steps, if the inspection reports point out any shortcomings on the part of the registered entities in complying with the rules and regulations.

In case, any one feels aggrieved with the decisions of the officials, they could even apply to the higher officials for grievance redressal, the official said.

Until last year, the department had been functioning based on the erstwhile 10 districts set up of the State. But, the department had made necessary changes to carryout online services of all transactions like registrations, approvals, renewals, inspections as per the 31 districts administrative set up.

Hansindia Dated : 06-9-2017

Assam enacts a major labour reform, employers can now fire 300 staff without prior govt nod

In a major labour reform, Assam has enacted the Industrial Disputes (Assam Amendment) Bill, 2017, which authorises employers to retrench up to 300 employees without seeking approval of the government. Assam assembly passed the bill by a voice.

The statement of objects and reasons of the legislation states, "the salient feature of the Act is to amend the Industrial Disputes Act, 1947, raising the threshold on number of employees from 100 to 300 to allow retrenchment of employees without seeking prior approval of the government." The amendment seeks to "achieve the objective of 'ease of doing business' and thereby encouraging positive business environment in the state."

Unlike in Assam, the BJP-led government in Maharashtra has not been able to pass a similar law. The Maharashtra government that formed a panel to decide the fate of an amendment to the Industrial Disputes Act that would allow companies to lay off up to 300 employees without seeking government approval, has run into a wall due to opposition from the Bharatiya Mazdoor Sangh and the Shiv Sena.

ET Dated : 09-09-2017

Cabinet reshuffle puts focus on job creation

With job creation lagging targets, Prime Minister Narendra Modi on 3rd September brought in new ministers for three key ministries-labour and employment, skill development and entrepreneurship, and the ministry of micro, small and medium enterprises (MSME).

India faces the challenge of creating jobs for a predominantly young population. But though a million people are entering the workforce every month, the number of jobs created is far lower; between 2011-12 and 2015-16, India created 3.65 million jobs a year, according to Confederation of Indian Industry.

The change in ministers is as under -

Dharmendra Pradhan as skills minister with

Anant Kumar Hegde as his junior minister,

Santosh Gangwar as labour minister and

Giriraj Singh as minister of state (independent charge) of MSME.

Mint Dated : 04-09-2017

Workers to get unique number

Every worker in the unorganised and organised sector will get a unique identification number that will make it easier for them to get benefits under different social schemes, the Union Minister for Labour and Employment, Santosh Gangwar, said at a labour seminar in Bareilly on 11th September, 2017.

Mr. Gangwar said the idea of introducing a specific number for more than 40 crore workers of the unorganised sector was part of the labour reforms the NDA government had announced soon after it came to power. All the prominent labour unions have been invited to Delhi for consultations on labour reforms, he added. *The Hindu Dated : 14-09-2017*

Most Indian professionals positive about impact of automation: survey

Contrary to the fear that automation is likely to take away jobs, many professionals in India are positive that it would rather create better job opportunities.

In a survey conducted by executive search firm Michael Page among 1,037 people, mostly in Mumbai, New Delhi and Bengaluru, 83% of the respondents did not feel that automation is a threat to their current jobs.

They do not expect that their jobs could be replaced by a robot, said the report.

In addition, 78% of the respondents said they are more confident about their job prospects as a result of automation, robotics and artificial intelligence.

The survey also found that most employees in India are realistic about the demands of automation with 85% of them saying they plan to acquire additional skills. 38% of the total who planned to re-skill themselves said they would consider learning data security as it might be the "greatest job creator in the next three years", particularly in e-commerce, financial technology and mobile communications. *Mint : 13-09-2017*

Select Case Laws

2017 III CLR 1

In The Supreme Court of India

July 17,2-17

C.A.J. CIVIL APPEAL NO. 9140 OF 2017 (@SPECIAL LEAVE PETITION (C) NO. 18177 OF 2017) (@ DAIRY NO. 15212 OF 2017)

PRESENT

The Honourable Mr. Justice Kurain Joseph

The Honourable Mrs. Justice R. Banumathi

Rajeev Kumar

Petitioner

V.

Life Insurance Corporation of India & Ors. ... Respondents

Constitution of India, 1950 - Arts. 226, 227- Challenge to denial of Work - A challenge is from appellant - workman to dismissal of his writ petition by Learned single Judge and also of his Writ Appeal by the Division Bench of the High Court on account of considerable delay, wherein his grievance was against respondents for denial of work to him. The Apex court held that in the interest of justice, the petitioner -appellant should be granted liberty to take recourse to the alternative remedy as provided under the Provisions of I.D. Act, as pointed out by learned single judge in the judgment in Civil Miscellaneous W.P. No. 1072 of 2005, in which it was the grievance of appellant that unfortunately the rejection of his 1st writ petition, was not communicated to him. It is made clear that in case the appellant takes recourse to the remedy as pointed out by the learned single judge, in view of decision in Ved Bhusan v.The Divisional Manager/ Sr. Manager LIC Branch Office, Muzaffarnagar, within a period of two months from today, the same may not be dismissed by the Forum on the ground of delay. **(paras 1 to 10) Civil Appeal disposed**

In The Supreme Court of India

July 17, 2017

C.A.J. CIVIL APPEAL NO. 9124 OF 2017 (ARISING OUT OF SLP © NO. 7712 OF 2016)

PRESENT

The Honourable Mr. Justice S.A. Bobde

The Honourable Mr. Justice L. Nageswara Rao

State of Orissa & Anr.

Appellants

v.

Bibhisan Kanhar

Respondent

Constitution of India, 1950 - Arts, 227 - Removal from Service- A challenge is from appellants to the judgment of Division Bench of Orissa High Court, affirming the decision of Orissa Administrative Tribunal, setting aside the order of removal from service, passed against respondent workman working as Farash. The Apex court concluded that as there was a doubt raised about respondent belonging to the scheduled Tribe, proceedings were initiated before the State Level Scrutiny committee for verification of his caste certificate and he was placed under suspension. After a detailed enquiry, the state Level Scrutiny committee found that the respondent did not belong to the 'Kandha' tribe and his caste was 'Pano' which is a scheduled Caste in the State of Orissa while the reservation was for a scheduled tribe candidate. As such the committee directed cancellation of his caste certificate and requested the Disciplinary authority, to take appropriate action against the respondent, for removed service. On issuing the show cause notice, the respondent was removed from service. On scrutiny and consideration of rival contentions, the Apex court held that respondent fraudulently obtained the certificate, showing that he belongs to Scheduled Tribe Community, which stands cancelled by the order passed by State Level Scrutiny Committee. Once the fraud committed is proved, it vitiates contracts, judgments and all transactions whatsoever impugned judgments of Central Administrative Tribunal and High Court are set aside. **(Paras 1 to 5), Civil Appeal allowed**

In The High Court of Gujarat

January 31, 2017

SPECIAL CIVIL APPLICATION NO. 6059 OF 2015

PRESENT

The Honourable Mr. Justice G. R. Udhvani

State of Gujarat Petitioner

V.

Panakumari Surendrasigh Chudasama & Another Respondents

Industrial Disputes Act, 1947 - Ss 2-A, 25-F, 25-H - Reinstatement in service - A challenge is from the petitioners to the award passed by Labour Court for reinstatement in service, and continuity in service with 20% back wages in favour of the respondent-workman. The Court held that (i) continuous service for 240 days in the year is a question of fact and the burden is on workman to prove it and a mere affidavit is no answer to it. (ii) Herein it is the definite case of the employers that the appointment of the workman was only for three different periods extending to about five months. (iii) In view of order passed below Exh. 48, requiring the petitioner - employer to produce specified documents, the declaration by pursis at Exh. 53 that such documents are not in existence, was made by the employer, a declaration which is not disputed by the workman, (*iv) In substance the documents like muster-roll, pay roll or seniority list, are not in existence. In the facts of this case no adverse inference can be drawn against petitioner-employers. (v) In this background impugned judgment and award is modified to the extent that the respondent-workman would be entitled to reinstatement and 20% back wages, from the date of employment of other employees through contractor, instead of as per the Award passed by Labour Court. **(Paras 1 to 13), Writ partly allowed.**