

Key Takeaways from the 37th EFI HRM Summit.

The EFI National HRM Summit held in Mumbai on 6th and 7th December, in Centram, Cuffe Parade, Mumbai was well responded by participants, despite unfavourable weather; with unseasonal rainfall and Ockhi cyclone that prevailed over the Arabian Sea prior to the Summit. Inaugural speeches and discussions of all technical sessions well appreciated by participants.

Here are Key takeaways of the Summit Presented by Prof. Vijayan Pankajakshan, Dean - We School

- Micro and small enterprises needs to be nurtured as they are part of informal economy where increasing role in the world of work. They also need Employee Relation/Human Resource expertise. Trade & Jobs are increasingly being interlinked. Pressures of job creation, job destruction, forces of Protectionism, Anti-Globalization, enhanced Globalization, choice of Trade partners and nurturing relationships.
- The ILO was represented strongly this year at EFI National HRM Summit.
- Seniors have been telling "Don't get technical into ER/IR/HR is all about people, motivation, behavior because the competency of storytelling is powerful leadership enabler. This is high time now to look at people management".
- Prof. Vijayan thanked EFI for keeping interdependence and holistic mind set by focusing on HR through this summit.
- Many speakers helped to understand, "What is globalization and what are the ER/IR challenges in globalization".
- The Purpose of summit was spotting & sharing best practices, in the form of stories to multiply the messaging. EFI is in its Missionary mode for last 84 years. The Illustrious Founding of EFI was by Mr. Naval Tata and 4 iconic employer organizations. Summit Theme & ILO's perspective was coherent, which is 'Promoting sustainable enterprises.'
- Blue collar workers are facing challenges like insecurity, job losses, disengaging treatment by their Supervisors, limiting them to be a factor of production, no visible sign of social security, no sufficient opportunity for upskilling and reskilling employees.
- Mr. Homi shared the golden words of Prof Ram Charan
- Keep a careful watch as to what is really changing in the world, come to terms with trends that are unpredictable and unstoppable, where People compete (not companies). While in CEO panel Mr.Homi also spoke about Mergers & Acquisitions.
- Mr. Visty Banaji, quoted three parts of organization Indian MNCs operating overseas, Foreign MNCs operating in India and Indian companies operate in India, which may elaborate their working styles differently.
- Indian Unions' are with Point of view that why obsession of Employers with Minimum, why

should not be considered higher than minimum, or fair or living wages while fixing the wages. After 70 years of independence we are still not maintaining the minimum wages. The interns are working for free. Retention of loyal blue collars have been the practices in some organizations. Mr. Ravindra Peiris from ILO focused on how firms achieve flexibility.

- Low wages and low productivity could be a vicious cycle. Sustainable business should be a longer term by ensuring equal treatment by different modes of workforce.
- More work is required to be done with innovations in ER/IR. On the Job Training design can be also innovative. Human centric core is still relevant to enterprise sustainability approach.
- Compensate employees/workmen based on skills than on the work they do.
- 'Our workforce can produce anything and everything.' People have a desire to learn and improve their performance.
- Concept of work should be the focus- not limiting to concept of employment - design of the enterprise is very important - opportunities for people to earn income and generate wealth.
- Decent and safe work, fair wages- continue to be at the core.
- Technology affecting IT work/roles- two dimensional- effort to generate results will reduce, hence reduction in number of people and work will completed faster.
- Jobs will increase- 'non- standardized 'work-higher levels of employability - Engagement with customers/clients – roles will continue- as client engagement is live and ongoing.
- Hierarchical Pyramids – highly paid few at the top with bottom – moderate or low pay is not sustainable in the long run.
- Facilitate- redefining happiness of employees-based on life cycle stage- communication consistent and personalized.
- Ability to learn / up skill- virtually every day: Develop your personal brand.
- Human being is a valuable asset of any organization and needs to be protected.
- What humans can do that machines cannot- identify (social skills, recognizing patterns, generating new patterns etc).
- Challenges of Labour market in India- rigid & making a transition is difficult, less visibility of opportunities and less of up skilling.
- No short cuts India's economic growth and development- sequencing first GDP and then Human development indicators (health, education etc) - has not worked out well enough.
- Need to focus on India's unique strength – identifying what works best for us and yet be globally competitive/ relevant-Productivity of the 'Whole System', in which all members of the system are valuable.

Labour - intensive exports need a policy push

The government of India has taken several measures to boost exports in its midterm review of foreign trade policy 2015-20. Apart from incentives for specific sectors such as ready-made garments and footwear, it also allowed duty-free procurement of the inputs needed for exports on a self-assessment basis. Further, a new logistics division has been established in the department of commerce to coordinate development in the logistics space. These measures, along with recent changes in the goods and services tax, are likely to help the export sector.

However, at a broader level, India needs structural changes to be able to attain higher and sustainable exports growth in the medium to long run, particularly in labour-intensive sectors. At a time when the global economy is witnessing a synchronized recovery, the latest gross domestic product data showed that India's exports went up by just 1.2% in the second quarter of the current fiscal. According to the World Trade Organization (WTO), merchandise trade volume in 2017 is expected to grow by 3.6%, compared to 1.3% in 2016.

Exports are an important driver of economic growth and will also help create much needed jobs for India's growing workforce. They played an important role in transforming countries such as South Korea and China in recent decades. Therefore, India will need to work on increasing competitiveness to expand its exports share in the world market.

It is often argued that India stands to gain as labour-intensive manufacturing is moving out of China due to rising wages and an ageing population. But this is not happening in a big way, and India is losing out to other Asian countries such as Bangladesh and Vietnam. In an article published in these pages earlier this week, economists at CRISIL showed that India's "revealed comparative advantage", an indicator of competitiveness, in some of the labour-intensive sectors has actually declined over the past decade. Vietnam and Bangladesh are becoming more competitive and are capturing the low-end manufacturing space being vacated by China. India will need to swiftly take necessary measures in order to improve its position. The latest Economic Survey (2016-17) also highlighted how India is losing out in labour-intensive sectors like apparel and footwear, and why it is important to focus on these sectors. For instance, apparel is 80 times more labour-intensive than the auto sector. India will have to work on multiple levels to increase its competitiveness.

First, it will need to improve logistics to increase efficiency, both in terms of the time and costs involved. The trade policy review shows that the government is addressing this issue.

Second, the government will need to move forward with reforms in the factor market. India has a large number of small enterprises, which are not in a position to attain economies of scale and compete in international markets. As the Economic Survey highlighted, Indian firms in the apparel and leather sectors are smaller than those in China, Vietnam and Bangladesh. The reason for this is regressive labour laws. Firms in labour-intensive sectors will need more freedom to operate. Similarly, more flexibility in land acquisition will also help the manufacturing sector.

Third, while there is a threat of rising protectionism, India needs to be prepared to protect its interests without compromising on its open trade policy. India has always supported rule-based multilateral trade negotiations under the WTO. But as progress has been limited in recent years, it should also look for opportunities to reduce trade barriers at the regional and bilateral levels.

Fourth, it will be important to keep the currency competitive. This is not to suggest that India needs an undervalued currency, but the Reserve Bank of India (RBI) should not allow the rupee to appreciate sharply. The RBI has done well in recent months to absorb a significant amount of the foreign exchange flow by

building reserves to keep the rupee in check. However, the 36-currency exports-based real effective exchange rate is still showing significant overvaluation. As we have argued in these pages before, now that India has adequate reserves, policymakers should reassess the kind of funds it needs. This will not only assist in keeping the rupee competitive and stable but will also help in conducting the monetary policy.

To be sure, the government is working on increasing the ease of doing business, which should also help India's exports. Policymakers would do well to increase the pace of reforms as challenges on the export front may increase owing to the growing threat of protectionism and rising automation.

Mint Dated : 08-12-2017

By 2022, 9% of workforce will be in jobs non-existent today: Nasscom study

Globalisation, demographic changes and the adoption of Industry 4.0 exponential technologies are the three factors going to determine the job scenario in India in 2022, a FICCI-Nasscom and EY study has said. The report, titled 'Future of Jobs in India', provides an overview of the job creation rates across various sectors and the new jobs that will emerge in the coming years. It looks into five sectors in detail: IT/ITeS, retail, financial services, textile & apparel and auto.

According to Sanjaya Baru, Secretary General, FICCI, since there is no India-based empirical study that highlights the impact of advanced technologies on key manufacturing and services sectors that create the bulk of jobs and contributes majorly towards GDP, FICCI and Nasscom initiated the study on 'Future of Jobs' with EY. The report examines the global megatrends, its impact on Indian economy and recommends the way forward.

As per the report, around 9 per cent will be working in the jobs that do not exist today and 37 per cent will be in jobs that have radically changed skill sets. Also, 54 per cent will come under the unchanged job category. "The report attempts to present a 2022 picture - a time when no one can afford to 'rest on one's laurels' but needs a continuous learning culture. Another important fact being seen is that non-tech firms are increasingly emerging as the source of information technology roles.

The effect of the three primary forces on IT/ITeS, retail and financial services is going to be disruptive. Business models will undergo a significant change leading to a significant impact on the skills and capabilities needed to be successful in this sector. On the other hand, sectors such as apparel, textile and leather won't be affected much in the short run.

In the organised manufacturing and service sector, the employment is expected to increase from the current 38 million to 46-48 million by 2022. All the new forms of employment are expected to add a further 20 per cent- 25 per cent to the workforce of the current defined "organised" sector in 2022.

BL Dated : 13-12-2017

By 2020, Artificial Intelligence will create more jobs than it eliminates: Gartner

Downplaying fears of jobs getting wiped out with Artificial Intelligence (AI), research firm Gartner said more jobs will be created than lost. The firm says 1.8 million jobs will be eliminated by 2020, but 2.3 million new jobs will be created by then.

2020 will be a pivotal year in AI-related employment dynamics, according to Gartner, as AI will become a positive job motivator. The number of jobs affected by AI will vary by industry; through 2019, healthcare, the public-healthcare, the public sector and education will see continuously growing job demand while manufacturing will be hit the hardest. Starting in 2020, AI-related

job creation will cross into positive territory, reaching two million net-new jobs in 2025, Gartner said in a release.

AI will improve the productivity of many jobs, eliminating millions of middle- and low-level positions, but also creating millions more new positions of highly skilled, management and even the entry-level and low-skilled variety.

By 2022, one in five workers engaged in mostly non-routine tasks will rely on AI to do a job.

AI has already been applied to highly repeatable tasks where large quantities of observations and decisions can be analyzed for patterns. However, applying AI to less-routine work that is more varied due to lower repeatability will soon start yielding superior benefits. AI applied to non-routine work is more likely to assist humans than replace them as combinations of humans and machines will perform more effectively than either human experts or AI-driven machines working alone will.

Through 2022, multichannel retailer efforts to replace sales associates through AI will prove unsuccessful, although cashier and operational jobs will be disrupted. Leveraging technologies such as AI and robotics, retailers will use intelligent process automation to identify, optimize and automate labour-intensive and repetitive activities that are currently performed by humans, reducing labour costs through efficiency from headquarters to distribution centers and stores. Many retailers are already expanding technology use to improve the in-store check-out process.

However, research suggests that many consumers still prefer to interact with a knowledgeable sales associate when visiting a store, particularly in specialized areas such as home improvement, drugstores and cosmetics, where informed associates can make a significant impact on customer satisfaction. Though they will reduce labour used for check-out and other operational activities, retailers will find it difficult to eliminate traditional sales advisers.

In 2021, AI augmentation will generate \$2.9 trillion in business value and recover 6.2 billion hours of worker productivity.

ET Dated : 13-12-2017

Workers optimistic about future prospects despite buzz about robots: Survey

Despite all the talk about robots taking over jobs, a significant percentage of people are positive about the future world of work and believe that they have what it takes, with Indians most confident of their digital skills, says a PwC survey.

According to the survey, when people think of the future work scenario, 73 per cent feel positive, with 37 per cent "excited" to see a world of possibilities, up from 29 per cent in the 2014 survey. Moreover, 65 per cent of people believe that technological developments will improve their job prospects as against 88 per cent in India, and globally 8 in 10 agreed that human skills will always be in demand.

In the study of more than 10,000 people across the UK, Germany, China, India and the US, 69 per cent of workers strongly agreed that they possess digital skills. Workers in India were the most confident about their digital skills at 83 per cent, while for China and the US the figure stood at 68 per cent. For Germany, it stood at 63 per cent and the UK 61 per cent.

With regard to STEM skills (science, technology, engineering and maths), workers in India (74 per cent), China (59 per cent) and the US (53 per cent) have higher levels of confidence compared to their peers in the UK (33 per cent) and Germany (44 per cent).

The report further noted that three-quarters of people surveyed are positive about the future and have confidence in their "soft skills" -- these are the skills that businesses will need in future as human work becomes more collaborative with artificial intelligence. In terms of soft skills also, workers in

India were the most confident, particularly about problem solving and creativity and innovation.

The survey was conducted in May 2017 among 10,029 members of the general public -- with just over 2,000 surveyed in each of China, India, Germany, the UK and the US. The respondents included workers, retired people, the unemployed and students in each country.

BL Dated : 14-12-2017

Social protection is affordable, even in the majority of low income countries

Even the poorest countries can afford to extend social protection to all their citizens, the ILO said in its recently released World Social Protection Report 2017-19.

For example, universal coverage in old-age pensions has been achieved by more than 20 countries, including Bolivia, Botswana, Brazil, Cabo Verde, China, Lesotho, Mauritius, Mongolia, Namibia, South Africa, Timor Leste, Trinidad and Tobago and Zanzibar (Tanzania).

Countries normally achieve universal coverage by a combination of contributory social insurance and tax-based social assistance or social protection floors.

Finding out just how much social protection floors cost is easy, thanks to the ILO's new calculator. The ILO Social Protection Floors Calculator makes it possible to estimate the costs of child and orphan allowances, maternity benefits, public works programs for those without jobs, disability and old-age pensions.

Results can be found in its companion paper "Universal social protection floors: Costing estimates and affordability in 57 lower income countries," just released by ILO.

The cost of universal benefits for 364 million children, 81 million pregnant women, 103 million persons with severe disabilities and 153 million older persons ranges from 0.3 per cent of GDP for Mongolia to 9.8 per cent of GDP for Sierra Leone - with an average cost of 4.2 per cent of GDP in 57 lower income countries.

While some countries have the fiscal space to develop social protection floors, others will have to gradually extend coverage and benefits according to national fiscal capacity, in combination with contributory social insurance schemes.

and Zambia are financing universal old-age pensions, child benefits and other schemes from taxes on mining and gas.

ILO Dated : 13-12-2017

Workers bodies urge FM to form National Fund for unorganized sector workers to provide social security

In an attempt to assure the different sectors of the economy, Finance Minister Arun Jaitley recently said that the government is committed to safeguard the interests of the workers especially those working in the unorganized and the Micro, Small and Medium Enterprises (MSME) sector.

The Minister made the following remarks as a part of the ongoing Pre-Budget Consultation Meeting with the representatives of the different Trade Union Groups in the national.

Jaitley said that the workers are entitled to minimum wages prescribed by law and asked all the concerned industries to strictly comply with the same without fail.

The workers association participating in the meeting raised different demands including increased Budgetary Allocations for Social Sector including health and education; necessary Financial Resources for the purpose to be raised internally by taxing the rich who have capacity to pay; effective measures against deliberate tax and loan repayment faults.

The workers also urged the government to create a National Fund for unorganised sector workers to provide Social Security among other demands. **Knnindia Dated : 06-12-2017**

Select Case Laws

**In The High Court of Allahabad
September 14, 2017
WRIT- C NO. 42493 OF 2017
PRESENT**

**The Honourable Mr. Justice B. Amit Sthalekar
G.M., Food Corporation of India and 2 Others
Petitioners**

v.

Union of India and 4 Others

Respondents

Contract Labour (Regulation & Abolition) Act, 1970 - Ss.12, 14. 15 Contract Labour (R.A) Rules, 1971 Rule 25 Writ petition not maintainable - A challenge is from the petitioner-management to the Order dt. 7. 7. 2017 by the Deputy Chief Labour Commissioner. The Court concluded that since the Order of the learned Single Judge dt. 24.3.2017 subsists even today and has not been set aside by the Division Bench of this Court in the Special Appeal and in pursuance of the direction given therein by the Deputy Chief Labour Commissioner (Central) Kanpur, has finally decided the application of the respondent No.3 under Rule 25(2)(v)(a) of the Rules, 1971, by the impugned order which is clearly appealable in view of specific provisions of S. 15 of the Act of 1970, this writ petition is not maintainable in the High Court. (Paras 1 to 10), **Writ Petition dismissed.**

**In The High Court of Allahabad
Reserved on March 9, 2017
Delivered on July 14, 2017
WRIT - C NO. 6291 OF 2002
PRESENT**

**The Honourable Mrs. Justice Sangeeta Chandra
Fertilizer Corporation of India Ltd., Gorakhpur
Petitioner**

v.

A.D.J. Gorakhpur & Others

Respondents

Payment of Wages Act, 1936 S.15 Payment Bonus Act, 1965 Wages, Bonus, claim for A challenge is from the petitioner-management to the Order passed by the Prescribed Authority under the Payment of Wages Act, which was Upheld by the Appellate Authority the Additional District Judge, directing petitioner to pay bonus of Rs. 400/- for the year 1984-1985 and Rs.1200/- to each of respondents No. 4 to 22, who were engaged by the petitioner, through the respondent No. 3-contractor Ram Dubar. On scrutiny of rival contentions in the background of case law available, the Court held that the Assistant Labour Commissioner i. e. Prescribed Authority failed to determine the crucial issues (a) as to whether 'bonus' could be said to be included within the definition of wages and (b) whether bonus, was included in 'wages' as per the terms of employment, settled between the contractor and the petitioner-Corporation. Impugned Orders are set aside and the matter is remanded to the Prescribed Authority to determine the issue 'whether in this case 'bonus' was included within the term 'wages' as defined under the Payment of Wages Act, 1936 and Payment of Bonus Act, 1965 and whether it Was part of remuneration in terms of contract of employment ? (Paras 1 to 9, 11 to 17, 19, 20, 21, 47, 48, 49), **Writ Petition disposed of.**

**In The High Court of Gujarat
July 4, 2017**

SPECIAL SERVICE APPLICATION NO. 10788 OF 2016

**WITH
SPECIAL SERVICE APPLICATION NO. 8235 OF 2016
PRESENT**

**The Honourable Mr. Justice Paresh Upadhyay
ABC Bearings Limited
Petitioner**

v.

**Ganpatsinh Bhagwansinh Parmar & Udaysinh Shivabhai
Gohil Respondents**

Bombay Industrial Employment (Standing Orders) Rules, 1959 Model Standing Orders-Order 27 of Schedule I Age of Superannuation, whether 60 years or 55 years - Whether the Labour Court was justified in granting the relief to workmen as awarded, on concluding that the age of superannuation for workmen was 60 years and not 55 years. The Court answered this question in negative i.e. in favour of the petitioner and against the workmen, with these conclusions: (i) The Labour Court fell in error on the point of law, while holding that the age of retirement was 60 years and not 55 years. (ii) The Labour Court could not have termed the discontinuance of service to retrenchment and/or illegal termination. (iii) It being case of retirement, the workmen not only accepted retirement dues, but had filled in necessary form also such as application to claim gratuity etc. and received it on cessation of service on 30. 4. 2009, which in terms has been named as retirement. Impugned Awards are quashed and set aside. (Paras 1 to 7), **Writ Petition allowed.**

**In The Supreme Court of India
July 27, 2017**

**CIVIL APPELLATE JURISDICTION CIVIL APPEAL NO.
9830 OF 2017**

**[@ SPECIAL LEAVE PETITION (C) NO. 17519 OF 2014
PRESENT**

**The Honourable Mr. Justice Kurian Joseph
The Honourable Mrs. Justice R. Banumathi
Indian Overseas Bank & Ors.
Petitioner**

v.

Rattan Singh

Respondents

Constitution of India, 1950 - Arts. 226, 227, 142 -Voluntary Retirement Scheme (for short VRS) - A challenge is from the appellant to the adverse judgment of the High Court, setting aside the order of termination of respondent and ordering his reinstatement in service will all consequential benefits. Finding it difficult to appreciate the stand taken by the High Court, the Apex Court ordered that having regard to the peculiar facts of this case and invoking jurisdiction under Article 142 of the Constitution of India, to do complete justice to the parties, (i) the respondent shall be allowed to join work from 1.8.2017 with all the benefits, he would have earned in normal course. (ii) But he shall not be entitled to any back wages from date of lamination in 2001 till the date of High Court judgment dated 21.2.2014. But for all other purposes it will be treated as continuous service of respondent till he attains the age of superannuation. (iii) Respondent shall be entitled to 50% of the back wages from 21.2.2014 till 31.7.2017. (iv) The appellants are entitled to withdraw all the amounts credited to the account of the respondent as VRS benefits alongwith the accrued interest. (v) Respondent will be entitled to pension and pensionary benefits, which would be settled accordingly. (vi) Appellants shall not make any demand from respondent for contribution towards pension. Subject to this Order, impugned Judgment of the High Court is set aside. (Paras 1 to 9), **Civil Appeal allowed to an extent.**