

College: J D Women's College	Subject: Labor & Employment Laws in India
Dept: MBA	Unit/Topic: IV/Standing order Act, 1946
Semester: 3 rd (HR specialization)	Faculty Member: Kundan Kumar Gautam

The Industrial Employment (Standing Order) act, 1946

Lecture Notes - 1

Introduction

In the pre-independence era, India didn't really have many laws on suitable employment and labor practices. As a result, workers did not have uniformity in their service conditions, which often led to a lot of disruptions, friction and productivity loss between the workers and their employers in the industrial undertakings that had heavy workloads and a large number of employees.

Under the above background, The Industrial Employment (Standing orders) Act, 1946, was introduced on 23 April 1946 for the employers in industrial establishments to ensure proper and clear employment conditions under those establishments. The purpose of standing orders act 1946 is to minimize friction between the management and workers in the industrial establishments. The act contains 15 sections and a schedule.

Standing Orders states the laws which govern the relationship between the employer and a workman in an industrial establishment which includes the elements such as classification of workers, working hours, attendance, suspension, termination etc. In this article, we look at the various aspects of the Industrial Employment (Standing Orders) Act in detail.

Standing orders mean a set of conditions defining the:

- Conditions of recruitment
- Disciplinary action

- Discharge
- Holidays and leave

Objectives:

The objective of the Industrial Employment (Standing Orders) Act, are as follows:

- To provide regular standing orders for workers, factories, and working relationship.
- To ensure that the employee recognizes the terms and conditions of the employees and exploitation of the workers is minimized.
- To promote industrial peace and harmony by supporting fair industrial practices.

The Act applies to the whole of India. It was initially made applicable to only those industrial units/undertakings/establishments wherein 100 or more workers were employed on any day of the preceding 12 months. Subsequently, the Act was amended in 1961, 1963 and 1982. The Act empowers the appropriate Governments to extend the provisions of this Act to those establishments also who are employing less than 100 workers after giving not less than two months' notice, of its intention to do so, in the official gazette.

The main objectives of the Act, besides maintaining harmonious relationship between the employers and the employees, are to regulate the conditions of recruitment, discharge, disciplinary action, leave, holidays, etc. of the workers employed in industrial establishments.

The Act amended in 1982 also provides for payment of subsistence allowance to the workmen who are kept under suspension pending domestic enquiry. The rules regarding payment of subsistence allowance to the suspended workmen were further amended by a notification in 1984 facilitating payment during the suspension period, the subsistence allowance at the rate of 50 per cent of the wages, which he was entitled to, immediately

preceding the date of suspension, for the first 90 days and 75 per cent of such wages for the remaining period of suspension, if the delay in completion of the disciplinary proceedings is not directly attributable to his conduct. The employer shall normally complete the enquiry within 10 days and the payment of subsistence allowance shall also be subject to the workman not taking any employment elsewhere during the period of suspension.