



## Workplace Culture of India

**For Prelims:** [ILO](#), [Concurrent List](#), [Code of Wages, 2019](#), [Industrial Relations Code, 2020](#), [Social Security Code, 2020](#), [Occupational Safety, Health and Working Conditions Code, 2020](#)

**For Mains:** India's Corporate Culture: Regulatory Framework, Recommendations and Challenges

**Source:** [TH](#)

### Why in News?

The tragic case of Anna Sebastian, a **chartered accountant who is reported to have died due to work-related stress**, underscores the urgent need to address the **toxic workplace culture in India**, highlighting the **continued exploitation of workers**.

### Note:

- According to the **recent study of [International Labour Organisation](#)**, India ranks among the **most overworked countries globally**, with workers averaging 46.7 hours per week.
  - Additionally, 51% of India's workforce clocks 49 or more hours weekly, **placing the country second in terms of extended working hours** worldwide.

### What are the Key Issues in India's Workplace Culture?

- **Toxic Work Environment:**
  - **Long working hours and stress** have become normalised in many corporations, driven by a relentless focus on profit margins and bottom lines.
  - The practice of **overworking employees while cutting costs** often leads to burnout, as companies justify exploitation with terms like **"organisational stretch" and "variable pay."**
- **Responses to Work Culture Issues:**
  - Corporate initiatives like [codes of conduct](#) and work-life balance policies often lack depth, failing to address the root causes of workplace toxicity effectively.
- **Abusive Leadership and Lack of Accountability:**
  - The absence of legal recourse for employees facing [workplace harassment](#) or abusive language creates an environment where such behaviors can persist unchallenged.
  - The **performance evaluation systems** in many companies are perceived as biased, leading to feelings of unfair treatment among employees, which breeds resentment and a toxic atmosphere.
- **Public Sector vs. Private Sector Dynamics:**
  - [Public sector organisations](#) typically offer stronger job security and a more supportive work environment, aided by unions that help address employee grievances.

- This difference **raises questions about the need for improved practices** within the private sector to foster a healthier work culture.

▪ **Fatalities Linked to Long Working Hours:**

- In 2016, **WHO** and **ILO** estimated that long working hours contributed to 745,000 deaths due to stroke and ischemic heart disease—a 29% increase since 2000.
  - Workers aged 60-79 who **consistently worked more than 55 hours** per week between ages 45 and 74 exhibited higher **mortality rates**.

▪ **Link Between GDP and Working Hours:**

- ILO reveals that countries with shorter working hours often enjoy higher per capita **GDP**. Nations like Norway (33.7 hours) and the Netherlands (31.6 hours) maintain shorter working weeks while **prioritising worker well-being**, which in turn boosts overall economic prosperity.
  - In contrast, countries like India and Bhutan have longer working hours **but lower per capita income**, suggesting that long working hours don't necessarily equate to economic success.

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**Workplace Culture in Other Countries**

▪ **United States:**

- Demanding work culture with long hours, but **increasing flexibility** (remote work, flexible hours, etc.).
- Focus on performance with bonuses and stock options, but **leads to competition and income inequality**.
- Stronger legal protections, though labor laws vary by state and unions are weaker in some sectors.

▪ **Europe:**

- Strong **emphasis on work-life balance** with strict labor laws (e.g., 35-hour workweek in France).
- Respectful and collaborative corporate culture with **greater employee protections**.
- More equitable compensation and generous benefits; **robust labor protections and strong unions**.

## What is the Regulatory Framework Regarding Labours in India?





## TYPES OF LABOUR LAWS IN INDIA

### CONDITIONS OF WORK

- Factories Act, 1948
- The Contract Labour (Regulation & Abolition) Act, 1970
- Shops and Commercial Establishments Act

### WAGES & REMUNERATION

- The Minimum Wages Act, 1948
- Payment of Wages Act, 1936

### SOCIAL SECURITY

- Employees' Provident Fund Act, 1952
- Workmen's Compensation Act, 1923
- Employees State Insurance Act, 1948

### EMPLOYMENT SECURITY & INDUSTRIAL RELATIONS

- The Industrial Disputes Act, 1947
- Industrial Establishments (Standing Orders) Act, 1946



- **Constitutional Framework:** Under the [Constitution](#), Labour as a subject is in the [Concurrent List](#) and, therefore, both the Central and the State governments are competent to enact legislations subject to certain matters being reserved for the Centre.
- **Judicial Interpretation:** In the case of **Randhir Singh vs Union of India, 1982**, the [Supreme Court](#) stated that “Even though the principle of ‘Equal pay for Equal work’ is not defined in the Constitution, it is a goal which is to be achieved through [Articles 14, 16 and 39 \(c\)](#).
  - **Article 14:** It provides for equality before the law or equal protection of the laws within the territory of India.
  - **Article 16:** It talks about the right of equal opportunity in the matters of public employment.
  - **Article 39(c):** It specifies that the economic system should not result in the concentration of wealth and means of production to the detriment of the entire society.
- **Legislative Framework:** There have been several legislative and administrative initiatives taken by the government to improve working conditions and simplify labour laws. Most recent is the consolidated sets of [4 labour codes](#) which are yet to be implemented.
  - **Labour Codes:**
    - [Code of Wages, 2019](#)
    - [Industrial Relations Code, 2020](#)
    - [Social Security Code, 2020](#)
    - [Occupational Safety, Health and Working Conditions Code, 2020](#)
  - **The Factories Act, 1948:**
    - Daily hours under the [Factories Act](#) cannot exceed nine hours in any day, according to **Section 54**.
      - Every worker is entitled to an interval break of at least half an hour and not more than 5 hours of work should pass before such interval.
    - No worker under the Act shall be required to work for more than 48 hours in any week, according to **Section 51**.
  - **The Minimum Wages Act, 1948:**
    - [Wages](#) paid for overtime must be double the actual rate for any hour, or part of an hour, of actual work undertaken in excess of the prescribed 9 hours or 48 hours per week.

## What can be Done to Improve Work Culture in India?

- **Regulatory Framework:**
  - To effectively address toxic workplace culture, a regulatory framework is necessary. This could involve mandating corporate boards to be accountable for workplace conditions and employee welfare.
  - **Establishing clear guidelines** for employee treatment and performance evaluations can help mitigate abusive practices.
- **Cultural Shift in Corporations:**
  - Companies should actively promote a culture of respect and fairness, where employee contributions are acknowledged and rewarded appropriately.
  - **Initiatives focused on improving work-life balance**, alongside genuine engagement with employees, could help foster a healthier workplace environment.
- **Awareness and Advocacy:**
  - Increased awareness and discourse on workplace culture issues can empower employees to voice their concerns and advocate for their rights.
  - **Learning from international standards** where employees have the right to sue for mental stress could prompt similar protections in India.
- **Corporate Social Responsibility (CSR):**
  - Corporations must integrate a commitment to improving workplace culture into their [CSR](#) strategies, recognizing that employee well-being is integral to long-term success.

### **Drishti Mains Question**

Q. Discuss the key issues surrounding workplace culture in India. What regulatory reforms are necessary to improve employee-employer relations?

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