A STUDY ON LABOR FRINGE BENEFITS OF GREATER KHULNA REGION

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Abstract: Fringe Benefits represent all the indirect financial payments in the form of various supplemental unemployment benefits, worker’s compensation & job related Services benefits and retirement benefits received by an employee for continuing his or her employment with the company. Our attempt here is to explore the comparative analysis of fringe benefits provided by ten companies with opinions by labors of those companies in Khulna industrial zone. Our study also focuses on some recommendations to implement a good fringe benefit in Bangladeshi Companies.

Keywords: Labor; Fringe benefit; Industry; Productivity; Employer

Introduction

Labor fringe benefits are made up of employment related benefits provided by the employer and include the insurance programs, retirement plans, various supplemental unemployment benefits and hospitalization plans. Many firms treat all such fringe benefits as indirect labor cost by adding them in total to manufacturing overhead. Other firms treat portion of fringe benefits that relates to direct labor as additional direct labor cost. This approach is conceptually superior since the fringe benefits provided to direct labor workers clearly represent an added cost of their services. This cost to the employer for fringe benefits is substantial. The growth of employee benefits has been rampant, particularly since World War II and apparently no end is in sight. The rapid growth of such programs can be traced to such sources as:

- changed employee attitude
- demand of labor union
- governmental requirements
- competition that forces other employers to match benefits to attract and keep labor and
- periodic wage controls that freeze wages but permit the offering of services as a substitute for wages increases (Flippo, 1984).

There is little or no evidence that the tremendous variety of supplementary pay plans, often termed as “fringe benefits,” serve to motivate employees to increase productivity. Despite the absence of motivational effects, employee benefit programs make up a significant portion of most personnel department budgets. Currently, they are amounted

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to over one third as much money as payroll earnings (Flippo, 1984). According to a series of survey by the US Chamber of Commerce, total benefit costs have doubled in the last 30 years (Fred, 1981). The Main objectives of this study are:

- To become aware of labor fringe benefits provided by some companies in Bangladesh
- To know the purposes for which fringe benefits were sanctioned
- To know the effect of fringe benefits provided by organizations and
- To suggest measures to implement a good fringe benefit system

Methodology

This paper has been prepared primarily by reviewing the studies and documents available in both published and unpublished forms. This will provide a brief profile of the fringe benefits currently paying in Bangladesh in general with particular environmental focus on Khulna industrial Zone. The study was conducted in ten companies under Khulna industrial zone in Bangladesh covering three Jute mills under BJMC namely, Daulatpur Jute Mills Ltd., Eastern Jute Mills Ltd. and Peoples’ Jute Mills Ltd., one private Jute Mill namely, Mohsen Jute Mills Ltd., Meghna Cement Factory Ltd., Meghna Petroleum Ltd., Khulna Hard Board Mill, Khulna Shipyard and Dhaka Match Industries Ltd. We have surveyed 200 workers from those companies. From each company, workers have been selected randomly to collect primary data for the study. Moreover, relevant company publications were studied which led to a comparative analysis with relevant findings of the studies.

Nature and Types of Labor

In our study labor means workers, in industrial undertakings. According to the Employment of Labor (Standing Orders) Act, 1965, Worker means any person including an apprentice employed in any shop, commercial establishment or industrial establishment to do any skilled, unskilled, annual, technical trade, promotional or clerical work for hire or reward, where the terms of employment be expressed or implied, but doesn’t include any such person a. who is employed mainly in a managerial or administrative capacity; or b. who being employed in a supervisory capacity, exercises, either by nature of the duties attached to the office or by reason of power vested in him, functions mainly of managerial or administrative nature. Temporary worker means a worker who has been engaged for work, which is essentially of temporary in nature and is likely to be finished within a limited period. Casual worker means a worker whose employment is of a casual in nature.

National Labor Law Commission: Almost all our labor laws were inherited from British India through Pakistan and were kept in force or adapted after changes here and there to suit the changing needs. There are at present about 47 labor laws. And amendments or re-enactment of some of the important laws, especially laws dealing with industrial relations, factories, employment conditions etc. were considered essential. Considering the necessity, the Government constituted a National Labor Law Commission in 1992 to update the Laws. After two years of hectic study by the Commission, which is headed by a retired Judge of the Supreme Court, The Commission
submitted a consensus report to the Government in 1994, wherein certain useful suggestions and recommendations were made for improving industrial relations, the implementation of which is yet to be effected by the Government.

**Nature and Types of Fringe Benefits**

*Supplementary benefit:* These benefits provide pay for time not worked. These are typically one of an employer’s most expensive benefits. They include unemployment insurance, vacation and holiday pay, severance pay and supplemental unemployment benefits.

a. **Unemployment benefits:** These benefits provide for periodic benefits if a person is unable to work due to some faults other than his or her own. Unemployment benefits are not meant for all dismissed employees, only those terminated through no fault of their own.

b. **Vacation and holidays:** The number of paid employees’ vacation days varies considerably from employer to employer. In the USA, the average is about ten days per year. The average number of annual vacation days is generally greater in industrialized countries outside the United States. The number of vacation days normally depends on how long the employee has worked at the firm. Some vacation plans give the employee his or her regular base rate of pay while on vacation, while others provide for vacation pay based on average earnings (which may include overtime). Some, but not all employers, provide for accrued vacation time, which is paid if employee leaves before taking his or her vacation. That’s why most of the workers visited their families at least two times a year (Quddus, 1983). In Bangladesh, according to section 79 of Bangladesh Factories Act, 1965, every worker shall be allowed at least ten days festival holidays with wages in a year, those days and dates for such festivals shall be fixed by the occupier or manager in such a manner as may be prescribed. A worker may be required to work on any festival holiday but two days additional compensation holidays with full pay and a substitute holiday shall be provided for him in accordance with the provision of section 51 of Bangladesh Factories Act, 1965.

c. **Sick leave:** Sick leave provides pay to an employee when he or she is out of work because of illness. Sick leave pay causes consternation for many employers. The problem is that while many employees use their sick days only when they are legitimately sick, others simply utilize their sick leave as extension to their vacations whether they are sick or not. Every worker shall be entitled to casual leave with full wages for ten days in a year and every worker shall be entitled to fourteen days sick leave on half average wages in a year (U\S:80, Bangladesh Factories Act, 1965). The drawback is that the policy can encourage legitimately sick employees to come to work despite their illness.

*Worker’s compensation and job related services benefits:* Laws are aimed at providing sure, prompt income and medical benefits to work-related accident victims or their dependants regardless of faults. Workers Compensation benefits can be either monitory or medical. In the event of a workers death or disablement, the person’s dependants are paid a cash benefit based on prior earnings – usually oneself to two-thirds the worker’s average weekly wages per week of employment. A special protection to employees was established when the Workmen’s Compensation Act was passed in the year 1923. It has
created a special type of liability for employers. Compensation to an injured workman (or his legal representative in the case of fatal accidents) is independent of any neglect or wrongful act on the part of the employee if the accident arises out of and in the course of employment. This Act has been modified from time to time in order to remove some of its defects to extend it to more classes of employees and to increase the amount of compensation payable. Mere negligence or carelessness on the part of an employee is now no longer a defense against claim under this Act.

Job-related services aimed directly at helping employees perform their jobs, such as assistance in moving and day care centers, constitute a second group of services. Job-related services Benefit includes: 1) Subsidized child care 2) Subsidized employee transportation, food services, medicare etc. Bangladesh factories Act, 1965 provides provision for rooms for children:

1. In every factory wherein more than fifty workers are ordinarily employed, there shall be provided and maintained a suitable room or rooms for the use of children under the age of six years of women.
2. Such room shall provide adequate accommodation, be adequately lighted and ventilated and maintained in a clean and sanitary conditions and shall be under the charge of woman trained or experienced in the care of children and infants.
3. The government may make rules - a) Prescribing the location and the standards in respect of construction, accommodation, furniture and other requirement of rooms to be provided under these sections. b) Requiring the provision, in factories to which this section applies, of additional facilities for washing and changing their clothing. c) Requiring the provision in any factory of free milk or refreshments or both for such children. d) Requiring that facilities shall be given in any factory for the mothers of such children; to feed them at the necessary intervals.

Most employers provide group life insurance plans for their employees. As group employees can obtain lower rates than if they bought such insurance as individuals. And group plans usually contain a provision for including all employees-including new ones-regardless of health or physical conditions. Life insurance covers Hospitalization, Medical and Disability insurance. In USA, about 92% medium and large firms and 69% of small firms make available to their employees some type of hospitalization and medical disability insurance along with life insurance (Bureau of National Affairs Bulletin to Mgt, 1991). In our country, the government may make rules requiring that in any specified factory wherein more than two hundred and fifty workers are ordinarily employed, adequate canteen shall be provided for the use of the workers (Bangladesh factories Act, 1965).

**Retirement benefits:** There are many types of pension plan. For example, there are defined benefit pension plans and defined contribution benefit plans. A defined benefit pension plan contains a formula for determining retirement benefits so that the actual benefits to be received are defined ahead of time. For example, the plan might include a formula that designates a dollar amount or a percentage of annual salary for predicting the individual’s eventual pension. A defined contribution plan specifies what contribution the employer will make to a retirement or savings fund set up for the employee. The defined contribution plan doesn’t define the eventual benefit amount, rather it specifies only the periodic contribution to the plan. In a defined benefit plan, the employee knows
ahead of time what his or her retirement benefits will be upon retirement. With a defined contribution plan, the employee cannot be sure of his or her retirement benefits. Those benefits depend on both the amounts contributed to the fund and the retirement fund’s investment earnings.

**Findings from Industry**

We have studied ten prominent companies consisting of about 13000 workers in Khulna Industrial Zones.

**Jute Mills under BJMC:** Jute Mills under BJMC covers Daulatpur Jute Mills Ltd., Eastern Jute Mills Ltd., Peoples’ Jute Mills Ltd. In our survey we tried to be acquainted with the wage giving system in jute mills under BJMC. Jute was the golden fiber of Bangladesh because once upon a time Bangladesh were the largest jute producing and exporting country. But, as time goes by, Bangladesh have lost her gravity in jute production and export. In that time there were many jute mills in Bangladesh. Most of the jute mills were centralized in the Khulna region. These mills are controlled by Bangladesh Jute Mills Corporation (BJMC). It has a Board of Director to control the Corporation. A General Manager controls a few Mills under BJMC within a region. Fringe benefit such as holidays pay, vacation pay, overtime, premium pay, pension cost and cost of living, travel allowance, medical allowance, festival bonus and so forth must be added to the basic rate in order to arrive at the full labor cost in these Jute Mills. Jute Mills under BJMC are making huge loss and facilities of workers are decreasing.

**Mohsen Jute Mills (Pvt.) Ltd.:** It is a private jute mill in Khulna region. Generally the wage rate of Mohsen Jute Mills (Pvt.) Ltd. is relatively higher than the governmental jute mills. But the fringe benefits of government jute mills are relatively higher than the Mohsen Jute Mills (Pvt.) Ltd. In government jute mills, the workers have enjoyed the employment security, retirement benefits and more union facilities. According to the Factories Act, workers are entitled to get bonus. There are mainly two types of bonus like festival bonus and profit sharing bonus. Mohsen Jute Mills (Pvt.) Ltd. also gives these bonuses to their workers. The company gives to their employees some additional benefit beyond the wage and bonuses like residence facilities for their workers and educational facilities for the children of the workers.

**Meghna Cement Factory:** MCF is a public limited Company of Basundhara Group. It is a profitable venture in private sector. The current allowances are dust allowance, vacation pay, overtime, premium pay, festival allowance and T\A, D\A. Besides these, workers are demanding pension plans for old aged security. The workers also think that the company can also pay education allowance for their children. The workers don’t have accommodation facilities for their family. They also don’t get lunch. It is expanding its capacity to meet its increasing demand and the work is going on. Its quality is certified by BSTI. It is hardly trying to get ISO9000 certification. The necessary arrangement is going on. The internal environment of the factory is quite smoothing and neat and clean.

**Meghna Petroleum:** Though Meghna Petroleum is not an old company but it has a glorious historical background. It started its voyage from Pakistan period as Esso Eastern Inc. (USA). After liberation, Daud Petroleum and Padma Petroleum merged together as Padma Petroleum. Afterwards, Padma Petroleum and Esso Eastern Inc. jointly
incorporated as Meghna Petroleum Marketing Co. Ltd. In 1978, this organization changed its name as Meghna Petroleum Co. Ltd. This company is providing retirement benefits and various supplementary benefits.

Table 1. Supplemental pay benefits.

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Unemployment Benefit</th>
<th>Vacation and Holidays Pay</th>
<th>Sick leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jute mills under BJMC</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Mohsen Jute Mills</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Meghna Cement</td>
<td>Yes (low level)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Meghna Petroleum</td>
<td>Yes (low level)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Dhaka Match Industries</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Khulna Hard Board Mills</td>
<td>Yes (Low level)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Khulna Newsprint Mills</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Khulna Ship Yard Ltd.</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Table 2. Workers compensation and job related services benefit and retirement benefit.

<table>
<thead>
<tr>
<th>Company*</th>
<th>Medical facilities</th>
<th>Child care</th>
<th>Transportation and travel</th>
<th>Food services</th>
<th>Education facilities</th>
<th>Dust and gas allowance</th>
<th>Accommodation facilities</th>
<th>Soap/dress shoes belt umbrella</th>
<th>Night allowance</th>
<th>Retirement benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Jute Mills Under BJMC</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Mohsen Jute Mills Ltd.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Meghna Cement</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Meghna Petroleum</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>5. Dhaka Match Industries</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>6. Khulna Hardboard Mills</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7. Khulna Newsprint Mills</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>8. Khulna Ship Yard Ltd.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>


**Dhaka Match Industries Limited:** In 1993, the Swedish company sold this company with a large amount of liability at a negotiable amount. Now the company is under the control of Bhaiya Group of Industries. When the company was operated as Dada Match Company, it was able to create a positive brand-loyalty among the customers. The product is still marketed with this brand-loyalty in the name of Dhaka Match Industries Ltd. The company also gives two bonuses in two Eid festivals and each bonus is equal to the one-month basic payment. There also is a provision to work in the night shift. The company provides the workers that work in night shift with some extra benefit. The company provides some fringe benefits, which includes house rent allowance, medical allowance, conveyance, night allowance, and dress wash allowance.

**Khulna Hardboard Mills Limited:** We have faced some problems such as tendency of non disclosure of information at the first stage, monthly basis payment rather than hourly basis, the different bonus payment methods etc. The main thing which should be maintained that we have surveyed a government mill, which has no specific rules and regulation in labor costing. Fringe benefits are made up of medical facilities, accommodation facilities and various supplementary benefits.
**Khulna Newsprint Mills Limited:** Khulna Newsprint Mills has two types of labor force. They are permanent and casual. KNM acts under Bangladesh Chemical Industries Corporation (BCIC). Labor forces are diversified on the basis of payment and performance. Except the basic wages scale, they also receive the different types of fringe benefits such as house, gas, washing, canteen, medical allowance, festival and profit bonuses. They also get hot cloths in every two years, dress, an umbrella per year etc. This factory is currently making huge losses. So, it cannot pay its labor force within the time of payment. And the labors get disappointed. So, to overcome this problem Mill authority should make the venture profitable.

**Khulna Shipyard Limited:** KS Limited was established in 1957 and after 1971 the control of the company was taken over by Bangladesh Steel Mills Corporation. Later on in 1999, Bangladesh Navy took over its control. The residence facility they provide for the worker is not sufficient for accommodation and the condition is not so good as it is expected. They provide medical and training facilities to their labor force.

**Findings from Labor**

We have studied on labor of the ten companies and have found controversial result, which is totally different from Organization’s prescribed practices mentioned in their article of association. An opinion survey conducted over workers showed that workers are unaware of the organizational status of the industry in which they are working. According to the survey, 65% of the total respondents get benefit of unemployment. Workers have no security of their job. 90% of the respondents get vacation and holiday pay. About 72% get sick leave, although every worker shall be entitled to fourteen days sick leave on half average wages in a year (U/S: 80, Bangladesh Factories Act, 1965). Opinion was also sought about reflection of the views of the workers in industrial fringe benefits. According to 28% of the total respondents, the activities of company relating to labor do not reflect the positive views of the labor community. The result of the study based on 200 workers of the 10 companies is shown in Table 3.

Workers in our country are generally deprived of additional benefits from employer. The organization does not have direct medical facilities, no doctor is staying at factory premise. Even in our study, only 26% of the workers are enjoying medical allowances. Labor is not allowed in getting food services, transportation facilities and even educational facilities. Some organization is providing the dust and gas allowance, soap item, shoes, belt and umbrella. But these are not significant in value. Some of the organizations provide night allowance for working at night. Khulna Hardboard Mill is one example, which gives such allowances. No Company provides any childcare facilities. 30% of total respondents get accommodation and housing facilities and 70% get retirement benefits. It is viewed that industrial workers in such countries lack commitment and hence hamper the desired level of industrial growth. Incidents like high rate of absenteeism, indiscipline, high labor turnover, low productivity and even shortage of labor in such countries are seen as the results of lack of commitment on the part of workers (Moore and Feldman, 1960).

A great majority of the total respondent (about 100%) opined that role of industry in giving fringe benefits is not satisfactory. The respondents were not found well informed
and aware about the roles that were played by industry or employer. However, it is observed that respondents were more or less found well informed and aware of the current development activities of the industry working in Bangladesh. Their financial benefit is so poor that they cannot live well. Our findings resulted that the workers in Khulna industrial zone are getting so less fringe benefits. The working environment is not congenial for the labor. Removal of smokes fumes and other dust is not properly exhaust and managed. Moreover, the heat is very much dangerous for the workers. The workers express their dissatisfaction about the excessive hot working environment. In our country, there are some rules and regulations, though not sufficient, concerning the payment of fringe benefits to the labor. But these rules are not strictly maintained. Even the Government has so much lacking in maintaining the workers rules and regulations regarding fringe benefits. In fact, labor fringe benefits in Bangladeshi Companies are not so much adequate and encouraging.

Table 3. Findings from labor.

<table>
<thead>
<tr>
<th>Fringe benefit</th>
<th>Positive response (%)</th>
<th>Negative response (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment insurance benefit</td>
<td>65</td>
<td>35</td>
<td>100</td>
</tr>
<tr>
<td>Vocational and holiday pay</td>
<td>90</td>
<td>10</td>
<td>100</td>
</tr>
<tr>
<td>Sick leave</td>
<td>72</td>
<td>27</td>
<td>100</td>
</tr>
<tr>
<td>Medical allowance</td>
<td>26</td>
<td>74</td>
<td>100</td>
</tr>
<tr>
<td>Child care</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Employee transportation</td>
<td>3</td>
<td>97</td>
<td>100</td>
</tr>
<tr>
<td>Food services</td>
<td>7</td>
<td>93</td>
<td>100</td>
</tr>
<tr>
<td>Educational facilities</td>
<td>52</td>
<td>48</td>
<td>100</td>
</tr>
<tr>
<td>Dust and gas allowance</td>
<td>2.5</td>
<td>97.50</td>
<td>100</td>
</tr>
<tr>
<td>Soap item shoes belt and umbrella</td>
<td>22</td>
<td>88</td>
<td>100</td>
</tr>
<tr>
<td>Night allowance</td>
<td>8</td>
<td>92</td>
<td>100</td>
</tr>
<tr>
<td>Accommodation facilities and allowance</td>
<td>33</td>
<td>77</td>
<td>100</td>
</tr>
<tr>
<td>Retirement benefit</td>
<td>71</td>
<td>29</td>
<td>100</td>
</tr>
</tbody>
</table>

Recommendations

- People of Bangladesh are not so much aware of labor fringe benefits. To remove absenteeism we need to give more benefit. Absenteeism can be said to be one of the major problems of Bangladeshi Companies. Habibullah and his associate (1982) rightly opined that absenteeism is a serious factor affecting productivity. Our workers pushed into the industrial area because of poverty and lack of employment in non-agricultural season. They do not have high ambition. They go back to their villages as soon as they have accumulated some money. The industrial areas have not developed fascination for them Authority can take steps in giving advantages like housing facilities because we found dissonance in giving housing allowance in normal and piece rate. In fact, in most of the companies the workers are deprived of housing facilities. The canteen facility should be much better and charges should be kept low. The sports and entertainment facilities are required as an extra motivating factor as well as an incentive. Increasing the wages and providing proper fringe benefits such as medical allowance, conveyance etc. to the labors may eliminate labor dissatisfaction.

- The payment procedure to the labor is one of the procrastination of these organizations, which creates delay. They can categorize workers according to group considering standard range for management. Besides the allowance, the basic salary is very poor and not sufficient. The payment rate is so nominal for the labor in proportion to the unit production. The basic pay should be increased for upliftment of the living standard of the labors. Moreover, it will
motivate the labor to work more efficiently. It has been seen that the company has some labors, for which the company is paying wages without any contribution to the company. This kind of so-called labor should be fired out from the company. Company has some casual workers who are not allowed to enjoy fringe benefits. Casual worker should at least be given some fringe benefits.

- The companies don’t follow a definite incentive wage plan. For maintaining the labor cost properly, the organization should introduce a definite incentive wage plan and follow it properly. According to the wage plan, the recognition should be given according to performance. Benefits should be confined to activities in which the group is more efficient than the individual. In all, labor fringe benefits should satisfy the real need.

- The organization’s machines are generally old version. Modern and improved technology should be introduced, as the people of administration have told that the machines cannot be replaced or they cannot import new machines. So, fully modern and updated technology should be introduced in order to make the machines sound. Proper ventilation system should be arranged in the production room in order to keep the environment congenial for the labor.

- Fringe benefits should be characterized by sufficient flexibility to enable adoption of various measures according to varying employee needs.

- Childcare system should be implemented. The Ford Foundation pays as childcare the 50% of the costs for employees’ earnings less than $25000 per year.

- Fringe benefit should include labor educational assistance through tuition refunds. A survey of 283 firms indicated that over 90 percent of the larger enterprises offer educational assistance (Watson and Alexis, 1975).

**Conclusion**

The existing enforcement and implementation of laws has been proved to be ineffective to ensure proper enforcement and implementation of the various laws contributing largely to the development of unhealthy labor management relation. The inactivity of these machinery along with other allied institutions on labor matters need to be removed and their role be redefined to improve industrial relations to meet the changing needs created by the new emerging world-wide trading system characterized by a high degree of competitiveness and enterprise efficiency. There is enough scope to enlarge and strengthen the activities of the industrial relation institutes and those of the labor welfare centers to cater to the training and welfare need of the workers by expanding their area of the activities in the context of the changing economic environment.

Most of the interviewed labors feel that either the management or the employers are mostly indifferent to their welfare. Business people make money by exploiting and depriving workers, the most important factor of production. Labor management relation in the business organizations in Bangladesh is very poor or hostile, which is clearly demonstrated by the large number of strikes and lockouts occurred during the last decades. In the private sector, the workers are not given wages to maintain minimum standard of living. There is no minimum wage law. As a group of workers point out “we are still better than slaves”. Despite Factory Act and other laws, we have no job security, no pay scale, and no appointment letters. We hold our jobs at the pleasure of our employers’. Most of the workers live in an abject poverty. They are living from hand to mouth. The business firms, particularly in the private sector, discourage the healthy trade
union practices, although collective bargaining and representation by trade unions is the workers’ right. Workers should be treated with respect and dignity. They are not allowed to participate in decision making at levels of management (Akkas, 1999).

Administering Labor fringe Benefits are going to represent an increasingly specialized task. It will demand expertise because workers will be more financially sophisticated and demanding in the coming era. The functioning of these organizations should be supervised by tripartite bodies and be made transparent by establishing accountability of management as well as labor. One serious obstacle to the introduction of any reform measures and more generally to the sensible policy making of labor fringe benefits on industrial relations is the lack of reliable data on industrial relations which need to be developed urgently. The existing network of the statistical bureau maintained by the department of labor could not ensure proper justice in this sphere.

References


