

Corona virus fear: Govt raises issue of layoffs, salary cuts with companies

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- **Following the outbreak of Covid-19, the aviation industry is one the most severely affected sectors across the globe due to restrictions on domestic and international flights**

The Central government is scrambling to address distress calls of workers across the country, with the authorities intervening with employers to address concerns on layoffs or unpaid leave during the nationwide lockdown, which is aimed at minimising the spread of Covid-19.

The office of the chief labour commissioner, under the Union Labour and Employment Ministry, has written to Spice Jet Chairman and Managing Director Ajay Singh to comply with the "instructions" of the government and not deduct the salaries of workers in the lockdown period.

Following the outbreak of Covid-19, the aviation industry is one the most severely affected sectors across the globe due to restrictions on domestic and international flights.

Low-cost airline Spice Jet had announced a 30 per cent pay cut for employees for March and announced "leave without pay" during March 25-31. Following the decision, the regional labour commissioners in New Delhi and Vijayawada (Andhra Pradesh) received complaints from the airline's employees.

The government had issued multiple communiqués, in the form of advisories and directions, to companies in India to not deduct wages of workers or refrain from layoffs or retrenchment during the lockdown period.

While the central labour commissioner asked Singh on April 2 to submit an action taken report on the government's advisories, in Vijayawada, the regional labour commissioner termed the wage deduction "violation", and the matter had been taken up with the management, according to documents reviewed by Business Standard.

"While circulars are being issued by various state government authorities that are in nature of advisories, we wish to state that Spice Jet has neither retrenched nor deducted wages or salaries of any casual or contractual worker, as advised," Spice Jet said in an official statement to Business Standard.

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The government had announced a nationwide lockdown till April 14 and the airline said the aviation industry came to a grinding halt, leading to disruption in passenger traffic and “a complete shutdown in distribution channels”, adding that in these conditions, it had ensured that there was no loss of employment in the airline.

The complaint against Spice Jet was submitted by a “group of employees”, who wanted to remain anonymous, fearing their jobs were at stake, to the Union Labour and Employment Ministry.

A member of the cabin crew of Spice Jet said the salary received in March by the employee was “as low as Rs 2,000 and Rs 3,000”.

“The salary package after deduction used to be around Rs 40,000 for me. Almost 70 per cent of the salary hasn’t been paid,” said an in-flight cabin crew member of the airline.

However, the airline spokesperson said the salaries of some employees would be paid in two parts.

“The first part of the salary was paid on March 31, while flying and performance allowances will be paid later,” he said.

Mumbai-based Go Air had also announced leave without pay and salary payments in two tranches while regional airline operator

Air Deccan on Sunday announced closing operations for four months and its employees would not be paid during this period.

A senior official in the CLC (central labour commissioner) office said the efforts of the government were to resolve the cases amicably and not to press for legal action against employers.

“Everyone is going through tough times. We could initiate legal action if we want but that’s not the idea. We want to address the issues amicably,” the official said.

But Spice Jet’s is not the only case where the authorities have sought to intervene.

The employees of the Bongaigaon refinery of Indian Oil Corporation (IOC) in Assam had complained about “retrenchment and salary cut” during the lockdown.

“An advice has been given to the refinery management not to do so and have asked to comply with directions issued from various departments or ministries of the government,” according to a status note prepared by Chief Labour Commissioner Rajan Verma.

Similar complaints were received from the Jamnagar and Vadodara refineries of IOC, along with Power Grid Corporation of India (Kutch) in Gujarat. And the regional office of the labour commissioner has taken up the issue with the “principal employer for timely payment to workers and for the payment of wages for the lockdown period also”.

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The regional offices of the labour commissioner have also written to other employers and got assurances from firms such as Vodafone, Hindustan Zinc, JK Cement, Neyveli Lignite Corporation, and Cairns India that they will not deduct salaries during the lockdown period.

On a complaint from contract workers at the Indian Space Research Organisation (ISRO), Thiruvananthapuram, the authorities intervened to ask for timely payments of wages to workers during the lockdown period.

Even before countrywide restrictions were imposed on March 25, various state governments had directed industrial units to shut shop temporarily as a preventive measure.

On March 20, the labour and employment ministry had sent an advisory to employers, asking them not to terminate jobs of employees, particularly those of casual or contractual workers, or reduce their wages if the unit was non-operational due to Covid-19.

Prime Minister Narendra Modi had made similar appeals while announcing the lockdown. On March 29, the home ministry issued an order stating all the employers, irrespective of the nature of the establishment, would pay wages to their workers on the due date “without any deduction” during the lockdown period.