

Research Report

The Implementation of Labour Codes

A Perception-based Analysis



VV Giri National Labour Institute
Sector 24, Noida, Uttar Pradesh – 201301

February, 2026

Table of Contents

Title	Page No.
<i>Table of Contents</i>	<i>1-2</i>
<i>List of Figures</i>	<i>3</i>
<i>Executive Summary</i>	<i>4-7</i>
Chapter 1: Introduction	8-16
1.1 Context and Background	8
1.1.1 Historical Evolution of Labour Legislations in India	8
1.1.2 Recommendations of the Second National Commission on Labour	9
1.1.3 Background to the Labour Codes	10
1.1.4 Need for Labour Codes in the Contemporary Context	10
1.1.5 Salient Features of the Labour Codes	11
1.1.6 Labour Codes for Ease of Doing Business	11
1.1.7 Labour Codes for Strengthening Workers' Protection and Welfare	12
1.1.8 Labour Codes: A Vision for Self-Reliance and Overall Economic Development	12
1.2 Need for the Study	13
1.3 Research Questions	13
1.4 Aim and Objectives	14
1.5 Data and Methods	14
1.6 Organisation of the Report	16
Chapter 2: Workers' Perception on the Implementation of Labour Codes	17-27
2.1 Awareness and Understanding	17
2.2 Working Hours and Leave	18
2.3 Wages and Income Security	19
2.4 Employment Terms and Security	20
2.5 Occupational Safety and Health	20
2.6 Social Security	21
2.7 Grievance Redressal, Dispute Resolution and Industrial Relations	22
2.8 Gender and Inclusion	23
2.9 Enforcement, Governance, Federal Implementation, Digitalisation and Overall Impact	24
2.10 Theme-wise Analysis based on Weighted Average Scores	24
2.11 Summing Up	27
Chapter 3: Employers' Perception on the Implementation of Labour Codes	28-38
3.1 Awareness and Communication	29
3.2 Clarity and Understanding	30

3.3 Compliance and Ease of Doing Business	30
3.4 Wages and Employment Conditions	31
3.5 Employment Relations and Safety	32
3.6 Social Security and Non-Standard Workers	33
3.7 Industrial Relations and Grievance Redressal	33
3.8 Gender and Inclusion	34
3.9 Federalism, Governance, Implementation and Digitalisation	35
3.10 Theme-wise Analysis based on Weighted Average Scores	36
3.11 Summing Up	38
 Chapter 4: Summary and Conclusions	 39-41
 <i>References</i>	 42
 <i>Appendices</i>	 43-47

List of Figures

	Title	Page No.
Figure 2.1	Workers' Perception (%) on Awareness and Understanding of Labour Codes	18
Figure 2.2	Workers' Perception (%) on Working Hours and Leave Provisions	19
Figure 2.3	Workers' Perception (%) on Wages and Income Security Provisions	19
Figure 2.4	Workers' Perception (%) on Employment Terms and Security Provisions	20
Figure 2.5	Workers' Perception (%) on Occupational Safety and Health Provisions	21
Figure 2.6	Workers' Perception (%) on Social Security Provisions	22
Figure 2.7	Workers' Perception (%) on Grievance Redressal, Dispute Resolution and Industrial Relations	22
Figure 2.8	Workers' Perception (%) on Gender and Inclusion	23
Figure 2.9	Workers' Perception (%) on Enforcement, Governance, Digitalisation and Overall Impact	24
Figure 3.1	Employers' Awareness and Communication on Labour Codes	29
Figure 3.2	Employers' Perceived Clarity of Labour Code Provisions	30
Figure 3.3	Employers' Perceptions on Compliance and Ease of Doing Business	31
Figure 3.4	Employers' Perceptions on Wages and Employment Conditions	32
Figure 3.5	Employers' Perceptions on Employment Relations and Workplace Safety	32
Figure 3.6	Employers' Perceptions on Social Security and Non-Standard Workers	33
Figure 3.7	Employers' Perceptions on Industrial Relations and Grievance Mechanisms	34
Figure 3.8	Employers' Perceptions on Gender and Inclusion under Labour Codes	35
Figure 3.9	Employers' Perceptions on Governance, Implementation and Digitalisation	35

Executive Summary

This independent research study undertaken by V. V. Giri National Labour Institute was designed to examine the prevailing perceptions of key stakeholders regarding the implementation of the Labour Codes in India. Although the Labour Codes were enacted during 2019 and 2020, their operationalisation has commenced only recently, rendering the present phase particularly significant for understanding stakeholder preparedness, expectations, and early experiential responses.

The study therefore focuses on the initial phase of implementation, recognising that the Labour Codes represent a structural reform whose outcomes are inherently progressive and unfold over time. The central purpose of the study is not to assess outcomes in a static sense, but to capture informed perceptions at a critical transition point, when institutions, employers, and workers are adjusting to a consolidated labour governance framework.

The objective of this survey-based study was assessment of awareness and understanding of the Labour Codes among both workers and employers, alongside their perceptions of clarity, communication, and enforcement mechanisms. It further sought to examine how stakeholders perceive the likely impact of the Codes on employment practices, working conditions, social security coverage, industrial relations, and ease of doing business. In doing so, the study aimed to provide an evidence-based understanding of whether the Labour Codes are being viewed as a coherent and enabling framework capable of balancing labour protection with economic efficiency, particularly in a labour market characterised by informality, heterogeneity and regional diversity.

The study is comprehensive in scope, capturing sectoral diversity and geographical variation through engagement with stakeholders across multiple industries and regions of the country. The research design adopted a mixed-methods approach, integrating structured quantitative surveys with an extensive qualitative inquiry. This methodological strategy enabled both breadth and depth, allowing statistically interpretable patterns to be contextualised through stakeholder narratives and experiential insights.

The quantitative component of this research involved a total sample size of 6,435, consisting of 5,720 workers/employees and 715 employers. Perception data were collected using a structured questionnaire based on a five-point Likert scale, ranging from strong agreement to strong disagreement, enabling the measurement of attitudes across multiple thematic dimensions. The study thus reflects a

comprehensive assessment of initial perceptions, preparedness levels and implementation experiences associated with the Labour Codes.

A wide range of stakeholders were engaged in the study, ensuring that the findings reflect institutional diversity and sectoral representation. Employers' perspectives were drawn from leading chambers of commerce, employer federations, and industry associations spanning large industrial groups, MSMEs, and small enterprises. Workers' perspectives were captured through one-on-one interviews and focussed group discussions.

The results of the study point to a broad-based and constructive acceptance of the Labour Codes among both workers and employers. The overall perception scores indicate that stakeholders view the Labour Codes as a credible and forward-looking reform, reflecting confidence in their long-term relevance despite the acknowledged transitional nature of the current phase. A notable feature of the findings is the convergence of worker and employer perceptions across several thematic areas, suggesting that the Labour Codes are increasingly regarded as a shared institutional framework rather than as a unilateral regulatory intervention. Such convergence is particularly significant in the context of labour reforms, where historically divergent interests have often shaped contested responses.

The study finds a consistently positive assessment of the potential impact of the Labour Codes on working conditions, wages, and income security. Workers perceive that the Codes will lead to improved regulation of working hours, better rest and leave practices, and greater regularity in wage payments. Specifically, 60% of workers believe that overall working conditions will improve as implementation matures. In addition, 63% of workers perceive that the provisions will lead to better regulation of working hours, while 60% believe the Codes will improve rest periods and leave practices.

Regarding remuneration, 54% of workers believe the Labour Codes will improve the timely payment of wages. Provisions related to wage transparency, record-keeping, and timely payment are viewed as strengthening income security and reducing ambiguity in employment relationships, with 64% of workers believing that the new provisions will improve income security. These perceptions align with the broader objective of advancing basic standards of decent work, including within informal and non-standard forms of employment.

Employers, while emphasising the importance of operational flexibility, express strong support for workforce arrangements that enhance predictability and discipline at the workplace. In this context, 76% of employers believe workforce flexibility is essential for business sustainability, and 64% believe timely wage payment provisions will improve workplace discipline. Fixed-term employment and adaptable workforce structures are viewed as compatible with business sustainability, particularly in a competitive and evolving economic environment, with 64% of employers stating that fixed-term employment suits their business model. At the

same time, employers recognise that these arrangements, when embedded within a clear regulatory framework, can support direct hiring and more stable employment relationships.

Occupational safety and health emerge as one of the strongest areas of consensus between workers and employers. Both groups acknowledge that the Labour Codes clearly articulate employer responsibility for workplace safety and promote uniform safety standards across categories of workers. Data shows that 73% of employers believe there are uniform safety norms across worker categories, and 63% believe there is clarity regarding employer responsibility for workplace safety. Preventive health measures and improved safety governance are recognised as integral to modernising labour regulation, particularly in sectors characterised by higher occupational risks. The findings suggest that the Labour Codes are perceived not merely as compliance instruments but as a framework for improving the quality of employment.

The study highlights the expansion and portability of social security as a significant aspect of Labour Code implementation. Workers perceive greater clarity in social security provisions and express confidence that coverage will extend to contract, fixed-term, migrant, and gig workers. Nearly 68% of workers consider the introduction of registration systems (such as e-Shram and Welfare Boards) a welcome step that will help them access benefits easily, while 63% believe that social security benefits will become more portable across jobs and locations. Moreover, 60% workers believe that the contract, migrant, and gig workers will gain better access to social security benefits.

Employers similarly acknowledge the expansion of social security coverage, with 62% of employers believing social security coverage will expand under the Labour Codes.

The study captures stakeholder perceptions concerning industrial relations and grievance redressal mechanisms. Both workers and employers recognise the potential of the Labour Codes to promote structured dialogue, improve grievance handling, and reduce the risk of industrial disputes. Employers, in particular, value provisions that enhance predictability and institutionalise negotiation processes, with 68% stating that advance notice provisions for strikes promote dialogue and predictability. In addition, 62% confirm that the Codes will reduce industrial dispute risks. On the other hand, workers perceive greater accessibility to grievance mechanisms, with 64% of workers being aware of grievance redressal mechanisms at the workplace. These perceptions point towards the strengthening of labour relations through clearer rules and procedural certainty.

The study also highlights strong support for gender inclusion and workforce participation. 71% of employers express confidence that the Labour Codes support women's participation in employment, while 66% of workers believe that safety, transport, and monitoring requirements will improve protection for women workers.

Governance-related dimensions, including digitalisation and federal harmonisation, receive particularly strong endorsement from employers and are positively acknowledged by workers. Digital compliance systems, unified registration, and online reporting mechanisms are perceived as enhancing transparency, reducing administrative burden, and improving regulatory efficiency, with 71% of employers believing digital compliance portals are essential for effective implementation. Uniformity in implementation across states is seen as critical for predictability and ease of doing business, especially for enterprises operating across jurisdictions, with 73% of employers believing uniform implementation across states is important. Also, 75% of employers say phased implementation of codes will reduce uncertainty, 74% believe a facilitative model of enforcement is preferable, and 73% believe the Labour Codes will simplify compliance in the long run. These perceptions align with the broader shift towards technology-enabled governance.

The findings indicate a high degree of coherence with broader macro-level assessments of labour market reform, particularly in relation to formalisation, social security expansion, compliance simplification, and inclusive employment growth. The alignment between stakeholder perceptions captured in this research and broader policy narratives indicate the credibility of the Labour Codes as a reform grounded in both institutional logic and stakeholder acceptance. The perception-based evidence generated by this independent study suggests that the Labour Codes enjoy meaningful legitimacy among both workers and employers at this early stage of implementation. It is perceived as directionally sound and institutionally coherent, with clear potential to improve working conditions, strengthen social security, modernise labour relations, and enhance ease of doing business. The positive orientation of stakeholder perceptions shows the importance of sustaining reform momentum through targeted capacity building, systematic awareness generation, and continuous engagement.

Going forward as the Labour Codes are implemented across all States/UTs, there is a strong case for undertaking a detailed state-level impact study in a phase manner, particularly in states that had introduced similar reforms prior to the national rollout. Such an approach would allow for evidence-based review of implementation strategies, facilitate peer learning across states, and ensure that the transformative potential of the Labour Codes is realised in a manner that is both inclusive and sustainable.

Introduction

1.1 Context and Background

The Government of India officially announced the implementation of the four new Labour Codes on November 21, 2025. The implementation of these Codes marks one of the most significant structural reforms in India's labour governance framework since Independence. After decades of fragmented, sector-specific, and often overlapping labour legislations, the Government of India has undertaken a comprehensive consolidation and rationalisation of labour laws with the objective of creating a simplified, transparent, and future-ready regulatory ecosystem¹. With the Labour Codes coming into force recently, the present moment assumes critical importance for undertaking an early, evidence-based assessment of their on-ground implications. V. V. Giri National Labour Institute (VVGNNLI), as a premier institution dedicated to research, training, and policy support in the field of labour and employment, is uniquely positioned to conduct such an assessment. The early assessment of perception towards Labour Codes seeks to capture first-hand insights from workers and employers across different sectors to understand how the newly implemented Codes are being perceived, interpreted, and operationalised at the field level.

An early assessment does not aim to deliver a final verdict on the success or failure of the Labour Codes. Rather, it is intended to function as a diagnostic exercise, identifying initial trends, emerging challenges, institutional preparedness, levels of awareness, and areas requiring course correction. Such timely feedback is essential for strengthening implementation strategies, fine-tuning rules and procedures, and ensuring that the transformative intent of the Labour Codes translates into tangible improvements in labour welfare, industrial relations, and ease of compliance.

1.1.1 Historical Evolution of Labour Legislations in India

India's labour regulatory framework has evolved over more than a century, shaped by colonial imperatives, nationalist struggles, constitutional mandates, and post-Independence developmental priorities. During the colonial period, labour laws were primarily enacted to regulate industrial conflict and ensure a steady supply of labour for plantations, mines, and factories. Legislations such as the Factories Act, 1881 and

¹ <https://labour.gov.in/sites/default/files/pib2192463.pdf>

the Trade Disputes Act, 1929 were driven more by administrative control than by concerns for workers' rights.²

Post-Independence, the adoption of the Constitution of India in 1950 provided a normative foundation for labour legislation. The Directive Principles of State Policy, particularly Articles 38, 39, 41, 42, 43, and 43A, obligated the State to promote social justice, ensure fair wages, humane conditions of work, social security, and workers' participation in management. In line with these principles, a large number of labour laws were enacted between the 1950s and 1970s, covering wages, industrial relations, social security, occupational safety, and welfare. While these laws expanded the protective umbrella for workers, over time the labour regulatory framework became highly fragmented. More than 40 central labour laws and numerous state-level legislations governed different aspects of employment, often with varying definitions, thresholds, and compliance requirements. This multiplicity created complexities for employers, enforcement agencies, and workers alike, leading to uneven implementation and limited coverage, especially in the unorganised sector.

1.1.2 Recommendations of the Second National Commission on Labour³

The need for a comprehensive review of labour laws was formally articulated with the constitution of the Second National Commission on Labour (SNCL) in 1999, under the chairmanship of Shri Ravindra Varma. The Commission was tasked with examining the existing labour laws and suggesting changes in the context of liberalisation, globalisation, and technological transformation of the economy. The SNCL, in its report submitted in 2002, acknowledged the protective intent of existing labour legislations but highlighted several systemic limitations. These included excessive fragmentation, outdated provisions, lack of clarity in definitions, low levels of compliance, weak enforcement mechanisms, and inadequate coverage of unorganised and informal workers. The Commission observed that while labour laws aimed to protect workers, their complexity often resulted in exclusion rather than inclusion.

A key recommendation of the SNCL was the consolidation of central labour laws into 4-5 comprehensive codes. The Commission proposed grouping laws under broad themes such as wages, social security, industrial relations, and occupational safety. It emphasised the need for balancing workers' rights with the requirements of enterprise competitiveness and economic growth, advocating a shift from rigid regulation to a facilitative and rights-based framework. Importantly, the SNCL underscored that labour law reform should not dilute core labour standards but should enhance universalisation, transparency, and effective enforcement. The Commission's recommendations laid the conceptual foundation for the Labour Codes that were eventually enacted nearly two decades later.

² https://labour.gov.in/sites/default/files/labour_code_eng.pdf

³ https://labour.gov.in/sites/default/files/39ilcagenda_1.pdf

1.1.3 Background to the Labour Codes

The journey from the recommendations of the Second National Commission on Labour to the enactment of the Labour Codes was gradual and shaped by extensive consultations and policy deliberations with stakeholders. The accelerating pace of economic reforms, the growth of the services sector, the rise of non-standard forms of employment, and the persistent dominance of informal work underscored the urgency of labour law reform. Recognising these challenges, the Government of India initiated the process of labour law consolidation with the objective of simplifying compliance, promoting formalisation, and expanding social security coverage. This culminated in the enactment of four Labour Codes:

- I. The Code on Wages, 2019
- II. The Code on Industrial Relations, 2020
- III. The Code on Social Security, 2020
- IV. The Occupational Safety, Health and Working Conditions Code, 2020

Together, these Codes subsume 29 central labour laws and aim to provide a unified, coherent, and technology-enabled regulatory framework. The Codes seek to standardise definitions, introduce common registration and licensing mechanisms, strengthen grievance redressal, and promote ease of doing business while safeguarding workers' welfare and protection⁴.

1.1.4 Need for Labour Codes in the Contemporary Context

The old labour laws framework was fragmented, outdated, and largely irrelevant to the realities of the current labour market and workforce. The need for Labour Codes also arises from multiple structural transformations in India's economy and labour market. First, the dominance of informal employment accounting for a significant majority of the workforce has exposed the limitations of laws that were primarily designed for the organised sector. Second, technological advancements and platform-based work blurred traditional employer-employee relationships, necessitating updated legal definitions and coverage. Third, employers faced high compliance burdens due to multiple registrations, inspections, and reporting requirements under different laws. It discouraged formalisation, particularly among micro, small, and medium enterprises. Fourth, workers encountered difficulties in understanding their rights and entitlements due to complex and inconsistent legal provisions.

The Labour Codes attempt to address these issues by promoting legal clarity, reducing regulatory overlap, encouraging digital governance, and extending statutory protection to previously excluded categories such as gig and platform workers. By

⁴ <https://labour.gov.in/sites/default/files/pib2192463.pdf>

introducing floor wages, universal definitions, and integrated databases, the Codes aspire to create a more inclusive and equitable labour ecosystem.

1.1.5 Salient Features of the Labour Codes

A defining feature of the Labour Codes is the standardisation of key concepts such as wages, employee, employer, and establishment across different domains. This harmonisation is expected to reduce ambiguity and litigation while improving compliance.

The Code on Wages, 2019 establishes the principle of universal minimum wages and introduces the concept of a national floor wage. It extends wage protection to all workers, irrespective of sector or wage ceiling, marking a significant shift from earlier legislations⁵.

The Code Industrial Relations, 2020 seeks to streamline dispute resolution mechanisms, promote collective bargaining, and regulate conditions related to strikes, layoffs, retrenchment, and closure. It attempts to balance industrial harmony with flexibility for enterprises, particularly in a competitive economic environment⁶.

The Code on Social Security, 2020 aims to expand social protection by integrating multiple schemes and enabling coverage for unorganised, gig, and platform workers. It emphasises portability, digital registration, and shared responsibility among the State, employers, and workers⁷.

The Occupational Safety, Health and Working Conditions Code, 2020 consolidates laws related to workplace safety, health standards, and welfare facilities. It seeks to improve working conditions while simplifying compliance through common licensing and inspection frameworks⁸.

1.1.6 Labour Codes for Ease of Doing Business

A central policy objective underlying the Labour Codes is the improvement of India's business and investment ecosystem. Prior to consolidation, employers were required to comply with multiple laws, each prescribing separate registers, returns, inspections, and licensing requirements. This compliance complexity not only increased transaction costs but also created scope for discretionary enforcement, discouraging formalisation and enterprise growth.

The Labour Codes aim to provide a common registration and licensing mechanism, reduce the number of returns and enable electronic maintenance of records. The adoption of risk-based inspections and web-based inspection systems aims to

⁵ https://labour.gov.in/sites/default/files/the_code_on_wages_2019_no._29_of_2019.pdf

⁶ https://labour.gov.in/sites/default/files/ir_gazette_of_india.pdf

⁷ https://labour.gov.in/sites/default/files/ss_code_gazette.pdf

⁸ https://labour.gov.in/sites/default/files/osh_gazette.pdf

enhance transparency and reduce inspector raj, while maintaining regulatory oversight. These measures are expected to improve regulatory certainty, lower compliance burdens and encourage domestic as well as foreign investment.

The emphasis on ease of doing business is not positioned as being in opposition to workers' rights. Rather, the Codes attempt to demonstrate that simplified compliance and strong labour protection can be mutually reinforcing. By promoting formal employment relationships and predictable industrial relations, the Codes seem to contribute to productivity, competitiveness, and sustainable enterprise development.

1.1.7 Labour Codes for Strengthening Workers' Protection and Welfare

From the perspective of workers, the Labour Codes seek to strengthen protection through universality, clarity, and enforceability. The Code on Wages, 2019 represents a paradigm shift by extending statutory wage protection to all workers, regardless of sector or wage ceiling. The introduction of a national floor wage attempt to establish a baseline for minimum wage fixation across states, addressing long-standing disparities.

The Code on Social Security, 2020 seems to expand the scope of social protection by integrating multiple schemes and enabling coverage for unorganised, gig, and platform workers that were largely outside the ambit of earlier labour laws. Provisions related to registration, portability of benefits, and shared contributions reflect an attempt to adapt social security systems to the realities of a mobile and diversified workforce.

The Occupational Safety, Health and Working Conditions Code, 2020 is an attempt to strengthen standards related to workplace safety, health, and welfare while rationalising thresholds and compliance procedures. By consolidating laws governing factories, mines, construction, and other establishments, the Code aims to ensure minimum standards of dignity, safety, and well-being across workplaces.

In the domain of industrial relations, the Industrial Relations Code, 2020 seeks to promote orderly collective bargaining, timely dispute resolution, and industrial harmony. While introducing flexibility for enterprises in matters such as retrenchment thresholds, the Code also reinforces mechanisms for worker representation, standing orders, and grievance redressal.

1.1.8 Labour Codes: A Vision for Self-Reliance and Overall Economic Development

The Labour Codes appear to align with India's long-term developmental goals, which emphasise resilient economic growth, skilled human capital, social equity, and good governance. A self-reliant and developed economy requires a labour regulatory framework that simultaneously supports entrepreneurship, innovation, and competitiveness while ensuring adequate social protection, dignity of labour, and workforce stability. By rationalising and simplifying the existing labour law

framework, the Labour Codes aim to reduce compliance complexity and promote formalisation, enabling enterprises to scale up operations and integrate more effectively into domestic and global value chains. At the same time, provisions related to wage protection, expanded social security coverage, and improved occupational safety and health contribute to workforce resilience, reducing vulnerability to economic and employment-related shocks. The Codes also can facilitate labour mobility and workforce adaptability through standardised definitions, portability of benefits, and digital governance mechanisms. These elements are central to vision of self-reliance, as they strengthen institutional capacity, enhance transparency, and promote citizen-centric governance.

The Labour Codes represent a historic attempt to recalibrate India's labour governance framework in response to changing economic realities and developmental aspirations. By seeking to harmonise ease of doing business with workers' protection, and short-term efficiency with long-term social justice, the Codes embody a balanced reform approach. This early assessment by VVGNNI is situated within this broader reform context. It aims to capture the initial experiences and expectations of stakeholders, identify emerging challenges, and contribute constructively to the evolving implementation process.

1.2 Need for the Study

The codification reforms constitute a profound structural realignment of the regulatory framework, an immediate assessment of stakeholder preparedness and initial experiences is important to understand the transition from legislative intent to practical application. Within a labour market characterised by deep informality and diverse regional practices, there is an urgent need to examine whether the consolidated framework effectively reconciles the objectives of worker protection with those of economic productivity. Consequently, capturing informed perceptions at this time provides the empirical evidence required to evaluate the coherence of the new governance model and to identify potential challenges in its long-term institutional embedding.

1.3 Research Questions

The study seeks to answer the following research questions: What is the current level of awareness and understanding of the Labour Codes among workers and employers, and how effective have the communication strategies and clarity of provisions proven to be? How do stakeholders perceive the enforcement mechanisms and the broader implementation process currently underway? What are the specific expectations and perceived benefits regarding employment practices, working conditions, and social security coverage arising from this transition? Finally, what are the primary challenges and implications for compliance, ease of doing business, workforce management, and the integration of non-standard workers within the new industrial relations framework?

1.4 Aim and Objectives

The principal aim of this study is to evaluate the informed perceptions of key stakeholders during the initial operationalisation of the Labour Codes, which will provide an empirical basis for understanding the framework's capacity to harmonise labour protection with economic efficiency within a diverse industrial environment. Aligned with the research questions, the study has the following objectives –

- To assess the level of awareness and understanding of the Labour Codes among workers and employers, including clarity of provisions and effectiveness of communication strategies.
- To analyse the perceptions of workers and employers regarding enforcement mechanisms and the implementation process of the Labour Codes.
- To examine stakeholder-specific expectations and perceived benefits arising from Labour Code implementation, particularly in relation to employment practices, working conditions, and social security coverage.
- To identify key challenges and implications of Labour Code implementation for compliance processes, ease of doing business, workforce management, inclusion of non-standard workers, and labour relations.

1.5 Data and Methods

The study adopted a mixed-methods research design in order to capture both the breadth of stakeholder perceptions and the contextual reasoning underlying them. Given the recent operationalisation of the Labour Codes and the evolving nature of their implementation, a perception-based approach was considered appropriate for assessing early preparedness, levels of understanding, and expectations regarding institutional and workplace changes. The methodological framework combined structured quantitative data collection with qualitative inquiry, which enabled triangulation and strengthened the analytical validity of the findings.

The quantitative component was based on a structured perception survey administered to both employers and workers across multiple sectors and regions of the country. The total sample size comprised 6,435 respondents, including 5,720 workers/employees and 715 employers. The sample was designed to capture institutional diversity and reflect the heterogeneity of India's labour market in terms of sectoral composition, enterprise size, employment arrangements, and regional distribution. Workers covered in the survey included those from organised and unorganised segments, as well as contract, migrant, fixed-term, and other forms of non-standard employment. The employer sample included representatives from large industrial establishments, medium enterprises, and micro and small units, ensuring representation across the enterprise spectrum.

Perception data were collected through a structured questionnaire organised around key thematic dimensions of Labour Code implementation. These themes included awareness and understanding, working conditions and wages, employment security,

occupational safety and health, social security coverage, industrial relations and grievance redressal, gender inclusion, governance and enforcement, digitalisation, and federal harmonisation. The thematic classification was designed to reflect the major institutional and operational domains of the Labour Codes, enabling a comprehensive assessment of stakeholder perceptions across the principal areas of policy relevance and implementation. Responses were recorded using a five-point Likert scale ranging from Strongly Agree to Strongly Disagree. This format enabled the measurement of attitudinal intensity while allowing for systematic comparison across themes and stakeholder groups.

For analytical purposes, responses were assigned numerical values and weighted average scores were computed at the level of individual indicators. These indicator-level scores were subsequently aggregated to derive theme-level averages, which facilitated a structured interpretation of stakeholder perceptions across different domains of implementation. This approach allowed for the identification of broad patterns rather than isolated responses, and enabled a comparative assessment of perceptions between workers and employers.

The quantitative findings were complemented by an extensive qualitative component. Qualitative evidence was gathered through focused group discussions, key informant interactions, and stakeholder consultations conducted by a dedicated team of the Institute. These engagements were organised during regional and national conferences, seminars, and workshops on labour-related issues. The qualitative process provided insights into the practical concerns, institutional experiences, and interpretational challenges faced by stakeholders, helping to contextualise survey responses and explain variations in perception across sectors and regions.

A wide range of institutional stakeholders were approached during the course of the study. Employer perspectives were drawn from leading industry associations, chambers of commerce and employer federations, including organisations representing large industry, MSMEs, and sector-specific enterprises. Worker perspectives were captured through one-on-one meetings and focussed group discussions with workers, including gig, platform, contract and informal workers, to reflect diverse employment conditions, workplace realities and lived experiences across sectors.

The geographical coverage of the study extended across multiple regions of the country, and the sectoral coverage included all industries viz. agriculture, mining, construction, manufacturing, and services. This ensured that the analysis captured variations in institutional preparedness and implementation conditions across different labour market contexts. The methodological approach provides a comprehensive assessment of early-stage perceptions regarding the Labour Codes. The integration of large-scale survey evidence with qualitative stakeholder inputs enables the findings to reflect both measurable trends and institutional realities,

thereby offering a grounded understanding of stakeholder responses during the initial phase of implementation.

1.6 Organisation of the Report

The report is organised into four chapters to present the context, evidence, and overall assessment of stakeholder perceptions on the implementation of the Labour Codes in a systematic manner. *Chapter One* provides the contextual background, rationale for the study, and outlines the research questions, aims, objectives, and methodological approach. *Chapter Two* presents workers' perspectives, focusing on their awareness and understanding of the Labour Codes, expectations regarding changes in working conditions, wages, employment security, occupational safety and health, access to social security, grievance redressal, and the implications for contract, migrant, and other non-standard workers. *Chapter Three* examines employers' perspectives across key dimensions such as awareness and clarity of provisions, compliance requirements, workforce management, working conditions, social security obligations, industrial relations, gender inclusion, and governance-related aspects including digitalisation and inter-state implementation. *Chapter Four* synthesises the findings from both stakeholder groups and provides an integrated summary and conclusions, highlighting areas of convergence in perceptions and outlining key considerations for strengthening implementation, including awareness generation, institutional capacity building, and the need for continued monitoring in subsequent phases.

Workers' Perception on the Implementation of Labour Codes

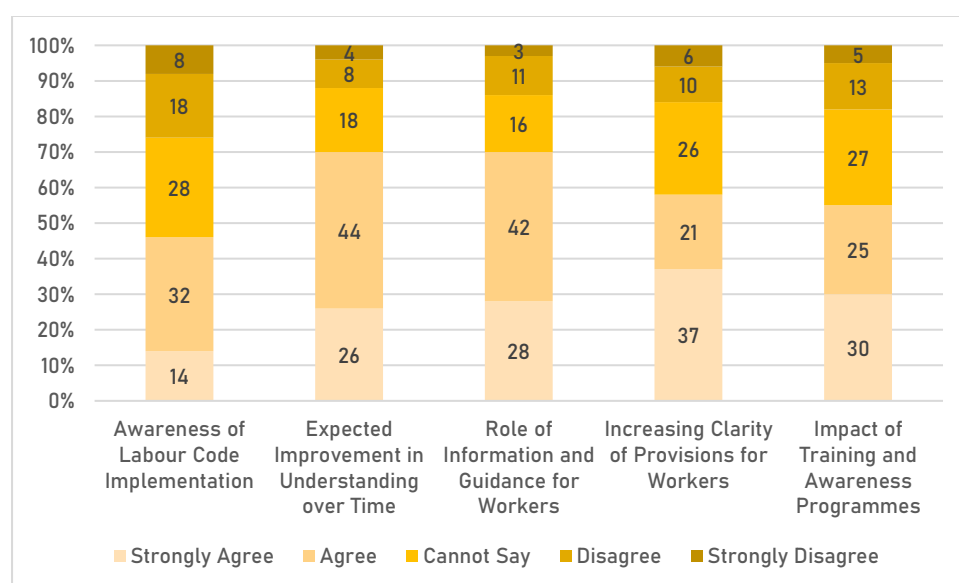
India's labour market is characterised by extraordinary diversity across sectors, employment arrangements, levels of formality, and access to statutory protection. Workers engaged in manufacturing, construction, agriculture, health care, information technology, textiles, plantations, gig platforms, and informal services together constitute the backbone of the national economy. Despite their central contribution to economic growth and productivity, a significant proportion of this workforce has historically remained outside the effective reach of labour regulation. Fragmented legislation, complex compliance requirements, weak enforcement capacity, and the proliferation of contractual and informal employment have resulted in uneven protection, limited social security coverage, and persistent vulnerabilities in working conditions.

This chapter presents an analysis of workers' perceptions regarding the implementation of the Labour Codes during the initial phase of operationalisation. The objective is to assess workers' expectations, levels of awareness, and perceived implications of the new regulatory framework across key dimensions of employment and labour protection. The analysis is based on percentage distributions of responses to a structured Likert-scale questionnaire. For the purpose of interpretation, the proportions of respondents reporting 'strongly agree' and 'agree' have been combined to capture the overall extent of agreement among workers. The category 'cannot say' has been examined as an indicator of limited clarity or uncertainty among workers. The discussion focuses on the direction and intensity of positive perceptions across thematic areas, without detailed examination of negative responses. The findings provide insight into how workers interpret the likely effects of the Labour Codes on their employment conditions, social protection, and workplace environment.

2.1 Awareness on and Understanding of Labour Codes

Workers' responses indicate a broadly positive orientation towards awareness and comprehension of the Labour Codes, alongside expectations of improved understanding over time (Figure 2.1). Nearly half of the respondents (46 percent) report awareness of the implementation of the Labour Codes, while a larger proportion (70 percent) believe that their understanding will improve as implementation progresses. A similar share (70 percent) also considers information and guidance to be important in helping them understand how the provisions apply to their work.

Figure 2.1 – Workers' Perception (%) on Awareness on and Understanding of Labour Codes



Source: Primary Survey.

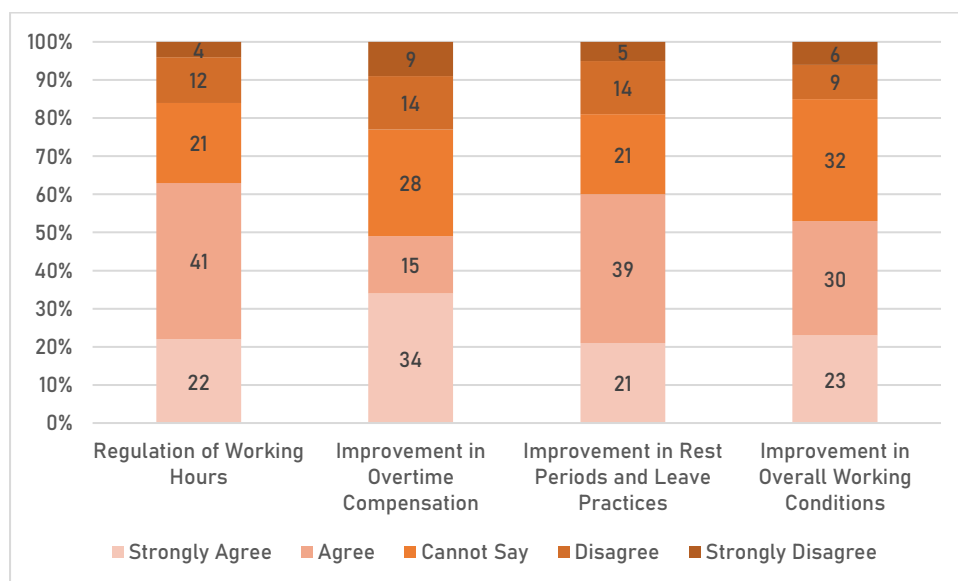
Perceptions regarding the increasing clarity of provisions are moderately favourable, with 58 percent expecting greater clarity over time. Training and awareness initiatives are also viewed as potentially beneficial, with 55 percent expressing agreement on their role in improving understanding. At the same time, between one-fifth and one-quarter of workers fall in the cannot say category across these aspects, indicating that awareness is still evolving and that continued communication efforts remain important.

2.2 Working Hours and Leave

A majority of workers expect the Labour Codes to bring improvements in the regulation of working time and leave-related conditions (Figure 2.2). Approximately 63 percent believe that working hours will be more effectively regulated. Similarly, 60 percent anticipate improvements in rest periods and leave practices.

Perceptions regarding overtime compensation are moderately positive, with 49 percent expecting improvement, although a relatively larger share (28 percent) remain uncertain. Expectations regarding overall working conditions are also favourable, with 53 percent anticipating improvement, even though nearly one-third of workers report uncertainty. Overall, the findings suggest that workers associate the new framework with better regulation of working time, though clarity regarding specific outcomes is still developing.

Figure 2.2 – Workers' Perception (%) on Working Hours and Leave Provisions

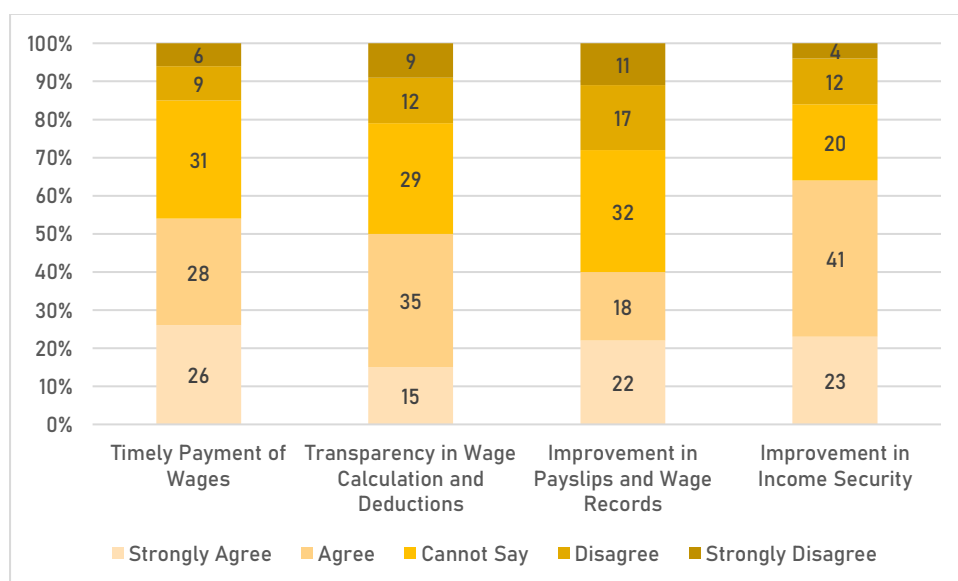


Source: Primary Survey.

2.3 Wages and Income Security

Workers' perceptions regarding wage-related outcomes are positive but comparatively measured (Figure 2.3). Around 54 percent believe that the Labour Codes will improve the timely payment of wages, while half of the respondents expect greater transparency in wage calculation and deductions.

Figure 2.3 – Workers' Perception (%) on Wages and Income Security Provisions



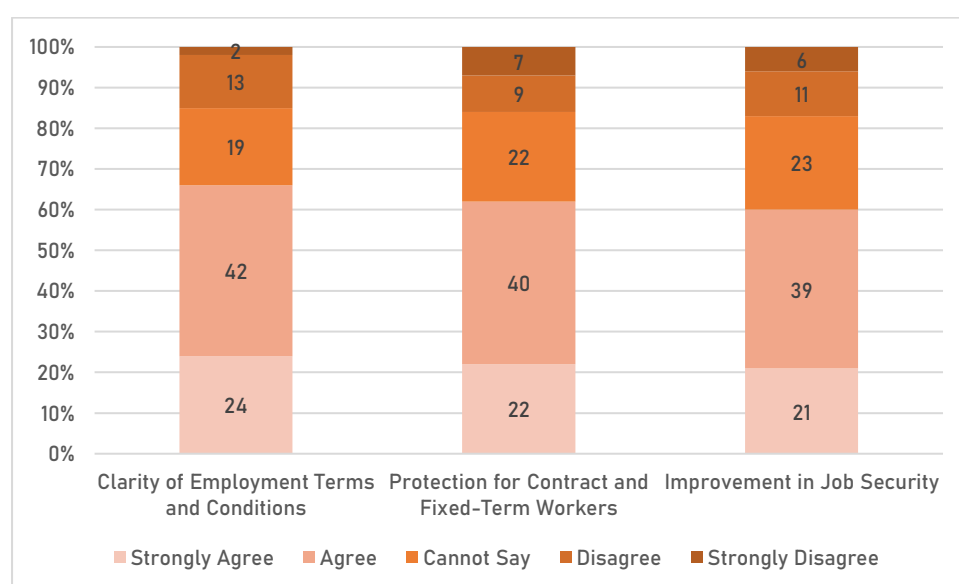
Source: Primary Survey.

Expectations regarding improvements in payslips and wage records are somewhat lower, with 40 percent expressing agreement and a relatively higher proportion indicating uncertainty. In contrast, perceptions of income security are more favourable, with 64 percent expecting improvement. The results suggest that workers associate the reforms more strongly with overall income stability than with specific administrative aspects of wage documentation.

2.4 Employment Terms and Security

Workers express broadly positive expectations regarding employment stability and clarity of contractual arrangements (Figure 2.4). Approximately 66 percent believe that employment terms and conditions will become clearer under the Labour Codes. A similar proportion (62 percent) expect improved protection for contract and fixed-term workers. A similar proportion (62 percent) expect improved protection for contract and fixed-term workers.

Figure 2.4 – Workers' Perception (%) on Employment Terms and Security Provisions



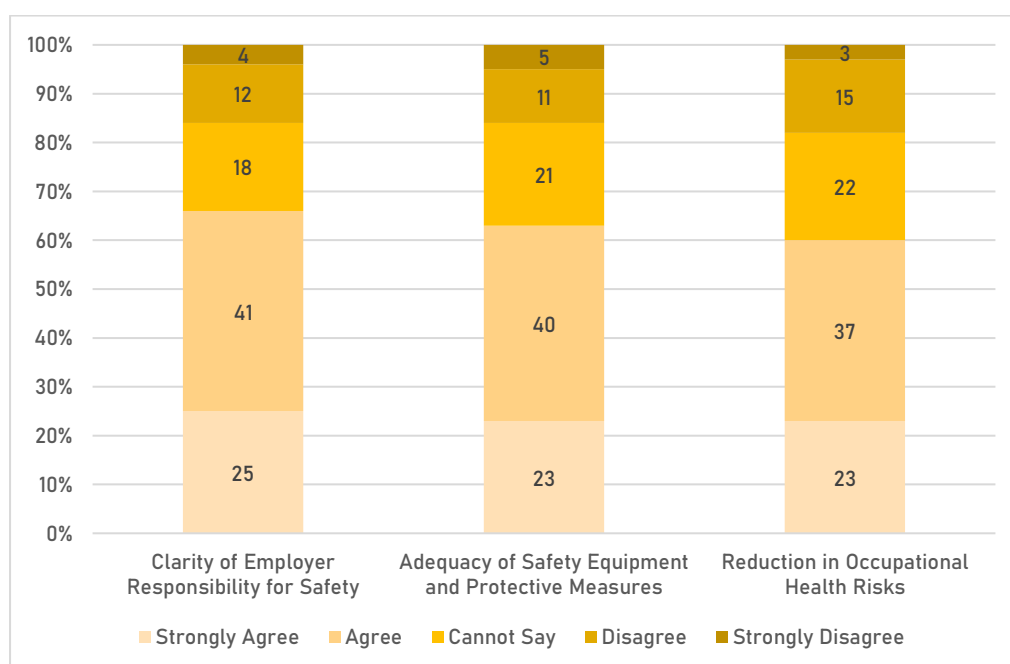
Source: Primary Survey.

Perceptions regarding job security are also favourable, with 60 percent anticipating improvement. Around one-fifth of respondents remain uncertain across these aspects, indicating that while the direction of change is viewed positively, the extent of protection is yet to be fully understood.

2.5 Occupational Safety and Health

The findings indicate strong confidence among workers regarding improvements in workplace safety (Figure 2.5). Nearly two-thirds (66 percent) believe that employer responsibility for safety will become clearer. Similarly, 63 percent expect improvements in the availability of safety equipment and protective measures.

Figure 2.5 – Workers' Perception (%) on Occupational Safety and Health Provisions



Source: Primary Survey.

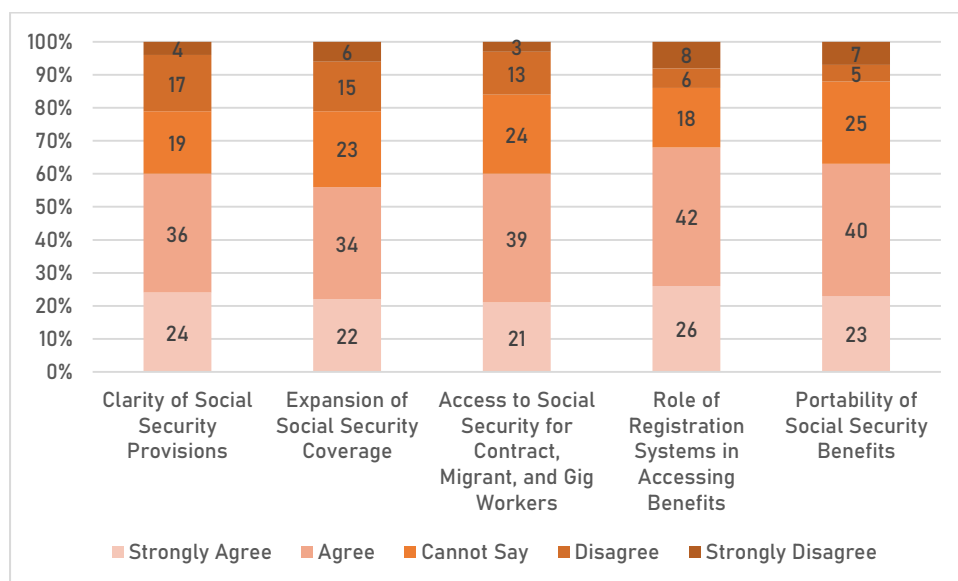
Expectations regarding the reduction of occupational health risks are also positive, with 60 percent expressing agreement. The relatively lower levels of uncertainty in this theme suggest that safety-related provisions are among the more clearly perceived aspects of the reform.

2.6 Social Security

Workers' responses reflect favourable expectations regarding the expansion and accessibility of social security (Figure 2.6). About 60 percent believe that social security provisions will become clearer, and 56 percent expect an expansion in coverage. A similar proportion (60 percent) anticipate improved access for contract, migrant, and gig workers.

Registration systems such as e-Shram and welfare boards are viewed positively, with 68 percent recognising their role in facilitating access to benefits. Around 63 percent also expect greater portability of social security benefits across jobs and locations. Although uncertainty persists for some workers, the overall pattern indicates a strong association between the Labour Codes and the extension of social protection.

Figure 2.6 – Workers' Perception (%) on Social Security Provisions

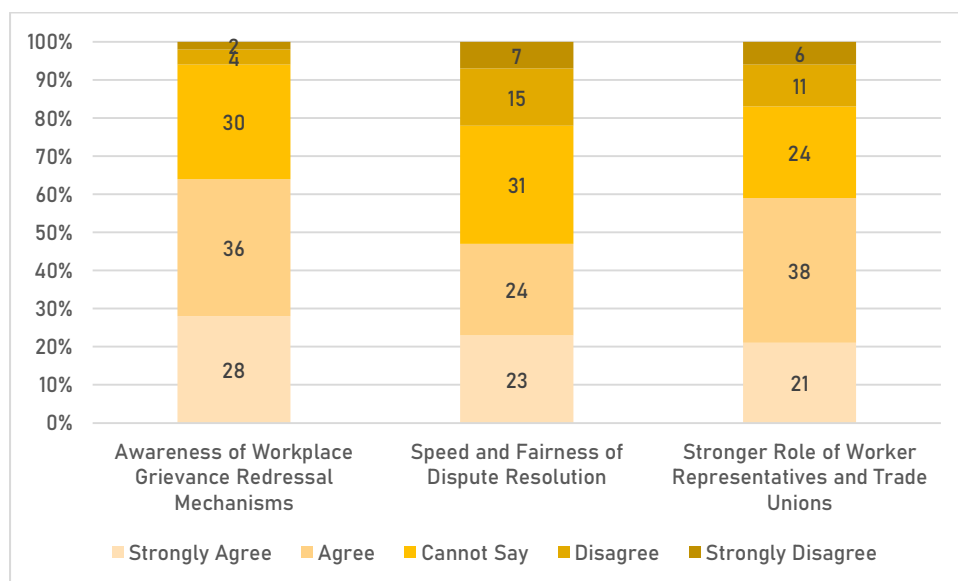


Source: Primary Survey.

2.7 Grievance Redressal, Dispute Resolution and Industrial Relations

Perceptions regarding institutional mechanisms for dispute resolution show moderate levels of awareness and confidence (Figure 2.7).

Figure 2.7 – Workers' Perception (%) Grievance Redressal, Dispute Resolution and Industrial Relations under the Labour Codes



Source: Primary Survey.

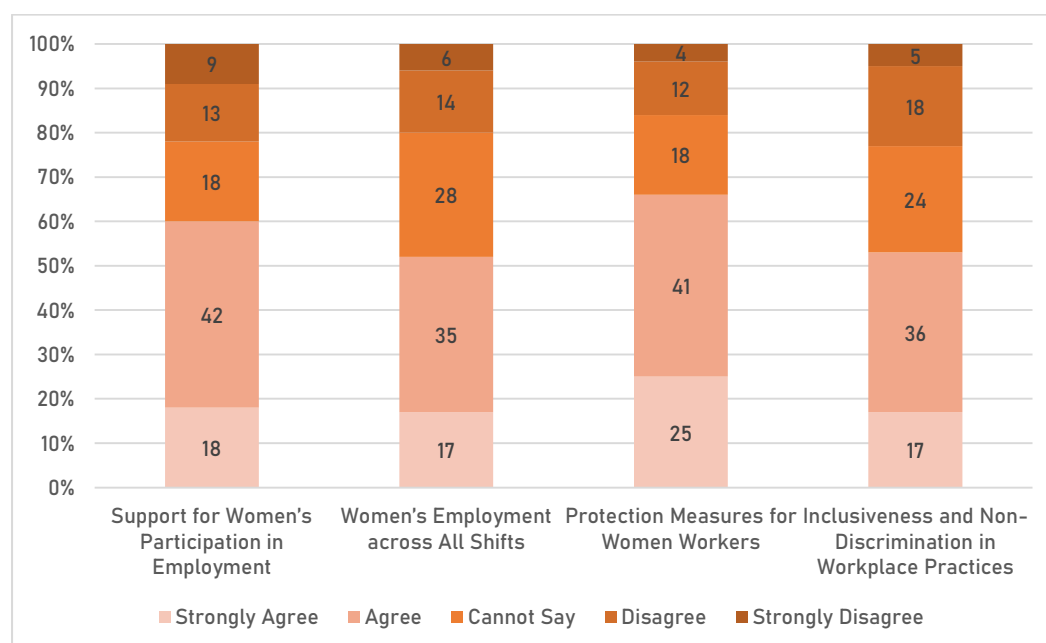
About 64 percent report awareness of workplace grievance redressal mechanisms. A majority (59 percent) also expect a stronger role for worker representatives and trade unions.

Expectations regarding the speed and fairness of dispute resolution show measured optimism, with 47 percent expressing agreement and nearly one-third remain uncertain. This suggests that while institutional mechanisms are recognised, their effectiveness is yet to be fully assessed by workers.

2.8 Gender and Inclusion

Workers' responses indicate support for provisions related to gender inclusion and workplace equality (Figure 2.8). Around 60 percent believe that the Labour Codes will support women's participation in employment. Protection measures for women workers receive stronger endorsement, with 66 percent expecting improvements in safety, transport, and monitoring arrangements.

Figure 2.8 – Workers' Perception (%) on Gender and Inclusion Aspects



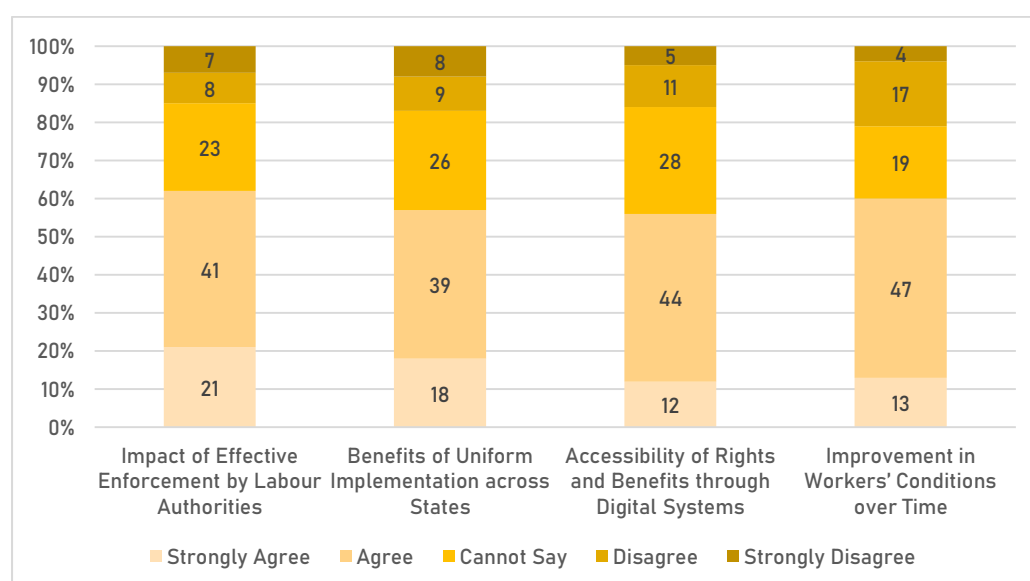
Source: Primary Survey.

Perceptions regarding women's employment across all shifts are moderately positive at 52 percent, while 53 percent believe that workplace practices will become more inclusive and non-discriminatory. The relatively higher levels of uncertainty in some aspects reflect the dependence of these outcomes on workplace-level implementation.

2.9 Enforcement, Governance, Federal Implementation, Digitalisation and Overall Impact

Workers' perceptions regarding governance and institutional effectiveness are broadly favourable (Figure 2.9). Approximately 62 percent believe that effective enforcement by labour authorities will improve working conditions. Around 57 percent recognise the importance of uniform implementation across states.

Figure 2.9 – Workers' Perception (%) on Enforcement, Governance, Federal Implementation, Digitalisation and Overall Impact on Working Conditions



Source: Primary Survey.

Digital systems are seen as enhancing access to rights and benefits, with 56 percent expressing agreement, although a notable share remain uncertain about their practical implications. Overall expectations regarding the long-term impact of the Labour Codes are positive, with 60 percent believing that workers' conditions will improve as implementation matures.

2.11 Theme-Wise Analysis of Workers' Perception based on Weighted Average Scores

The weighted average scores provide an aggregate measure of the extent to which workers perceive the provisions of the Labour Codes as being realised or likely to be realised across different domains (Appendix 1). With an overall perception score of 3.6, the results indicate a positive orientation, suggesting that workers associate the implementation of the Codes with tangible or emerging improvements in several areas. It is important to note that the overall and theme-wise weighted averages are moderated not by a higher incidence of disagreement, but by the presence of a

substantial proportion of respondents in the 'cannot say' category. This reflects limited clarity or evolving awareness rather than adverse perceptions, and suggests that the underlying assessment of the reform is likely to strengthen further as understanding improves with continued implementation and information dissemination. At the same time, variation across themes allows identification of those provisions that appear to have gained relatively greater recognition or acceptance.

Across themes, the highest level of perceived realisation is observed in the domain of Occupational Safety and Health, which records the highest theme average of 3.7. Within this theme, clarity of employer responsibility for safety and the adequacy of safety equipment and protective measures both score 3.7, while the perceived reduction in occupational health risks records 3.6. These results suggest that safety-related provisions are among the most clearly understood and operationally visible aspects of the reform from the workers' perspective. The relatively higher scores in this domain indicate that workplace safety obligations under the Codes are perceived as concrete and actionable.

A similar pattern of relatively strong realisation emerges within Social Security, where the theme average stands at 3.6, but certain specific provisions record higher values. The role of registration systems in accessing benefits and the portability of social security benefits both score 3.7, indicating that workers recognise the institutional mechanisms designed to improve access and continuity of benefits. Access to social security for contract, migrant, and gig workers also records a positive score of 3.6, suggesting that the expansion of coverage to non-standard forms of employment is being acknowledged, even if the extent of actual coverage may still be evolving.

In the domain of Awareness and Understanding, the theme average of 3.6 is supported by particularly strong scores for expected improvement in understanding over time and the role of information and guidance, both at 3.8, the highest scores across all aspects. These findings indicate that workers perceive the implementation process itself as a learning trajectory and attach considerable importance to communication and awareness initiatives. The increasing clarity of provisions (3.7) further reinforces the view that informational mechanisms are seen as central to the effective functioning of the new framework.

The theme of Employment Terms and Security also records a relatively strong average of 3.6, with clarity of employment terms scoring 3.7 and protection for contract and fixed-term workers at 3.6. These results suggest that workers associate the Labour Codes with greater formalisation of employment relationships and improved recognition of non-standard work arrangements. Perceptions regarding improvement in job security (3.6) indicate moderate confidence in the stabilising role of the new regulatory framework.

Within Working Hours and Leave, the theme average of 3.6 reflects consistent expectations of improvement across aspects. Regulation of working hours records a relatively higher score of 3.7, while improvements in rest periods, leave practices, and overall working conditions each score 3.6. The comparatively lower score for overtime compensation (3.5) suggests that while general working time regulation is perceived positively, specific compensation-related provisions may be less clearly realised.

The theme of Wages and Income Security records a slightly lower average of 3.5, though variation across aspects is evident. Improvement in income security scores 3.7, indicating that workers associate the Codes with greater earnings stability. However, transparency in wage calculation (3.4) and improvements in payslips and wage records (3.2) receive comparatively lower scores, suggesting that administrative and documentation-related changes are less visible at the workplace level.

In the area of Grievance Redressal, Dispute Resolution and Industrial Relations, the theme average of 3.6 is influenced by a relatively high score for awareness of workplace grievance mechanisms (3.8). This suggests that institutional structures for grievance handling are recognised by workers. In contrast, perceptions regarding the speed and fairness of dispute resolution (3.4) are more moderate, indicating that while mechanisms are known, their operational effectiveness may not yet be fully realised.

The theme of Gender and Inclusion records an average of 3.5, with protection measures for women workers scoring 3.7, indicating recognition of safety-related provisions. However, support for women's participation (3.5), employment across all shifts (3.4), and inclusiveness in workplace practices (3.4) reflect more measured perceptions, suggesting that broader structural changes in gender inclusion are perceived as gradual.

Similarly, Enforcement, Governance, Federal Implementation, Digitalisation and Overall Impact records a theme average of 3.5. Workers acknowledge the potential role of effective enforcement (3.6), but perceptions regarding uniform implementation across states, digital accessibility of benefits, and overall improvement in working conditions over time remain moderate at 3.5. These findings indicate recognition of the institutional framework, alongside expectations that its effects will materialise progressively.

Overall, the weighted scores suggest that provisions most strongly perceived as realised by workers relate to workplace safety, access mechanisms for social security, awareness and information systems, clarity of employment terms, and regulation of working hours. In contrast, provisions linked to administrative processes, documentation, institutional performance, and broader structural changes in inclusion and governance appear to be recognised more gradually. The pattern of responses indicates that workers tend to associate the Labour Codes most

strongly with areas where changes are directly observable at the workplace or where institutional access mechanisms have been introduced.

2.10 Summing Up

The overall pattern of responses indicates a generally favourable orientation among workers towards the implementation of the Labour Codes. Across most thematic areas, a majority expect improvements in working conditions, employment security, occupational safety, social security coverage, and institutional mechanisms. The strongest expectations are observed in relation to awareness through information and guidance, clarity of employment conditions, expansion of social protection, improved safety standards, and the role of registration systems in facilitating access to benefits.

At the same time, the presence of 'cannot say' responses across several aspects indicates that workers' understanding is still evolving, reflecting the early stage of implementation. This uncertainty is more visible in areas involving procedural details, administrative mechanisms, and institutional performance. Overall, the findings suggest that workers view the Labour Codes as a framework with the potential to improve employment conditions and strengthen labour protection, while also indicating the importance of continued awareness-building, capacity development, and effective implementation to translate expectations into outcomes.

Employers' Perception on the Implementation of Labour Codes

Employers across India's diverse economic landscape occupy a central role in translating labour regulation into operational practice. Spanning manufacturing, construction, health care, information technology, services, startups, plantations, and platform-based enterprises, employers are responsible not only for compliance with statutory requirements but also for shaping workplace culture, employment practices, and labour relations. Historically, India's labour regulatory environment was characterised by a multiplicity of overlapping laws, sector-specific rules, and procedural complexities that imposed significant administrative burdens on businesses, particularly small and medium enterprises. While these laws sought to protect workers, their fragmented structure often resulted in inconsistent enforcement and limited regulatory clarity.

The introduction of the four Labour Codes represents a significant institutional shift aimed at rationalising labour regulation, simplifying compliance, and aligning labour governance with contemporary economic realities. By consolidating numerous central laws into unified frameworks governing wages, industrial relations, social security, and occupational safety and health, the reform seeks to create a more predictable and efficient regulatory environment while maintaining essential worker protections. For employers, the Labour Codes promise streamlined compliance processes, clearer statutory obligations, greater flexibility in employment practices, and improved industrial relations stability.

Beyond administrative simplification, the reform reflects a broader policy effort to balance economic competitiveness with social responsibility. The emphasis on technology-enabled compliance systems, facilitative enforcement approaches, and uniform regulatory standards across states is designed to reduce uncertainty, lower transaction costs, and promote formalisation of employment. At the same time, expanded social security obligations and strengthened safety standards introduce new responsibilities that require organisational adaptation.

Undertaking such comprehensive reform in a complex and heterogeneous labour market represents a significant governance challenge. The Government's decision to rationalise decades of accumulated legislation into an integrated framework reflects strong institutional resolve and a long-term vision for labour market modernisation. From an employer standpoint, the reform indicates a shift toward greater regulatory

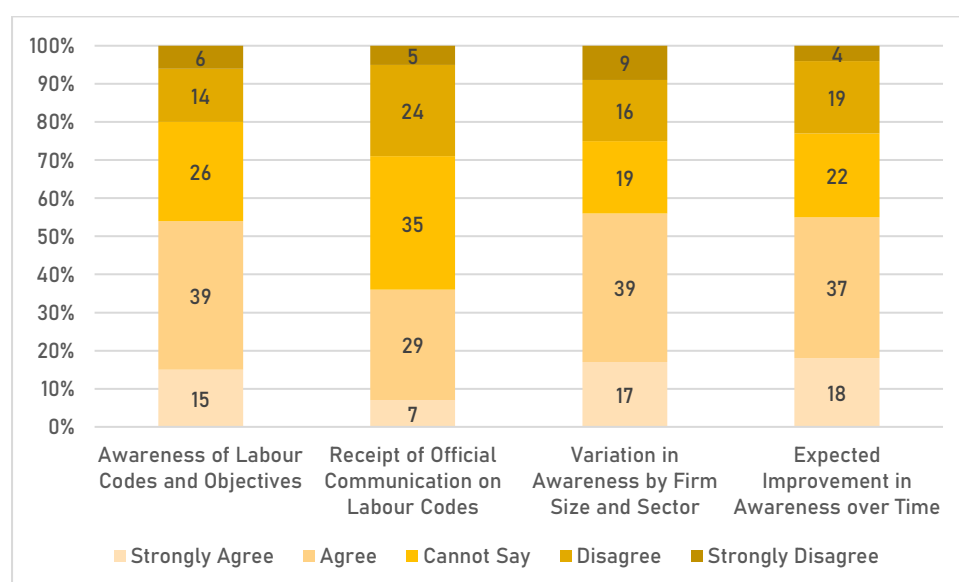
coherence. However, its practical implications depend heavily on clarity of implementation, administrative capacity, and sector-specific adaptability.

Following the analysis of workers' perceptions, this chapter examines the responses of employers regarding the implementation of the Labour Codes during the initial phase of operationalisation. Employers constitute a critical institutional group in the implementation process, as the operational effectiveness of the Codes depends substantially on their level of awareness, clarity of understanding, administrative preparedness, and assessment of the regulatory environment. The analysis focuses on employers' expectations relating to compliance requirements, workforce management, employment relations, social security obligations, and governance mechanisms.

3.1 Awareness and Communication

A majority of employers report a basic level of awareness regarding the Labour Codes and their objectives, with 54 percent indicating agreement (Figure 3.1). However, receipt of official communication reflects a lower level of engagement, with only 36 percent reporting that their organisations have received formal communication, while a relatively high 35 percent fall in the cannot say category. This suggests that formal dissemination channels have not reached all establishments uniformly.

Figure 3.1 – Employers' Awareness and Communication on Labour Codes



Source: Primary Survey.

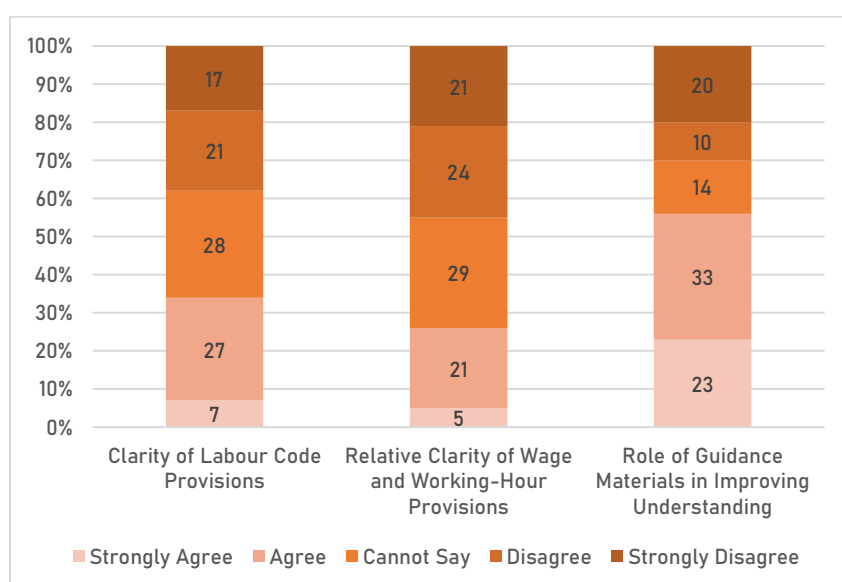
At the same time, 56 percent of employers acknowledge that awareness varies by firm size and sector, indicating recognition of differential preparedness across the

enterprise landscape. Expectations regarding improvement over time are also moderately positive, with 55 percent anticipating greater awareness as implementation progresses. Overall, the findings indicate a foundational level of awareness accompanied by uneven institutional communication and transitional uncertainty.

3.2 Clarity and Understanding

Employers' responses indicate moderate levels of clarity regarding the provisions of the Labour Codes (Figure 3.2). Only 34 percent report overall clarity of provisions, while 28 percent remain uncertain. Clarity is comparatively lower in relation to wage and working-hour provisions, where 26 percent report agreement and 29 percent indicate uncertainty.

Figure 3.2 – Employers' Perceived Clarity of Labour Code Provisions



Source: Primary Survey.

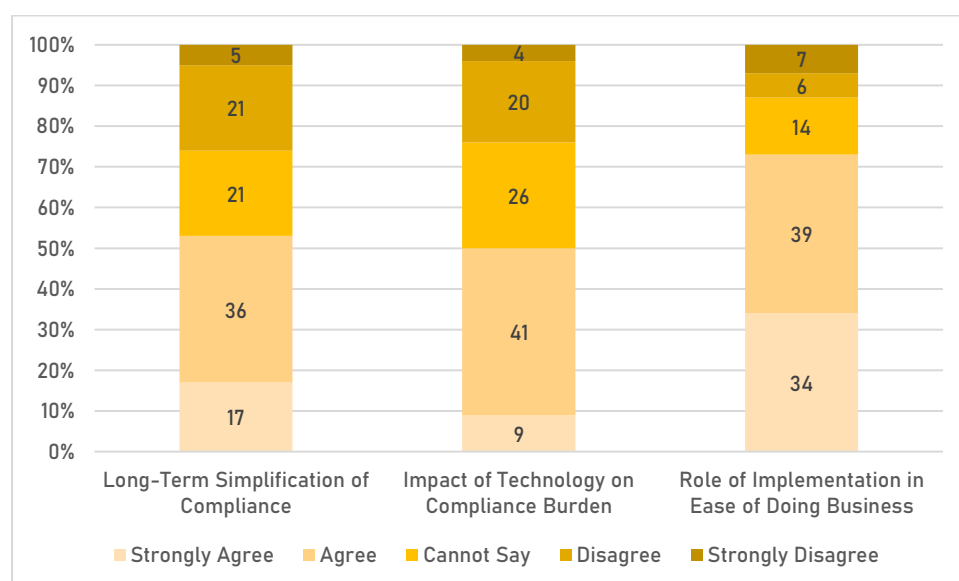
In contrast, the role of guidance materials is more widely recognised, with 56 percent of employers indicating that explanatory documents and support materials improve understanding. The pattern suggests that interpretational clarity is still evolving and that institutional guidance plays an important role in supporting compliance during the transition phase.

3.3 Compliance and Ease of Doing Business

Employers express moderate confidence regarding long-term compliance simplification, with 53 percent agreeing that the Labour Codes will streamline regulatory requirements (Figure 3.3). A similar proportion (50 percent) believe that

technology-enabled systems will reduce the administrative burden, although 26 percent remain uncertain about the operational impact.

Figure 3.3 – Employers' Perceptions on Compliance and Ease of Doing Business



Source: Primary Survey.

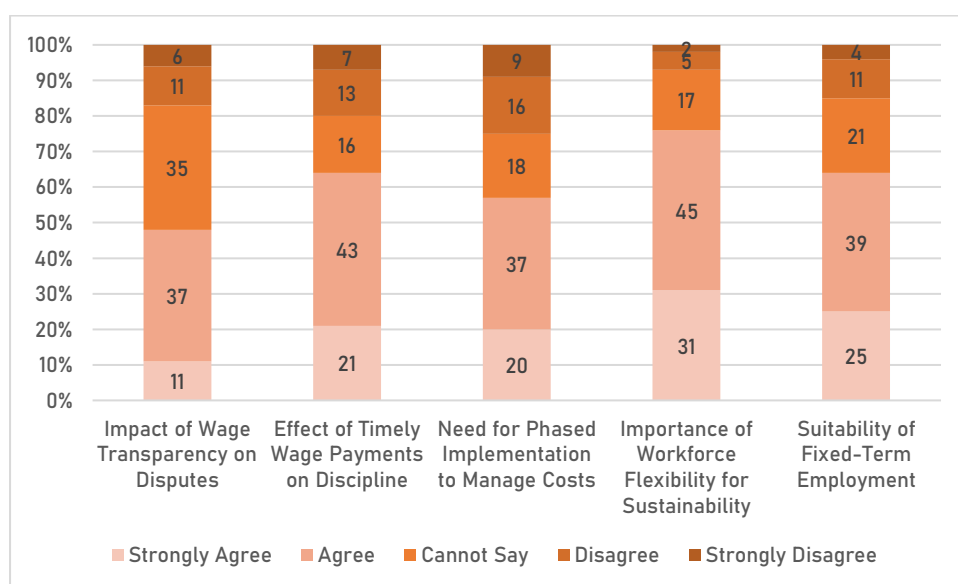
The strongest response within this theme relates to the role of implementation in improving the ease of doing business, where 73 percent express agreement. This indicates that employers associate the benefits of the reform more closely with the manner of implementation rather than the statutory design alone.

3.4 Wages and Employment Conditions

Employers' perceptions in this domain reflect strong support for flexibility and operational stability (Figure 3.4). The importance of workforce flexibility for business sustainability receives the highest level of agreement within the theme, at 76 percent. Similarly, 64 percent consider fixed-term employment suitable for their business models.

Perceptions regarding the effect of timely wage payments on workplace discipline are also positive, with 64 percent expressing agreement. A majority (57 percent) support phased implementation to manage cost implications. In contrast, the expected impact of wage transparency on dispute reduction records a lower level of agreement at 48 percent, accompanied by a relatively high 35 percent uncertainty. The findings indicate that employers associate the Labour Codes more strongly with workforce flexibility and operational predictability than with dispute-related outcomes.

Figure 3.4 – Employers' Perceptions on Wages and Employment Conditions

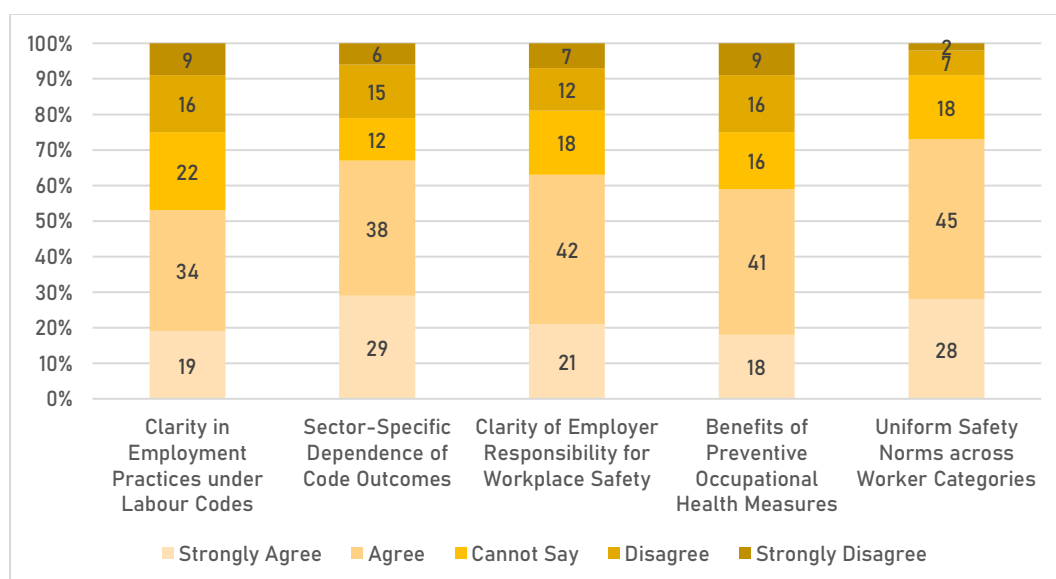


Source: Primary Survey.

3.5 Employment Relations and Safety

Employers report moderate clarity regarding employment practices under the Labour Codes, with 53 percent expressing agreement (Figure 3.5). A larger share (67 percent) recognise that outcomes may vary across sectors, reflecting the importance of sector-specific conditions in implementation.

Figure 3.5 – Employers' Perceptions on Employment Relations and Workplace Safety



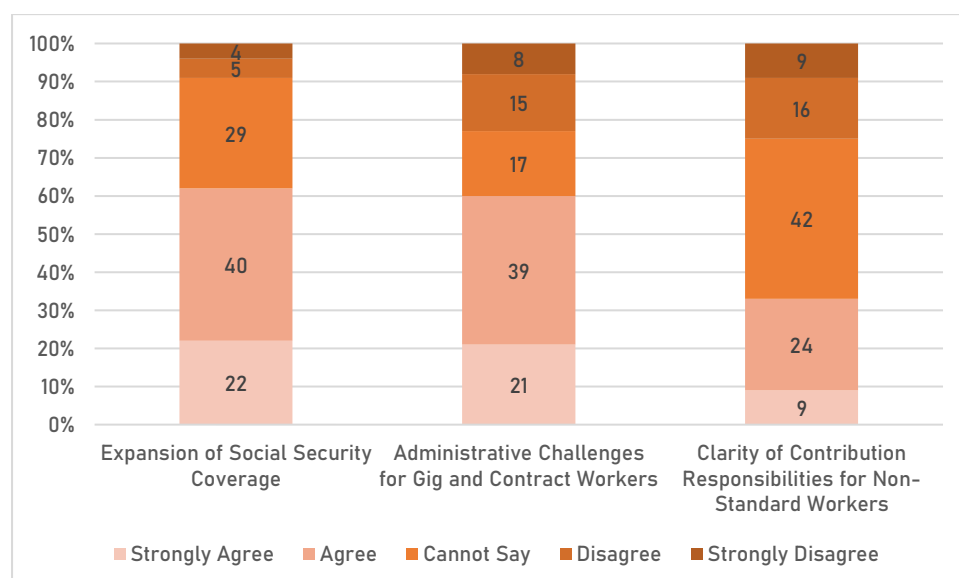
Source: Primary Survey.

Perceptions relating to workplace safety are comparatively strong. Clarity of employer responsibility for safety records 63 percent agreement, while preventive occupational health measures receive 59 percent. The strongest response within the theme relates to uniform safety norms across worker categories, with 73 percent agreement. These findings suggest that safety provisions are among the more clearly recognised and operationally relevant aspects of the reform.

3.6 Social Security and Non-Standard Workers

Employers broadly acknowledge the expansion of social security coverage, with 62 percent expressing agreement (Figure 3.6). At the same time, 60 percent recognise administrative challenges in extending benefits to gig and contract workers, indicating awareness of implementation complexities.

Figure 3.6 – Employers’ Perceptions on Social Security and Non-Standard Workers



Source: Primary Survey.

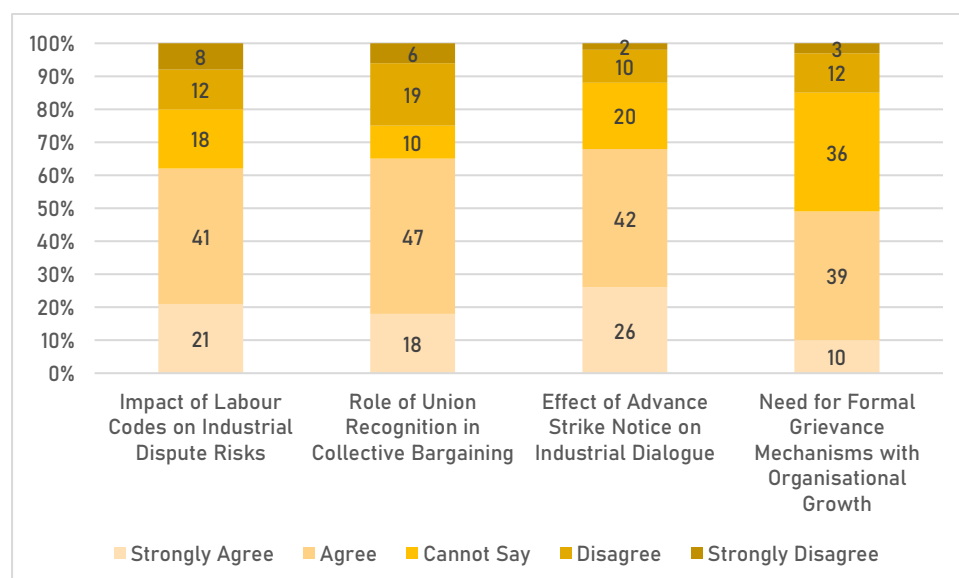
Clarity regarding contribution responsibilities for non-standard workers appears limited, with only 33 percent reporting agreement and a high 42 percent indicating uncertainty. The findings suggest that while the direction of policy is recognised, operational clarity regarding financial and administrative obligations remains under development.

3.7 Industrial Relations and Grievance Redressal

Employers express moderate confidence in the institutional effects of the Labour Codes. Approximately 62 percent believe that the Codes will reduce industrial dispute

risks (Figure 3.7). Recognition of unions in collective bargaining receives a higher level of agreement at 65 percent.

Figure 3.7 – Employers' Perceptions on Industrial Relations and Grievance Mechanisms



Source: Primary Survey.

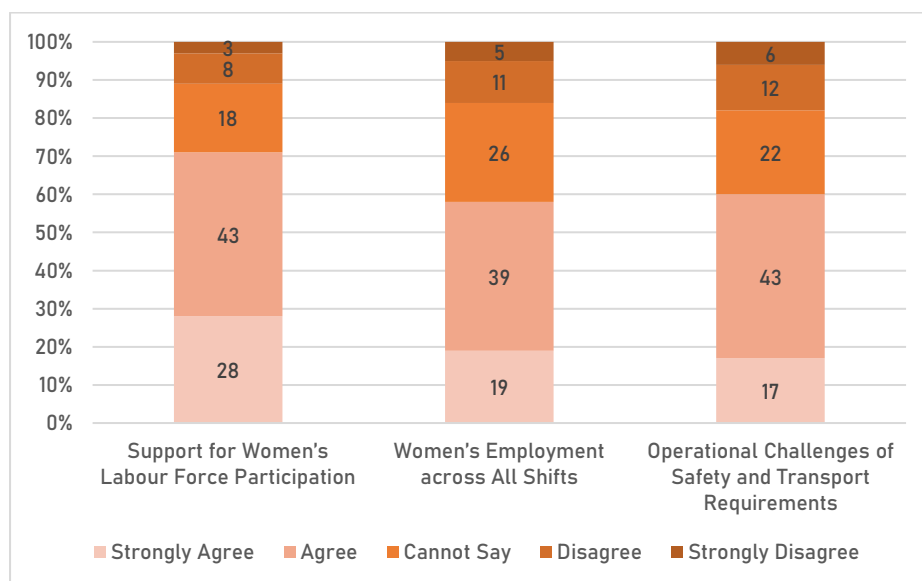
Similarly, 68 percent consider advance strike notice provisions as conducive to dialogue and predictability. The need for formal grievance mechanisms with organisational growth records 49 percent agreement, alongside a relatively high uncertainty level of 36 percent. This suggests that while the institutional framework is acknowledged, its operational implications may vary across organisational contexts.

3.8 Gender and Inclusion

Employers express strong support for provisions related to women's participation in employment, with 71 percent agreeing that the Labour Codes support greater labour force participation (Figure 3.8). More than half (58 percent) also consider employment across all shifts feasible within the regulatory framework.

At the same time, 60 percent report operational challenges associated with safety and transport requirements. The responses indicate broad acceptance of the policy direction, alongside recognition of the infrastructural and organisational adjustments required for implementation.

Figure 3.8 – Employers' Perceptions on Gender and Inclusion under Labour Codes

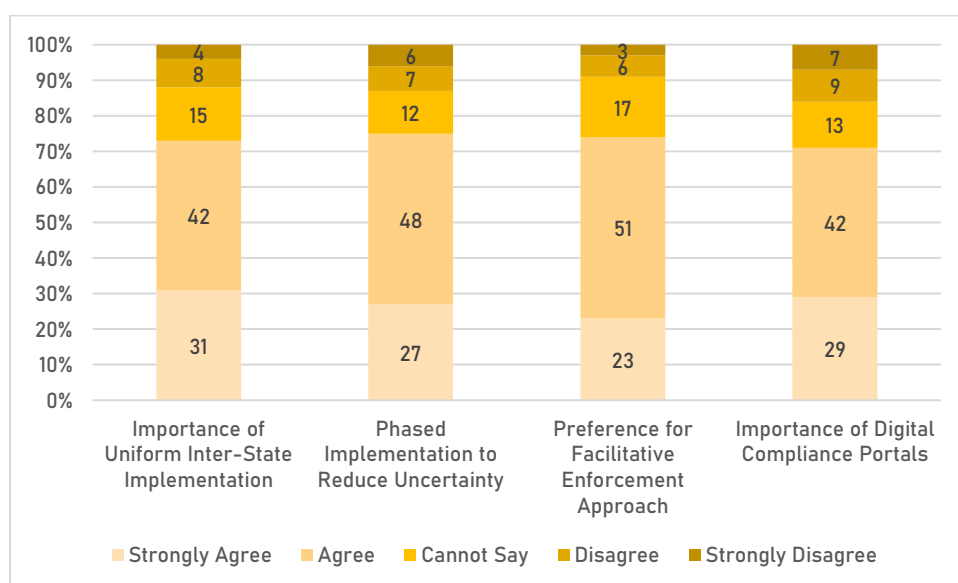


Source: Primary Survey.

3.9 Federalism, Governance, Implementation and Digitalisation

Employers' responses in this theme indicate strong emphasis on institutional and administrative arrangements (Figure 3.9). Uniform inter-state implementation receives 73 percent agreement, reflecting the importance of regulatory consistency for business operations.

Figure 3.9 – Employers' Perceptions on Governance, Implementation and Digitalisation



Source: Primary Survey.

Similarly, 75 percent believe that phased implementation will reduce uncertainty, and 74 percent express preference for a facilitative enforcement approach. The importance of digital compliance portals is recognised by 71 percent of respondents. These findings suggest that employers view implementation design, administrative support, and digital systems as central to the effectiveness of the Labour Codes.

3.10 Theme-Wise Analysis of Employers' Perception based on Weighted Average Scores

The weighted average scores provide an aggregate indication of the extent to which employers perceive the provisions of the Labour Codes as being realised or operationally relevant across different domains. With an overall perception score of 3.5, the results indicate a generally positive orientation, suggesting that employers recognise the direction of the reform and associate the Labour Codes with improvements in regulatory coherence and operational conditions. It is important to note that the overall and theme-wise weighted averages are moderated primarily by a relatively large proportion of responses in the 'cannot say' category, which is higher than that observed among workers. This pattern reflects transitional uncertainty and evolving interpretational clarity rather than adverse perceptions, indicating that employer assessments are likely to strengthen further as implementation progresses and operational guidance becomes more established. At the same time, variation across themes enables identification of those provisions that are perceived as more clearly realised in practice.

Across thematic domains, the highest level of perceived realisation is observed in the area of Federalism, Governance, Implementation and Digitalisation, which records the highest theme average of 3.8. Within this theme, the importance of uniform inter-state implementation and the preference for a facilitative enforcement approach both record weighted scores of 3.9, while phased implementation to reduce uncertainty and the importance of digital compliance portals score 3.8. These findings indicate that employers associate the effectiveness of the Labour Codes primarily with institutional design and implementation mechanisms. Administrative predictability, regulatory consistency, and technology-enabled compliance appear to be the most strongly recognised operational features of the reform.

A similarly strong pattern of realisation is evident within Wages and Employment Conditions, where the theme average stands at 3.6. The highest individual score across all aspects is recorded for the importance of workforce flexibility for sustainability, at 4.0, indicating that employers view flexibility as the central operational benefit of the new framework. The suitability of fixed-term employment (3.7) and the effect of timely wage payments on workplace discipline (3.6) also receive relatively strong recognition. These responses suggest that employers associate the Labour Codes with greater adaptability in workforce management alongside improved administrative discipline.

The theme of Employment Relations and Safety also records a relatively high average of 3.6. Within this domain, uniform safety norms across worker categories score 3.9, indicating strong recognition of standardised safety requirements. Sector-specific dependence of Code outcomes (3.7) and clarity of employer responsibility for workplace safety (3.6) further suggest that employers perceive safety-related provisions as clearly defined and operationally relevant. Preventive occupational health measures, with a score of 3.4, reflect moderate but consistent acknowledgement. Overall, workplace safety appears among the more clearly realised areas of the reform from the employers' standpoint.

In the domain of Industrial Relations and Grievance Redressal, the theme average of 3.6 reflects moderate institutional confidence. The highest score within the theme relates to the effect of advance strike notice on industrial dialogue (3.8), suggesting that employers recognise the role of procedural provisions in enhancing predictability and facilitating engagement. Perceived reduction in industrial dispute risks (3.6) and the role of union recognition in collective bargaining (3.5) further indicate acknowledgement of a more structured industrial relations framework. The need for formal grievance mechanisms with organisational growth (3.4) suggests gradual recognition of institutionalisation at the enterprise level.

Gender and Inclusion also records a theme average of 3.6, with particularly strong recognition for support for women's labour force participation (3.9). Women's employment across all shifts scores 3.6, while operational challenges related to safety and transport arrangements record 3.5. These findings indicate that employers acknowledge the enabling intent of the provisions, even as their operational implications require organisational adjustment.

The theme of Compliance and Ease of Doing Business records an average of 3.5, with significant variation across aspects. The role of implementation in ease of doing business registers a relatively high score of 3.9, indicating that employers associate the benefits of reform primarily with the manner of execution rather than statutory design alone. Long-term simplification of compliance (3.4) and the impact of technology on reducing compliance burden (3.3) reflect moderate expectations regarding administrative efficiency.

Within Social Security and Non-Standard Workers, the theme average of 3.4 indicates cautious recognition of the direction of policy. Expansion of social security coverage records a relatively higher score of 3.7, suggesting acceptance of broader coverage objectives. At the same time, administrative challenges for gig and contract workers score 3.5, and clarity regarding contribution responsibilities records a lower score of 3.1, indicating that operational aspects of extending social protection to non-standard employment are still evolving.

The theme of Awareness and Communication records an average of 3.3. Employers report moderate awareness of the Labour Codes and their objectives (3.4), alongside recognition that awareness varies across firm size and sector (3.4). Expectations

regarding improvement over time score 3.5, suggesting that awareness is perceived as an evolving process. Receipt of official communication records a lower score of 3.1, indicating that institutional outreach has not been uniformly experienced.

The lowest level of perceived realisation is observed in the theme of Clarity and Understanding, which records a theme average of 2.9. Overall clarity of provisions scores 2.9, while clarity of wage and working-hour provisions records the lowest individual score across all aspects at 2.7. The role of guidance materials in improving understanding (3.3) indicates that employers rely significantly on interpretative support to operationalise the provisions. This pattern suggests that while the direction of reform is recognised, interpretational clarity is still developing.

The weighted scores indicate that provisions most strongly perceived as realised by employers relate to implementation design and governance arrangements, workforce flexibility, uniform safety standards, facilitative enforcement, and institutional predictability in industrial relations. Areas associated with administrative interpretation, procedural clarity, and operational details, particularly in relation to social security obligations for non-standard workers and statutory interpretation, appear to be recognised more gradually. The pattern of responses suggests that employers associate the realisation of the Labour Codes primarily with the stability, flexibility, and administrative coherence that emerge through effective implementation rather than with the statutory framework in isolation.

3.11 Summing Up

The overall pattern of responses indicates that employers recognise the Labour Codes as a framework with potential to improve regulatory coherence, operational flexibility, and institutional predictability. The strongest levels of agreement are observed in areas relating to workforce flexibility, uniform safety norms, phased implementation, facilitative enforcement, and inter-state regulatory consistency. Employers also acknowledge the expansion of social security and the strengthening of institutional mechanisms for industrial relations.

At the same time, the presence of cannot say responses across several themes points to transitional uncertainty, particularly in relation to procedural clarity, contribution responsibilities for non-standard workers, formal communication, and the operational implications of specific provisions. The findings suggest that employers associate the effectiveness of the Labour Codes less with statutory provisions alone and more with the manner of implementation, the availability of guidance, and the development of supportive administrative systems. Overall, the responses reflect cautious institutional acceptance accompanied by expectations of gradual operational consolidation.

Summary and Conclusions

The present study was undertaken to examine the perceptions of key stakeholders regarding the implementation of the Labour Codes during the early phase of operationalisation. As a structural reform of considerable scale, the Labour Codes seek to harmonise labour protection with regulatory simplification, expand social security coverage, and create a coherent framework suited to the changing nature of work and enterprise. Given that the Codes have come into force only recently, the study was designed as a diagnostic assessment to understand levels of awareness, institutional preparedness, and stakeholder expectations at a critical transition stage. The findings presented across the preceding chapters provide a comprehensive picture of how both workers and employers interpret the direction, relevance, and anticipated outcomes of the reform.

The results indicate a broadly constructive orientation among stakeholders. The overall perception scores suggest that the Labour Codes are viewed as a credible and directionally sound reform with the potential to improve labour market functioning over time. Importantly, the analysis reveals a notable degree of convergence between workers' and employers' perceptions across several thematic areas. Such convergence reflects the emergence of a shared institutional understanding of the Labour Codes as a framework intended to balance employment protection with operational flexibility, rather than as a unilateral regulatory intervention.

From the perspective of workers, expectations are particularly strong in relation to improvements in working conditions, employment security, occupational safety, and access to social security. The highest levels of perceived realisation are observed in occupational safety and health, where clarity of employer responsibility and the adequacy of protective measures receive the strongest endorsement. Workers also recognise the expanding role of institutional mechanisms designed to improve access to social security, including registration systems and portability of benefits across employment situations. The findings further suggest that workers associate the Labour Codes with greater clarity in employment terms, improved regulation of working hours, and enhanced income stability. These perceptions indicate that the reform is being interpreted as a framework capable of strengthening basic standards of decent work, particularly for those engaged in non-standard or vulnerable forms of employment.

Employers' perceptions reflect strong recognition of the institutional and operational dimensions of the reform. The highest levels of agreement are observed in relation to governance and implementation features, including uniform inter-state implementation, phased rollout, facilitative enforcement, and digital compliance systems. Employers also attach considerable importance to workforce flexibility, with fixed-term employment and adaptable workforce arrangements viewed as central to business sustainability. Uniform safety norms, predictable industrial relations procedures, and the potential for compliance simplification are also widely acknowledged. These responses indicate that employers associate the effectiveness of the Labour Codes with administrative predictability, regulatory consistency, and the creation of a stable operating environment.

Across both stakeholder groups, occupational safety and health, social security expansion, and the strengthening of institutional mechanisms emerge as areas of broad consensus. Similarly, provisions related to structured industrial relations, formal grievance handling, and the promotion of women's participation in employment receive positive recognition. The findings suggest that the Labour Codes are increasingly perceived as a framework that integrates workplace protection, social security, and enterprise efficiency within a unified regulatory structure.

At the same time, the presence of 'cannot say' responses across several themes indicates that the reform is still in a transitional phase of institutional assimilation. Among workers, uncertainty is more visible in relation to procedural aspects such as wage documentation, dispute resolution effectiveness, and digital access mechanisms. Among employers, uncertainty is concentrated in areas requiring interpretational clarity, including specific statutory provisions, contribution responsibilities for non-standard workers, and certain operational requirements. These patterns are consistent with the early stage of implementation and reflect the evolving nature of institutional adaptation rather than resistance to the reform itself.

The findings also underline the importance of communication, capacity building, and institutional support in sustaining the reform process. Both workers and employers recognise that awareness and understanding are likely to improve over time and place significant value on guidance materials, training, and explanatory support. The results therefore reinforce the view that the long-term effectiveness of the Labour Codes will depend not only on legislative design but also on continuous engagement, administrative facilitation, and the strengthening of implementation capacity at multiple levels.

An important insight emerging from the study is that stakeholders associate the benefits of the Labour Codes primarily with the manner of implementation. Employers, in particular, link ease of doing business and compliance simplification to phased implementation, digital systems, and a facilitative enforcement approach. Workers similarly emphasise the role of effective enforcement and institutional access mechanisms in translating statutory provisions into tangible workplace

improvements. The emphasis on implementation quality reflects a shared expectation that the reform's transformative potential will unfold progressively through administrative consolidation and institutional learning.

The evidence generated through this independent assessment also aligns with broader policy expectations regarding formalisation, expansion of social protection, improved labour standards, and the development of a modern compliance ecosystem. The coherence between stakeholder perceptions and the broader objectives of labour market reform reinforces the institutional credibility of the Labour Codes and suggests a foundation of acceptance across diverse segments of the labour market.

Labour Codes are being received as a structurally coherent and forward-looking reform with the capacity to modernise labour governance in India. Stakeholders recognise the direction of change and associate the new framework with improvements in regulatory clarity, social protection, workplace standards, and enterprise functioning. The convergence of perceptions between workers and employers, particularly in areas such as safety, social security, governance, and institutional predictability, is especially significant in the context of labour reform.

Going forward, the early phase of implementation presents an opportunity to consolidate these positive perceptions through sustained policy attention. Priority areas include systematic awareness generation, targeted capacity building for both employers and workers, strengthening of institutional communication channels, and continued development of digital and administrative systems. As implementation progresses across states and sectors, there is also a strong case for undertaking detailed state-level impact assessments in a phased manner. Such studies, particularly in states that had introduced similar reforms prior to national rollout, would facilitate evidence-based review of implementation practices, enable cross-state learning, and support adaptive policy refinement.

The findings of this study suggest that the Labour Codes have established a credible foundation for the modernisation of India's labour regulatory framework. The reform is perceived as directionally appropriate, institutionally coherent, and capable of supporting both labour protection and economic dynamism. Sustained implementation efforts, supported by institutional capacity and stakeholder engagement, will be critical in ensuring that the anticipated improvements in working conditions, social security, industrial relations, and ease of doing business are progressively realised in practice.

References

- Government of India, Ministry of Finance. (2022). Economic Survey 2021–22: Statistical appendix. <https://www.indiabudget.gov.in/budget2022-23/economicsurvey/doc/echapter.pdf>
- Government of India, Ministry of Labour and Employment. (2019). The Code on Wages, 2019 (No. 29 of 2019). https://labour.gov.in/sites/default/files/the_code_on_wages_2019_no._29_of_2019.pdf
- Government of India, Ministry of Labour and Employment. (2020). The Industrial Relations Code, 2020 (Gazette of India). https://labour.gov.in/sites/default/files/ir_gazette_of_india.pdf
- Government of India, Ministry of Labour and Employment. (2020). The Code on Social Security, 2020 (Gazette of India). https://labour.gov.in/sites/default/files/ss_code_gazette.pdf
- Government of India, Ministry of Labour and Employment. (2020). The Occupational Safety, Health and Working Conditions Code, 2020 (Gazette of India). https://labour.gov.in/sites/default/files/osh_gazette.pdf
- Government of India, Ministry of Labour and Employment. (2020). Compilation of the four Labour Codes. https://labour.gov.in/sites/default/files/labour_code_eng.pdf
- Government of India, Ministry of Labour and Employment. (2023). Press Information Bureau release on Labour Codes implementation. <https://labour.gov.in/sites/default/files/pib2192463.pdf>
- Government of India, Ministry of Labour and Employment. (n.d.). Agenda note: Indian Labour Conference (39th Session). https://labour.gov.in/sites/default/files/39ilcagenda_1.pdf

Appendices

Appendix 1 – Summary of Employees' Perception on Implementation of Labour Codes			
Theme	Aspect	Weighted Average	Average
Awareness and Understanding	Awareness of Labour Code Implementation	3.3	3.6
	Expected Improvement in Understanding over Time	3.8	
	Role of Information and Guidance for Workers	3.8	
	Increasing Clarity of Provisions for Workers	3.7	
	Impact of Training and Awareness Programmes	3.6	
Working Hours and Leave	Regulation of Working Hours	3.7	3.6
	Improvement in Overtime Compensation	3.5	
	Improvement in Rest Periods and Leave Practices	3.6	
	Improvement in Overall Working Conditions	3.6	
Wages and Income Security	Timely Payment of Wages	3.6	3.5
	Transparency in Wage Calculation and Deductions	3.4	
	Improvement in Payslips and Wage Records	3.2	
	Improvement in Income Security	3.7	
Employment Terms and Security	Clarity of Employment Terms and Conditions	3.7	3.6
	Protection for Contract and Fixed-Term Workers	3.6	
	Improvement in Job Security	3.6	
Occupational Safety and Health	Clarity of Employer Responsibility for Safety	3.7	3.7
	Adequacy of Safety Equipment and Protective Measures	3.7	
	Reduction in Occupational Health Risks	3.6	
Social Security	Clarity of Social Security Provisions	3.6	3.6
	Expansion of Social Security Coverage	3.5	
	Access to Social Security for Contract, Migrant, and Gig Workers	3.6	
	Role of Registration Systems in Accessing Benefits	3.7	

	Portability of Social Security Benefits	3.7	
Grievance Redressal, Dispute Resolution & IR	Awareness of Workplace Grievance Redressal Mechanisms	3.8	3.6
	Speed and Fairness of Dispute Resolution	3.4	
	Stronger Role of Worker Representatives and Trade Unions	3.6	
Gender and Inclusion	Support for Women's Participation in Employment	3.5	3.5
	Women's Employment across All Shifts	3.4	
	Protection Measures for Women Workers	3.7	
	Inclusiveness and Non-Discrimination in Workplace Practices	3.4	
Enforcement, Governance, Federal Implementation, Digitalisation, Overall Impact	Impact of Effective Enforcement by Labour Authorities	3.6	3.5
	Benefits of Uniform Implementation across States	3.5	
	Accessibility of Rights and Benefits through Digital Systems	3.5	
	Improvement in Workers' Conditions over Time	3.5	
Overall Perception Score			3.6
<i>Source:</i> Calculated using primary data.			

Appendix 2 – Summary of Employers' Perception on Implementation of Labour Codes			
Theme	Aspect	Weighted Average	Theme Average
Awareness and Communication	Awareness of Labour Codes and Objectives	3.4	3.3
	Receipt of Official Communication on Labour Codes	3.1	
	Variation in Awareness by Firm Size and Sector	3.4	
	Expected Improvement in Awareness over Time	3.5	
Clarity and Understanding	Clarity of Labour Code Provisions	2.9	2.9
	Relative Clarity of Wage and Working-Hour Provisions	2.7	
	Role of Guidance Materials in Improving Understanding	3.3	
Compliance and Ease of Doing Business	Long-Term Simplification of Compliance	3.4	3.5
	Impact of Technology on Compliance Burden	3.3	
	Role of Implementation in Ease of Doing Business	3.9	
Wages and Employment Conditions	Impact of Wage Transparency on Disputes	3.4	3.6
	Effect of Timely Wage Payments on Discipline	3.6	
	Need for Phased Implementation to Manage Costs	3.4	
	Importance of Workforce Flexibility for Sustainability	4	
	Suitability of Fixed-Term Employment	3.7	
Employment Relations and Safety	Clarity in Employment Practices under Labour Codes	3.4	3.6
	Sector-Specific Dependence of Code Outcomes	3.7	
	Clarity of Employer Responsibility for Workplace Safety	3.6	
	Benefits of Preventive Occupational Health Measures	3.4	
	Uniform Safety Norms across Worker Categories	3.9	
	Expansion of Social Security Coverage	3.7	3.4

Social Security and Non-Standard Workers	Administrative Challenges for Gig and Contract Workers	3.5	
	Clarity of Contribution Responsibilities for Non-Standard Workers	3.1	
Industrial Relations and Grievance Redressal	Impact of Labour Codes on Industrial Dispute Risks	3.6	3.6
	Role of Union Recognition in Collective Bargaining	3.5	
	Effect of Advance Strike Notice on Industrial Dialogue	3.8	
	Need for Formal Grievance Mechanisms with Organisational Growth	3.4	
Gender and Inclusion	Support for Women's Labour Force Participation	3.9	3.6
	Women's Employment across All Shifts	3.6	
	Operational Challenges of Safety and Transport Requirements	3.5	
Federalism, Governance, Implementation, Digitalisation	Importance of Uniform Inter-State Implementation	3.9	3.8
	Phased Implementation to Reduce Uncertainty	3.8	
	Preference for Facilitative Enforcement Approach	3.9	
	Importance of Digital Compliance Portals	3.8	
Overall Perception Score			3.5

**VV Giri National Labour Institute
Sector 24, Noida, Uttar Pradesh – 201301**