



---

## **Awareness Level of Workers to Labour Laws in Sri Lanka**

**Wasantha Rajapakse<sup>1\*</sup>**

<sup>1</sup>SLIIT Business School, Sri Lanka Institute of Information Technology, Malabe, Sri Lanka.

**Author's contribution**

*The sole author designed, analysed, interpreted and prepared the manuscript.*

**Article Information**

DOI: 10.9734/SAJSSE/2019/v3i130094

Editor(s):

(1) Dr. Gerald Aranoff, Professor, Department of Economics and Business Management, Ariel University, Israel.

Reviewers:

(1) John Walsh, School of Business and Management, RMIT University Vietnam, Vietnam.

(2) Zlatin Zlatev, Trakia University, Bulgaria.

Complete Peer review History: <http://www.sdiarticle3.com/review-history/46906>

**Original Research Article**

**Received 17 October 2018**  
**Accepted 24 January 2019**  
**Published 26 February 2019**

---

### **ABSTRACT**

This study focuses on assessing the apparel sector employees' level of awareness on labour laws who are working in the Free Trade Zones in Sri Lanka. The research was based on seven Labour Acts in Sri Lanka; Employees Provident Fund Act No.15 of 1958, Employees Trust Fund Act No.46 of 1980, Payment of Gratuity Act No. 12 of 1983, Industrial Dispute Act No.27 of 1966, Maternity Benefits Ordinance No.32 of 1939, Factories Ordinance No.45 of 1942, and Wages Board Ordinance No.27 of 1941. Data collection done through a worker questionnaire and out of 200 sample 158 were respondent. The garment factories were selected by the convenient sampling method and respondents were selected through simple random sampling method. Data analysis done through descriptive statistics and one way Analysis of Variance (ANOVA). The results show that gender and level of experience has not make a significance different among particular group of employees. However, education and age has a significant impact on the awareness of employees on labour laws. Moreover, the Factories Ordinance showed the rate of the most wakefulness while the Maternity Benefits Ordinance showed the least awareness.

**Keywords:** Awareness level; labour laws; sewing machine operators; Sri Lanka.

## 1. INTRODUCTION

Textile and apparel industries are the largest and leading industries in Sri Lanka which contribute to the Sri Lankan Economy. The industry has provide large number of employment and majority of them are women especially sewing machine operators [1]. Textiles and garments industry has gained the foremost export industry in Sri Lanka. They contribute 47.4% from the annual export income in Sri Lanka [2]. However, it has been recognised that this industry is suffering from massive labour turnover [1].

The preliminary investigation of the study found that some factories located in the Katunayake Export Processing Zone in Sri Lanka have over 36 percent annual turnover, or more than three percent per month. The total number of employees in a medium-sized garment factory is normally 250-1000. Thus, the monthly voluntary turnover rate is nearly 20 employees [3].

Even though the garment factories have private ownership, there is heavy involvement by government departments and agencies such as; Trade and Commerce, Exchange Rate, Investment, Trade and Tariff, Import and Export, Incentive programs etc. Government agencies have provided various mechanisms for improvement of the garment sector, as follows:

- For foreign investment: Board of Investment (BOI), Ministry of industry, Foreign Investment Advisory Committee (FIAC), Local Investment Advisory Committee (LIAC);
- For export development: Export Development Board (EDB), Industrial Development Board (IDB) [4];
- For infrastructure development; Urban Development Authority (UDA);
- For incentives; Textile Debt Recovery Fund (TDRF);
- For quality improvement; Domestic Textile Allocation Committee;
- For technology improvement; Technology Initiative for the private Sector Project (TIPS) and Industrial Technology Market Information Network (ITMIN).

In addition, all successive governments of Sri Lanka have made efforts to solve these labour issues in different ways by introducing laws and regulations. To protect employees' rights, the government drafted and implemented many rules

and regulations regarding wages, working hours, health and safety, security of employment, child labour, trade unions, equality of treatment, etc. However, the industry is still plagued with high turnover.

To safeguard the employees' right and enhance their awareness of labour laws the BOI mandated a new scheme at the end of 1994, Workers Councils. These councils were supposed to be worker-elected and take on the role of trade unions. However, employees have not been satisfied with these Workers Councils because their belief is that it is another way to shut out trade unions. According to them, from 1978 to until now, every government has denied employees the right to organize and has prevented their right to form trade unions. This has led to increase their unawareness of labour laws and many of the employees don't have basic knowledge of more specific basic laws in the island.

This evidence suggests that for some workers, their basic needs have not been fully satisfied and some fundamental rights have not been protected. As a result, the garment industry is constantly plagued with high labour turnover; the sector is still functioning with a shortage of labour, and the organizational commitment of the existing employees is also at a very low level. (Abeywardena, et al, 1994: 23).

Thus, the need for an empirical survey in the garment industry is essential. The aim is to identify awareness level of employees regarding labour laws. These labour laws protect their employment rights. The goal is to reduce their turnover and to enhance knowledge of labour laws in Sri Lanka. Until now, few researchers have attempted to do this sort of empirical study in Sri Lanka.

This research was conducted to identify the awareness level of labour laws in sewing machine operators who are working in the FTZs in Sri Lanka. Though there are many labour laws, scope of this study is limited to seven laws; The Employees Provident Fund Act No.15 of 1958, Employees Trust Fund Act No.46 of 1980, Payment of Gratuity Act No. 12 of 1983, Industrial Dispute Act No.27 of 1966, Maternity Benefits Ordinance No.32 of 1939, Factories Ordinance No.45 of 1942, and Wages Board Ordinance No.27 of 1941 [5].

## 1.1 Research Objective

The objective of the study is to determine the apparel sector employees' level of awareness to labour laws in Sri Lanka on the basis of gender, age, experience, and educational level regarding the selected seven labour acts.

## 2. LITERATURE REVIEW

### 2.2 Labor Laws in Sri Lankan Context

The history of Sri Lanka records that at the time of King Wijaya's arrival, local princess "Kuweni" was spinning cotton yarn. The history indicates that the textile industry is the oldest industry in Sri Lanka. Women were always involved in the industry. However, history does not indicate any momentous economic contribution until the late 19th century. In that era, the textile industry was narrowed to ready-made garments and not a very popular industry until 1977.

In 1977, the Sri Lanka government had presented a proposal for establishment of EPZs in Sri Lanka. The economic policy of the new government was export-oriented industrialization. To achieve this objective Export Processing Zones (EPZ) were established. The Zones have been controlled mainly under the Greater Colombo Economic Commission Act No. 4 of 1978 and amendments in 1980, 1983 and 1992. The 1992 amendment of the GCEC Act No. 49 of 1992 was related to the establishment of the Sri Lanka Board Of Investment (BOI). Other than the BOI act, security of employment in EPZs has been safeguarded by many other rules and regulations, which have been developed by the industry/private sector organizations in Sri Lanka [6].

### 2.3 The Greater Colombo Economic Commission Act No 4 of 1978

The main objectives of the Export Processing Zones (EPZ), which were set up under the Greater Colombo Economic Commission Act No 4 of 1978 were viewed as follows.

- To foster and generate the economic development of the Republic of Sri Lanka,
- To widen and strengthen the basis of the economy of the Republic of Sri Lanka,
- To encourage and promote foreign investment within the Sri Lanka,

- To diversify the sources of foreign exchange earnings and to increase the export earnings and
- To encourage and foster the establishment and development of industrial and commercial enterprises within the Republic of Sri Lanka.
- To develop the underdeveloped region of the country concerned.

The introduction of EPZs was meant to be a solution to the unemployment problem in Sri Lanka too. Factories in EPZs in Sri Lanka are expected to enhance export earnings with aiming to increase foreign investment and enhance the country's balance of trade. EPZs are also planned to increase various job opportunities to reduce unemployment rate and exposure to a work environment in the manufacturing sector [6].

### 2.4 The Greater Colombo Economic Commission

The Greater Colombo Economic Commission (GCEC) Act was first published in the Gazette on 23rd December 1977. Then it was passed as an act by the parliament in 1978- the GCEC Act No.4 of 1978. The main objective of this act is establishment of the EPZs in Sri Lanka. Under this act, five EPZs were established and these zones were provided with a variety of infrastructure facilities by the government. The general laws of the country are not applicable to the zones. No one is supposed to enter into the zones without a pass [6].

### 2.5 Board of Investment

On the 3rd of November 1992, the name of GCEC was changed to Sri Lanka Board Of Investment (BOI). The GCEC (Amendment) Act No.49 of 1992 established the BOI as a "unitary investment center" to provide all the facilities required for investment in the EPZs. Under these policy changes, all certified entrepreneurs were brought under the BOI without taking the location into consideration. This meant that the whole Island became an export zone [6]. The Board of Investment of Sri Lanka functions as the apex agency of the government of Sri Lanka, identifying, promoting and facilitating foreign direct investment by providing services to investors transparently and efficiently. Under Section 16 of the Act, a foreign investment entry is permitted to operate only under the 'normal

laws' of the country. That is, for such enterprises, the provisions of the Inland Revenue, Customs and Exchange Control Laws shall apply. For the purpose of granting approvals and incentives, companies incorporated under the Companies Act are treated equally regardless of whether the shareholding is controlled by nationals or non-nationals. BOI has provided a variety of incentives for investors. The industries must comply with BOI Labor Standards and Labor Relations policies.

## **2.6 The Other Rules and Regulations Approved by the Government**

Other than the BOI Act, many other rules and regulations have been approved by the government. Some of these are related to security of employment. These regulations apply to all employees who are in industry/private sector organizations in Sri Lanka. However, the government is specifically expected to guarantee security of employment for employees in the garment industry through these rules and regulations without discrimination.

## **2.7 The Shops and Office Workers Ordinance Act No.19 of 1954**

Regulating services and wages was designed to provide security of employment of garment workers. Under the ordinance, every employee is issued with a letter of appointment stating conditions of service. Salary registers, attendance registers and service registers are maintained for each employee without considering the nature of service (whether casual or permanent). Further, the Act deals with days on which wages should be paid, holidays, vacation time, etc. [5].

## **2.8 The Employees Provident Fund (EPF) Act No.15 of 1958**

All employees falling into permanent, apprentice, non-permanent, temporary, casual, part time, piece rate contract basis and commission basis categories are eligible to take membership in the Employees Provident Fund (EPF) Act No.15 of 1958. According to the law relating to this, monthly contribution to EPF should be 8 per cent by the employee and 12 per cent by the employer [2].

## **2.9 The Employees Trust Fund (ETF) Act No.46 of 1980**

Under the act the employer should contribute a sum of money amounting to 3 per cent of an employee's total earnings. This is a benefit for employees. The employee receives payment at the time of leaving employment. Employees are entitled to EPF and ETF rights after a period of five years [5].

## **2.10 The Industrial Dispute Act No.43 of 1950**

The Industrial Dispute Act No.43 of 1950 indicates that when excess employees are to be discontinued, the employees concerned should be given a minimum of three months' notice and the Commissioner of Labour should be informed accordingly [7].

## **2.11 The Wages Board Ordinance**

The Wages Board for the Garments Manufacturing Trade was established in October 25, 1963 by an order made under Section 8 of Wages Board Ordinance. Decisions of the Wages Board for the garment manufacturing trade came into force on April 1, 1966. From this point onwards, several revisions/wage increases have taken place. The most recent Wages Board revision for the Garment Manufacturing Trade came into force from January 1st, 1993 [5].

The minimum wages to be paid in each category in the garment industry is determined by the Wages Board. The employees are eligible for national policy decisions on salary increases, which are published in gazette notifications. Though these wages are determined at a national level, minimum wages of garment factory employees come under the control of the BOI. The BOI publish revised minimum salaries through circulars. The minimum wages, which have been declared by the BOI, are above the national level [5].

## **2.12 Maternity Aid Ordinance No.32 of 1939 and Shops and Office Workers Ordinance No.60 of 1957**

Maternity Aid Ordinance No.32 of 1939 and Shops and Office Workers Ordinance No. 60 of 1957 have been implemented to secure women

workers maternity rights. However, women employed on a casual basis are not provided relief through these ordinances. According to the ordinance, Women are eligible for 12 week with pay leave for their first and second live childbirth. Women employees with two or more children should be given 6 weeks leave with pay at the next delivery, whether the child is alive or dead or when it is a stillbirth. Further, they have the right to get the two weeks prior to their day of confinement. If the employee dies during her maternity leave, the employer has to pay her wages up to death including the day she died.

Further, women employees cannot be dismissed during the maternity period and cannot be dismissed for having conceived or having given birth to a child. They should be given light duty three months prior to and three months after confinement. Mothers who are nursing children under one year age should be given two intervals, which are not less than 60 minutes. However, if there are childcare facilities, they are eligible for two intervals of not less than 30 minutes [5].

### **2.13 The Factory Ordinance 1965 and 1980**

The environment of workers has been secured by the Factory Ordinance of 1965 and 1980. According to the law, workers should not be engaged in operating machines without first giving them instructions about the risks of operating machines and how to avoid them. In addition, workers must be given the necessary training to operate the machines. Women and children should not be engaged in cleaning machines when they are being operated.

The Factories Ordinance that deals with the health and safety of workers has been implemented with 131 clauses that deal with each instance. This is common to all factories on the island including the garment industry. The Factories Division of the Labor Department is there to enforce these laws and there is a deputy Commissioner of Labor (technical) and a chief factory-inspecting engineer [5].

### **2.14 The Workshops Ordinance No.45 of 1942**

This ordinance defines the legal aspect of laws imposed in order to avoid physical harm and health hazards factory workers may have to face.

This ordinance clearly indicates how to train workers and includes provisions required for the safety of women and children. It outlines environmental facilities required in buildings, how to safeguard workers from poisonous substances and safety measures to be taken when dealing with machines [5].

### **2.15 Awareness of Labor Laws in Sri Lankan Context**

Sri Lanka statutory regulations are covers employees right to some extent. There are certain areas where there can be some improvement. However, the problems are not mainly regarding inadequacy of legal provisions, but in the implementation and enforcement of same as well as employees' awareness of how to protect their rights.

There are no many secondary literatures on creating awareness especially among employees' in apparel sector about labor laws in Sri Lanka. The available literature focusses on the explanation on the dissatisfaction of employees regarding working environment. If employees are aware of the laws they might easily protect their right. By focusing on the explanation of the dissatisfaction of employees, one can identify the level of awareness of labor laws. Balasooriya and colleagues [8], in their study "Garment Factory Women Workers," identified problems in the government rules and regulations. Even though the government has provided many rules and regulations, employers do not practice them. The government is indirectly protecting investors by not punishing them.

Rajapakshe [9] revealed that dissatisfaction with government rules and regulations, which consists of security of employment, wages and other statutory allowances, annual leave and holidays, and labor union rights, has a positive impact on the intention to quit in the garment industry. Sunday Observer [10] reported that occupational hazards within the Free Trade Zones in Sri Lanka are another threat to employees' lives. Devanarayana, [11] who studied "Review of Free Trade Zones in Sri Lanka," found that there are many problems related to working and living conditions, harassment and sexual violence, duration of employment and health, industrial accidents, assassination of workers, and demonstrations and strikes. According to the study, the great majority of women have less

than one-year employment because of the adverse effects of these mentioned factors.

The Island [12] reported that workers in the EPZs in Sri Lanka wrote open letters to presidential candidates asking for trade union rights. The Island [13] reported that because of insecure conditions, rape cases in the EPZs in Sri Lanka increased during the year of May 1999 to May 2000. WSWS correspondent [14] reported that incidents of suspected work-related murders in Sri Lankan Export Processing Zones have increased. Dayarathne [15] reported that unsafe and unhealthy working conditions in Sri Lanka's Free Trade Zone Factories threaten employees' lives.

## 2.16 Awareness of Labor Laws in Other Context

Sapna [16] has conducted a study to measure the awareness level of workers to labour laws in India. It has focussed on the awareness on Factories Act of 1948, Industrial Disputes Act of 1947, Minimum Wages Act of 1948 and Payment of Wages Act 1936 as applicable to the industrial sector of Northern India in Haryana and Punjab. ANOVA test was used as the statistical test to analyse the data. Two demographic variables namely, age and experience was assessed against employee awareness and it has concluded that there was a significant difference in the awareness level of workers on the basis of age and experience (Grewal, 2015).

Lisakafu [17], describes about the Public Sector Employees' Awareness on Labour Laws in Tanzania based on the case of Ulanga District Council in Morogoro. This study was conducted to find out employees' awareness of labour rights under the labour law, to assess employees' understanding on labour disputes, to determine employees' awareness on dispute settlement procedures and to investigate alternative mechanisms for preventing labour disputes in the context of Morogoro. The researcher has concluded that there were some sections in the Act that the employees were aware, while there were some other sections of the same Act that they showed no awareness at all [17]. In another research undertaken by [18] discusses about the working and non-working women in Punjab to find out the Awareness and Exercise of Legal Rights. This study revealed that there was a significant difference in awareness of legal rights between working women and non-working women and it was found out that working women

have more awareness of legal rights than non-working women.

Mastaneh & Mouseli [19] discusses about patients' awareness of their rights; insight from a developing country. This study focusses on the effect of human right observance on patient treatment process. It is a cross sectional descriptive study done based on a questionnaire. The study was concluded that the total awareness of patients about their rights was medium. Devi, [20] discusses about the legal awareness among women teachers. Data was collected by a questionnaire and the findings of the study revealed that there was a significant difference between awareness of legal rights among women school teachers on the basis of their subject and locality.

## 2.17 Issues in Sri Lanka

Even though all activities are governed by existing laws of the country, some of these laws are not applicable within the EPZs. As such, EPZ/BOI enterprises enjoy relaxation of existing laws of the country compared with counterparts elsewhere on the Island. However, some legal instruments, presented above, are applicable to both these sectors equally. Though these laws exist in the statute book, implementation of various provisions of these acts leaves a lot to be desired.

However, it is well known that the right to associate freely and without penalty is not common in BOI/EPZ enterprises. The editorial of "The Island" [12] states, "Sri Lankan workers are extremely conscious of their rights and fight hard for them. There are labour laws, which protect rights of workers' except most BOI projects, where the workers have not been able to unionize themselves".

There is a problem with right to equal treatment too. Every employee who performs the same or a similar job should be compensated equally and should enjoy the same benefits. They should not be discriminated on account of service, gender or for any other reason. However, some companies have violated this principle. BOI companies have discriminatory leave benefits based on the date of joining the company and change of ownership. The privileges of short leave are also limited to those employees who were in service prior to the new ownership.

Some of the BOI companies were discriminatory in the treatment of their employees compared

with employees of their parent company. Surprisingly, both companies are within the same building and share the same infrastructure facilities and also have a common administration.

Another discriminatory treatment is maternity leave benefits. Maternity leave of the employees in the garment industry is covered under the Maternity Benefit Ordinance and part 1 A of the Shop and Office Employees Act. Under the Maternity Leave Ordinance a female employee who gives 12 weeks' leave and payment of wages is limited to 72 days. Employees covered under the Shop and Office Act get paid for 84 days as paid holidays. This discrepancy highlights unequal treatment of employees in the face of an "identical situation" for natural bodily phenomena.

As a result many employees leave without take action to protect their right. Thus, it is basic requirement to search the level of their awareness and check to what extent these employees acknowledge about their labour laws.

### 3. RESEARCH METHODOLOGY

This study is a survey research tested the awareness level of labour laws on apparel workers in Sri Lanka. The population of this study is sewing machine operators who are currently employed in garment factories in the Export Processing Zones in Sri Lanka. According to the Export Development Board [21] around 350 garment factories are currently operating island-

wide and most of these factories are located in the EPZs in Sri Lanka and nearly 20 percent are small scale factories. The sample was drawn from small size factories for the study. Out of nearly 70 factories 10 were selected by using purposive sampling method. From each factory 20 sewing machine operators were selected randomly, hence target sample was 200. Primary data for the study was obtained by a close ended questionnaire and out of 200 sample 158 was responded. Secondary data were gathered by books, periodicals, government publications of economic indicators, census data, etc. The questionnaire carried questions under the Five Point Likert Scale. An initial pilot survey was conducted with 40 respondents to test the reliability of the questionnaire. The Cronbach's  $\alpha$  is used to test the reliability. The alpha values of all variables are above 0.9, and are consistent with the suggested level of 0.7 by Hair, Black, Tatham, Babin and Anderson [22]. To analyses the data descriptive statistics; frequency and percentages and one way Analysis of Variance were used.

### 4. RESULTS AND DISCUSSION

The general characteristics of the respondents are presented in Table 1. This data shows that 19.6 percent of the respondent are males while 80.4 percent of females. The age group of 26-35 years was recorded the highest with a percentage of 35.4 while the employees who are above 55 years of age recorded the least occurrence with a percentage of 12.7.

**Table 1. Demographic characteristics of the respondents**

<b>Characteristics</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Gender</b>		
Male	31	19.6
Female	127	80.4
<b>Age group</b>		
>25	21	13.3
26-35	56	35.4
36-45	33	20.9
46-55	28	17.7
< 55	20	12.7
<b>Educational qualification</b>		
> Grade 8	45	28.5
Grade 9-12	41	25.9
< Grade 13	72	43.7
<b>Working experience</b>		
> 1 Year	16	10.1
1 to 3 Years	34	21.5
3 to 5 Years	42	26.6
5 to 10 Years	35	22.2
< 10 Years	31	19.6

**Table 2. Awareness level of workers on the basis of gender on labour laws**

Labour laws	Gender	N	Mean	Std. Dev.	F	Sig.
Employees Provident Fund Act No.15 of 1958	Male	31	3.60	.910	.058	.809
	Female	127	3.56	.955		
	Total	158	3.57	.943		
Employees Trust Fund Act No.46 of 1980	Male	31	3.62	.842	2.405	.123
	Female	127	3.30	1.077		
	Total	158	3.36	1.040		
Payment of Gratuity Act No. 12 of 1983	Male	31	2.77	1.114	4.106	.044
	Female	127	2.33	1.099		
	Total	158	2.41	1.113		
Industrial Dispute Act No.27 of 1966	Male	31	2.77	1.251	4.941	.028
	Female	127	2.28	1.063		
	Total	158	2.38	1.116		
Factories Ordinance No.45 of 1942	Male	31	2.94	1.141	2.756	.099
	Female	127	3.27	.986		
	Total	158	3.21	1.024		
Wages Board Ordinance No.27 of 1941	Male	31	4.62	.461	6.516	.012
	Female	127	4.30	.669		
	Total	158	4.36	.646		
Overall Awareness	Male	31	2.79	.882	.794	.374
	Female	127	2.64	.827		
	Total	158	2.67	.837		
Overall Awareness	Male	31	3.49	1.118	.399	.528
	Female	127	3.37	.905		
	Total	158	3.39	.948		

With respect to their educational qualification, 43.7 percent has G.C.E. A/L and 25.9 percent passed G.C.E. Ordinary Level. These results showed that the most employees in the sample are possessed a qualification more than the Ordinary Level. According to working experience category, the highest recorded was from those who have 3 to 5 years of working experience with a percentage of 42 and the minimum was form less than 1 year of working experience with a percentage of 16. Out of the sample of 158 employees 58.9 percent was recorded from the medium-sized category and 41.1 percent was recorded from the small-sized category in which most was from the medium-sized business firms.

Table 2 shows the results of the ANOVA test regarding employees' awareness level base on gender. It shows that employees' gender is not make significant differences at 5% level of significance as all p values are over 0.05 other than the Factory Ordinance. Significance in overall awareness also indicated p=.528. For the Factory Ordinance F=6.516 and p=.012 shows that there is a significant different among male and female level of awareness. Further, according to the mean values males mean value 4.62 is higher than female mean value 4.3

indicated that men are more aware of Factory Ordinance than female.

Table 3 shows that significant difference is found in the awareness of workers among different age groups regarding Employees Provident Fund Act (p=.005), Employees Trust Fund Act (p=.009), Payment of Gratuity Act (p=.012), Factories Ordinance (p=.003) and Wages Board Ordinance (p=.000). However, Industrial Dispute Act (p=.061) and Maternity Benefits Ordinance (p=.083) shows there is no significance different among age groups found in their level of awareness. Mean value of the Industrial Dispute Act is less than 3.00 and for the Maternity Benefits Ordinance highest mean value is 3.39 age groups of 26 -39. Overall awareness values shows that employees in different age group has significant different with F=8.599 and p=.000.

Table 4 shows that there is a significant differences among level of awareness of labour laws based on their education. Employees Provident Fund Act (p=.016), Employees Trust Fund Act (p=.000), Payment of Gratuity Act (p=.000), Industrial Dispute Act (p=.002), Maternity Benefits Ordinance (p=.002), Factories Ordinance (p=.000) and Wages Board Ordinance



**Table 3. Awareness level of workers on the basis of age on labour laws**

<b>Labour laws</b>	<b>Age</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>F</b>	<b>Sig.</b>
Employees Provident Fund Act No.15 of 1958	>25	21	3.68	.845	3.514	.009
	26-35	56	3.72	.777		
	36-45	33	3.80	.751		
	46-55	28	3.32	1.228		
	< 55	20	2.99	1.068		
	<b>Total</b>	<b>158</b>	<b>3.57</b>	<b>.943</b>		
Employees Trust Fund Act No.46 of 1980	>25	21	3.13	.991	3.901	.005
	26-35	56	3.39	.978		
	36-45	33	3.87	.890		
	46-55	28	3.30	1.120		
	< 55	20	2.82	1.095		
	<b>Total</b>	<b>158</b>	<b>3.36</b>	<b>1.040</b>		
Payment of Gratuity Act No. 12 of 1983	>25	21	2.33	1.079	3.305	.012
	26-35	56	2.60	1.018		
	36-45	33	2.76	1.181		
	46-55	28	2.13	1.246		
	< 55	20	1.82	.800		
	<b>Total</b>	<b>158</b>	<b>2.41</b>	<b>1.113</b>		
Industrial Dispute Act No.27 of 1966	>25	21	2.22	1.077	2.302	.061
	26-35	56	2.49	1.013		
	36-45	33	2.72	1.155		
	46-55	28	2.25	1.323		
	< 55	20	1.85	.882		
	<b>Total</b>	<b>158</b>	<b>2.38</b>	<b>1.116</b>		
Maternity Benefits Ordinance No.32 of 1939	>25	21	3.11	.929	2.102	.083
	26-35	56	3.39	.906		
	36-45	33	3.39	1.238		
	46-55	28	3.04	.987		
	< 55	20	2.73	.976		
	<b>Total</b>	<b>158</b>	<b>3.21</b>	<b>1.024</b>		
Factories Ordinance No.45 of 1942	>25	21	3.98	.703	4.118	.003
	26-35	56	4.36	.646		
	36-45	33	4.57	.685		
	46-55	28	4.56	.560		
	< 55	20	4.15	.382		
	<b>Total</b>	<b>158</b>	<b>4.36</b>	<b>.646</b>		
Wages Board Ordinance No.27 of 1941	>25	21	2.66	.670	5.941	.000
	26-35	56	2.79	.666		
	36-45	33	3.05	.847		
	46-55	28	2.46	1.024		
	< 55	20	2.04	.744		
	<b>Total</b>	<b>158</b>	<b>2.67</b>	<b>.837</b>		
Overall Awareness	>25	21	3.26	.708	8.599	.000
	26-35	56	3.54	.766		
	36-45	33	3.84	.923		
	46-55	28	3.36	1.088		
	< 55	20	2.45	.851		
	<b>Total</b>	<b>158</b>	<b>3.39</b>	<b>.948</b>		

(p=.000) and p value of overall awareness is .000. The mean values shows that awareness level of employees increase with the increasing level of education. Workers having more

educational qualification, who are above grade 13 has overall 3.39 mean value with .948 standard deviation. Employees Provident Fund Act has 3.79 mean value and .820 standard

deviation. Employees Trust Fund Act has M=3.89 and SD=.777; Maternity Benefits Ordinance M=3.53 and SD=1.019, Factories Ordinance has M=4.63 and SD=.594 and Wages Board Ordinance has M=3.10 and SD=.745.

Payment of Gratuity Act has M=2.77 and SD=1.198 and Industrial Dispute Act has M=2.63 and SD=1.149 show less mean values however, comparing with other level of education still has higher mean values. The result of the study shows that more educated employees are more aware of legal environment in Sri Lanka.

Table 5 reveals that employees' awareness based on number of years in a service. It shows that only Factory Ordinance make significant differences among employees with different group who has different levels of experience .007

p value and 3.708 F value. All other p values are more than .05 at the level of 5% confidence level shows that there was no significant different among in awareness of employees among different group of experience. Employees Provident Fund Act (p=.070), Employees Trust Fund Act (p= .311), Payment of Gratuity Act (p=.311), Industrial Dispute Act (p=.066), Maternity Benefits Ordinance (p=.169, Wages Board Ordinance (p=.454) and p value of overall awareness is .288.

However, the awareness level of employees increase as the level of experience increases. Employees having experience up to 1 year are the least aware regarding overall awareness M=2.98 with .845 SD and employees who has more than 10 years' experience has M=3.54 and SD=1.280. Moreover, comparing with mean

**Table 4. Awareness level of workers on the basis of level of education on labour laws**

Labour laws	Education	N	Mean	Std. dev.	F	Sig.
Employees Provident Fund Act No.15 of 1958	> Grade 8	45	3.30	.972	4.231	.016
	Grade 9-12	41	3.47	1.039		
	< Grade 13	72	3.79	.820		
	<b>Total</b>	<b>158</b>	<b>3.57</b>	<b>.943</b>		
Employees Trust Fund Act No.46 of 1980	> Grade 8	45	2.75	.967	23.316	.000
	Grade 9-12	41	3.12	1.079		
	< Grade 13	72	3.89	.777		
	<b>Total</b>	<b>158</b>	<b>3.36</b>	<b>1.040</b>		
Payment of Gratuity Act No. 12 of 1983	> Grade 8	45	1.95	.763	8.559	.000
	Grade 9-12	41	2.30	1.092		
	< Grade 13	72	2.77	1.198		
	<b>Total</b>	<b>158</b>	<b>2.41</b>	<b>1.113</b>		
Industrial Dispute Act No.27 of 1966	> Grade 8	45	1.89	.693	6.747	.002
	Grade 9-12	41	2.49	1.274		
	< Grade 13	72	2.63	1.149		
	<b>Total</b>	<b>158</b>	<b>2.38</b>	<b>1.116</b>		
Maternity Benefits Ordinance No.32 of 1939	> Grade 8	45	2.86	.864	7.512	.001
	Grade 9-12	41	3.01	1.041		
	< Grade 13	72	3.53	1.019		
	<b>Total</b>	<b>158</b>	<b>3.21</b>	<b>1.024</b>		
Factories Ordinance No.45 of 1942	> Grade 8	45	4.01	.487	15.463	.000
	Grade 9-12	41	4.28	.691		
	< Grade 13	72	4.63	.594		
	<b>Total</b>	<b>158</b>	<b>4.36</b>	<b>.646</b>		
Wages Board Ordinance No.27 of 1941	> Grade 8	45	2.18	.660	24.168	.000
	Grade 9-12	41	2.46	.796		
	< Grade 13	72	3.10	.745		
	<b>Total</b>	<b>158</b>	<b>2.67</b>	<b>.837</b>		
Overall Awareness	> Grade 8	45	2.70	.775	32.534	.000
	Grade 9-12	41	3.24	.761		
	< Grade 13	72	3.91	.837		
	<b>Total</b>	<b>158</b>	<b>3.39</b>	<b>.948</b>		

**Table 5. Awareness level of workers on the basis of level of experience on labour laws**

<b>Labour laws</b>	<b>Experience</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>F</b>	<b>Sig.</b>
Employees Provident Fund Act No.15 of 1958	> 1 Year	16	3.25	.822	2.211	.070
	1 to 3 Years	34	3.69	.594		
	3 to 5 Years	42	3.85	.830		
	5 to 10 Years	35	3.32	.929		
	< 10 Years	31	3.50	1.326		
	<b>Total</b>	<b>158</b>	<b>3.57</b>	<b>.943</b>		
Employees Trust Fund Act No.46 of 1980	> 1 Year	16	3.13	.918	1.205	.311
	1 to 3 Years	34	3.12	.924		
	3 to 5 Years	42	3.44	1.021		
	5 to 10 Years	35	3.41	.990		
	< 10 Years	31	3.61	1.262		
	<b>Total</b>	<b>158</b>	<b>3.36</b>	<b>1.040</b>		
Payment of Gratuity Act No. 12 of 1983	> 1 Year	16	2.05	.873	1.205	.311
	1 to 3 Years	34	2.36	.769		
	3 to 5 Years	42	2.46	1.101		
	5 to 10 Years	35	2.30	1.207		
	< 10 Years	31	2.74	1.394		
	<b>Total</b>	<b>158</b>	<b>2.41</b>	<b>1.113</b>		
Industrial Dispute Act No.27 of 1966	> 1 Year	16	2.10	.884	2.255	.066
	1 to 3 Years	34	2.18	.846		
	3 to 5 Years	42	2.37	1.060		
	5 to 10 Years	35	2.27	1.199		
	< 10 Years	31	2.88	1.346		
	<b>Total</b>	<b>158</b>	<b>2.38</b>	<b>1.116</b>		
Maternity Benefits Ordinance No.32 of 1939	> 1 Year	16	2.86	.974	1.634	.169
	1 to 3 Years	34	3.08	.717		
	3 to 5 Years	42	3.30	1.066		
	5 to 10 Years	35	3.08	1.021		
	< 10 Years	31	3.54	1.218		
	<b>Total</b>	<b>158</b>	<b>3.21</b>	<b>1.024</b>		
Factories Ordinance No.45 of 1942	> 1 Year	16	4.23	.641	3.708	.007
	1 to 3 Years	34	4.27	.468		
	3 to 5 Years	42	4.14	.762		
	5 to 10 Years	35	4.61	.613		
	< 10 Years	31	4.55	.568		
	<b>Total</b>	<b>158</b>	<b>4.36</b>	<b>.646</b>		
Wages Board Ordinance No.27 of 1941	> 1 Year	16	2.41	.634	.920	.454
	1 to 3 Years	34	2.65	.597		
	3 to 5 Years	42	2.60	.757		
	5 to 10 Years	35	2.75	.802		
	< 10 Years	31	2.85	1.214		
	<b>Total</b>	<b>158</b>	<b>2.67</b>	<b>.837</b>		
Overall Awareness	> 1 Year	16	2.98	.845	1.261	.288
	1 to 3 Years	34	3.37	.803		
	3 to 5 Years	42	3.33	.931		
	5 to 10 Years	35	3.55	.764		
	< 10 Years	31	3.54	1.280		
	<b>Total</b>	<b>158</b>	<b>3.39</b>	<b>.948</b>		

**Table 6. Summary of the awareness level of workers**

Labour laws	Gender		Age		Education		Experience	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Employees Provident Fund Act No.15 of 1958	.058	.809	3.514	.009	4.231	.016	2.211	.070
Employees Trust Fund Act No.46 of 1980	2.405	.123	3.901	.005	23.316	.000	1.205	.311
Payment of Gratuity Act No.12 of 1983	4.106	.044	3.305	.012	8.559	.000	1.205	.311
Industrial Dispute Act No. 27 of 1966	4.941	.028	2.302	.061	6.747	.002	2.255	.066
Maternity Benefits Ordinance No.32 of 1939	2.756	.099	2.102	.083	7.512	.001	1.634	.169
Factories Ordinance No. 45 of 1942	6.516	.012	4.118	.003	15.463	.000	3.708	.007
Wages Board Ordinance No. 27 of 1941	.794	.374	5.941	.000	24.168	.000	.920	.454

values Employees Provident Fund Act with total M=3.57 and SD=.943, Employees Trust Fund Act with total M=3.36 and SD=1.040, Maternity Benefits Ordinance has total M=3.21 and SD=1.024, and Factory Ordinance has total M=4.55 and SD=.568 show employees' awareness is above average for all the levels of number of years in the service. However, it shows that level of knowledge among Payment of Gratuity Act with total M=2.41 and SD=1.113, Industrial Dispute Act with total M=2.38 and SD=1.116, and Wages Board Ordinance with total M=2.67 and SD=.837 are below the average for all the levels of employee groups.

Table 6 shows the summary of the significance in overall awareness level. For the Employees Provident Fund Act, Employees Trust Fund Act and Payment of Gratuity Act only age and education make a significance different. Gender and education make significant different for the Industrial Dispute Act and gender age and education make significant different for the Factories Ordinance Act. Moreover, only age and Education make a significant different for the Wages Board Ordinance.

## 5. DISCUSSION AND CONCLUSION

The main objective of the research was to determine the level of awareness on selected Labour Laws in apparel sector employees who are work in FTZs in Sri Lanka based on gender, age, level of education, and working experience. The results show that gender and level of experience has not make a significance different among particular group of employees. However, education and age has a significant impact on

the awareness of employees on labour. Moreover, the Factories Ordinance showed the rate of the most wakefulness while the Maternity Benefits Ordinance showed the least awareness.

Some of the previous studies found similar results. Senanayake [23] highlighted that significant number of managerial level employees also has lack of knowledge of labour laws. According to Pakoh [24], emphasized that awareness of particular employees at Ghana Water Company Limited to the labour act was moderate. Sapna [16] discusses the Awareness Level of workers to labour acts which are Factories Act, Industrial Disputes Act, Minimum Wages Act and Payment of Wages Act and the study has targeted the awareness level of workers in the industrial establishment of Northern India. The study indicated that significant difference is highlighted in the awareness level of workers due to the demographic variables of age and experience concerning various labour acts, which were mentioned in her study.

Grewal [25] has obtained similar results of stating that the awareness level of workers of Factories Act 1948 in India has a moderate level of awareness and the level of awareness regarding Factories Act 1948 increases with age and experience of workers.

Moreover, Ashari & Soehod, [26] examined the employees knowledge related to legislated employment rights implied by the Employment Act 1955 which concern on the protections of wages, statutory right to the general standard of working time, to rest days, public holidays,

annual leave and sick leave, statutory right to employment security and also female employee's statutory right to paid maternity leave based on the demographic variables of different age groups, working experience, educational level and the size of the organization.

Data was only collected through closed ended structured questionnaire which limited the free thoughts of the respondents. The researchers designed the research based on eight Labour Acts out the approximate twenty-six Acts that are found in the Sri Lankan context.

Based on the empirical findings these recommendations were given to improve the awareness level of employees on labour laws. Unionization should be encouraged to educate the employees more on Labour Laws. Responsible entities related to the Labour relations should intervene sufficiently to mitigate labour exploitation and should make the employees aware when they seek assistance. Employees should be given a sound introduction on the commonly used Labour Acts at the time of Induction/Orientation. Should take corrective measures as and when the responsible authorities see any kind of loopholes arisen due to the unawareness on Labour Laws to ensure the fair treatment to the employees. Should conduct awareness programs, workshops and field visits to educate employees more on Labour Laws and its benefits.

## 6. LIMITATIONS AND RECCOMENDATIONS

Data were only collected through closed ended structured questionnaire which limited the free thoughts of the respondents. The researchers designed the research based on seven Labour Acts out the approximate twenty-six Acts that are found in the Sri Lankan context. Further, data were obtained only from the employees who are employed in the apparel industry only. The data were gathered basically targeting the Colombo city limit and its suburbs. The conclusion was given based on those areas and the obtained result cannot be generalized to the whole SMEs scattered around the country. Another limitation found was that unavailability of sufficient literature related to the research topic in Sri Lankan context since the study mainly focused the Sri Lankan perspective. Therefore, the research was mostly backed up by the literature of the similar researches of the international ground.

It is recommended that for future researchers to investigate more on more labour acts without limiting to eight labour Acts like in this research. And also it is advisable to expand the research covering not only the apparel sector but also employees who are engaged in private and public sector and moving to more industries than the apparel

## COMPETING INTERESTS

Author has declared that no competing interests exist.

## REFERENCES

1. Rajapakshe W. An analysis of major factors affecting labor turnover in the apparel industry in Sri Lanka: Policy Alternations for Solving the Problem. *International Journal of Academic Research in Economics and Management Sciences*. 2018;7(3):214-231.
2. Central Bank of Sri Lanka. (CBS). (1998, 2016). "The Annual Report". Central Bank Publications, Sri Lanka.
3. Rajapakshe W. Factors affecting management resources management policy implementation in small and medium enterprises (SMEs) in Sri Lanka. *International Journal of Academic Research in Business and Social Sciences*. 2017;7(12):1129-1144.
4. Industrial Development Board (2019). Available:<https://www.idb.gov.lk/index.php?lang=en>
5. Adhikaram AS. Labour law and relations. Colombo: Stamford Lake Publications; 2006.
6. BOI (Board of Investment). (1999, 2000, 2001). Annual Reports (Online). Available:<http://www.boisrilanka.org>.
7. Arulanantham J, Dissanayake D. Contract of employment; cases and commentaries. Colombo: Law and Society Trust; 2001.
8. Balasooriya T, et al., eds. Garment factory women workers' – A few selected interviews. Quest 145, Colombo: People's Forum for Development Alternatives (PEFDA); 1998.
9. Rajapakshe, Wasantha. An alternative model for employees' voluntary labour turnover, LAP Lambert Academic Publishing, Germany, ISBN-13: 978-3-659-35191-4. 2015.
10. Sunday Observer. Re-location of Industry and the Struggle of women against

- Exploitation. Lake House Publications, Colombo; 2017.
11. Devanarayana C. A review of free trade zones in Sri Lanka. Sri Lanka: Dabindu Collective; 2017.
  12. The Island. (September, 17). Appeal for Trade Union Right in FTZ's. (Online); 1999. Available:<http://www.island.lk/Colombo>: Upali Publications.
  13. The Island. (March, 31). Over 350,000 People Employed in the Garment Industry. (Online); 2000. Available: <http://www.island.lk/> Colombo: Upali Publications.
  14. WSWs Correspondent. (October, 20). Murderous Conditions in Sri Lankan Free Trade Zones. (Online); 1998. Available:<http://www.wsws.org/World> Socialist Web Site.
  15. Dayarathne RM. Unhealthy conditions in Sri Lanka's Free Trade Zone Factories. (Online); 2001. Available:<http://www.wsws.org/World> Socialist Web Site.
  16. Sapna G. Awareness level of workers to labour laws. International Journal of Science Technology and Management. 2015;4(11):218-255.
  17. Lisakafu MD. Assessment of public sector employees' awareness on labour laws in Tanzania; A Case of Ulanga District Council- Morogoro. MU Scholar Digital Research Repository. 2014;2-110.
  18. Singh R, Singh J, Ahmad Gul SB. Awareness and exercise of legal rights among working and non-working women in Punjab. Educationia Confab. 2014;3(3):20-27.
  19. Mastaneh Z, Mouseli L. Patients' awareness of their rights; insight from a developing country. International Journal of Health Policy and Management. 2013; 1(2):143-146.
  20. Devi VM. A study of legal awareness among women teachers. International Journal of Research- Granthaalayah. 2017;5(5):122-126.
  21. Export Development Board (EDB), (2016). Sri Lankan Apparel Sector. Available:[http://www.srilankabusiness.com/pdf/industry\\_capability\\_reports/apparel-new.pdf](http://www.srilankabusiness.com/pdf/industry_capability_reports/apparel-new.pdf)
  22. Hair JF, Black WC, Tatham RL, Babin BJ, Anderson RE. Multivariate data analysis. 7th Ed., Pearson; 2014.
  23. Senanayake S. Your rights as an employee, Roar, Media; 2015. Available:<https://roar.media/english/life/reports/rights-employee-employers-dont-want-know/>
  24. Pakoh KA. An investigation into the awareness of the Labour Act in Ghanaian Public Industries-The Case of Ghana Water Company Limited. International Journal of Business and Management Review. 2016;4(7):82-91.
  25. Grewal S. Awareness of workers to health, safety & welfare provisions under factories act, 1948. International Journal of Business and Management Invention. 2016;5(12):75-79.
  26. Ashari H, Soehod K. SMEs' knowledge of legislated employment rights: Malaysian perspective. Journal of Advanced Research Design. 2015;11(1): 1-10.

© 2019 Rajapakshe; This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

*Peer-review history:*  
*The peer review history for this paper can be accessed here:*  
<http://www.sdiarticle3.com/review-history/46906>