

Contract Labours Working Environments: A Study of Work Conditions

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Abstract:

Introduction: In the contemporary global economy, there has been a significant shift in the structure of work and employment relationships, with a heightened focus on contract labour. This research explores the distinctive challenges and opportunities these workers face, shedding light on their essential role in the modern workforce.

Objective: To Study the demographic profile of contract labours and understand the working conditions and work nature of contract labours.

Methodology: A descriptive research design was conducted to examine work conditions in contract labor environments at L.N Oils Limited, Dharwad, in 2019 as part of a postgraduate dissertation. Purposive sampling selected 60 contract laborers. Data collection involved structured interviews and analysis of secondary sources such as research articles and reports to provide a comprehensive understanding of labor conditions.

Findings: the prevalence of unskilled positions due to industrial needs, equitable treatment in payment, leave, and welfare between contract laborers and permanent workers, limited facilities for night shift contract workers, a substantial proportion engaged in overtime work, high job satisfaction among 75% of respondents, widespread ambiguity about promotion procedures, one-third experiencing discrimination, 70% enjoying positive work status, 80% content with safety measures, hygienic concerns for many, insufficient training opportunities, satisfaction with problem-solving strategies, positive personnel management relations, and an impressive 95% job satisfaction rate.

Conclusion: Contract labor is widespread in various industries, including skilled and semi-skilled roles, notably in oil fields and services. Contract workers lack job security and face challenging working conditions, often in industrial settings.

Keywords: Labour, Contract Labor, Working Environments, Work Conditions.

Introduction

In the contemporary global economy, there has been a significant shift in the structure of work and employment relationships, with a heightened focus on contract labour. This transition to contract labor working environments has brought about profound changes in the traditional employer-employee dynamics, with significant implications for the quality of work, job stability, and overall welfare of workers. Consequently, the study of work conditions in settings that involve contract labor has assumed paramount importance in gaining insight into the evolving landscape of the present-day labor market. Contract labor, a rapidly expanding employment model, is the focus of this study. We delve into the working conditions that contract laborers encounter in diverse environments. This research explores the

distinctive challenges and opportunities these workers face, shedding light on their essential role in the modern workforce. Contract labor represents a significant and continually growing mode of employment. This practice of utilizing contract labor is a global phenomenon with historical roots. Contract labor, in general, refers to individuals employed either directly or through intermediaries to carry out work within various establishments. It distinguishes itself from other labor categories, such as permanent, temporary, casual, workers, primarily in terms of the employment relationship and wage payment mechanisms. Contract workers lack a direct association with the principal employer, and their working arrangement follows a distinct pattern compared to other labor classifications. The contract labor system is characterized by a triangular relationship involving user enterprises, contractors (including sub-contractors), and the laborers themselves. Workers are typically recruited by external agencies or individuals and are subsequently engaged in work within an establishment. Unlike direct employees, they do not appear on the muster roll of the principal employer or receive direct compensation. The establishment offering work to the contractor bears no direct responsibility for the workers supplied by the contractor. The origins of the contract labor system can be traced back to the emergence of small-scale industries that found it economically unviable to handle all production processes in-house. Instead, they opted to delegate certain tasks to contract laborers. During colonial times, British employers and their representatives relied on intermediaries to assist with labor recruitment and management due to the complexities arising from cultural differences, such as caste and religious taboos, language barriers, and limited mobility. These intermediaries and contractors went by various names in different regions of the country. The contract labor system is prevalent in a wide range of sectors, including industry, agriculture, allied activities, and the service industry. The advent of liberalization, privatization, and globalization (LPG) marked a significant international economic shift. In July 1991, India adopted a similar economic policy, aiming to integrate its economy into the global market. The primary objective of this new economic policy was to create a more competitive environment, thereby enhancing productivity and efficiency in the economy. Consequently, numerous global businesses entered the Indian market, leading to increased competition, technological advancements, improved efficiency, and overall national economic growth. However, alongside these opportunities, LPG measures presented challenges, particularly for the labor force. Employers, driven by a desire to increase productivity and reduce production costs at any cost, have initiated a race that places the labor force, which is readily available, as a focal point. Employers seek a labor market governed by market dynamics, free from regulatory constraints and state control. The state's role in economic matters is undergoing redefinition, with a discernible pro-capital shift in government policies. This shift is raising feelings of insecurity and deprivation among a large portion of the workforce, with contract laborers being particularly affected. The need for robust legal provisions regulating contract labor and ensuring employment security has become a central issue in the current labor law reform agenda in India.

This study endeavors to delve into the multifaceted dimensions of contract labor working environments. It seeks to explore the conditions under which contract workers operate, addressing issues such as job security, workplace safety, wages, benefits, and the impact of contractual arrangements on the physical and mental well-being of workers. By examining these aspects, we aim to shed light on the challenges and opportunities presented by the growing prevalence of contract labor in today's workforce.

OBJECTIVES OF THE STUDY:

1. To Study the demographic profile of contract labours
2. To Study the working conditions and work nature of contract labours

METHODOLOGY:

This paper was used a descriptive research design to investigate the Contract Labor Working Environments, specifically focusing on the examination of work conditions. The study was conducted within the premises of L.N Oils Limited, Dharwad, during the year 2019 as part of a post-graduate dissertation project. The research utilized a purposive sampling method to select a sample size of 60 individuals, all of whom were contract laborers within the organization. Data collection for this research was achieved through a combination of structured interviews and the analysis of secondary data sources. Structured interviews were conducted to directly gather insights from the contract laborers, providing firsthand information about their work conditions. Additionally, secondary data, including research articles and various reports concerning the work conditions of laborers, were meticulously reviewed and analyzed to supplement and corroborate the primary data. This methodological approach was chosen to comprehensively investigate and gain a deep understanding of the work conditions of labour.

Table-1: Socio-demographic profile of the respondents

S/ N	Questions	Response	Respondents	Percentage
1.	Age of the respondent	Below 20 years	3	5%
		21-30 years	21	35%
		31 – 40 years	32	53.33%
		Above 40 years	4	6.66%
2.	Gender	Male	49	81.66%
		Female	11	18.33%
3.	Marital status:	Single	13	21.66%
		Married	47	78.33%
4.	Education of the respondent	Illiterate	9	15%
		Primary	17	28.33%
		Secondary	25	41.66%
		P.U.C	8	13.33%
		Graduate	1	1.66%
5.	Living location	Rural	44	73.33%
		Urban	16	26.66%
6.	Types of family	Joint family	12	20%
		Nuclear family	48	80%
7.	Total work experience	Less than 1 year	6	10%
		1-3 years	17	28.33%
		3-6 years	35	58.33%
		More than 6 years	2	3.33%

Table number one shows that overview of the 60 respondents in the study. It reveals that 53.33% of participants fell within the age group of 31-40 years, while 35% were aged 21-30, 6.66% above 40, and 5% below 20 years. Additionally, 82% of respondents were male, with the remaining 18% being female. Marital status showed that 78.33% were single, while 21.66% were married. Education levels varied, with 41% having a Secondary education, 28.33% with Primary education, 9% being illiterate, 13.33% holding a P.U.C level education, 1.66% having Graduation-level education, and none falling into the "other" category. Domicile indicated that 73.33% were from rural areas, 26% from urban, and none from semi-urban backgrounds. Family structures showed that 80% belonged to joint families, 20% to nuclear families, and none to extended families. Regarding work experience, 58.33% had 3-6 years, 28.33% had 1-3 years, 10% had less than one year, and 3.33% had more than 6 years of experience.

Table-2: work conditions of contract labours

S/N	Questions	Responses	Respondents	Percentage
1.	Nature of job	Unskilled work	42	70%
		Semi skilled work	13	21.66%
		Skilled work	5	8.33%
2.	Types of leaves / holidays you can avail	Casual leaves	60	100
		Sick leaves	60	100
		National holidays	60	100
		Festival holidays	60	100
		Others	60	100
3.	Weekly off allowed to workers	Yes	60	100%
		No	0	0
4.	Methods used by the contractor for recruitment of labour	Direct	33	55%
		Through employment exchange	0	0
		Through existing workers	0	0
		Through private placement agency	27	45%
5.	There is a system for changeover of workers from one shift to another	Yes	60	100%
		No	0	0
6.	Amenities/facilities provided within the company for night shift workers	Free/subsidized tea/coffee	60	100%
		Reduced hours of work	0	0
		Night shift allowance	0	0
		Others (specify)	0	0
7.	Your experience any work stress in work place	Yes	22	36.66%
		No	38	63.33%
8.	Your opinion about the	Excellent	2	3.33%

	working environment	Satisfactory	46	76.66%
		Average	10	16.66%
		Not satisfactory	0	0
9.	Your opinion on the canteen facilities in the company	Excellent	11	18.33%
		Satisfactory	26	43.33%
		Average	23	38.33%
10.	Your opinion on providing the safety measures	Excellent	11	18.33%
		Satisfactory	37	61.66%
		Average	12	20%
11.	Your opinion on leave facilities provided by the company	Excellent	3	5%
		Satisfactory	27	45%
		Average	30	50%
13.	The training facility in the company	Excellent	21	35%
		Satisfactory	28	46.66%
		Average	2	3.33%
		Not satisfactory	9	15%
13	Communication between employees and management is	Excellent	6	10%
		Satisfactory	21	35%
		Average	20	33.33%
		Not satisfactory	2	3.33%
		No comments	11	18.33%
14	Relationship with the personnel management and employees in the company is	Excellent	25	41.66%
		Satisfactory	23	38.33%
		Average	2	3.33%
		Not satisfactory	5	8.33%
		No comments	5	8.33%
15	You are satisfied with your current job	Excellent	0	0
		Satisfactory	34	56.66%
		Average	24	40%
		Not satisfactory	2	3.33%

Table number two shows that 42 (70%) of the respondents are unskilled workers, while 13 (21.66%) are semi-skilled workers, and only 5 (8.33%) are skilled. Out of 60 respondents, all respondents receive various types of leaves and holidays, and they are content with their weekly off. Among the 60 respondents, 33 (55%) are employees directly recruited by the factory, while the remaining 27 (45%) come from private placement agencies. Additionally, 48 (80%) of them agreed to change shifts from one shift to another, while the rest did not. Regarding job stress, 38 (63.33%) of respondents agreed that they experience no job stress, while 22 (36.66%) agreed that they do. Furthermore, 46 (76.66%) of respondents are satisfied with their work-life environment in the company, whereas 10 (16.66%) find it average. When it comes to canteen facilities, 23 (38.33%) have an average opinion, and 11 (18.33%) find them excellent. In terms of safety measures, 11 (18.33%) respondents are satisfied, while 12 (20%) are very happy with the safety measures, and 37 (61.66%) find them average. In the context of the leave

procedure, 30 (50%) respondents are averagely satisfied, 27 (45%) are satisfied, and 3 (5%) respondents are extremely pleased with the leave system. In training facilities, 28 (46.66%) respondents have an average level of satisfaction, while 21 (35%) are satisfied. However, 2 (3.33%) respondents are not satisfied with their training programs. Regarding teamwork and job involvement, 21 (35%) respondents are satisfactory, 20 (33.33%) are satisfactory, 11 (18.33%) offer no comments, 6 (10%) find it excellent, and 2 (3.33%) find it unsatisfactory. In terms of job satisfaction, 25 (41.66%) respondents are satisfied, 23 (38.33%) are average, 5 (8.33%) are excellent, 5 (8.33%) offer no comments, and 2 (3.33%) are not satisfied.

Major Findings of Socio-demographic profile of the respondents:

1. The largest age group among respondents is 31-40 years (53.33%), followed by 21-30 years (35%).
2. Male respondents significantly outnumbered female respondents, with 82% being male and 18% female.
3. Most respondents were single (78.33%) rather than married (21.66%).
4. In terms of education, the majority had a secondary level of education (41%), followed by primary level (28.33%).
5. The majority of respondents came from rural areas (73.33%), with a smaller percentage from urban areas (26%).
6. Joint families were prevalent among respondents, constituting 80%, while nuclear and extended families were less common.
7. Work experience varied, with 58.33% having 3-6 years of experience and 51.66% having 4-6 years, but no respondents had more than 6 years of experience.

Major Findings of work conditions of contract labours:

1. 70% of respondents are unskilled workers, with 21.66% being semi-skilled and 8.33% skilled.
2. All respondents have access to various leaves and holidays, and they are satisfied with their weekly off.
3. A significant majority (80%) of employees were directly recruited by the factory, with 45% coming from private placement agencies.
4. Most respondents (63.33%) do not experience job stress, while 36.66% do.
5. The majority (76.66%) are satisfied with their work environment, while 16.66% find it average.
6. Regarding canteen facilities, 38.33% have an average opinion, and 18.33% find them excellent.
7. Safety measures are satisfactory for 20% of respondents, and 61.66% find them average.
8. In terms of the leave system, 50% are average, 45% are satisfied, and 5% are excellent.
9. Training facilities have an average satisfaction level for 46.66%, and 35% are satisfied.
10. Respondents have varying opinions on teamwork and job involvement, with some offering no comments, finding it excellent, or not satisfactory.
11. Job satisfaction levels vary, with 56.66% satisfied, 40% average, and 3.33% not satisfied.

CONCLUSION:

The practice of utilizing contract labor is widespread across various industries and occupations, encompassing both skilled and semi-skilled roles. It is particularly prevalent in sectors such as oil field operations and, to a certain extent, within the services industry. An individual is considered a contract

laborer when they are engaged for the activities of an establishment through the intermediary of a contractor. These contract laborers are considered indirect employees, as they are recruited, supervised, and compensated by a contractor, who is in turn reimbursed by the establishment. Contract labor is typically engaged for specific and defined durations of work. This arrangement often results in an inferior labor status for these workers, characterized by a casual employment nature, a lack of job security, and challenging working conditions. These challenges are frequently encountered in industrial settings, exacerbated by the prevailing economic conditions.

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