

THE PLIGHT OF CONTRACT WORKERS IN AN INDIAN
STATE-CONTROLLED MAHARATNA STATUS
MANUFACTURING COMPANY: A QUALITATIVE ANALYSIS
WITH THE LEGAL PERSPECTIVE OF THE CONTRACT
LABOUR REGULATION AND ABOLITION ACT (CLRA ACT),
1970.

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INTRODUCTION & LITERATURE REVIEW

- For the last two decades onwards some Indian manufacturing firms have evolved as a global leaders, but the fact that informal low-wage employment is growing in manufacturing and formal employment which gets decent wages and social security benefits to workers has decelerated during the 2000s (Bino, 2013)
- Furthermore Ramaswamy (1999) states that many researchers argue that employers have managed to circumvent labour laws by substituting the contractual worker for regular worker, this is a ploy of the employers' demand for flexibility in order to lessen the labour bargaining power and to squeeze the surplus workers to get best out of them for the scant wages
- A study conducted by Sofi, I. A., & Sharma, P (2015) reveals that contractualization is detrimental for industrial labour productivity.



- As evinced by Bhandari and Heshmati (2006), lower wages for the informal workers arise from the cost-cutting edge rather explained by the productivity and that could be the reason even though there has been an increase in the productivity due to automation and sophisticated technological advancements in the productional activities, those fruits are not being shared with the workers.
- The ILO conference agenda on contract labour has recognised the fact that the contract labour system uncovers the workers concerned to severe exploitation with no constructive means of protecting themselves against such exploitations; it is also the recognised fact that the regular employees are also adversely affected by the increasing employment of contract labour (Tulpule, 1997).
- The main reasons for the rapid increase in number of contract work force in organizations could be, the cost incurs to them for employing contract workmen is much lower than that regular employees, besides the fringe and other benefits post to termination or retirement are very few or nil in some organizations

- In most of the manufacturing organizations, it was found that the core essential part of the work is also being given out on contractual basis which is a flagrant violation of the CLRA Act.
- Contract labour is largely non-unionized because workers fear of victimisation at the hands of the contractors if they speak against them or try to form unions
- The purpose of the current study was to explore the life experiences of individual contract workmen employed in the manufacturing industry in India through a phenomenological study to identify issues relevant to the manufacturing context, thus providing basic information that might be useful for other manufacturing industries to take remedial actions.



RESEARCH OBJECTIVE

- To explore the lived experiences and perceptions of the contract workmen employed in the manufacturing industry
- To study the welfare benefits of the contract workmen employed in the manufacturing industry



RESEARCH QUESTIONS

- What are your experiences as contract workmen in this company please explain them?
- How do you feel about the job nature in this company?
- What are all different welfare benefits along with the social security measures your contractor offers to you please narrate them clearly?
- Can you recall the most significant incidents where you felt very happy because of the good benefits you were getting which in turn helped your dependents?
- What are all issues/obstacles you are facing now and expecting your organization to take a cognizance of?
- Describe any instances where you felt humiliated by permanent employees?
- Describe any contexts or situations that could have influenced or affected your life on your organization's social security benefits or wages than that of previous days (If any)?



METHODOLOGY

- Data were collected through individual, semi-structured and in-depth interviews of open-ended questions with contract workers who experienced the phenomenon by bracketing out my experiences as illustrated by Moustakas (1994).
- “Moustakas’s (1994) transcendental or psychological phenomenology is focused less on the interpretations of the researcher and more on a description of the experiences of participants. In addition, Moustakas focuses on one of Husserl’s concepts, **epoche**(or bracketing), in which researchers set aside their experiences, as much as possible, to take a fresh perspective toward the phenomenon under examination. Moustakas admits that this state is seldom perfectly achieved” (Creswell, 2013)
- The phenomenological research is primarily an attempt to understand empirical matters from the perspectives of those being studied and experienced the phenomenon. This type of study describes the meaning of lived experiences for several individuals about a concept or a phenomenon
- It involves obtaining qualitative data from multiple individuals who have experienced the phenomenon from their vantage point



- In phenomenological studies interviewing five to twenty-five individuals or until data saturation has occurred with those who have all experienced the phenomenon (Polkinghorne 1989). The method used in this research for collecting the data was an in-depth interview (McCracken, 1988) with eight contract workmen.
- Purposive and criterion sampling were used to collect the data. Interviews lasted approximately in the range between 60 min. to 90 min
- All the narratives were transcribed verbatim for further analysis. The data were collected from the textural descriptions of the participants (what participants experienced), and structural descriptions of their experiences (how they experienced) and a synthesis of the textural and structural descriptions to convey an overall experience of the participants.
- As my focus was a psychological and interpretive examination of lived experience, interpretative phenomenological analysis (IPA) was the most suitable design for data analysis



- Except two workmen remaining all shared their views in Telugu and it was translated into English.
- The analytic process was as follows: (a) interview transcripts were read and re-read a number of times to establish a general feeling of participants' accounts (b) exploratory comments were made and emergent themes were identified and organized (c) attention was focused on the themes to define them in detail and establish inter-relationships and (d) the themes were organized to make consistent and meaningful statements of the meaning and essence of the participants' experience grounded in their own words (Smith et al., 2009).



ETHICAL CONSIDERATIONS

- Prior permission was taken from the GM(HR) of the company.
- The purpose of the study and its implications were mentioned in the “Purpose Statement”.
- Participants confidentiality, decorum and anonymity were maintained and they were told to terminate the interview whenever they feel uncomfortable.



FINDINGS

- The contract employees couldn't raise their voice as they are un-unionised and if so they will be victimised as no constructive law endorses them.
- There has been a fear of insecurity among them in terms of job and other benefits as they are not availing that they are supposed to get like canteen facility, payment of their wages as per the time frame and the laxity of the principal employer to monitor the contractor irregularities
- There is no first-aid facility and there is no similarity among the wages they are paid and the payslip they are given and the information furnished in the wage register. No rest room for the workers to get temporary refreshment if exposed to inhalation, severe head-ache or any other health issue related to their employment.
- There is a norm from the Company that every contract skilled-worker should be given minimum wage of Rs. 18k during training period and it increases once the training period is over.



- There is no correlation among the wages they are actually getting and that of the furnished one in the wage register. On the other hand, there is a laxity from the principal employer and the labour inspector to examine the wage register and getting the ground realities
- The contractor is making contributions of PF and ESI to some selected labourers but not for all and those who are being contributed are asked to sign on the wage register but for those who are not being contributed are not asked to sign on the register instead they are given in cash by hand
- As per the company rule the contractor gets total wage of Rs. 536/- per each worker from the principal employer per a man-day but out of this the contractor is paying in between Rs. 320-330 for each labourer excluding ESI and PF. They exactly don't know whether the contractor is genuinely making ESI and PF contributions to the respective institutions.



LIMITATION OF THE CASE STUDY:

The main limitation in the study was sample. The sample was not representative of all contract workmen from different contractors. Participants only consisted of those who all were from “Sri Sai Enterprises” with one skilled and remaining all were semi/unskilled skilled level of employment in the manufacturing process. There are many contractors and sub-contractors in the company, because of factors like time and most importantly the availability of the labourer, the author has conducted the interviews from only one contractor.



RELEVANCE OF RESEARCH STUDY

This research provides some inputs to the company to undertake effective measures for bolstering the relations with the employees and maintaining a robust industrial relations.

- This study helped to know the lived experiences of different contract workmen and their perceptions on the present welfare system towards them.
- This study helped to know the extent of welfare, social security that manufacturing firms provide to the contract workmen.
- This study helped to ascertain the fact that how and where the CLRA Act, 1970 was being violated and the revival plan to protect the interests of the contract workmen



DISCUSSION/CONCLUSION

- Contract workers shared their experience of not getting any kind of benefits except the scant wages alone they worked for from their contractor
- Having regard to the analysis and discussion about the experiences of contract workmen working in manufacturing industry about present welfare and social security, the management must hold talks with the contractor along with the contract workmen to consider and re-evaluate the internal policies, in particular, to the aspirations of contract labour welfare, to create a sense of security in their minds for their job and the strict implementation of already existing welfare and security benefits without further irregularities and mismanagement.
- Further research is required to understand how contract workmen's working conditions can be improved through ethical implementation of the CLRA Act, 1970 and the strict monitoring of the contract worker's plight by the labour bureaucrats in lines with the Act.



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