

An Analytical Interpretation And Comparative Study On Contract Workers' Welfare Facilities In Rashtriya Ispat Nigam Limited & Coromandel International Limited**Dr. Pasagadugula Kumar****Department of HRM, Andhra University, Visakhapatnam, AP****Ph: 09989609262, Email: kumar.hrm1@gmail.com****Prof. John Koti****Head- Department of HRM, Andhra University, Visakhapatnam, AP****Abstract:**

'Employee welfare' is flexible, elastic and of course interchangeable used with changes in time, region, industry, country, social values, customs and the degree of industrialization. Looking back into the history of welfare facilities for employees in an organization, they have always and will keep playing a pivotal role in enriching employee morale. The welfare schemes in every organization accelerate motivation for employee and employer relations. Employees' welfare is fundamental core element, as they act as lifeblood for achieving the objectives of an organization. The main intention behind executing the welfare facilities is to secure the employee. On one side the Contract labour system became an integral part of present business, on other side, contract labour are subjected to exploitation by their employers, paid low wages, inadequate safety provisions, negligible welfare and social security measures, long hours of work, exposure to dangerous and risky operations etc. Keeping the broad aspect of contract workers and their welfare the current study is an attempt to analyze the various welfare facilities provided to the contract workers and gives an insight on comparing the welfare facilities providing to contract workers in public and private sector organizations in Visakhapatnam.

Key words: Unorganized labour, Contract workers, welfare facilities.

Introduction:

Contract and casual labour have been growing in India at the expense of regular employment. In the initial period of industrial revolution, the recruitment of labour is primarily through the mediators due to lack of mobility and because of their low status. Later on to surmount this obstacle the appointment of the middlemen/contractors came into existence. The Indian government has also framed several legislations and appointed many committees for the welfare of this contract workforce after independence. Due to globalization, there occurred a lot of impact on the labour movement and it has paved the way for the various employment opportunities in almost all the industries.

To survive in the existing global market and become competitive almost all the organizations are using the flexible labour force like the contract labour. These labourers are huge in number and they generally considered as the unorganized work force since they do not have appointment order in formal, they have little bargain power when compare with the regular workers, sometimes no social security and they mostly engaged in the hazardous occupations which may impact their health due to lack of safety measures. They often are not paid with the minimum wages and mostly they have little or no security of employment.

The share of contract workers in organized sector has been consistently increasing, and on the other hand, the share of the directly employed workers is found to be decreasing. The

increasing informality in the employment scenario of organized sector had paved the way to constitute a legislation to regulate and abolish the contract labour. Several legislations have been enacted to provide social security measures covering the employees of both regular and informal in both organized and unorganised sectors. It has been studied from several studies that whatever protections have been provided by the law are not adhered to in practice. This features is not special to India, but is observed in the context of other developing nations as well(NCEUS Report, 2007).

Welfare of Contract Labour

Labour welfare is a comprehensive term that includes various services, facilities and benefits offered to the employees by the employers, in order to increase the efficiency of the workers, which would increase the productivity. It aims to improve the workers' health, efficiency, economic status and betterment in the social status, also to reduce the labour turnover and absenteeism and to create a permanent settled labour force. These welfare measures are classified as statutory and non statutory, where the statutory measures are drinking water, hygiene, rest room, canteens, first aid appliances, spittoons, light, ventilation, latrine and urinals, which are compulsory. The non-statutory measures are housing, medical, transport, recreations, insurance and retirement benefits, which are not compulsory but can be offered by the employers out of their own interest or by negotiations, which totally depend on the contractors. However, most of the contract labourers are denied of these facilities. Apart from the welfare facilities that are to be provided by the employers, the government also provides some welfare facilities for the contract workers, in terms of games and sports, crèche, adult education, training in tailoring to the women of the workers family, etc, which are available at the labour welfare centers in different industrial cities.

Review of Literature:

Ravindra (2013) examined the emerging trends and problems related to labour welfare and social security. Data was collected from secondary sources. The author found that Indian workers, in the past, were habitual of living in joint families where all the members shared the onus to take up the responsibility of each other in case of Literature Review 67 contingencies. However, with the progression of time, the employees started migrating from one place to another and they preferred the nuclear families. Hence, the need arises for better social security system than the earlier. The study recommended that social security should be taken care of by the government, trade unions, employers and insurance companies. The legislation related to the organized workers should be followed more properly. In addition, coverage of social security legislations should be there for the small size establishments and for unorganised sector.

K.R Shyam Sunder (2012) in their paper on the Contract Labour in India- Issues and Perspectives endeavors to answer the basic question that whether the flexibilisation of employment and the associated labour insecurities affect the welfare of the workers and have implications for the decent work agenda. The tripartite set up has failed to resolve the deadlock created by rigid stand taken by the different social partners on the issues and prospects of the contract labour. Through this book the author also stated that the Indian Society of Labour Economics organized a panel discussion on issues related to the contract labour system in its 52nd annual conference. The panelists comprised trade union leaders,

senior human resource managers, labour administrators, legal specialists, academicians and consultants.

Krishna Murthy (2010) in his work on "Vulnerabilities of the Principal Employer under the Contract Labour Act", explains how the judicial pronouncement gives authority to the principal employers, who often abandon their initiative and interest and keep it in the hands of the contractor, who happens to be the one interested in maximizing his own benefits. Barely any attention is paid to the welfare of the employees and is almost ignored, which becomes the major problem to the industry on the whole. If the intention of the management or the principal employer is to resolve the problem, then the vulnerability would easily drop down, according to Murthy.

Objective:

- To analyze the existing Welfare Facilities of contract workers in RINL and CIL, Visakhapatnam.

Need for the Study:

The contract workers face discrimination in wages, working conditions and social security when compared with the permanent workers working in the same organization. This has led to the inferior status of the contract workers even though they add high value during the production process to a great extent. In India, the Contract Labour Regulation and Abolition Act, 1970, are protecting contract labourers. The act makes a number of provisions for the welfare of the contract workers including payment of minimum wage, social security benefits and others. The private and public industries are taking advantage of the existing contract labour system by bringing a lot of change in the employment its pattern. In this backdrop, it is crucial to conduct a comparative study on the existing welfare facilities of contract labour in the organized sectors with reference to both public and private sector organizations. The study covered the welfare facilities to contract labourers in the selected public and private sector organizations in an industrially advanced city like Visakhapatnam covering two reputed public and private organizations namely, Rashtriya Ispat Nigam Limited (RINL) and Coromandel International Limited (CIL) respectively.

Scope of the Study:

The present study is confined to the contract workers employed in the public and private sector companies, which are purely manufacturing namely Rashtriya Ispat Nigam Limited (RINL) and Coromandel International Limited (CIL) respectively in Visakhapatnam district. As the nature of the employment adopted by these organizations is mainly contractual, hence the present study focuses on the welfare facilities of contract labourers with reference to the above said organizations.

Method of Study:

The present study is a combination of case study and survey method. Case study method is adopted to make an in-depth analysis of welfare facilities of contract labour employed in RINL and CIL. Survey method is used to elicit pertinent and reliable information including the responses of the sample respondents.

Universe & Sampling:

The Universe comprises of 17, 200 contract workers covering both the organizations that is RINL and CIL. In CIL, the total workforce is 1210 of which 300 employees covering

25 percent have been considered for the study. The workforce of RINL being relatively very high i.e., 15002 employees, the percentage of sample had to be confined to 2 percent and were selected randomly pertaining to 300 employees who have been identified as sample for the study for uniformity in the number of respondents.

Data collection and study instrument:

The study is mainly based on primary data. Secondary data has been procured to substantiate the primary data. To seek the opinions of the respondents from the organizations a structured schedule covering the welfare facilities of the respondents.

Data Analysis:

The attempt has been made, to analyze and understand the perceptions of sample respondents with respect to their welfare facilities in RINL and CIL. The information collected from the sample respondents has been systematically analyzed through Simple Percentile Method, further to test the significant association between the demographic variables with welfare facilities among these two organizations. Below is the description of various aspects of welfare facilities of contract labour in RINL and CIL of the present study.

Welfare for Contract Labour:

In this section the welfare measures of the respondents are considered and explained basing on simple arithmetic operation namely percentages.

Table 1 Distribution of Respondents based on their welfare facilities

Maintaining statutory welfare fund	RINL		CIL	
	'n'	%	'n'	%
Yes	300	100	300	100
No	0	0	0	0
Statutory welfare fund provided by the-				
Principal Employer	0	0	0	0
Contractor	300	100	300	100
Sub – contractor	0	0	0	0
Drinking water facility				
Yes	300	100	300	100
No	0	0	0	0
Drinking water provided by				
Principal Employer	300	100	300	100
Contractor	0	0	0	0
Sub – contractor	0	0	0	0
Transport facility				
Yes	0	0	0	0
No	300	100	300	100
Housing Facility				
Yes	0	0	0	0
No	300	100	300	100
Medical facility				
Yes	300	100	300	100
No	0	0	0	0
If yes, provided by				
Principal Employer	300	100	300	100
Contractor	0	0	0	0
Sub – contractor	0	0	0	0
Washing facility				
Yes	300	100	300	100
No	0	0	0	0
If Yes, Provided by				

Principal Employer	300	100	300	100
Contractor	0	0	0	0
Sub – contractor	0	0	0	0
Canteen facility				
Yes	300	100	300	100
No	0	0	0	0
If Yes, Provided by				
Principal Employer	300	100	300	100
Contractor	0	0	0	0
Sub – contractor	0	0	0	0
Subsidized food items from the canteen				
Yes	300	100	300	100
No	0	0	0	0
If Yes, Provided by				
Principal Employer	300	100	300	100
Contractor	0	0	0	0
Sub – contractor	0	0	0	0
Children's education by their employer/contractor.				
Yes	0	0	0	0
No	300	100	300	100
Existence of co-operatives for contract labour in their company				
Yes	0	0	0	0
No	300	100	300	100
Hygiene restroom facility by their employer/contractor				
Yes	300	100	300	100
No	0	0	0	0
If Yes, Provided by				
Principal Employer	300	100	300	100
Contractor	0	0	0	0
Sub – contractor	0	0	0	0
Safety measures on par with the regular workers by their employer/contractor				
Yes	300	100	300	100
No	0	0	0	0
If Yes, Provided by				
Principal Employer	300	100	300	100
Contractor	0	0	0	0
Sub – contractor	0	0	0	0
Crèche facility for the women contract workers by the employer/contractor				
Yes	300	100	0	0
No	0	0	300	100
Total	300	100	300	100

Table 1 depicts the opinion of the sample respondents in both RINL and CIL on their welfare facilities. It shows that all the respondents from both the organizations stated that they are maintaining the statutory welfare fund and the contribution towards the welfare fund is being provided by the contractor. All the sample respondents are provided with the drinking water facility at their work place and they further stated that, it is the principal employer who is providing the drinking water at the work place. It shows that 100 percent of the sample respondents stated that they are not provided with transport facility to their

work place both in RINL and CIL. All the sample respondents from both RINL and CIL stated that they are not provided with the housing facility by their employer. It shows that all the sample respondents stated that they provided with medical facilities at the work place and further they also responded that it is their principal employer who is providing the medical facilities in both RINL and CIL. It shows that all the sample respondents in both RINL and CIL are provided with the washing facilities at the work place, further they also stated that the washing facilities at their work place are being provided by their principal employer. All the sample respondents in both RINL and CIL are provided with the canteen facility along with the dining hall stated and it is provided by their principal employer. It shows that all the 100 percent sample respondents in both RINL and CIL are getting subsidized food items from the canteen and they further stated that the subsidized food facility in the canteen is being provided by the principal employer. It shows that all the 100 percent of the sample respondents stated that their children do not get any opportunity to study in the schools established by their employer with concession at RINL and CIL. All the sample respondents from both RINL and CIL stated that they do not have any cooperatives for contract labour in their organization. It shows that the all the respondents in both RINL and CIL are provided with the rest room facility at their work place and this facility is provided by their principal employer. All the sample respondents in both RINL and CIL are being provided with safety measures at their work place by their principal employer, they also stated that it is the principal employer who provided the safety measures to these contract workers in both the organizations. It shows that all the sample respondents from RINL stated that they are provided with a crèche facility at their work place to the women contract workers. Whereas in CIL the women contract workers are not provided with the crèche for the women contract workers.

Findings based on the welfare of contract labour

The study also reveals that the statutory welfare fund is being maintained by all the respondents in both RINL and CIL and the contribution towards the welfare fund are provided by their contractor. All the respondents in both the organizations are provided with the drinking water facility at their work place and they further stated that, it is the principal employer who is providing such facility. None of the respondents in both RINL and CIL are not provided with the transport facility at their work place and it also found that they are not provided with the housing facility by their employer.

In terms of the provision of medical facilities at the work place in both RINL and CIL, it found that all the contract workers are getting medical aid at their work place and this facility is being provided by their contractor and all the respondents are being provided with the washing facilities as well by their principal employer. In addition to the above said welfare amenities, all the sample contract workers in both the organizations are provided with the canteen facility and get subsidized food items from the canteen by their principal employer.

The study also reveals that none of the contract workers' children in both RINL and CIL get opportunity to study in the schools with concession like regular workers established by their employer. None of the contract workers in both the organizations have cooperatives in the current organization like the regular workers. In both RINL and CIL all the respondents are provided with the rest room facility at their work place by their

principal employer. All the sample respondents are being provided with safety measures at their work place by their principal employer and the present study also reveals that in RINL the women contract workers are provided with the crèche facility whereas in CIL none of them are provided with the crèche facility.

In terms of regular wage payment, it is found that in both RINL and CIL all the sample respondents are getting their wages on regular basis by their contractor on or before 7th day of the preceding month and all the respondents are receiving their wages directly to their respective accounts through the banks. All the contract workers in both the organizations are receiving the minimum wages as notified by the Department of Labour, Government of India. Through the present study, it also found that in CIL majority of the respondents (80.33 percent) expressed that their minimum wages gets revised regularly where as in RINL about half of them (52.33 percent) stated their neutral opinion towards the minimum wage revision. In RINL, Special Miscellaneous Allowance (SMA) are given to all the respondents whereas in CIL none of them are paid with SMA.

They also do not get proper welfare facilities like transport and housing facilities on par with the regular workers. In addition, none of the contract workers' children get an opportunity to study in the schools with the concession like regular workers established by the employer.

Conclusion:

Welfare is different for the formal and informal sectors of the economy. With respect to the formal economy or the organized sector, it operates directly through the government, state-owned enterprises, and or private corporations that provide reasonably strong social protection to their employees through mandatory legislations spanning aspects such as payment of gratuity, employees' provident fund, and the employees' state insurance fund. In contrast, the informal or the unorganized sector is covered through a fragmented system of welfare schemes and benefits provided by the central government and the respective state governments. However, several attempts have been made to provide the welfare facilities to contract workers as a segment of unorganized workers but the reality is far from the practicality. Here lies the responsibility of the government to ensure not only formation of welfare policies to these segments of people but also proper implementation of these policies through regular investigation.

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