



Case Study on Management of Contractual Employee's Deployed in Government Contract

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ABSTRACT

This project is about the case study on the Contractual Employments in the Industries. Now a days Majority of the industries are deploying their Manpower on the contract basis through external outsourcing agency. In this study we have gone through various facilities available to the Contract Employees. The Acts governing the contract employments are also discussed and elaborated. The Main Acts governing the Contract Employments are 1) Contract Labour Regulation and Abolition Act, 1970 2) The Minimum Wages Act, 1948 3) The EPF Act 4) The ESI Act 5) The Payment of Bonus Act etc are also studied. As per the Minimum Wages Act, a Central Govt. Department/PSU has to follow the Minimum wages promulgated by Central or State or Collector whichever is higher. Similarly for state govt. establishments it has to follow state or collector wages whichever is higher. But in case of private establishments there are no such regulations but they have to follow any one of the rates. Similar to the Minimum wages, the EPF at 13% (employer) + 12% (Employee) along with ESI 4% (3.25% Employer and 0.75% Employee) and Bonus at 8.33% on Basic + DA or Rs. 7000 whichever higher has to be paid to the Contractual Employees. After the Study, the questionnaire was prepared to conduct survey among 50 contract employees. Through which various factors were identified including the Happiness and their employer satisfaction. On perusing the data's received it is known that whichever agency providing the salary on-time is marked as satisfactory by the employees. In this report I conclude that the Contractual Employees has to be educated with the Basic Labour Laws whatever they are entitled to obtain the benefits. Also the Agency has to consider to provide the benefits to the employees and most importantly on-time.

Keywords: Contract Labour, Labour Laws, Entitlement for Contract Employee's, Job Satisfaction

INTRODUCTION

1.1 OUTLINE OF CONTRACTUAL EMPLOYEES

The new style of work for people in a firm, agency, factory, or government entity, known as employment on a contractual basis, began in 1970. Work in government agencies and big private sector enterprises used to be relatively easy and cake walk for practically all candidates, but after independence, especially during the Indo-China war, there was a severe scarcity of employment, which coincided with an increase in population. In the early 1950s, the average per capita income per person was almost Rs. 1500, but by the late 1960s, it had dropped to less than Rs.700. After 1965, several large corporations and government organizations began to outsource their personnel to third-party outsourcing firms in order to lower the cost of many benefits that regular/permanent employees are entitled to. Gratuity, for example, is one example of such a benefit. Contract labor is becoming more popular around the world. According to an Oxford Economics poll, 61 percent of executives said they were using contract labor more to fulfill corporate goals. Furthermore, according to CareerBuilder's Annual Jobs Forecast, 47% of businesses want to hire part-time or contract employees. It's not just businesses that are entering the contractor market; an increasing number of professionals are electing to work as "free agents." According to a research from the Bureau of Labor Statistics, 79 percent of independent contract workers prefer their arrangement over regular employment. A fixed-term employee, also known as a contractual employee, is one whose employment is set for a specific length of time. The contractual employee's employment is immediately ended when his or her contract ends and is not renewed by his or her employer.

The management of contracts with customers, vendors, partners, or staff is known as contract management or contract administration. Contract management entails negotiating contract terms and conditions and ensuring that they are followed, as well as documenting and agreeing on any changes or amendments that may occur throughout the implementation or execution of the contract. It is the systematic and efficient management of contract formulation, implementation, and analysis with the goal of maximizing financial and operational performance while minimizing risk.

Purchase orders, sales invoices, utility contracts, letters of engagement for the hiring of consultants and professionals, and building contracts are all examples of commercial contracts. Construction projects, highly regulated goods or services, commodities or services with comprehensive technical requirements, intellectual property (IP) agreements, outsourcing, and international trade all necessitate complex contracts. Larger contracts necessitate the use of contract management software to assist in the administration of several parties.

2. LITERATURE REVIEW

Nele De Cuyper KU Leuven, et al (year).

The rising usage of temporary contracts has sparked discussions about the potential consequences on employees' attitudes, well-being, and behavior. From a theoretical, empirical, and conceptual standpoint, the complex issues surrounding this argument are examined. First, the current definitions of temporary employment utilized in OECD nations are examined. Second, theoretical perspectives on potential factors are discussed. Work Stress Theory, Social Comparison Theory, and Social Exchange Theory are among the theoretical frameworks examined. The determinants outlined in these theories have been used to develop hypotheses about variations in psychological outcomes between temporary and permanent workers. Third, studies on the effects of temporary employment on job satisfaction, organizational commitment, well-being, and behavior are examined. In the field of temporary work research, these variables are most commonly used. Unlike the predictions that arise from theoretical frameworks, study results have been uneven and inconclusive, according to this review. This leads to the fourth section, which proposes possible explanations for the contradictory results. Finally, a conceptual model is created to help guide future study

Aguiar, S. (2007)

In recent decades, temporary employment has become a major concern: it is seen as a result of ongoing changes in the global working system. Because there are so many variables that can influence the observed outcomes, the consequences of temporary employment on people and the business have yet to be determined. This article reviews the current literature on temporary employment, including an overview of the basic characteristics associated with temporary work as well as the most recent empirical studies on temporary employment outcomes. Furthermore, focus is drawn to temporary work research in Latin America in order to determine the field's progress and future research prospects.

Dickens, W. & Lang, K. et al (1985)

1. Despite significant disagreements over the optimal governmental response to the existence of poverty, neither proponents nor detractors of dual market theory have provided potentially conclusive tests of the theory.
2. The two key propositions of dual market theory are put to the test in this paper:
 1. the establishment of two separate labor markets with separate wage-setting systems
 2. the existence of constraints to cross-labor-market mobility
3. Both hypotheses have a lot of evidence to back them up. Two distinct pay equations emerge from the estimation of a switching model of wage determination with uncertain regimes. Most workers are familiar with the conventional human capital regression, which includes strong returns to education and experience. The opposite equation is flat, with no human capital returns. For the "main" and "secondary" markets, these two equations are similar to the predictions of dual market theory. Furthermore, we show that (at least) some non-white workers are compelled to labor in the secondary market. A large amount of the wage disparity between white and non-white workers is due to the crowding of minority workers into low-paid jobs. These findings support the dual market hypothesis and previous theoretical work on efficiency wage models, according to the authors. Furthermore, combining the efficiency pay argument with the observation that much of the wage disparity between whites and non-whites is explained by non-whites' exclusion from the primary sector gives an explanation for wage disparities' persistence.

3. CONTRACTUAL EMPLOYEES NECESSITY DEFINITION AND ENTITLEMENT

3.1 NECESSITY OF CONTRACTUAL EMPLOYEE'S:

Both the employee and the employer benefit from employment contracts. It binds both parties to carry out their commitments and duties. Consider the following scenario: The primary responsibility of an employee is to work for the employer, and the business should compensate employees for their efforts within a reasonable time frame.

Employment contracts are frequently used to communicate the terms and circumstances of employment, as well as the capacity in which an employee is recruited, as well as the job obligations. Important information such as the employment duration, remuneration and perks, and terms and conditions for terminating an employee is also included in these contracts. An employment contract, if properly structured, will give security and protection to both the employer and the employee.

Employment contracts are frequently used by employers to protect their businesses and any trade secrets. Employees may be prohibited from sharing certain firm information after they leave the company under the terms of their employment contract. Furthermore, an employer may include a "Non-Compete Agreement" in the employment contract, which prohibits former employees from directly competing with the company for a set period of time after their employment ends.

An employment contract that specifies precise criteria that are expected of an employee can also benefit an employer. An employment contract that spells out the employer's expectations ensures that the employee understands his or her responsibilities and has agreed to the terms. It also gives an employer justification to discipline or fire an employee who fails to satisfy such expectations. An employment contract can also be used by employers to recruit high-quality employees, as a well-drafted employment contract should describe specific benefits and conditions of employment to a highly

desired candidate. Finally, an employment contract can be used by employers to recruit high-quality employees, as a well-drafted employment contract should describe specific benefits and conditions of employment to a highly desired candidate.

3.2 WHO IS A CONTRACTUAL EMPLOYEE'S?

In general, a contract employee is someone hired by a corporation for a specific amount of time and salary. According to the CLRA of 1970, "a workman shall be deemed to be employed as "contract Labor" in or in connection with the work of an establishment when he is hired in or in connection with such work by or via a contractor, with or without the knowledge of the principal employer."

Contractual employees, also known as independent contractors, contract workers, freelancers, or work-for-hire employees, are employed for a specified project or time period for a set cost. Contract employees are frequently employed for their competence in a specific field, such as writing or artwork.

Contract employees are frequently recruited for a set amount of time for a specific project. They could be paid weekly, bi-weekly, or monthly, or when the project is finished.

A corporation hires a contractor for the period of the project rather than hiring a full-time, long-term employee with that skills. These are self-employed individuals who own their own firm, whether it is a limited liability corporation, a sole proprietorship, or a limited liability partnership. They frequently work for multiple companies at the same time.

Contractual employees do not receive benefits because they are not employees of the company. They are considered independent contractors and are responsible for their own insurance. Contract employees are more likely to work from home and furnish their own computers, printers, and supplies. Employees who work on a contract have more freedom. They are free to choose their own hours and schedule as long as their output matches the company's requirements.

For tax purposes, contract employees are classed differently than internal employees by the IRS. Instead of W2 tax forms, contract employees receive 1099 tax forms. Contractual employees are typically issued a Form 1099-MISC for non-employee compensation.

Contractual employees do not unless their contract states otherwise. Employers may hire seasonal workers in non-permanent employment for reasons other than the season. Temporary employees are often not eligible for benefits and can work full or part time.

While neither contract nor full-time workers have a precise definition, the primary distinctions between contract and full-time workers are the degree of employer control over their work and the manner in which their taxes are reported to the IRS.

An independently contracted worker works on their own time, not for the company that hired them. The contract employee is also responsible for paying taxes on the money received from their customer, the company.

While contract employees are often less expensive for a company (because they are not required to provide fringe benefits such as health insurance or pay payroll taxes), there have been instances in the past where businesses misclassified full-time employees as contractors, resulting in significant tax penalties and fees.

This legislation was passed to govern the use of contract labor in certain institutions, to provide for its abolition in specific circumstances, and to address other related issues. It applies to all businesses that employ 20 or more contract workers, as well as any contractors who hire 20 or more contract workers. It applies to all businesses that employ 20 or more contract workers, as well as any contractors who use 20 or more contract workers.

The Act establishes Central and State Advisory Boards to provide advice to the concerned governments on concerns arising from the Act's administration. The Central Government has issued a number of notifications prohibiting the use of contract labor in a variety of industries, jobs, and processes, including mines, Food Corporation of India godowns, port trusts, and a variety of other industries and establishments for which it is the Appropriate Government.

3.3 LAWS GOVERNING CONTRACTUAL EMPLOYMENT:

3.3.1. CONTRACT LABOUR REGULATION AND ABOLITION ACT, 1970:

The Contract Labour Regulation and Abolition Act, 1970 protects contract workers in India. A contract labourer is one who is hired by a major employer through a contractor in connection with the work of an establishment.

The Contract Labour Regulation and Abolition Act, 1970 protects contract workers in India. A contract labourer is one who is hired by a major employer through a contractor in connection with the work of an establishment. A contractor is the organization's supplier of contract labor, whereas a major employer is the person in charge of the establishment's control. This act applies to any establishment that employs or has employed 20 or more contract workers on any day in the previous year, as well as all contractors that employ or have employed 20 or more contract workers on any day in the previous twelve months. Every major employer who is subject to this act must register his or her business in the required manner for contract labor. In contrast to the industry sector, there is no provision for remaining unregistered in general. The government has the authority to cancel an establishment's registration at any time if it is displeased with its activities.

Contract workers must be paid in accordance with the minimum wage statute. The Contract Labour Act makes specific provisions, such as safe drinking water, canteen facilities, and first-aid facilities, necessary for contract laborers' health and wellbeing. Contract employees must also be provided with social security coverage in the form of provident fund benefits and medical care.

It is the contractors' primary responsibility to supply all of the workers' needs as outlined in the Act. The major employer, on the other hand, should assure the presence of his authorized representative at the location and time of salary disbursement by the contractor to the workmen, and it is the contractor's responsibility to ensure wage disbursement in his/her presence. However, if the contractor fails to pay salaries or provide other services, the primary employer is responsible. Regular inspections by labor department field officers are required to detect infractions of the Act's provisions. A

government can prohibit contract labor employment at any establishment in any process operation or other task, in addition to the regulatory measures provided under the Act for the benefit of contract labor. Such constraints are frequently determined by whether the task is perennial or incidental in nature. According to the Indian Constitution, both the central and state governments have the authority to pass appropriate legislation to regulate and safeguard employee interests, as well as to develop and expand job opportunities.

Different legislations, such as the Industrial Disputes Act 1947 (ID Act), Factories Act 1948 (Factories Act), and shops and establishment acts of the relevant states (S&E Act), have been enacted depending on the type of industry, nature of work undertaken, number of employees, location, remuneration of employees, and so on.

The Government of India has enacted four labour codes that contain about 29 labor laws with the goal of consolidating and reforming labor regulations and making it easier to do business in India. Code on Wages 2019, Code on Social Security 2020, Occupational Safety, Health and Working Conditions Code 2020, and Industrial Relations Code 2020 are the four new labor codes. Despite the fact that all of the codes have been passed by both chambers of Parliament and have obtained the President's assent, the Central Government has yet to issue a specific announcement in this regard.

3.3.2 MINIMUM WAGES ACT, 1948:

The Minimum Wages Act of 1948 is an Indian labor law act that establishes the minimum wages that must be provided to both skilled and unskilled workers. The Indian Constitution defines a living wage as the amount of money paid to a worker to ensure a basic quality of living, including good health, dignity, comfort, education, and the ability to cover unexpected expenses. However, the constitution has defined a Fair wage to take into account an industry's ability to pay.

A fair wage is one that not only maintains but also attempts to increase employment while taking into account the industry's ability to pay. Because of the unjust emphasis given to a decades-old law, which is currently being used by major corporations to underpay their people, the public opinion is that the government should set a yearly wage change, similar to what other countries do.

In 1948, India passed the Minimum Salaries Act, which gave both the Central and State governments the authority to set wages. The act is statutory but not legally binding. Forced labor occurs when wages are paid below the minimum wage rate. Wage boards are established to examine the industry's ability to pay and set minimum salaries that at least satisfy the needs of a family of four in terms of calories, shelter, clothing, education, medical care, and entertainment. Due to differences in cost of living, regional industry ability to pay, consumption habits, and other factors, wage rates in scheduled employments differ between states, sectors, skills, regions, and occupations under the legislation. As a result, there is no single national minimum wage rate, and the system has become unnecessarily complicated.

3.3.3 INDUSTRIAL DISPUTE ACT, 1947:

1. The Industrial Disputes Act of 1947 covered the entire country and controlled Indian labor law in terms of trade unions and individual workers engaged in any industry on the Indian mainland. It was enacted on March 11, 1947, and went into effect on April 1, 1947. The Industrial Relations Code of 2020 took its place.
2. An act to provide for the investigation and resolution of labor disputes, as well as for other purposes. The Industrial Disputes Act's goal is to promote industrial peace and concord by establishing a method and procedure for the investigation and resolution of industrial disputes through conciliation, arbitration, and adjudication. The major and ultimate goal of this legislation is to maintain a peaceful work environment in India's industries, as stated in the statute's Statement of Objects and Reasons.
3. Only the organized sector is covered by the laws. Strikes and Lockouts are the most important and frequently discussed issue in Chapter V. It discusses the regulation of strikes and lockouts, as well as the steps that must be taken to make them a legal instrument of economic coercion, whether by the employer or the workers. Layoffs, retrenchments, and closures must be approved by the government under Chapter V-B, which was added to the law in 1976 as a result of an amendment. A further modification in 1982 (which went into effect in 1984) broadened its scope by lowering the requirement to 100 employees.
4. The Act further specifies:
 5. 1. A provision for the payment of compensation to a worker in the event of a plant closure, layoff, or retrenchment.
 6. 2. The practice for obtaining prior approval from the competent government for layoffs, retrenchments, or the closure of industrial operations.
 7. 3. Unfair labor practices by an employer, a labor union, or employees.

3.3.4 CODE ON WAGES BILL, 2019:

The Wage Code, commonly known as the Code on Wages, is an Act of the Indian Parliament that consolidates the provisions of four labor laws regulating wage and bonus payments and makes universal the provisions for minimum wages and timely wage payment for all Indian workers. The Payment of Wages Act of 1936, the Minimum Wages Act of 1948, the Payment of Bonus Act of 1965, and the Equal Remuneration Act of 1976 are all repealed and replaced by the Code.

In 2015, the NarendraModi administration proposed consolidating India's 44 labor laws into four codes in order to simplify labor rules and make conducting business easier. In her 2019 Union Budget speech, Finance Minister Nirmala Sitharaman noted that this will ensure that the process of registration and filing returns is standardized and expedited. It is projected that there will be less disagreement when various labor-related concepts

become more standardized. The first of the suggested codes is the Wage Code. The other three are the Occupational Safety, Health, and Working Conditions Code, the Industrial Relations Code, and the Social Security Code, all of which were passed in 2020 but have yet to enter into force because the effective date has not yet been published in the official gazette.

3.4.1 ESIC:

Employee's State Insurance Corporation (abbreviated as ESIC) is a statutory body owned by the Ministry of Labour and Employment of the Indian government. The Employees State Insurance Corporation (ESIC) manages the fund in accordance with the ESI Act of 1948's laws and regulations.

The Employment State Insurance (ESI) Act of 1948 was based on the findings.

The Employees' State Insurance Act of 1948 envisioned an integrated need-based social insurance scheme to protect workers' interests in situations such as sickness, maternity, temporary or permanent physical disablement, and death due to an occupational injury resulting in a loss of wages or earning capacity. Workers and their immediate families are likewise entitled to reasonable medical treatment under the Act. The ESI Corporation was established by the Central Government following the passage of the ESI Act to administer the Scheme. On February 24, 1952, the Scheme was initially implemented in Kanpur and Delhi. Employers were also relieved of their responsibilities under the Maternity Benefit Act of 1961 and the Workmen's Compensation Act of 1923. Employee benefits offered under the Act are also in accordance with ILO norms. The statute was originally designed for manufacturing workers, but it was eventually expanded to include all businesses with ten or more employees. The overall number of beneficiaries was 82.8 million as of March 31, 2016.

Employees State Insurance Organization (ESIC) is an independent corporation within the Ministry of Labour and Employment, Government of India, which was founded under the ESI Act. Because it is a legal body, the corporation can take out loans and take steps to repay them with the approval of the central government, and it can buy both movable and immovable property, with all profits going to the corporation. The corporation can open hospitals on its own or in partnership with the state government or other private enterprises, but the majority of dispensaries and hospitals are administered by the respective state governments.

3.4.1.1 BENEFITS:

As per the section 46 of the ESI Act, 1948, there are six benefits are envisaged to its Contract Employee's.

1. Medical benefit
2. Sickness benefit
3. Maternity benefit
4. Disablement benefit
5. Dependent's benefit
6. Other benefits

3.4.1.2 NEW AMENDMENT:

. Effective January 1, 2017, the Employees State Insurance Corporation (ESIC) increased the monthly wage limit for coverage from Rs. 15,000 to Rs. 21,000/-. With effect from July 1, 2019, the contribution rate was cut from 6.5 percent to 4% (employer's share 3.25 percent and employee's portion 0.75 percent)..

3.4.2 EPF:

As an employee, you contribute a portion of your salary to the EPF plan. This sum is frequently matched by your employer's contribution. The total sum is subsequently deposited with the Employee Provident Fund Organization (EPFO) as part of your monthly income into the EPF system. Employees Provident Fund (EPF) is a non-constitutional organization that encourages employees to save for retirement. The Ministry of Labour and Employment of the Government of India founded the organization in 1951. The organization's programs are available to both Indian and international workers (from countries with which the EPFO has signed bilateral agreements).

3.4.2.1 OBJECTIVES OF EPF:

The following are the EPF's key objectives:

1. Each employee should have only one EPF account.
2. Compliance must be simple to achieve.
3. Ensure that organizations adhere to all EPFO laws and regulations on a regular basis.
4. To assure the reliability of internet services and to improve their capabilities.
5. All member accounts should be easily accessible online.
6. Claim settlement times will be shortened from 20 to 3 days.
7. Encouragement and promotion of voluntary compliance.

3.4.2.2 EPF BENEFITS:

The following are some of the EPF's advantages:

1. It aids in long-term financial planning.
2. Making a single, lump-sum investment is not required. Employees' salaries are deducted on a regular basis, which allows them to save a significant amount of money over time.
3. It can provide financial assistance to an employee in an emergency.
4. It aids in the saving of money for retirement and the maintenance of a healthy lifestyle

3.4.2.3 UNIVERSAL ACCOUNT NUMBER (UAN):

All EPF subscribers have access to their accounts online and can make withdrawals and check their balance. Logging onto the EPFO member portal is made easier with the Universal Account Number (UAN).

EPFO assigns each member a 12-digit number known as the UAN. Even if an employee changes employers, his or her UAN remains the same. The member ID changes when a job is changed, and the new ID is linked to the UAN. Employees must, however, activate their UAN before using the online services.

3.4.2.4 PF CONTRIBUTION:

EPF contributions are required of both the employee and the employer. Each employee contributes 12% of his or her dearness allowance and base salary to the EPF. The specifics of the employee's and employer's contributions to the EPF are listed below.

The employer's contribution is divided into the below mentioned categories:

Sl No	Category	Percentage of contribution (%)
1	Employee's Provident Fund	3.67
2	Employee's Pension Scheme (EPS)	8.33
3	Employee's Deposit Link Insurance Scheme (EDLIS)	0.50
4	EPF Admin Charges	1.10
5	EDLIS Admin Charges	0.01

TABLE – 3.1 Contribution Clarifications

3.4.2.5 Employee's contribution towards EPF - 12% of the employee's salary is deducted by the employer on a monthly basis for contribution towards EPF. The entire contribution goes towards the EPF account.

3.4.2.6 Employer's contribution towards EPF - The employer also contributes 12% of the employee's salary towards EPF.

3.4.2.7 EPF ELIGIBILITY:

1. The eligibility criteria in order to join the EPF scheme are mentioned below:
2. It is mandatory for salaried employees with an income of less than Rs.15,000/- per month to register for an EPF account.
3. As per law, it is mandatory for organizations to register for the EPF scheme if they have more than 20 employees working for them.
4. Organizations with less than 20 employees can also join the EPF scheme on a voluntary basis.

5. Employees who earn more than Rs.15,000 can also register for an EPF account; however, they must get approval from the Assistant PF Commissioner.
6. The whole of India (except the states of Jammu and Kashmir) can benefit from the provisions in the EPF scheme.

3.4.3 STATUTORY BONUS:

All the employees under the contract Basis are entitled for Minimum Bonus of 8.33% of Basic + DA or Rs. 7000/- whichever is Higher and the Maximum Bonus of 20% of Basic + DA as per the Payment of Bonus Act, 1965. The Minimum Bonus will be a month's wages. If we calculate the Bonus for a year's $100/12 = 8.3333\%$ which brings 8.33% on total Basic wages earned in month.

Normally the Bonus is paid once in a year to the employees. But the Bonus accumulated every month will be mentioned in the pay slips for the employee understanding.

But in the current scenario many contractual employees in particular working in the Govt. Departments through outsourcing agencies are deprived from the payment of Bonus. The main reason for this is due to the curbs in the Govt. funds towards the deployment of the Contractual Persons through the agency. Even though it is very much profitable to deploy the persons under outsourcing agency for the Govt. they are not interested in the payment of Bonus to the contractor. The Contractor cannot directly make the Bonus payments to the Contractual Employees unless the Principal Employer makes the Bonus payments along with the monthly Bills.

The Payment of Bonus Act, 1965 clearly indicates that who are all eligible for the Bonus. The extract of the Act is given below for clear information:

8. Eligibility for bonus—Every employee shall be entitled to be paid by his employer in an accounting year, bonus, in accordance with the provisions of this Act, provided he has worked in the establishment for not less than thirty working days in that year.

9. Disqualification for bonus—notwithstanding anything contained in this

Act, an employee shall be disqualified from receiving bonus under this Act, if he

is dismissed from service for --

(a) Fraud; or

(b) Riotous or violent behaviour while on the premises of the establishment.

Or

(c) Theft, misappropriation

Details of amendments to the Payment of Bonus Act, 1965

TABLE – 3.2 Clarifications

S. No	Year Of Amendment	Eligibility Limit (Rs. Per Month)	Calculation Ceiling (Rs. Per Month)
1.	1965	Rs. 1600	Rs.750
2.	1985	Rs.2500	Rs. 1600
3.	1995	Rs. 3500	Rs. 2500
4.	2007	Rs. 10000	Rs. 3500
5.	2015	Rs. 21000	Rs. 7000 Or the minimum wage for scheduled employment, as fixed by the appropriate Government, whichever is higher.

From time to time as per the wage revision of CLC, the Ministry of Labour is amending the Minimum Payable Bonus in the Payment of Bonus Act, 1965. The tables regarding the amendments are given below.

4. JOB SATISFACTION AND IMPORTANCE

4.1 JOB SATISFICATION:

Employee job satisfaction is described as how happy they are with their jobs. This includes happiness with team members/managers, satisfaction with organizational policies, and the impact of their employment on employees' personal lives, in addition to their daily responsibilities.

Job satisfaction is a concept we hear a lot, but do you know what it means and how lacking it might affect your company's productivity? Read our entire guide to job satisfaction in 2020, including its drivers and rewards, as well as how your company can benefit from higher workplace contentment. An unquantifiable indicator, job satisfaction is described as a pleasant emotional response you have while doing your job or being present at work. Leading businesses are increasingly attempting to quantify this sentiment, with job satisfaction surveys becoming commonplace in most offices. It's crucial to keep in mind that job satisfaction varies by employee.

The elements that make one employee feel good about their employment may not apply to another employee in the same workplace under the same circumstances. As a result, it's critical to take a multifaceted approach to employee satisfaction that considers the following factors.

1. The demanding nature of work, which pushes individuals to achieve new heights
 2. A degree of comfort (short commutes, access to the right digital tools, and flexible hours)
 3. Consistent praise from immediate management and the entire organization
 4. Competitive pay, allowing employees to maintain a high standard of living.
 5. The promise of career advancement in line with employees' personal development goals.
 6. Job satisfaction refers to an individual's overall relationship with the employer for which he is compensated. The simple feeling of achieving any goal or objective is referred to as satisfaction. Workplace dissatisfaction leads to a lack of motivation.
 7. Researchers describe the factors that contribute to job satisfaction and dissatisfaction in different ways. Job satisfaction, according to Hoppock, is defined as any combination of psychological, physiological, and environmental factors that lead a person to honestly state, "I am content with my job."
 8. Job satisfaction is defined as a pleasurable emotional state resulting from a positive assessment of one's job as achieving or facilitating one's job values.
 9. Job dissatisfaction, on the other hand, is characterized as an unpleasant emotional state caused by a perception of one's job as frustrating or impeding the accomplishment of one's job values or as entailing disvalues.
 10. Satisfaction and discontent, on the other hand, were understood as a product of the perceived relationship between what one believes it to offer or imply.
- IMPORTANCE:
10. Job satisfaction is a topic that has received a lot of attention in the work and organizational literature. This is because many experts feel that job satisfaction trends might influence labor market behavior, such as work productivity, effort, employee absenteeism, and staff turnover. Furthermore, job satisfaction is seen to be an excellent predictor of employee intentions or decisions to leave a job, as well as a significant indicator of overall individual well-being.
 11. In everyday life, job satisfaction is also important. Organizations have a big impact on the individuals who work for them, and some of those impacts may be seen in how employees feel about their jobs. As a result, job happiness is a major concern for both employers and employees.
 12. According to several studies, satisfied employees benefit companies since they are more likely to benefit from lower staff turnover and increased production if their employees are happy in their jobs. Employees, on the other hand, should enjoy their work given the amount of time they have to spend to it throughout the course of their careers.

Personal Factors:

Workers' sex, education, age, marital status, personal characteristics, family background, socioeconomic background, and other factors are among them.

Inherent in the Job Factors:

These factors have lately been researched and discovered to be essential in employee selection. Rather of being steered by coworkers and bosses, skilled workers would want to be guided by their own inclination to choose employment based on 'what they have to accomplish.' These aspects include the work itself, working circumstances, the impact of the internal and external environment on the job that is beyond management's control, and so on.

Management Controlled Factors: Management controls the nature of supervision, job security, type of work group, wage rate, promotional possibilities, and transfer policy, as well as the duration of work and sense of responsibility. All of these factors have a significant impact on the workers. These elements motivate employees and give them a sense of job pleasure. Though diverse factors influence performance and job happiness, the two can be linked if management relates rewards to performance. Job satisfaction is viewed as a result of performance rather than a cause of it.

Job satisfaction has a significant impact on an organization's productivity, whereas job dissatisfaction leads to absenteeism, employee turnover, alcoholism, irresponsibility, and non-commitment. Job satisfaction or unhappiness, on the other hand, generates attitudes about the job and the organization, which boosts staff morale.

5.CURRENT SCENARIO OF CONTRACTUAL EMPLOYEE'S INDIA

5.1 INTRODUCTION

The contract labour has elicited many debates in India, today. There are constant demands of amending the Contract Labour Act, 1970 by which the contract workers would get the same wages and benefits as the regular employees even if they do not get the benefit of secure tenure. Contract labour is constantly evolving not just in India but across the globe. Globalization has made this issue gain international facet and calls for international law regarding the area. But these changes have been brought about a long phase of protest and sometimes have brought about a huge damage to the economic structure. The recent case of violence in the plant of Maruti Suzuki has witnessed one such chapter. Though the workers will not escape the liability for such an act, it becomes imperative to study the source of such conflicts and the question that faces all the employers regarding the present status of the contractual workers.

5.2 NUMERICAL DATA'S AND CHARTS:

In this chapter we will be discussing about the current scenario of the Contractual Employees based on the data's and its interpretations.

5.2.1 Graph 1: It represents the total % of contractual employees present in India. By looking into the graph it is very much clearly evident the percentages of the Contractual Employees are increasing from 23% in 2011-12 to 42% in 2020-21.



FIG - 5.1 Percentages of Contractual Employee's

5.2.2 Graph 2: represents the data on the cases filed against the companies for violating the Govt. Rules and regulations. Every year before the COVID-19. The average cases are 125. Whereas that average boosts up to 170 because of increase in the violations during the COVID-19 period. Many Contractors and the Principal Employers have abandoned their contractual employees or delayed their salary payments for a long period of time are the two most important reasons for increase in the cases.

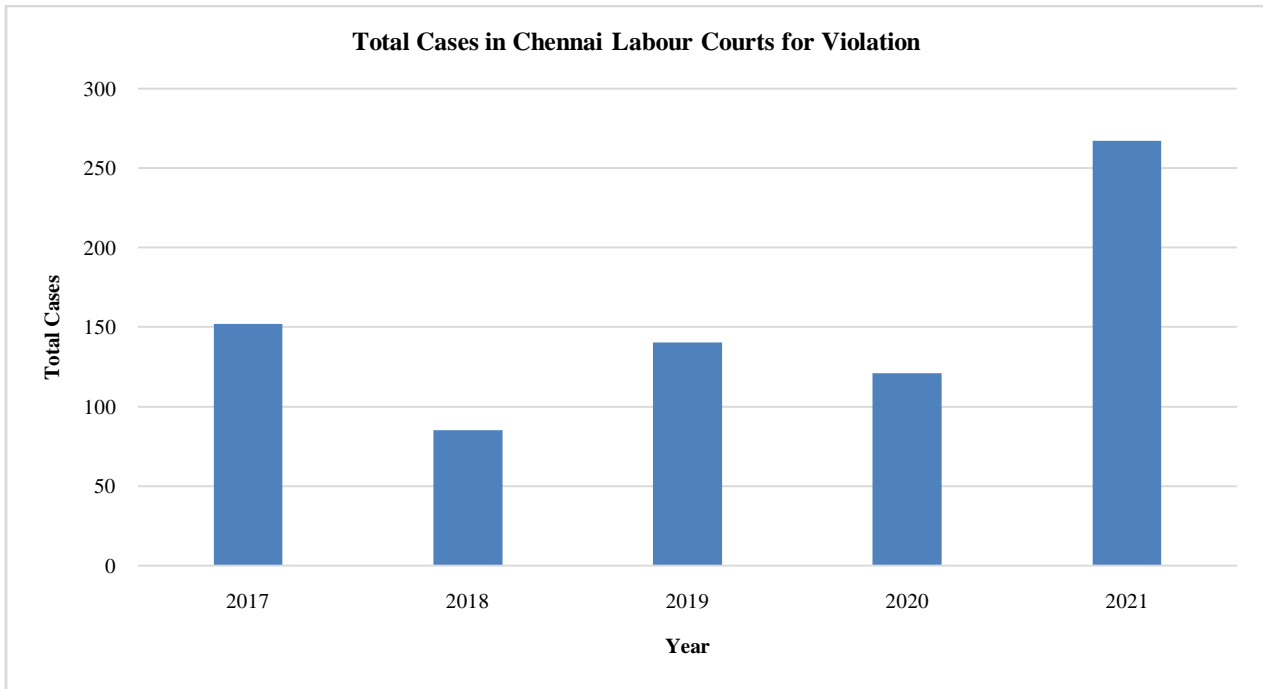


FIG - 5.2 Cases Detail

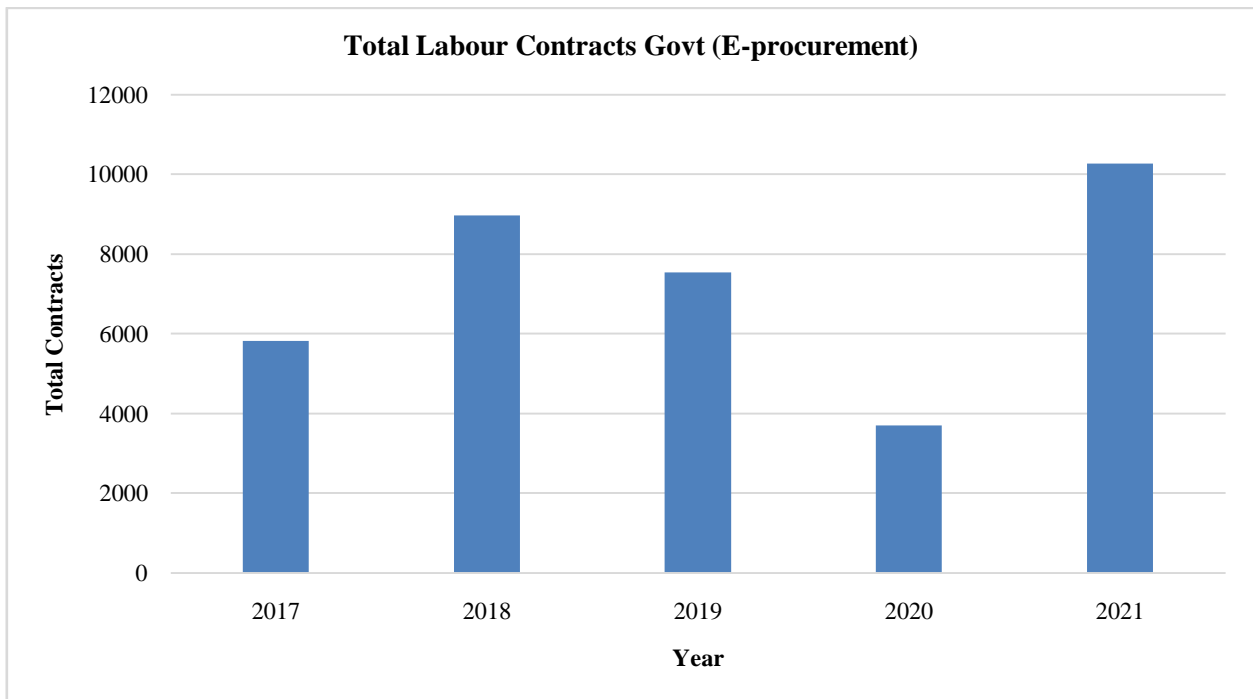
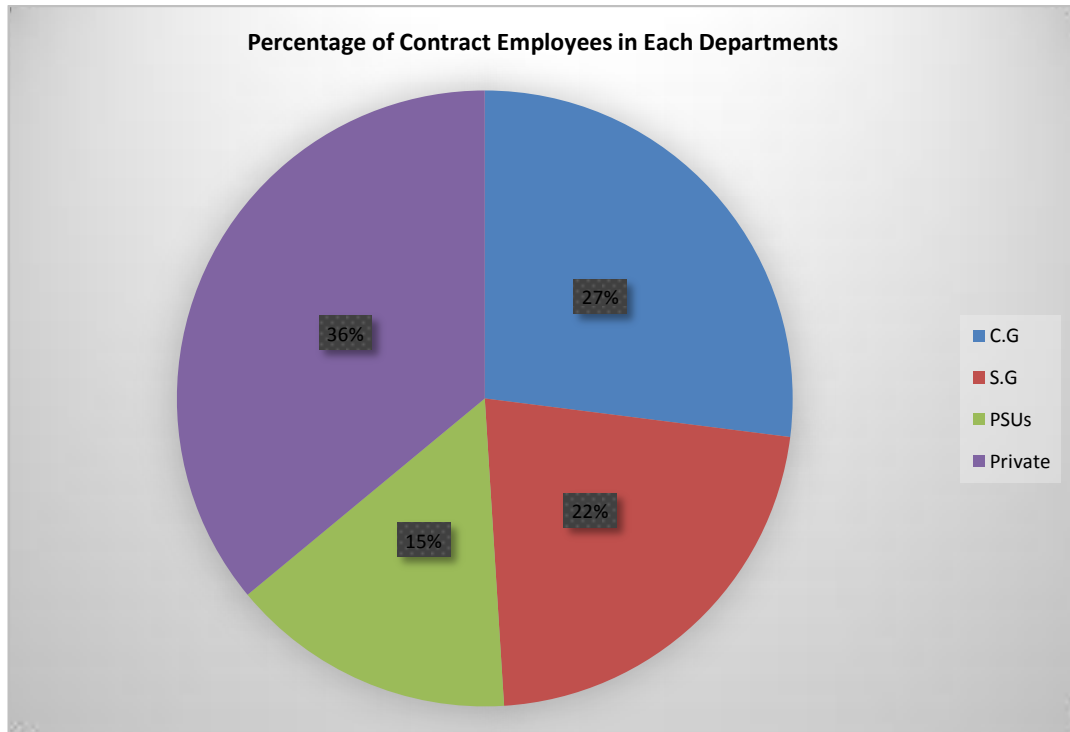


FIG – 5.3 Government Contracts

5.2.3 PERCENTAGE OF CONTRACT EMPLOYEE'S IN EACH DEPARTMETNS:**FIG-5.4 Percentages**

In order to find the mentality of the contractual employees the following questionnaire was prepared and the survey is conducted among 50 Contractual Employees. The data's collected also mentioned in this paper.

QUESTIONNAIRE:

Person ID:

Place:

Question No.	Question	Answer
1	Whether you are Happy with the Contract Employment	Yes/No
2	What is your Take Home Salary	Rs.
3	Is there any weekly off given to you	Yes/No
4	Your working Hours in a day	_____ Hrs
5	Have you heard of EPF & ESI	Yes/No
6	Are you using the ESI Facility	Yes/No
7	Whether the Bonus is paid to you	Yes/No
8	Is there any Maternity Benefit	Yes/No
9	Is there any Paid Holiday	Yes/No
10	Do you know about Min. Wages Act	Yes/No
11	Is there any Unauthorised Deductions made from your salary	Yes/No
12	Are you receiving the Salaries on Time	Yes/No
13	If you could rate your current Employer from 1 to 10 what will be the rating (1 least and 10 Best)	_____ Point
14	Are you willing to share your name?	Yes/No
15	Name	

TABLE – 5.1 FORMS

DATA'S RECEIVED FROM QUESTIONNARE

Person ID	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14
1	YES	12300	YES	12	YES	YES	NO	Yes	Yes	NO	YES	YES	8	NO
2	YES	13500	YES	10	YES	YES	NO	Yes	Yes	NO	YES	YES	8	NO
3	NO	16500	YES	8	YES	NO	NO	NO	Yes	NO	YES	NO	1	NO
4	YES	13500	YES	9	YES	YES	NO	Yes	Yes	NO	YES	YES	6	NO
5	NO	7250	YES	8	YES	YES	NO	NO	NO	NO	YES	NO	1	NO
6	NO	7250	NO	12	NO	NO	NO	NO	NO	NO	YES	NO	1	NO
7	NO	7250	NO	12	NO	NO	NO	NO	NO	NO	YES	NO	1	NO
8	NO	7250	NO	12	NO	NO	NO	NO	NO	NO	YES	NO	1	NO
9	NO	7250	NO	12	NO	NO	NO	NO	NO	NO	YES	NO	1	NO
10	NO	7250	NO	12	NO	NO	NO	NO	NO	NO	YES	NO	1	NO
11	NO	7250	NO	9	NO	NO	NO	NO	NO	NO	YES	NO	1	NO
12	NO	7250	YES	8	YES	YES	NO	NO	NO	NO	YES	NO	4	NO
13	NO	7250	YES	10	YES	YES	NO	NO	NO	NO	YES	NO	3	NO
14	NO	7250	YES	12	YES	YES	NO	NO	NO	NO	YES	NO	1	NO
15	NO	7250	YES	12	YES	YES	NO	NO	NO	NO	YES	NO	2	NO
16	YES	18900	YES	8	YES	YES	YES	Yes	Yes	NO	YES	YES	7	NO
17	YES	18900	YES	8	YES	YES	YES	Yes	Yes	NO	YES	YES	7	NO
18	YES	18900	YES	8	YES	YES	YES	Yes	Yes	NO	YES	YES	8	NO

19	YES	18900	YES	8	YES	YES	YES	Yes	Yes	NO	YES	YES	9	NO
Person ID	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14
20	NO	6250	YES	12	NO	NO	NO	NO	NO	NO	YES	NO	1	NO
21	NO	6250	YES	15	NO	NO	NO	NO	NO	NO	YES	NO	1	NO
22	YES	14250	YES	10	YES	NO	NO	NO	NO	NO	YES	YES	9	NO
23	NO	12230	YES	10	YES	NO	NO	NO	NO	NO	YES	NO	3	NO
24	YES	17430	YES	10	YES	NO	NO	NO	NO	NO	YES	YES	8	NO
25	YES	17430	YES	10	YES	NO	NO	NO	NO	NO	YES	YES	9	NO
26	NO	13500	YES	10	YES	NO	NO	NO	NO	NO	YES	NO	1	NO
27	YES	13500	YES	10	YES	NO	NO	NO	NO	NO	YES	YES	9	NO
28	NO	14850	YES	8	YES	NO	NO	NO	NO	NO	YES	NO	4	NO
29	YES	16850	YES	9	YES	NO	NO	NO	NO	NO	YES	YES	7	NO
30	YES	16850	YES	9	YES	NO	NO	NO	NO	NO	YES	YES	7	NO
31	NO	11250	NO	9	YES	NO	NO	NO	NO	NO	YES	NO	2	NO
32	NO	11250	NO	8	YES	NO	NO	NO	NO	NO	YES	NO	2	NO
33	NO	11250	NO	9	YES	NO	NO	NO	NO	NO	YES	NO	3	NO
34	NO	11250	NO	9	YES	NO	NO	NO	NO	NO	YES	NO	4	NO
35	YES	6700	YES	10	YES	YES	NO	NO	NO	NO	YES	YES	8	NO
36	YES	9025	YES	12	YES	YES	NO	NO	NO	NO	YES	YES	8	NO
37	NO	10330	YES	12	YES	YES	NO	NO	NO	NO	YES	NO	4	NO
38	YES	10800	YES	12	YES	YES	NO	NO	NO	NO	YES	YES	7	NO
39	NO	9000	YES	12	YES	YES	NO	NO	NO	NO	YES	NO	2	NO
40	NO	9000	YES	15	YES	YES	NO	NO	NO	NO	YES	NO	2	NO

41	YES	11250	YES	8	YES	YES	NO	NO	NO	NO	YES	YES	10	NO
Person ID	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14
42	NO	13000	NO	8	YES	YES	NO	NO	NO	NO	YES	NO	1	NO
43	YES	12500	YES	8	YES	YES	NO	NO	NO	NO	YES	YES	8	NO
44	YES	14000	YES	9	YES	YES	NO	NO	NO	NO	YES	YES	9	NO
45	YES	14750	YES	8	YES	YES	NO	NO	NO	NO	YES	YES	8	NO
46	NO	15510	NO	9	YES	YES	NO	NO	NO	NO	YES	NO	2	NO
47	YES	19100	YES	10	YES	YES	NO	NO	Yes	NO	YES	YES	7	NO
48	YES	22500	YES	12	YES	YES	NO	NO	Yes	NO	YES	YES	8	NO
49	NO	12000	YES	10	YES	YES	NO	NO	Yes	NO	YES	NO	2	NO
50	NO	12000	NO	8	YES	YES	NO	NO	Yes	NO	YES	NO	3	NO

No. of Y's	22		37		42	28	4	7	12	0	50	22		0
No. of N's	28		13		8	22	46	43	38	50	0	28		50

% of Y's	44		74		84	56	8	14	24	0	100	44		0
% of N's	56		26		16	44	92	86	76	100	0	56		100

Average		12140											4.6	
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TABLE- 5.2 Data Received Table

6. ADVANTAGES OF CONTRACTUAL EMPLOYEE:

Contracting provides skilled workers with great benefits like improved job satisfaction, great pay, higher flexibility, etc. But not everybody prefers contract jobs, as they feel comfortable and secure in full-time jobs.

If you are a skilled candidate then you need not worry and can easily take up contract jobs, as taking up new jobs at newer places help you grow in your career.

1. Great pay
2. Different job roles
3. Holidays
4. Flexibility
5. Training
6. Great work-life balance
7. No office politics

Contract Employment demonstrates that the work is so flexible that employees can accomplish so much while earning money. This sounds like a fantastic opportunity for those who are creative, want to finish their education, provide early support for their families, have expertise, and want to work. A couple of the benefits are listed below in detail. As previously indicated, contract work is available in a variety of ways. The circumstances clearly demonstrate that there is no shortage of jobs.

Employees have options and choices because employment opportunities are available at all times.

If employees are seeking for a specific job, they can opt for freelancing, which allows them to choose the type of work they want to do. If the goal is to lock in the number of hours they work, part-time employment is the best option.

Each of them has a large amount of work accessible to them, ensuring that employees are never in a bind. Even if a specific opportunity is not available, individuals can choose a different one for the time being. Another benefit of contract work is that it allows you to be more flexible with your schedule. Employees are not subjected to the same level of fierce competition that exists in full-time jobs. Freshmen can use this method to acquire work and subsequently establish their worth. This adds to the experience that can be used to evaluate what one wants to do in the future.

Employees can see what they are strong at and how well they do on a specific task because there is less competition. They gain confidence, gain a better understanding of themselves, and have more possibilities while looking for full-time work.

Contract employment may appear to be an opportunity where individuals are not properly compensated. This is not true for all circumstances. In fact, contract employment provides employees with the opportunity to make as much as they want.

If the regulations allow, part-time employment permits people to work many jobs; freelancing is another option in which employees can work as many jobs as they choose and are not bound by a single pay. Many people choose contract work because it allows them to keep their earning options and pay their own taxes. Employees can alter the type of money they obtain and create perks as a result of this.

Contract employment appeals to everyone for the first time because of the flexibility of work hours. The remaining advantages are reaped or recognized later. Flexibility in selecting an employment opportunity is also critical; in a fixed job with a rigid structure, it is impossible to change what is being offered.

Employees in contract employment have the freedom to choose how they wish to work on a project, set their own working hours, and even build their own work delivery structure, which must, of course, benefit the employer. The flexibility to work on new choices is an added bonus in the same league.

It is common to become stuck in a single profile or job type. Disinvestment in the job and a lack of growth are the results of the situation. Working on a variety of projects and the flexibility of contract employment, which allows you to work with a variety of employers, provides an excellent opportunity to advance. Employees can work on projects that connect to the abilities they wish to improve or the strengths they want to show.

Working on several projects allows individuals to develop time management skills and establish a work-life balance, both of which are beneficial in the long run. As a result, contract employment allows for a balanced growth of the employee.

7. CONCLUSION:

During this project we have learnt many facts and dark realities in the Life of an contract employee. The detailed investigations were conducted on this topic with the persons in the Manpower Industries and also the contract employees themselves. The Government has formed strict rules and regulations to safe guard the employment of the Contract workers. But sadly the Acts also have many loop holes to escape for the violators. One of the main advantages that the contract employees have is the ESI coverage. The wards of the ESI insured persons will be given preference in the admission to the ESI Medical Colleges. Also similar to the Private Health Insurance under the ESI SST Scheme they can avail the cashless benefit treatment in Top most private hospitals.

The Major Concern for the contract employees in particular to the Graduates is the salary. For unskilled/semi-skilled workers they are entitled for monthly remuneration between Rs. 15000 to Rs. 18500. Whereas the Graduates of Skilled and Highly Skilled will be Rs. 18500 to Rs. 24500 which is way more less than their IT counterparts.

Based on the questionnaire we have arrived at a conclusion regarding the employee's mentality towards their Job. Many employees are unsatisfied with their current company because of delay in the Salary Payments and Dictatorship in the company.

Even though there are Govt. rules and regulations are available to restrict or abolish the above difficulties, the same is seen only in the Papers whereas not in the Practice by competent authorities. I hereby conclude that this type of Contractual Employment is benefit to all the class provided that the employees are provided with their statutory entitlements.

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