

Non-Regular Workers and Employment Relations in Agro based Industry: A Study on Rice Mills in West Bengal

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Abstract

With business enterprises resorting to different structural adjustments to align themselves with the dynamic economic scenario, the trend to hire non-regular workers has become a very common and the most sought after practice by the owners in present times. Non-regular workers are the most common victims of issues related to wage disparity, job insecurity, little or no decent work etc. cutting across different countries around the globe. In India there is an exhaustive mechanism of labour laws is well in place to control and prevent the exploitative practices in the name of hiring of labour of different nomenclatures. However, the engagement of non-regular workers in India is well on rise, specifically in the agro based sector which are mostly informal in nature. The real condition of non-regular workers remains unveiled owing to little or no accessibility allowed by the owners of enterprises to conduct research. As such it becomes all the more imperative to study different aspects related to non-regular workers and employment relations in the agro based industries. The present research attempts to understand the patterns of non-regular employment and how the workers perceive employment relations in the Rice Mills in the State of West Bengal in India. The Rice Mills are heavily labour intensive and mainly depend on non-regular workers to carry on the daily operations. Qualitative research approach using Focus Group Meeting (FGM) has been ascertained to conduct the present research.

Key Words: Non-regular workers, employment relations, Rice Mills, Focus Group Meeting.

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Introduction

Work has a very crucial role to play in our lives as it is deeply associated with the power, prestige and status of an individual within a society. At the same time, the conditions under which the work is performed and the employment arrangements also are critical to the notions of work (Ahonen, Fujishiro, Flynn & Cunningham, 2018). With the changes in economic scenario and the ways in which a business is performed, there was drastic change in the patterns and conditions of employment arrangements. New forms of employment giving way to new conditions under which the work is required to be performed slowly took in the centre stage in employment world. A

profound shift can be witnessed across all industrial sectors where emergence of new business models, the disruption of incumbents and the realignment of production, consumption, transportation and delivery systems are changing the ways work is performed (Schwab, 2016). The advent of platform and on-demand economy is also changing the nature of work in a very significant manner. Despite all the technological interventions slowly revolutionizing work, there can be little doubt in the fact that the manner and the terms of under which a work is performed determines the success of organization in longer perspective (Blyton & Turnbull, 1998).

In recent times, the engagement of non-regular

workers is seen to be on rise in different business sectors. The engagement of non-regular workers is very explicit in the sectors which primarily correspond to the crowd work or gig economy (ILO Report on Non- Standard Employment around the World, 2016, p. 39). The report also highlighted how engagement of non-regular workers propels risks for workers, enterprises, labour market and the society. The condition is all the more worse in developing country like India where labour supply excels the demand side giving employers the privilege to hire contingent workers as per the requirement. The employers also prefer the engagement of non-regular workers to avoid stringent labour legislations in India. With little legal framework to regulate the hiring of non-regular workers, specifically in the sectors which still perform under the informal and the SME (Small & Medium Enterprises), the employers are at their free will to enter into agreements with the workers to get the job done and in exchange pay very meager amount as compensation without offering any social security and welfare benefits. Non-regular also offers the employers the discretion to adjust workforce at personal whims (Papola, 2008). These anomalies give rise to a myriad of problems which affect the lives of the working class in varied ways. The employers also refrain from keeping records of these non-regular workers making it all the more difficult to conduct suitable researches pinpointing exact scenario concerning their status in terms of employment and other related aspects. The author, in this paper intended to pinpoint the emerging aspects related to non-regular workers and employment relations in the Rice Mills in the State of West Bengal in India. This will help in drawing suitable policy frameworks on similar grounds for both sectors so that better management of non-regular workers could take place.

Literature Review

Studies on non-regular have started to take centre

stage inside the corridors of academic world in recent years. Engagement of non-regular employees, also referred to as temporary, casual, contingent, on-call employment, precarious, flexible labour, atypical, fixed-term contract, seasonal workers etc in different industrial and service sectors has become a widespread phenomenon in developed as well as developing countries (ILO, 2016). These employment patterns differ significantly with 'norms' which were considered to be 'standard' during the mid of the 20th century and included aspects like employment contract, legal obligations, benefits etc (Felstead and Jewson, 1999). Whereas the advocates of supple labour markets welcomed this advent of non-regular employment, there were innumerable social scientists and policymakers who were critical of this development considering the ill-effects of non-standard employments in the form of insecure jobs with low income, poverty, unemployment etc (Schmid, 2006). Engagement of non-regular employees witnessed (and still witness) a spurt during the times of economic crisis as majority of the firms find it difficult to offer employment opportunities to the working population as it previously used to do. At the same time, the employers have not only to accomplish the production targets but they have to do this with less cost and more flexible operational hours. The answer to both these issues was found in the engagement of non-regular employees who are prone to working long hours with little to ask for related social security benefits in employment. Escape from labour legislation compliance was another factor that prompted the employers to hire non-regular employees. Also, engagement of non-regular employment offers significant control over the production process.

But is there any standard definition explaining who is a non-regular or non-standard employee? Unfortunately till date no official definition has been framed to define non-regular employment (ILO, 2016). In general parlance, non-regular is

connoted to work which falls outside the periphery of being 'regular' or 'standard' and involving greater or lesser degree of job stability (Cella, 2012). In this respect, the definition offered by Pleffer and Baron (1988) appears to be most clear and comprehensive. They considered an employee to be a non-standard employee fulfilling any of the following three conditions. Firstly, the employee must be having a limited temporal attachment to organizations such as temporary and part-time workers. Secondly, the employees must have limited physical attachment to the organization, such as teleworkers or those who work at home. Thirdly, employees with limited administrative attachment to the organization, such as those who are employed through labor intermediaries or are independent contractors. Thus, it is observed that non-regular employment has been related to the conditions of employment or employment relationship (Cella, 2012). For the convenience of the purpose, the present paper incorporates all the synonyms associated with non-regular employment viz. contractual, atypical, precarious, casual, temporary etc. However, there may be slight distinctions between the different nomenclatures concerning non-regular employment.

The rise of engagement of non-regular employees or workers can be attributed to several factors. However, the main theory underpinning this trend of engaging non-regular employees is assigned to the need for labour market flexibility in order to combat the market risks and insecurities during times of need (Guy, 2011). At one side the labour market flexibility provided the corporations to lower down the production cost, on the other side it also helped them to transfer their associated risks to the worker and his family. This was expedited by technological revolution in the form of automation, artificial intelligence etc which led to job loss in several countries all across the globe (Avlijaš, 2019). The world of work in the 21st century is seen

to be dominated by this neo-liberal trend of hiring non-regular employees. Even the countries which were considered to be labour protective are slowly and secretly falling in line with engagement of non-regular employment.

Rice Mill Sector in West Bengal: A Sectoral Overview

Rice milling sector has been widely recognized and accepted as one of the largest and oldest agro based food processing industry in India and ranks second in terms of rice production. The contribution of India in terms of rice production is around 20 percent of the total rice production in the world. Nayak (1996) pinpoints that rice processing is mostly done by enterprises which are small and medium sized in nature. The processing is done by rice mills which can be divided into two categories: conventional rice mills and modern rice mills. In conventional rice mills, the paddy crop is processed with the help of steel hullers and activities including husking, cleaning, drying etc are done physically by the labourers. With the passage of time these activities involving physical labour were replaced by modern technology. It was during the 1964-65 when the first modern rice mill was established in Titivarur in the Thanjavur district of Tamil Nadu and was owned by the Thanjavur Co-operative Marketing Federation (Lele, 1971). As the country moved towards attaining self sufficiency in good grains, more number of rice mills opened up in different parts of the country. According to an estimate by Goyal et al. (2014) there were around 1,74,296 registered rice mills in India in the year 2009.

The Rice- Milling Industry (Regulation) Act, 1958, defines a 'rice mills' as including the premises, including the precincts thereof, in which or in any part of which, the rice- milling function is being carried out with the help of plant and machinery. The sector comes under the category of agro based

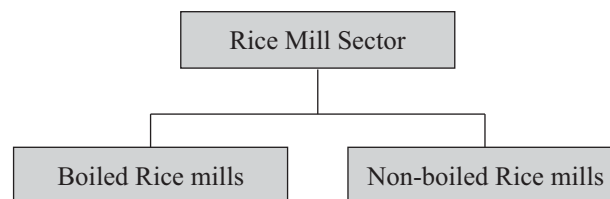
industry. Though the rice mills are considered as the traditional operation of rice production, yet the sector offers source of production to different variants of secondary and tertiary agro products. The rice milling sector is basically an agro based industry. The first schedule to the industries (Development and Regulation) Act, 1951) covers the agro based industries in India and identifies it for the purpose of defining small and medium enterprises in India. As such, most of the rice mills in India fall under the purview of SMEs.

The State of West Bengal has been one of the major centres of agro based small food processing enterprises including the rice mills prior to independence of India (Ghosh, 2001). The districts of Burdwan, Bankura, Birbhum, 24 Parganas (South), and Murshidabad are the major rice cultivating regions in the State. Out of these, the

district of Burdwan (East) tops the list in rice production. The district is located on the banks of river Damodar which provides the rich alluvial soil for the cultivation of the crop. The district is also credited with establishing one of the first rice mills in India in 1920s (Chattopadhyaya & Roy, 2011). The district offers land and labour in abundance for the flourishing of the sector and has become one of the preferred choices for business ventures in agro based food processing industry.

The district of Burdwan (East) has rightly been called as the “Rice bowl of West Bengal”. The existing rice mills in Burdwan can be divided into two categories: Boiled Rice mills which are more capital and labour intensive in nature, and Non-boiled Rice mills which are still run on traditional methods making least use of technology.

Fig. 1.1
Rice Mill Segment



At present there are around 533 rice mills in the district of Burdwan (Based on discussion with the President of Burdwan District Rice Mills Association). The patterns of employment and the nature of work force employed in these enterprises also varies. The Boiled Rice Mills are more technology driven and employs less number of workers. Whereas the Non-boiled rice mills are highly intensive in nature.

As a result only contractual workers are hired through *sardars* by the boiled rice mills. Most of the work is performed by machines in such mills. As a result, workers are considered only in terms of facilitating the production process. Opposite to

this, the non-boiled rice mills mostly employ casual workers like *chatalshramik* (courtyard workers), *khudjharuni* (broken rice cleaners), etc. The entire production process is carried out by the workers which make them more engaged and involved in the production process. The workers are the most important requirement for running of the non-boiled rice mills.

The rice mill sector is highly labour intensive and employs approximately 32,000 workers directly and around 1 lakh workers indirectly (As per discussion with the President, Burdwan District Rice Mill Owners Association). The figure therefore speaks of the importance that the rice mill

sector bears on the economy of the state of West Bengal in general. The sector also employs female workforce in substantial numbers. Most of the female workforce is employed in doing the unskilled job, i.e., cleaning and washing of the rice on the floor. However, with technological adaptations the employment of female workers has declined. Earlier, the rice mill sector was considered to be seasonal in nature. But nowadays the mills remain functional throughout the year. With the production of rice bran oil, rice husk, etc. the rice mills now remain operational for the entire year. Ghosh (2011) observed the engagement of permanent employees employed on monthly wage/salary, semi-permanent field or machine employees who are paid daily wages, piece-rate contract labour and seasonal or temporary labourers in the rice milling sector. The rice mills are the prime livelihood provider to the workforce in the region. This sector has the potential to employ the unskilled workforce as well. Small and medium-sized units and family-owned units employ majority of the workforce in rice milling. The rice milling sector which has remained confined to the small sector for a longer period of time has now been de-reserved giving the large enterprises an opportunity to enter the sector. Not only this, rice mill sector has also offered the scope to several other ancillary business enterprises like cold storage, etc. Thus, rice mills have directly enlarged the scope of employment opportunities in the region. Burdwan remains as the only district in West Bengal where rice is converted from raw to eatable form and is also the largest grain trading market in West Bengal (Brochure, Indian Rice Expo, 2017). The Directorate of Micro & Small Scale Enterprises in West Bengal has also identified Burdwan as the clusters of rice mill sector in eastern India. Earlier, the rice milling sector was taken to be a seasonal industry, but with the increasing modernisation and input output ratio, the sector is well outside the domain of seasonal industry. When the rice mills are not

processing rice, they are engaged in production of rice bran oil, puffed rice, flattened rice, etc. This keeps the rice milling sector always well in demand. With rice mill sector involved in diversified range of activities, the alternatives for employment in the sector has also received an impetus. The significance of the sector has also to be understood in the context of the local economy. The economy of Burdwan is basically dependent of agriculture or cultivation of paddy. Thus, the region has little employment opportunities for people with low or no skill level. Thus, the rice milling sector emerged as a boon to the working population who have little or no intellectual acumen to compete in the labour market which needs high skill. The sector not only offers employment to such workforce but also has mitigated the migration of unskilled and semi skilled workforce to other states in search of work. With such a substantial and significant contribution towards employment generation, a study in the context of employment relations becomes imperative.

Research Gap:

As the Rice Mills sectors are mostly informal in nature and come under the purview of SMEs, it will be interesting to explore and examine the status of non-regular workers employed in the sector. Several researchers like Ram (1991), Rannie (1999), Wilkinson (1999) etc have highlighted the negative aspects related to SMEs in European countries. However, little research has been carried out on non-regular workers in Indian SMEs. As such it becomes imperative to explore and examine the aspects of non-regular workers in SMEs in India.

Research Objectives:

With the above perspectives in mind, the author has formulated the following research questions:

- What is the existing pattern of non-regular employment in the selected sector under study?
- How the non-regular workers in the Rice Mill Sector see employment relations in the rice mill sector?

In the light of above research questions, the research objectives for the present research include:

- To identify the existing pattern of non-regular employment in the selected sector under study.
- To understand the prevailing employment relations scenario in the Rice Mill sector.

Research Methodology:

The author has ascertained qualitative research method for the present research. The present research is exploratory in nature. Focus Group Meetings (FGM) has been used to gain valuable and in-depth understanding regarding the patterns and status of non-standard workers in the sector along with the prevailing employment relations in the sector. Focus Group Meeting is basically an informal discussion between groups of individuals who share common features within themselves (Anderson, 2013). Researchers like Ressel, Gualda & Gonzales (2002) considered the method as one of the main instruments used to explore or “focus” on some definite point in a broad subject. As such, the use of FGMs for the present research is well justifiable. Understanding the role played by employees in Human Resource Management has taken a centre stage in recent years (Guest, 2017). As the very purpose of the present research was to understand employment relations patterns from the perspective of the employees, FGMs are best

suited for such research as it offers valuable perspective from the participants' angle. Edmunds (2000) also highlights its importance in understanding the perceptions, opinions and motivations of the respondents.

Before conducting the FGMs, an unstructured questionnaire was framed to understand the existing patterns of employment relations in the sector. The questionnaire served as reference to conduct the FGMs. The questionnaire included questions like nature of employment, experience, welfare facilities, hiring practices, leaves etc. A total of 10 Rice Mills were surveyed and FGMs with around 72 workers employed in non-regular employment were held. The principle of homogeneity and socio economic characteristic similarity was kept in mind while conducting the FGMs (Malhotra & Dash, 2011). Language proved to be a barrier during the FGMS as the workers did not understand English. Therefore, the discussions were held in their native language, i.e. Bengali which was later translated in English. Being unstructured in nature, the focus group resulted in obtaining crucial information regarding employment relations practices in the sector, status of trade unions in the sector, influencing factors in employment relations, wage and bonus determination along with the views of the six significant dimensions of healthy employment relations, well being, collective representation, compulsion from management/ owner, regulations and joint decision making. The focus group held offered significant amount of qualitative data which have been utilized for analysis purpose. The following table presents the number of non-regular workers in the selected enterprises.

Table. 1 Name of Rice Mills

| Serial No. | Enterprises | Non regular workers |
|------------|-------------------------|---------------------|
| 1 | North Burdwan Rice Mill | 40 |
| 2 | Khetranath Rice Mill | 32 |
| 3 | Shibshakti Rice Mill | 30 |
| 4 | Hanuman Rice Mill | 30 |
| 5 | Agarwal Rice Mill | 50 |
| 6 | New Rice Mill | 50 |
| 7 | BanwariLal Rice Mill | 40 |
| 8 | Sri Ram Rice Mill | 28-30 |
| 9 | Madan Mohan Rice Mill | 44-45 |
| 10 | Gauri Shankar Rice Mill | 32 |

Discussion & Recommendations:

The FGMs conducted offered significant insights on employment relations in the agro based industries like the Rice Mill sector in West Bengal. The sector still is informal in nature with little support from government. To minimize the operational expenses the mill owners have started to adopt technological upgradation. But the practices is mostly confined to medium and large enterprises and the small enterprises still rely on workers for their daily operations. The most significant aspects of employment patterns in the rice mill sector is that it employs workers who are mostly hired on contractual or casual basis. These contractual or casual workers are known as '*motiyamajdoor*' in local language. The workers mostly come from nearby districts of Birbhum and Murshidabad. Workers from Orissa are also available in abundance. These workers are basically engaged in loading and unloading of the rice sacks from the trucks. Thus, these contractual workers perform the job which needs physical strength. The workers are hired through '*sardars*' or the labour suppliers. The workers are very much dependent on these '*sardars*' for their livelihood and employment. The '*sardars*' serve as major catalyst between the employers and the workers. The wages to the non-regular workers are paid on

daily basis. Their daily wage is around INR 190 perday. It was also observed that the wages by the employers were not directly paid to the workers. Generally the owner and the *sardar* entered into a verbal agreement and after the completion of the task the owner would pay the *sardara* lump sum amount equal to the minimum wages. The *sardar* then distributed the money among the *motiyamajdoors* or the non-regular workers after deducting his due commission. Thus, the employer remains elusive of his responsibility of monitoring and controlling the work undertaken by non-regular workers. During the FGMs the author also visited the houses provided by the owners or the employers within the premises of rice mills. Thus, it was clear that the workers were provided housing facility by the owners. The workers were offered medical benefits named as *Janata Policy* which was launched by the West Bengal Government. In case of any accident taking place the employers generally took care of the workers even if he/she is non-regular in nature. First aid boxes are available for the workers. To comply with the Factories Act, 1948 the employers maintained register for workers of all categories. But apart from these, no specific social security measures are available for the benefit of the non-regular workers from the side of the employers. The sector also employs security staff who are contractual in nature. They are

required to perform twelve hours duty and they are shifted every three months. Apart from salary, no other allowance are paid to them. The monthly salary paid to these security men is anything around five thousand rupees along with a pair of uniform. Most of these security men are hired through security agencies who collect their salaries directly from the owners and credit to them after deducting their due commissions. The conditions of these non-regular security men was found to be too pathetic and deplorable.

As far as the question of hiring practices are concerned, the non-regular workers (and regular as well) are hired through 'words of mouth'. No written appointment letter was offered to the workers. Firing of workers very rarely took place and the workers were free to leave the job at their personal will. The working hour of the non-regular workers are never fixed as they are required to perform loading and unloading whenever a truck arrives. They are given 62 days of leave per year. The workers in the sector agree to the fact that the employers or the owners do take of their needs. The employers stand by their side during times of need. They offer monetary assistance in case of marriage or any other function taking place at their homes. The non-regular workers were also paid bonus during the festive seasons. It was observed that even though the rice mill sector is highly labour intensive, the sector still is dependent on the non-regular workers. The number of permanent employees known as '*gaddisaff*' is getting reduced. But if it is happening the sector runs in a smooth manner and no disruption takes place due to trade unionism. The workers also do not see trade unions in positive light. This may be due to the fact that as the workers are non-regular in nature, they see troubles on employment if they join trade unions.

An effort has been made to propose some policy consideration issues for common good and welfare of the non-regular workers in the sector. The

regulatory agencies are quiet strong in the sector and frequent visits by the Labour Inspector, Labour Commissioner do take place. But the issues related to the non-regular workers are ignored. It is imperative that the regulatory agencies do come up with specific measures to ensure the maximum welfare of such workers. The non-regular workers employed through the *sardars* must be registered at the Labour Department so that appropriate steps can be taken in case of any contingency. During the visits and conducting FGMs it was found that many of the non-regular workers were keeping their families along with themselves. The children of these workers are not attending schools. A formal policy guideline in this regard is required where the employers can arrange for the schooling of such children with the help of government assistance. NGOs need to come forward and offer their expertise in better management of worker welfare in the sector. Employment relations in the rice mill sector are considered to be calm and quiet due to the 'paternalistic' approach by the employers. Much needs to be done from the side of the employers and government as well to make the sector more conducive for better and healthy employment relations. Policy guidelines for security men employed in informal sectors also needs to be formulated for the welfare of these non-regular workers.

Scope for Future Research:

The study was conducted in a single sector. Comparative studies undertaken in this regard may highlight other discrepancies in terms of employment relations. The comparative study with other agro based industries also needs to be taken to assess the status of non-regular workers and employment relations patterns. Also, as the study was qualitative in nature where the purpose was to 'inquire' rather than 'validate', there is need for quantitative research on the subject to examine status of non-regular workers and employment

relations. This will make the findings more holistic in nature. Policy related issues may also be carried on to identify and highlight policy frameworks for non-regular workers in the agro based industries in India.

Conclusion: Summing up, the paper throws some light on the status of non-regular workers in the Rice Mills in West Bengal and the existing employment relations scenario in the sector. Non-workers play a very crucial role in the agro based industries, specifically the rice mills. Not only male but female workers are also employed in huge numbers in the sector. The owners also acknowledge the important contribution of these workers. But unfortunately very little is done for these workers. The condition is worse in the sectors which are largely informal in nature, for example the rice mills. The present study will make the regulatory authorities think over the need to be more assertive in protecting the interests of the non-regular workers in the sector. But there is a silver lining in the sector as well. The employers, even the regulatory authorities do not do much for the non-regular workers, are paying considerable attention to the welfare of these workers. The initiatives taken by the owners may be small enough but it raises hope that at least the employers have waken to the fact that non-regular workers are indispensable for the smooth running of their enterprises. The day is not far when more organized efforts will be taken to ensure maximum benefit to this non-regular category of workers in the agro based industries all across the State and the country.

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