

The Globalisation and its likely impact on the Labour Absenteeism and Human Capital aspect in Indian Economy

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ABSTRACT: *It is a well known fact from the economic history of India that she resorted to close door economy after independence. The reasons behind this approach are not difficult to trace as the colonial past of the country took all her sheen and glory. India as a nation had lost all the confidence to compete with the outside world. The policy of protectionism was undertaken and it continued until some of our industries grew to level playing field with their foreign counterparts. Over the years this ancient country has once again grown with the challenges and responding to the fast sweeping changes taking place in the global economy. The closed door character of Indian Economy is slowly paving way now to a more open economy, once our industries have started achieving level playing field.*

Amidst all these developments, one issue of grave concern is also witnessing fast sweeping changes and it is the issue of human capital and labour absenteeism. However, it remains to be seen whether these swings are positively placed or negatively placed in the context of labour absenteeism and human capital. Present paper by the author is an attempt to throw light on some such aspects. The bigger issue is that Globalisation seems to change the very basic nature and structure of the Indian industries. Being a predominantly agrarian nation, Indian economy has a natural inclination towards labour intensive industries. However, Globalisation on the other hand with its dominant emphasis on mass production seems more positively poised for capital intensive kind of orientation. It is thus not very difficult to see that the context of labour and labour relations may also witness some changes amidst all these Globalisation governed forces. The paper is a thought provoking attempt by the author to portray some such ideas with reasoning in his paper. The policy makers will definitely find some utility and mettle in these ideas.

Key Words: *Globalisation, Human Capital, Labour absenteeism, Labour intensive, Capital Intensive*

1.0 Introduction

Globalisation has affected the way business is conducted all across the globe. Various nations on the surface of the earth are coming close to each other and managerial and technological transformations are taking place within the nations. Globalisation needs to be visualised in a broader prospective and this paper touches one such aspect related to the labour absenteeism. Labour Absenteeism is a major problem in almost all parts of the world. However, it becomes even more pronounced and contextual in case of a developing country like India with her own unique socio- economic fabrics. The issue of labour absenteeism becomes even more serious an issue in case of those economies where the wages and salaries given to the workers are not sufficient and they are forced to get themselves engaged in some other work to raise the finances to feed themselves and their families.

The forces of Globalisation appear to be more in favour of big multinational companies who are at advantage to produce on mass level to enjoy the benefits of economy of scale. However, the economies which are characterised by vast population with a sizeable population being poor, the issue of globalisation in the context of labour becomes a bit too complicated. The countries with vast populations like India need to provide employment to their people and for that the nature of industries has also to be compatible. In other words, these are labour intensive industries which are going to be more fruitful in overcoming the nuance of unemployment. Now it become more worthwhile to first visualise the nature and pattern of industries under the influence of globalisation before attempting to analyse the aspect of labour absenteeism in these economies. The issue of labour absenteeism cannot be studied in isolation with the nature and pattern of industrialisation. The factors governing the absence of a worker from his or her workplace depend to a great extent on the basic structure of the industry they belong to like capital or labour intensive along with many other factors. An attempt has been made in the paper to analyse the crucial issue of labour absenteeism from various perspectives and angles. The issue of human capital needs to be seen in the context of labour absenteeism.

It is not difficult to understand that poor state of human capital is one of the major reasons behind the

problem of labour absenteeism from the work place Though the problem of labour absenteeism can be traced in any business, any economy or the country but still it seems to be more pronounced in case of small scale business. It is this aspect of labour absenteeism coupled with forces of globalisation which makes this issue quite sensitive to our economy and circumstances. We all know the role played by small scale sector in Indian economy. It will not be unfair to say that it is the backbone of the Indian socio- economic fabrics. The great role played by this sector in export sector is a justification to its significant place in Indian economy. However as pointed out above the forces of globalisation seems to be more favourable placed with respect to the businesses with large scale and are not so much in favour of small scale business.

It can be said that Globalisation may result in further worsening the problem of Labour Absenteeism in the country. It is feared that the promotion to large scale business may lead to the downfall of small scale business thus resulting in more labour absenteeism in these businesses. It might well be possible that the poor workers working in these businesses may have to do some extra work somewhere to compensate for the otherwise falling levels of their income due to adverse impact of Globalisation. This may obviously cost their absence from the workplace. It is therefore high time to meaningfully analyse the impact of Globalisation on the labour absenteeism problem.

2.0 Objective of the study

The main objectives of the study are

1. To analyse the impact of Globalisation on Labour Absenteeism problem in the country.
2. To discuss the relevance of the issue of human capital in the context of Labour Absenteeism

3.0 Hypotheses of the study

The Hypotheses framed for the study corresponding to above objectives are declarative in nature and are as follows:

1. Globalisation has resulted in adversely affecting the problem of Labour Absenteeism due to various reasons like increased pressure of performance and disadvantage to labour intensive industries.
2. One of the major reasons behind the growing menace of Absenteeism is the poor state of human capital in Indian industries.

4.0 Research Methodology

Following approach is followed in carrying out the study:

1. The main source of data for the study is the secondary source in the form of govt publications.
2. First of all an effort is made to understand the nature and pattern of employment in the country with the help of secondary data.
3. It is done primarily in the context of the gender and nature of employment (Regular, contractual and casual)
4. The trends are analysed in light of globalisation
5. Thereafter an effort is made to analyse the overall trends of Labour Absenteeism in Indian Industries through secondary data.
6. In the absence of proper secondary data for indirect and casual workers, some rough inferences are drawn on the basis of available data for directly employed regular workers.
7. Finally Conclusion, Recommendation and Suggestions are given.

5.0 Nature and Pattern of Employment in the country

It has been pointed above that the issue of Labour Absenteeism needs to be analysed in light of the pattern of employment. Though it is an issue which is related to all sectors, even then its relationship with nature of employment cannot be ruled out all together. Keeping the same in mind, a description about the prevailing employment pattern in the country is being produced here with the help of the secondary data draw from **Quarterly Report on Employment Scenario (New Series), Govt of India, Ministry of Labour & Employment, Labour Bureau, Chandigarh**¹

The present survey covers all the establishments/ units in the segment of Non-farm Industrial economy having 10 or more workers in eight selected sectors viz. Manufacturing, Construction, Trade, Transport, Education, Health, Accommodation & Restaurants and IT/ BPO. The information was collected from around 10,600 units as a sample in these 8 sectors at all India level.

The table below drawn from the same document clearly reflects the dominance of manufacturing sector in giving employment to workers. One may expect lot of labour including manual in case of manufacturing

sector and thus this sector is more vulnerable to Labour Absenteeism. Unhealthy conditions may compel the worker to keep away from the work place of manufacturing. It is in this context that the issue of Labour Absenteeism assumes unique dimensions in case of the manufacturing sector of the country. It can again be pointed out here that the forces of Globalisation have resulted in rapid exploitation of natural resources through rampant manufacturing promoted by mass level production by big business giants of modern era.

Table 1.0: Estimated Employment in eight selected sectors

(in lakh)			
S. No.	Sector	Total Employment	(%) share
1	Manufacturing	101.17	49.30
2	Construction	3.67	1.79
3	Trade	14.45	7.04
4	Transport	5.80	2.83
5	Accommodation & Restaurant	7.74	3.77
6	IT/ BPO	10.36	5.05
7	Education	49.98	24.35
8	Health	12.05	5.87
Total		205.22	100

The issue of Labour Absenteeism has one more unique dimensions attached to it and it is the gender related issues. We all know that female workers are more likely to face the absenteeism problem due to their inherent involvements and preoccupation in family and children related responsibilities. In the next table which is again drawn from the same source, an idea about the composition of male and female workers in the selected sectors for the survey is being presented. Some interesting facts can be noticed from this table given below. The sectors like Education, Health, IT/BPO are more employment friendly to women workers due to less involvement of tedious and manual task. Their share of employment is the least in case of manufacturing sector.

Table 2.0: Estimated Employment (in lakh) in Eight Sectors by Gender

S. No.	Sector	Male	(%) share	Female	(%) Share	Total Employment
1	Manufacturing	82.60	81.64	18.57	18.36	101.17
2	Construction	3.11	84.74	0.56	15.26	3.67
3	Trade	11.82	81.80	2.63	18.20	14.45
4	Transport	5.14	88.62	0.66	11.38	5.80
5	Accommodation &	6.53	84.37	1.21	15.63	7.74
6	IT/ BPO	7.12	68.73	3.24	31.27	10.36
7	Education	25.51	51.04	24.47	48.96	49.98
8	Health	6.24	51.78	5.81	48.22	12.05
Total		148.07	72.15	57.15	27.85	205.22

Not only the issue of gender but also the nature of their employment is of great concern with respect to the labour absenteeism problem. Regular, contractual and casual are the three categories covered in the survey. The table given below highlights the same.

Table 3.0: Estimated Employees in 8 Sectors by nature of job (in lakh)

S. No.	Sector	Regular	Contract	Casual	Total
1	Manufacturing	76.58 (77.84 %)	15.57 (15.83%)	6.23 (6.33 %)	98.38 (100 %)
2	Construction	2.30 (64.42 %)	0.59 (16.53%)	0.68 (19.05 %)	3.57 (100%)
3	Trade	11.64 (85.09%)	1.32 (9.65%)	0.72 (5.26%)	13.68 (100 %)
4	Transport	4.65 (81.44 %)	0.75 (13.13 %)	0.31 (5.43 %)	5.71 (100 %)
5	Accommodation & Restaurant	6.03 (83.29%)	0.86 (11.88 %)	0.35 (4.83 %)	7.24 (100%)
6	IT/ BPO	9.23 (89.53%)	0.83 (8.05%)	0.25 (2.42 %)	10.31 (100 %)
7	Education	42.80 (87.29 %)	5.05 (10.30 %)	1.18 (2.41 %)	49.03 (100%)
8	Health	9.73 (82.88 %)	1.63 (13.88 %)	0.38 (3.24 %)	11.74 (100 %)
Total Employees		162.96 (81.62 %)	26.60 (13.32 %)	10.10 (5.06 %)	199.66 (100 %)

Note: Figures in parentheses are % of employees in total employees in a particular sector and for total employees.

We can thus see from above table that in each sector a good percentage of workers are casual and contractual in nature. Regular workers have more job security and more regular income in comparison to their casual and contractual counter parts. It will be worthwhile to point out here that the policy makers must frame the policies in such a fashion that the regular employment gets a boost up in all sectors of the economy.

One more interesting aspect related to the issue of Labour Absenteeism is the maintenance of proper records of employment. The table below drawn from the same source highlights the same. It can be seen that only IT/BPO is the sector where the records of 100% employees is maintained. Almost in all other sectors 1005 records of employment are not being maintained. To effectively carry out the studies on Labour Absenteeism, proper maintenance of such records is of great significance. It is mostly those vulnerable sections of the workers who are more pruned to Absenteeism whose proper employment data is missing in most of the cases and not maintained properly by the companies employing them. There is an urgent need to check this practice.

Table 4.0 : Percentage Distribution of sample establishments by maintenance of record on employment

S. No.	Sector	Maintain record of Employment (%)	
		Yes	No
1	Manufacturing	94.01	5.99
2	Construction	95.16	4.84
3	Trade	97.11	2.89
4	Transport	97.39	2.61
5	Accommodation & Restaurant	95.86	4.14
6	IT/ BPO	100.00	0.00
7	Education	98.96	1.04
8	Health	98.97	1.03
Total		95.86	4.14

It can be seen that the sector most vulnerable to Labour Absenteeism is having maximum percentage of employment unrecorded or in other words no proper employment records are maintained for maximum percentage out of total employed in comparison to all the sectors covered in the survey.

Table 5.0 : Employee by employment status and gender (in lakh)

Sl. Sector	Regular		Contract		Casual		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
1 Manufacturing	62.83	13.75	12.75	2.82	4.82	1.41	80.40	17.98
2 Construction	1.97	0.33	0.49	0.1	0.56	0.12	3.02	0.55
3 Trade	9.55	2.09	1.14	0.18	0.6	0.12	11.29	2.39
4 Transport	4.09	0.56	0.69	0.06	0.28	0.03	5.06	0.65
5 Accommodation & Restaurant	5.23	0.8	0.72	0.14	0.28	0.07	6.23	1.01
6 IT/ BPO	6.29	2.94	0.62	0.21	0.16	0.09	7.07	3.24
7 Education	21.61	21.19	2.54	2.51	0.64	0.54	24.79	24.24
8 Health	4.88	4.85	0.95	0.68	0.19	0.19	6.02	5.72
Total	116.45	46.51	19.9	6.7	7.53	2.57	143.88	55.78

Above table reflects upon the Regular, Contractual and Casual nature of workers in all these eight sectors covered. It can be amply visualised from the ongoing discussion that out of the all categories of employees, two are the most vulnerable to Labour Absenteeism namely Women employee and Casual & Contractual workers. In case of women casual and women contractual workers, the issue becomes even more complex and challenging.

6.0 The statistics related to Labour Absenteeism in the country

In this section, an effort is being made by the author to throw light on the issue of Labour Absenteeism with the help of some data taken from the secondary sources. Most of the deliberations in this section are based on the data drawn from **Report on Absenteeism and Labour Turnover, Employment and Labour Cost (Annual Survey of Industries 2012-13), Volume-II, Govt of India, Ministry of Labour & Employment, Labour Bureau, Chandigarh/ Shimla²**

The major challenge being faced by the researchers in conducting studies on Labour Absenteeism is primarily due to the lack of proper maintenance of record about casual and indirect workers. It reflects from the fact that the data from Govt. Publications can only be obtained for directly employed regular workers. It can be amply seen from the table below that the problem of Labour Absenteeism is prevailing among all the states of India. Both public and private sector is under the grip of it. The percentage of Absenteeism during 2011 in public and private sector was respectively 8.87 and 7.04 respectively. The same percentage for the year 2012 stood at 8.10 and 8.95 respectively.

There is an urgent need to bring down the Absenteeism percentage in Indian industries. Forces of globalisation may bring more pressure of performance on the workers in Indian industries thus making the things even more challenging on this front for the country.

Table: 6.0

Absenteeism Rates amongst Directly Employed Regular Workers by States during the Year 2012-13

S No	State/U.T.	No. of Factories Reporting Directly Employed Regular Workers	Percentage of factories Reporting Absenteeism	Mandays Scheduled to Work {in '000'}	Mandays Lost Due to Absence {in '000'}	Percentage of Absenteeism During the Year	
						2012	2011
1	2	3	4	5	6	7	8
1	Jammu & Kashmir	718	99.44	2930	184	5.92	5.71
2	Himachal Pradesh	2323	99.91	21876	3786	14.75	9.72

3	Punjab	8148	99.39	41826	5289	11.23	9.98
4	Chandigarh	261	100.00	1262	120	8.72	5.67
5	Uttrakhand	1910	94.00	7389	1689	18.61	8.39
6	Haryana	4291	98.99	29569	3282	9.99	10.95
7	Delhi	2679	99.81	10456	1251	10.68	14.42
8	Rajasthan	6013	93.31	468539	7045	1.48	9.14
9	Uttar Pradesh	10037	98.09	48343	5334	9.94	9.21
10	Bihar	1158	96.93	2839	289	9.25	5.25
11	Sikkim	53	100.00	1010	10	0.95	1.96
12	Nagaland	67	47.76	433	0	0.04	0.55
13	Manipur	22	100.00	46	3	5.20	5.80
14	Tripura	73	91.78	556	24	4.10	0.87
15	Meghalaya	83	100.00	78	22	21.78	2.67
16	Assam	1666	81.05	12060	506	4.03	5.30
17	West bengal	5794	98.24	61611	6457	9.49	8.43
18	Jharkhand	1237	94.51	10729	990	8.45	7.30
19	Odisha	1620	95.62	10666	727	6.38	9.40
20	Chhattisgarh	1966	98.44	19262	1122	5.51	5.23
21	Madhya Pradesh	3022	99.31	21068	2397	10.21	6.65
22	Gujarat	15507	99.61	150106	16470	9.89	8.05
23	Daman & Diu	1255	100.00	10454	2019	16.18	10.32
24	Dadra & Nagar Haveli	912	100.00	10619	1360	11.36	8.48
25	Maharashtra	18212	98.52	134208	16740	11.09	11.07
26	Andhra Pradesh	7938	95.86	43111	2665	5.82	5.64
27	Karnataka	8445	98.93	107372	10406	8.84	9.76
28	Goa	454	99.56	2523	642	20.28	10.05
29	Kerala	5703	98.92	51083	8914	14.86	12.02
30	Tamil Nadu	22226	99.33	193500	15118	7.25	7.06
31	Puducherry	535	95.89	5230	401	7.11	38.68
32	A & N Islands	12	100.00	7	13	63.79	9.88
33	Telangana	6872	91.62	47685	2823	5.59	-
	All India	141213	97.84	1528446	118097	7.17	8.90
	Public	3129	97.80	106649	10386	8.87	8.10
	Private	138083	97.84	1421798	107712	7.04	8.95

Without the proper maintenance of records of indirect and casual workers, nothing concrete can be said about the state of affairs of Labour Absenteeism about them but as a thumb rule it can be said the situation is far more grim considering the already high Absenteeism rate in case of regularly employed workers.

TABLE 7.0
Absenteeism Rates amongst Directly Employed Regular Workers in States by Sectors Level during the Year 2012-13

S No	State/U.T.	Percentage of Absenteeism By Sectors		
		Public Sector	Private Sector	Overall
1	2	3	4	5
1	Jammu & Kashmir	4.82	6.09	5.92
2	Himachal Pradesh	10.81	14.87	14.75

3	Punjab	24.50	10.85	11.23
4	Chandigarh	4.63	8.83	8.72
5	Uttrakhand	19.38	18.32	18.61
6	Haryana	5.22	10.24	9.99
7	Delhi	22.96	10.65	10.68
8	Rajasthan	14.48	1.41	1.48
9	Uttar Pradesh	6.05	10.14	9.94
10	Bihar	10.61	9.09	9.25
11	Sikkim	1.32	0.93	0.95
12	Nagaland	0.01	0.08	0.04
13	Manipur	4.92	5.22	5.20
14	Tripura	2.10	4.13	4.10
15	Meghalaya	100.00	21.06	21.78
16	Assam	3.34	4.16	4.03
17	West bengal	9.21	9.54	9.49
18	Jharkhand	6.27	9.51	8.45
19	Odisha	6.63	6.30	6.38
20	Chhattisgarh	6.34	4.90	5.51
21	Madhya Pradesh	3.30	12.13	10.21
22	Gujarat	9.64	9.90	9.89
23	Daman & Diu	13.70	16.31	16.18
24	Dadra & Nagar Haveli	6.14	11.48	11.36
25	Maharashtra	6.40	11.64	11.09
26	Andhra Pradesh	3.24	6.27	5.82
27	Karnataka	8.71	8.85	8.84
28	Goa	40.78	15.48	20.28
29	Kerala	20.63	13.74	14.86
30	Tamil Nadu	7.55	7.22	7.25
31	Puducherry	4.19	7.84	7.11
32	A & N Islands	100.00	55.49	63.79
33	Telangana	7.00	5.47	5.59
	All India	8.87	7.04	7.17

We thus find that the problem of Labour Absenteeism is prevalent both in public as well as private sector of the country. In some states it is more in public sector and in some others, reverse is the case. However, the national average in case of both public and private sector is quite close.

7.0 Conclusion

It can be thus seen from the deliberations by the author in the paper that there is ample evidence to accept both the hypotheses of the study. In case there is no direct support from the secondary data, some logical inferences are drawn by the author in support of the hypotheses put forward for the purpose of conducting the study. The forces of Globalisation seems to be more in favour of large scale business and less with small scale an labour intensive industries. The improper maintenance of employment records pose a severe challenge to researcher in carrying out the studies on Labour Absenteeism.

The data shows that the manufacturing sector accounts for the sizeable employment which is drawn from a govt publication covering non farm sector survey only. The women employee is more employed in case of sectors like education, health, IT/BPO whereas there percentage is less in case of manufacturing sector. The severity of Labour Absenteeism is more pronounced in case of Indirect, casual and women workers. The problem of Labour Absenteeism can be seen throughout the country as shown in the data for different states. Globalisation seems to adversely impact the human capital aspect of Indian business and which in turn may further complicate the problem of Labour Absenteeism in Indian industry.

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