

ASSOCIATION BETWEEN LEGAL COMPLIANCE OF LABOUR LAWS AND JOB SATISFACTION: A FLOOR LEVEL STUDY IN NALBARI INDUSTRIAL ESTATE

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Abstract:

The industrial sector plays a crucial role in today's dynamic economic scenario. While it generates employment and contributes to economic growth, it is equally important to ensure that the rights and welfare of the workers are protected. Unfortunately, workers often face challenges such as unsafe working conditions, unfair wages, and a lack of awareness of their legal rights, which can significantly impact their overall well-being. To address these issues, it is essential to ensure that industrial units comply with legal provisions and regulations. The present study focuses on the challenges faced by industrial labour in the Nalbari Industrial Estate regarding legal compliance. The study aims to examine the correlation between the satisfaction level of the workers and the compliance of the industrial units with legal provisions. By identifying the challenges and analyzing the factors that contribute to legal compliance, the study can provide valuable insights into improving the working conditions of the workers and promoting their welfare.

Keywords: *Legal Compliance, Industrial Labour, Satisfaction Level*

JEL Codes: K2, J3, I3

Introduction:

The problem and prospects of industrial labour have always been a topic of concern. In today's dynamic and evolving industrial scenario, ensuring legal compliance in industrial units is crucial for the welfare and rights of the workers. As industrialization continues to be part of economic growth, the issues surrounding industrial labour, especially legal, have gathered significant attention. Within the industrial sector of a nation, we can say that labourers are the driving force, responsible for producing goods and services that fuel the growth process. However, the complexities of industrial work often lead to various challenges that affect the well-being of the workers as well as the harmonious relationship between employers and employees and prevent them from enjoying their legal rights. These challenges include a wide range of issues like workplace safety, working hours, fair wages, provisions relating to health, etc.

In 2020, in India, there were around 476.67 million workers, which is the second largest after China. Out of which, the agriculture industry consists of 41.19%, the industry sector consists of 26.18%, and the service sector consists of 32.33% of the total labour force. The Indian labour force consists of

both organized and unorganized sectors. Over 94% labour force works in unorganized sectors, which are unlicensed, unregistered enterprises or economic activities. Only the remaining are engaged in the organized sector, which includes state-owned enterprises, private-sector enterprises, or any licensed organization. Many workers in industrial sectors, particularly those in low-skilled positions, earn inadequate incomes that are barely enough to cover basic needs. Low wages can lead to financial insecurity, making it difficult for workers to afford healthcare, education, and decent housing. The prevalence of informal employment arrangements makes the case even worse. Workers are hired on a casual or temporary basis, where they are often paid below the minimum wage or do not receive benefits such as paid leave or compensation.

One of the primary challenges faced by industrial workers in complying with legal regulations is the lack of awareness and understanding of their rights. Most of the workers are unaware of the specific laws and regulations that govern their working conditions, wages, and safety standards. This lack of knowledge makes it difficult for them to stand up for their rights and ensure that their employers are abiding by the law. One of the significant problems faced by industrial labour regarding legal compliance is the violation of labour laws and regulations by employers. They often fail to comply with minimum wage laws, working hour limits, and safety standards. This non-compliance can result in workers being paid below what they are entitled to, being forced to work excessive hours without proper breaks, and being exposed to hazardous working conditions. Furthermore, there is often a lack of enforcement and monitoring of labour laws by regulatory authorities. Weak governance can hinder the effective implementation of labour regulations, allowing employers to continue exploiting workers' rights without facing any consequences. Moreover, the lack of awareness and knowledge among the workers regarding their legal rights leaves them vulnerable to exploitation and makes it challenging for them to hold their employers accountable for non-compliance.

When it comes to the challenges relating to legal aspects, “Nalbari Industrial Estate”, located in the state of Assam, is no exception. This study aims to explore the challenges faced by industrial labour in terms of legal compliance in Nalbari Industrial Estate, such as unsafe working conditions, unfair wages, workers' safety, and how low compliance with legal rights affects their overall well-being.

Objective of the study:

The study is intended to examine the correlation between the satisfaction level and the compliance of legal provisions by the industrial units.

Review of Literature:

Several studies have been conducted on the challenges facing industrial labour at both national and international levels. These studies have revealed some important findings. For instance, Stojković-Zlatanović (2021) noted that the fourth industrial revolution and the digitalization of production and labour have positively impacted economic and social development. However, it has also raised legal issues regarding the status of workers. Chowdhury et al. (2020) found that labour laws are crucial for the industrial development of Bangladesh, but employees often lack the necessary education and knowledge about labour laws. Frawley et al. (2020) discovered that HR practitioners play a critical role in promoting compliance with labour law, and they should take steps to ensure compliance. Duara et al. (2019) found that women make up more than half of the total workforce in the tea plantation industry in Assam, yet they remain marginalized in many aspects of the industry. Kwankye (2012) found that worker characteristics, such as age, gender, and educational level, significantly impact compliance with occupational health and safety regulations. Bordogna (2012) found that the decline of collective bargaining and trade union action is related to globalization, technological and organizational trends, and the need for greater flexibility for companies. Mishra et al. (2011) observed that the Indian tea industry has been facing a severe crisis since the post-liberalization period, leading to declining living standards and worsening human security for tea garden labourer in Assam. Chan (2010) found that Chinese workers have the potential to challenge the global manufacturing system and their wages and working conditions. Bhowmik (2008) mentioned that the labour force in India is diverse and has grown since Independence, and there is a need for closer links between labour in the organized and unorganized sectors. Anant et al. (2006) noted that structural reforms in India have not improved labour market outcomes for large segments of the labour force. Finally, Hart (2000) and Breman (1999) both addressed the decline of industrial labour and the shift in labour relations towards economic ties, with the former noting the decline of unions and the latter warning against policies that seek to deregulate labour. The Indian tea industry, particularly has been in crisis since the post-liberalization period, with laborers facing declining living standards and worsening human security. Chinese workers have the potential to challenge the global manufacturing system. The local and central Indian states have enforced labour regulations, increased the minimum wage rate, and introduced new labour legislation to better protect workers. However, structural reforms in India have not improved labour market outcomes for large segments of the labour force, and unions are in retreat. Labour relations are undergoing radical change and policies that seek to deregulate labour endanger the process of self-won freedom of labour. The way the workers work has changed a lot due to the introduction of new technologies and digitalization. This has had a positive impact on the economy and society. However, these changes have also created new legal issues that need

to be addressed. it is needed to ensure that workers are protected and have the necessary legal framework to support these new forms of work.

In some countries, employees are not aware of their rights due to a lack of education and knowledge about labour laws. This can lead to delayed remedies when disputes arise. HR practitioners can play an important role in promoting compliance with work laws. They need to be aware of the potential consequences of non-compliance and take steps to ensure compliance. Women make up more than half of the industrial workforce in Assam, but they often face poor working conditions and health hazards. This is due to a lack of social welfare activities and inadequate support from the State. It needs to be examined the intersectionality of gender and class and workplace inequalities to ensure that women workers are not marginalized. Some studies have also shown that worker characteristics, such as age, gender, and educational level, can impact compliance with occupational health and safety regulations. Workers with higher levels of education are more likely to comply with safety regulations than those with lower levels of education. Implementation of safety training programs and provision of safety equipment can improve compliance with safety regulations. The decline of collective bargaining and trade union action is linked to globalization and technological and organizational trends. government must play a role in safeguarding industrial relations and collective bargaining to ensure the rights of workers.

In short, there are many challenges facing the labour market today, including declining living standards, worsening human security, and declining employment opportunities. The challenges must be addressed to create a better future for workers.

Data and Methodology:

A study was conducted to gather information on the issues faced by industrial labour concerning legal compliance. The study's nature is both descriptive and analytical, and it focuses on the topic "Problems and Prospects of Industrial Labor: A Study of Legal Compliance in Industrial Units of Nalbari Industrial Estate." The information was collected from both primary and secondary sources. The primary data was mostly gathered by surveying the Nalbari Industrial Estate, while the secondary data was collected from books, journals, and other relevant sources.

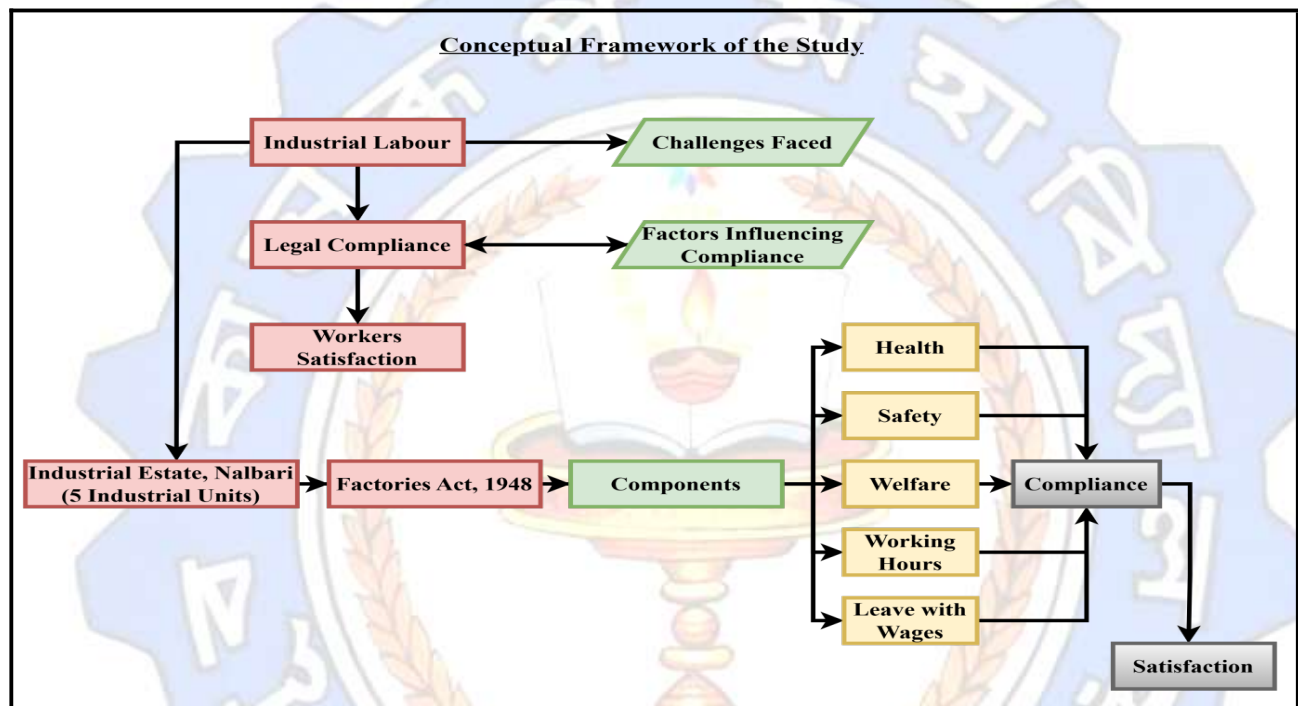
The study examined the effects of the Factories Act, of 1948 on industrial workers' well-being, including health, safety, welfare, working hours, and leave with wage. Primary data was collected from five industrial units in Nalbari. The analysis compared conditions and outcomes before and after the Act's implementation. The findings showed impacts on health, safety, welfare, working hours, and leave with wages. The study proposed further research and policy considerations, emphasizing the need for comprehensive studies and regular updates and enforcement of the Act's provisions.

Hypothesis:

Based on the literature review following hypotheses were developed:

H₀:1. There is no significant correlation between the Satisfaction Level of workers and the Compliance Ratio of Legal Provisions of the industrial units under consideration.

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Defining the Variables:

Independent Variable: The Independent Variable of the study is the Compliance Ratio of Legal Provisions.

Dependent Variable: The Dependent Variable of the Study is the Satisfaction Level of the workers.

Compliance Ratio is the extent of the adherence to the legal provisions by the industrial units. The compliance Ratio is calculated on 5 Sub-variables.

Calculation of Compliance Ratio and Satisfaction Level:

The Compliance Ratio and Satisfaction Level are calculated as follows:

$$\text{Compliance Ratio} = \frac{(\text{No. of Yes})}{(\text{No. of Respondents})} \times 10$$

$$\text{Satisfaction Level Score} = \frac{[(1 \times \text{No. of Respondent}) + (2 \times \text{No. of Respondents}) + \dots + 10 \times \text{No. of Respondents}]}{(\text{Max Score})} \times 10$$

Results and Discussion:

The study aims to analyze the satisfaction levels of respondents with different components by examining the scores they have provided. By evaluating these scores, it seeks to understand the overall satisfaction of the respondents and identify areas that may need improvement. This analysis aims to provide insights into how well each component is meeting the expectations and needs of the respondents, ultimately helping to inform decision-making and improve overall satisfaction levels.

Degree of Satisfaction with Various Components:

Sub-variables	No. of Respondents										Score = $\frac{(1 \times \text{No. of Respondent}) + (2 \times \text{No. of Respondents}) \dots}{(\text{Max Score}) \times 10}$	Max Score
	1	2	3	4	5	6	7	8	9	10		
Basic Facilities					1	8	13	7	13	8	7.94	500
Safety Measures						5	11	14	3	18	8.52	500
Welfare Measures				2	9	10	23	6		3	7.04	500
Working Hours						2	2	5	4	36	9.24	500
Leave with Wages					7	9	22	6	2	2	6.58	500

Excel Calculation

The report provides a detailed overview of the satisfaction score for different components based on the number of respondents. The score is calculated using a formula that considers the number of respondents and the maximum score. The report consists of various components and their corresponding scores.

The Basic Facilities component scored a satisfaction score of 7.94, and it was rated by 8 respondents. The Safety Measures component scored a satisfaction score of 8.52, and it was rated by 11 respondents. The Welfare Measures component scored a satisfaction score of 7.04, and it was rated by 9 respondents. The Working Hours component scored a satisfaction score of 9.24, and it was rated by only 2 respondents. Finally, the Leave with Wages component scored a satisfaction score of 6.58, and it was rated by 9 respondents.

The report was generated using Excel, which helped in analyzing the data and preparing the report in an organized and presentable manner.

Consolidated Figures for Mean Compliance Ratio and Degree of Satisfaction:

Sub-Variables	Level of Satisfaction	Mean Compliance Ratio
Basic Facilities	7.94	5.96
Safety Measures	8.52	5.48
Welfare Measures	7.04	4.31
Working Hours	9.24	1.45
Leave with Wages	6.58	6.3

Source: Author's Calculation

The above table presents the consolidated figures for the mean compliance ratio and degree of satisfaction in various sub-variables. These sub-variables include a level of satisfaction, basic facilities, safety measures, welfare measures, working hours, and leave with wages. The mean compliance ratio and level of satisfaction have been listed for each of these sub-variables.

In terms of basic facilities, the mean compliance ratio is 7.94 while the level of satisfaction is 5.96. For safety measures, the mean compliance ratio is 8.52 and the level of satisfaction is 5.48. For welfare measures, the mean compliance ratio is 7.04 and the level of satisfaction is 4.31. In regards to working hours, the mean compliance ratio is 9.24 while the level of satisfaction is only 1.45. Lastly, for leave with wages, the mean compliance ratio is 6.58 while the level of satisfaction is 6.3.

Tests For Normal Distribution of Level of Satisfaction

	Statistics	p
Kolmogorov-Smirnov	0.18	.989
Kolmogorov-Smirnov (Lilliefors Corr.)	0.18	.514
Shapiro-Wilk	0.97	.874
Anderson-Darling	0.21	.852

The table above displays the results of statistical tests conducted to determine if the level of satisfaction data follows a normal distribution. The tests used were Kolmogorov-Smirnov, Kolmogorov-Smirnov (Lilliefors Correction), Shapiro-Wilk, and Anderson-Darling. The p-values for each test are listed, with values ranging from 0.514 to 0.989. These tests help to assess the normality of the data distribution, indicating whether it is skewed or symmetrical.

Tests for Normal Distribution of Mean Compliance Ratio:

	Statistics	p
Kolmogorov-Smirnov	0.25	.831
Kolmogorov-Smirnov (Lilliefors Corr.)	0.25	.472
Shapiro-Wilk	0.85	.188
Anderson-Darling	0.53	.176

The table above shows the results of tests conducted to determine the normal distribution of the mean compliance ratio. The tests were conducted using four different statistical methods, namely Kolmogorov-Smirnov, Kolmogorov-Smirnov (Lilliefors Corr.), Shapiro-Wilk, and Anderson-Darling. For the Kolmogorov-Smirnov method, the p-value obtained was 0.25, with a test statistic of 0.831. For the Kolmogorov-Smirnov (Lilliefors Corr.) method, the p-value was also 0.25, with a test statistic of 0.472. The Shapiro-Wilk method yielded a p-value of 0.85, with a test statistic of 0.188, while the Anderson-Darling method produced a p-value of 0.53, with a test statistic of 0.176.

Correlation:

	r	p
Level of Satisfaction and Mean Compliance Ratio	-0.66	.226

A Pearson correlation was performed to determine if there was a correlation between the variables- *Level of Satisfaction* and *Mean Compliance Ratio*. There was a high, negative correlation between the variables *Level of Satisfaction* and *Mean Compliance Ratio* with $r = -0.66$. Thus, there was a high, negative association between the *Level of Satisfaction* and *Mean Compliance Ratio* in this sample. The result of the Pearson correlation showed that there was no significant correlation between the *Level of Satisfaction* and *Mean Compliance Ratio*, $r(3) = -0.66, p = .226$.

Thus, the null hypothesis that there is no correlation between Mean Compliance Ratio and Satisfaction Level may be accepted.

Conclusion:

The study found that simply following legal compliance regulations is not enough to ensure employee satisfaction. To address these issues, the education system in India needs significant improvements to meet the demands of the 21st century. These improvements should include better teacher training, updated curriculum, infrastructure upgrades, and promoting inclusivity and diversity. Key stakeholders should work together to achieve this goal and prepare students for success. To improve employment opportunities in rural areas, the government should focus on initiatives such as modernizing agriculture, developing rural infrastructure, and providing skill training for rural industries. Encouraging rural entrepreneurship and promoting decentralized industries can also help boost rural economies. Legal literacy can be an effective tool to promote human rights and empower people. It can help individuals recognize their civil, political, social, and cultural rights, leading to fewer injustices. Unfortunately, many workers in India are unaware of their legal rights, which contributes to discrimination in the workplace. Graduates are often forced to work as labourers in industrial units, which highlights the flaws in the Indian educational system and employment scenario. While some industrial unit managers provide employee benefits, the government needs to implement stronger rules to ensure proper maintenance checks are carried out. The lack of awareness of legal rights among workers suggests that the legal system needs to do more to educate people about their rights.

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