

# AN ANALYSIS OF CONTRACTUAL WORK: AN ALTERNATIVE TO PERMANENT JOBS

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## **Introduction**

Unemployment is a key issue and when unemployment is high, services are lost and people's wages are depressed; economic hardship often spills out during those times to affect the emotions and family lives of people. The study indicates that employee morale and engagement are closely linked to the working environment and the level of employee satisfaction with their employment.

After looking at various reports, it can be observed that contract workers are becoming extremely common these days, and most companies favor this method. Although contract-based work can improve employee productivity levels, it often has many negatives, despite many benefits, and causes many employee problems. For staff, temporary jobs can create a sense of discontent and mental illness. The authors want to check here for the possible variables and the atmosphere that offer maximum incentives for employers and workers, happiness, choice of individuals, a feeling of success, a happier life, prospects advancements or promotions, actions of superiors, the actions of parents and peers subordinates of government employers and of contract employees permanent staff officers. Finally, suggestions on policy making for employee recruitment, particularly in the public sector will be made.

## **Contractual Employment**

Contract jobs entails recruiting a worker for a particular position for a specified amount of time on strict conditions. A contract worker (or self-employed worker) is not considered a permanent employee and is not qualified for the normal procedures and systems of an organization for the compensation and accommodations offered to permanent workers. The contract employee work contract summarizes the benefits to be rendered, any reporting provisions, confidentiality agreements, rates of payment, how intellectual property is done, terms of employment and termination clauses (usually that either party can end the contract within an agreed-upon notice period). Usually, it is accompanied by a job statement which clearly describes what should be done, how, where, and to what standards of consistency.

In contract employment various benefits are rewarded such as service abundance, less stress, higher gross standard of living, flexibility, scheduled time off and rapidly increasing growth. Contract jobs can sound like an opportunity where workers are not well paying. It doesn't extend to all cases. In reality, contract work provides workforce options where workers can earn as often as they want. Part-time employment allows more than one career opportunity if allowed by legislation, freelancing is another alternative where employees can have as many positions as they can afford and they will not depend on a single source of income.

There are different types of employment contracts: full time employment contract, part time employment contract, zero hour employment contract, casual employment contract, annualised hours etc.

## **Permanent Employment**

Permanent employment covers all things in Section of the employment rights act 1996. Permanent workers work with an employer and are employed by the employer directly. There is no predetermined end date of employment for permanent workers. They also earn incentives like free health insurance, paid breaks, holidays, sick leave, or donations to a 401(k) savings account in addition to their salaries. Permanent workers are also able to move roles within their workforce in their companies.

In permanent employment, various benefits are given to the employees such as health and other insurance coverage, retirement benefits and pension plans, paid and unpaid off, various types of leaves such as medical, cc etc., Close Professional Relationships, stability and certainty of job security.

## **Problems To Be Addressed**

This article concerns one of the major employment alternatives of permanent employment which is gaining popularity in these times, i.e Contract employment. Job seeking employees are looking for more flexibility and more freedom in their work. In permanent employment people have been limited to a particular zone which leads to them ending up in the same position and they do not have the chance to explore their inner skills. There also not much variation in your work and as compared to contract employment lower payment is there in permanent employment.

## Case Studies

### (1) SATISH CHANDRA ANAND Vs. UNION OF INDIA<sup>[1]</sup>

In October 1945, in the Directorate-General of Resettlement and Employment of the Ministry of Labour, the petitioner was hired by the Government of India on a five-year contract. This was after the Federal Public Service Commission was appointed. He was appointed as Manager of the Sub-Regional Job Exchange in Jabalpur in January 1946 after a short period of practical training and was later confirmed. This service contract was set to expire in 1950. Shortly before its expiry, the Government of India submitted to it a new bid, contained in its letter dated 30-6-1950, to continue in service at the expiry of its contract, subject to the conditions laid down in that letter. Among them were the following:

*"(3) Other conditions of service:—On the termination of your contract you will be allowed to continue in your post temporarily for the period of the Resettlement and Employment Organisation and will be governed by the Central Civil Services (Temporary Service) Rules, 1949 unless you are a permanent Government servant."*

In the letter to the Ministry of Labour, he was asked if he was willing to stay in service under certain conditions and he admitted that he welcomed the offer and stayed in service. He was not a permanent government employee, although it was argued that he was on a five-year contract and that the job for which he was working, namely resettlement and employment, was only temporary in itself. The Temporary Service Laws are also valid. The following conclusions were reached: (a) The service of a temporary government employee who is not in quasi-permanent service shall be subject to termination at any time by written notice given either by the government employee to the appointing authority or by the appointing authority to the government employee. (b) Such notice shall be for a period of one month, unless otherwise decided by the government and the appointing authority.

### (2) LAXMAN PRASAD VS PRODIGY ELECTRONICS LTD. & ANR<sup>[2]</sup>

'Prodigy Electronics Ltd.'-plaintiff was founded and incorporated under the laws of Hong Kong and under the name and style 'Prodigy Electronics, Hong Kong, is engaged in the business of trading electronic goods. The company's operation requires a keen awareness of the consumer requirements so that the goods can be produced to the customers' unique needs. And at affordable prices, they can be made available. According to the company, under the trade name and trade mark 'Prodigy Electronics' in the field of electronics in general and PCBs in particular, it has established a solid reputation in India. The defendant (appellant herein) joined Prodigy Electronics in India on 22 July 2002 as a representative for the Company's promotion of PCB goods in India, according to the plaintiff-Company.

However, after relocating to India in October 2004, the defendant tendered his resignation by email on the basis of personal problems, according to the firm. While the Company gave the defendant assurance to help his personal issues, the defendant did not withdraw the resignation and therefore, on December 20, 2004, his work was terminated. According to the Company, on December 20, 2004, the defendant sent another email assuring the Company that while he would continue to be involved in the marketing of PCB products, he would continue to be involved in the marketing of PCB products. It is the company's claim that the defendant contacted the company's prospective customers and told them that he represented 'Prodigy'. The organizers of the Trade Fair told the company that Multi Circuit Board (CHINA) Ltd., Hong Kong, participated in the fair in the course of inquiries about the data produced about PCB customers and that information could be obtained from the fair. The Company was also told that the defendant had registered a deceptively identical domain name 'as far back as October 5, 2004, when the Company was still employed. The Organization was then persuaded that due to personal reasons or family issues, the defendant had not resigned but wished to exploit sensitive information that the company also discovered that on July 16, 2004, when he was stationed in Hong Kong and still working with the company, the defendant had formed a company under the name and theme of 'Canton Treasure Corporation Ltd.'

The defendant files a suit against the plaintiff and the case was heard by high court. As noted earlier, the High Court considered the defendant's application and, by the order under appeal, dismissed it, holding that the agreement did not negate the Court's jurisdiction as alleged by the defendant and that the application was filed solely with a view to delaying the progress of the action to be dismissed and was therefore rejected at the cost of Rs. 4,000/—.

Judgement- The High Court rejected, according to Order VII, Rules 10 and 11 of the Code of Civil Procedure, 1908 ('the Code'), the application lodged by the appellant herein. The facts are that 'Prodigy Electronics Ltd.'-plaintiff (respondent No.1 herein) ('the Corporation 'for short) was founded and incorporated under Hong Kong laws and is engaged in the electronic products trade market under the name and style 'Prodigy Electronics,' Hong Kong. The company's key service field is the Printed Circuit Board (PCB). The company's operation requires a keen knowledge of consumer preferences such that the goods can be assembled and made available at reasonable prices to the particular demands of consumers. Therefore, the company is expected to take account, if any, of customer concerns. It also requires a business penetration that recognizes prospective buyers of goods that entails considerable expenditure of time, commitment and financing. An employment contract was entered into between the defendant-employee and the plaintiff-Company on October 2, 2003, Pg. 4574. Under that deal, the defendant was granted full-time jobs at the Hong Kong Firm.

## Discussions And Conclusion

On-job workforce research shows that 55% of workers are happy with their work. 17% of workers have neutral conduct; they are not dissatisfied with their work, or happy. The remaining 28% of staff are unhappy with their jobs.<sup>[3]</sup> Further research reveals that temporary workers are responsible for the vast number of disgruntled staff. So one of the reasons for discontent could be their choice of work, but there is not a single person who is unhappy with the job in the permanent employee group. The majority of permanent staff are content with their employers. It is possible to derive some insightful information from the collected data, such as; some contracted workers feel they are pleased with their work. The percentage of such workers accounts for 6.67 percent of the overall sample and 13.3 percent of the contract staff in the sample.<sup>[4]</sup> In order to figure out the source of happiness from the point of view of their social responsibility, an inquiry was carried out. Much of the happy contracted workers were unmarried, it was found. This may be one of the reasons why, relative to married contract workers, their social roles seem to be smaller.

Different variables are taken and evaluated in order to measure the level of satisfaction of the employees. The joy of life that comes from work is one of the significant variables of job satisfaction. The majority of permanent staff believe that the happiness of life comes from work, while the contractual staff have different views. Most contract staff disagree with the assertion that their work is the means of enjoyment in their lives. In comparison to permanent employees, contractual employees do not enjoy beautiful facilities as far as the facilities and fringe benefits that are typically provided to employees are concerned. Nearly all contract staff are not satisfied with the facilities made available to them by their staff.

The behavior of their supervisors, colleagues and subordinates is one of the important things for good employee performance. Responses from contractual employees and permanent employees are the same for the conduct of colleagues and subordinates. The majority of both groups believe that the conduct of their peers and subordinates is good. As for the superior's behavior, 30 percent of the contractual staff believe that their supervisors or bosses' behavior is not as good as it should be.<sup>[5]</sup> Labor is one of the production factors and plays an important role in the economy's development. If the productivity of employees is to be increased, it is necessary to eliminate the above-mentioned discrimination. Broadly speaking, if both levels of the workforce are satisfied, they would be willing to make high levels of efforts that are not only necessary for the organization's success, but also for the growth of the economy.

## Recommendations

In view of the above findings it is suggested that more jobs should be permanently designed in the public sector rather than on a contract basis. If offered, contract jobs must be accompanied by more fringe benefits; such as children's medical facilities, transportation, insurance, etc. For individuals, contract jobs are more attractive and preferable. Some individuals prefer contract jobs, so the preference of such individuals in the recruitment process should also be considered. To make the conduct of superiors and juniors favorable to contract workers, rules and regulations must be framed. For both types of staff, equitable and reasonable opportunities for progress and promotion are also framed.

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## References

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