Chapter VI
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The conventional wisdom is primarily confined to the two fundamental axioms of market: demand and supply. In fact, these two axioms represent two principal agents: workers and firms. Interestingly, while the former represents the supply of labour, the latter represents the demand for labour. In other words, the supply of labour deals with the number of people who participate in the labour markets, whilst the demand for labour investigates the operation of firms that decide how many workers to be employed and production techniques and process. In this simplistic model, the motive of the workers is to maximise their well-being, called utility, and firms’ motive is to maximise profit. The conflicting interests between the workers’ choice to participate in the job markets and the firm’s decision to employ workers are determined by the level of wages. As far as the level of wages are concerned, the demand for and the supply of labour moves in opposite direction. In other words, when the level of wages increases, workers are inclined to supply their productive services, but few firms are willing to employ them and vice versa. Nevertheless, in a competitive or free market economy, these conflicting interests ultimately attain an equilibrium position, a situation of market in which the demand for and the supply of labour are equal.

The simplistic representation of the functioning of the labour markets is based on the two unrealistic assumptions. First, both agents –workers and firms- possess perfect knowledge about the market condition. By way of assuming perfect knowledge, workers are able to maximise their utility by engaging in a suitable job and firms can find out an efficient workforce in order to achieve its goal, i.e., maximisation of profit. However, the assumption of perfect information in the functioning of the labour markets appears to be unrealistic. As noted by Stigler (1961, 1962), none of the agents in the labour markets possess perfect information. Due to the prevalence of imperfect information, workers and firms may not able generate an efficient outcome, often lead to flawed outcome. More aptly, workers find difficulty in obtaining
better jobs that fit their skills; firms, on the other hand, may not find efficient workers. In the context of imperfect information, it is extremely difficult to take into account a detailed description of the number of labour market characteristics such as wages, nature and industry of work, better employment openings, work environment, acquisitions of new forms of skills, and so on. That is why, information regarding labour market plays a critical role in workers' and firms' decision-making process. Strictly speaking, from a worker's point of view, the availability of information not only influences the choice to participate in the labour market but also paves the way for occupational mobility -be it intrafirm or interfirm-, new job opportunities, and acquisition of different forms of skills. As shown by Stigler (1962), the investment in possessing information on available job opportunities, employment related aspects, work place environment, tenure of work, and the behaviour of employers, plays a pivotal role in the labour market outcome. Hence, information, like any other factors of production such as land, labour, and capital, is conceived as a valuable economic factor.

Second, perhaps the most crucial aspect is that the conventional economic theory, by way of assuming perfect information, ruled out the role of social structure, which results from investment in social capital. In other words, social structure has nothing to do with the labour market outcomes. As stated above, by way of treating labour market as an economic phenomenon rather than a structure enmeshed in various socio-economic characteristics, economic theory provides a partial view of the interaction between firms and workers. It does not take into account the complex realities emanating from the interaction between firms and workers. Pragmatically, as information is imperfect, people look for jobs and better employment prospects through developing a patterned relation with other agents in a larger connected system. Equally important is that the assumption of perfect information discards the chances of being unemployed, a situation in which people are ready to work, but not able to find seasonable jobs. If a job seeker is assumed to have perfect knowledge about the labour market condition, then there is no need for ‘search’. A fundamental characteristic of the labour market, irrespective of developed or developing countries, is that workers often tend to look for jobs. In short, the
present study highlights a missing component in the analysis of labour markets - ‘the role of social structure’.

A major point that we addressed in this study is that how structure plays a major role in the functioning of the labour markets. Like goods market, labour market is composed of heterogeneous workers and there is no a unique distribution of wages for workers. Taking cues from Stigler (1962), even if workers are homogenous, there is a great deal of disparity in the wage distribution. What makes social structure a significant part in recent studies, particularly in New Economic Sociology, is due in large part to the failure of conventional economic wisdom - human capital theory in particular - to provide an adequate explanation on the personal ties and its impact on the labour market outcomes. Against this backdrop, the purpose of the present study was to examine how social and economic factors influence labour market outcomes, focusing on three core themes: job search methods, occupational mobility, and the duration of search. Viewing labour market as socio-economic phenomena, the following two specific objectives were framed: first, to identify the different job search methods and how the choice of search methods are influenced by workers' personal and labour market characteristics; second, to examine the patterns of occupational mobility and how do socio-economic factors influence occupational mobility. In addition to these two objectives, the present study offered a brief analysis on the duration of search. In order to understand the role of social structure in the labour markets, the author conducted a field survey at Chennai. In the present study, the unit of analysis is workers employed at. A significant size of the respondents held more than one job in their working lives. Additionally, the new entrants constitute an important segment of the sample.

There are a number of studies in the arena of labour economics, which deal with the functioning of the interaction between firms and workers. While economics deals that the exchange between the firms and the workers as an economic phenomenon, economic sociology attempts to explore the complex structure in terms of social network analysis. Based on the empirical evidence, scholars such as Granovetter (1973) and Reynolds (1958) challenged
the conventional wisdom of viewing labour market as an interaction between demand and supply, which is based on the assumption of perfect information. By way of analysing the personal and impersonal ties in the functioning of labour markets, New Economic Sociology devised a new dimension to the domain of labour economics. Against this backdrop, the present study, which is based on three core aspects: job search methods, occupational structure and was an attempt to examine the functioning of the labour markets in a socio-economic framework.

Summary of the study

The first chapter contains the basic contextual background of the study, Globalization, caste system and discrimination, dynamics of the labour structure, selection and justification of the study, statement of the problem, need of the study, methodology, objectives of the study and hypotheses.

The second chapter consists of literature review pertaining to both Indian and international studies. Plethora of the studies has reviewed for better conceptual and theoretical understanding.

The third chapter examined the various theoretical insights of the caste system, labour market discrimination, Globalization and SCs, urbanization and opportunities for employment, dynamics in conceptualization of employability skills in Indian human resource development.

Forth chapter describes the profile of the study area, it deals the historic significance of the Chennai, climatic conditions of the study area, tropical, demographic situation of the Chennai have been illustrated, details of the administrative set-up, Medical and educational infrastructure, rain fall, irrigation sources, land use pattern, size of land holding, crop production, information on industries and marketing facilities have been illustrated in the chapter.

Fifth chapter exemplifies the analyses of the primary data and the inferences derived from the analysis have been displayed.

Sixth chapter depicts the summary and conclusion, major findings, policy suggestions of the study and future scope for research.
Major Findings of the study

I. Socio-demographic information

- Around 66.7 per cent of respondents were male and the remaining 33.3 per cent were female.

- Majority of the respondents were represent from the age group below 40, and nearly 73 percent of the respondents from the age group between 25 to 40, this period considered as biologically conducive for fertility for women.

- Most of the respondents were educated nearly 65 percent of them have qualified with degree, diploma and professional course, and around 25 percent got education up to higher secondary level.

- Major section of the respondents represents from Hindu (66.7) and Muslims (22.7) as the Vellore district comprise more number of Hindus and Muslims which is replicated in the study as well.

- Major chunk of the respondents from SC (34.3) and MBC (33.7) and significant portion hails from BC (21.7), thus it was apparent from the empirical findings backward and scheduled people have prominently resides in the study area.

- Nearly 83 percent of the respondent’s family size were between 3-6 members out of which majority of them from joint family system.

- Around 88 percent respondents hails from joint family system whereas 12 percent from nuclear family system.

- Majority of the spouse of the respondents working in Private companies and farmers as these two occupation constitutes around 79 percent, few numbers are working in Government.

- Majority of the household (62%) obtained less than 10k as the larger section of the respondent’s husband’s occupation structure are informal and it didn’t provide more and sustainable income to the HH.

- With regard to Food expenditure around 74 percent of the respondents spend per annum between 0-5000, with respect to Non-Food
expenditure nearly 74.3 percent of the respondents spend on non-food procurement per annum between 0-3000

- Around half of the respondents were not saving however, significant portion accustomed with savings through SHGs in the study area.

- Most of the sample surveyed use to take loans from money lenders, co-operative banks and pawn brokers

**II. Information Pertaining to Housing situation**

- Nearly 40.3 percent of the respondents live in asbestos roofed house, 10.3 percent resides in tailed house and 12 percent respondents reside in concrete roof

- Majority of the HH struggling for the livelihood as majority of the SCs are labourer and subjected to the availability of the requirement. so its repercussions lead to disguised unemployment, so the respondents were resides under poverty in the study area

- Major chunk of the respondents have utilized the consultancy as this mode entertain the contractual labour method which delink the direct connection between the employer and employees thereby inhibits the statutory provisions to the labour.

- Nearly 96 percent of the employment genets through informal sectors in the same line government disinvestment activities diminish the scope for the constitutional protection for the socially economically deprived sections of the society

- Almost all the respondents have opined that hrs of the work may vary according to the season of the work, however that many respondents told that have been working more intensively and longer period of time on the office

- Amongst managers sampled respondents only comprise roughly 0.7 % of employees while at the non-skilled worker level they comprise about 52.3 %, at the supervisory level 7 % comprise whereas 26% percent of the employees constitutes in skilled workers category
Around 37.3 percent of the respondents opined that accidents occurred frequently, 26.3 percent told accidents taken place occasionally, 9 percent revealed rarely accidents occurred in their companies, 13.3 percent of the respondents have stated that accidents never occurred in their work place.

III. Perceptions of the respondents’ on institutional factor in labour market mobility

- Major chunk of the respondents perceived that caste oriented discrimination force to quit job the respondents to quit the job and opt for another job in the study area.
- Major chunk of the respondents revealed that didn’t have job security in their previous job around 70 percent opined the same.
- Major chunk of the respondents were not agreed the statement (63%) as the job profile contain the structured activities but over load of work is the common phenomenon in the industries and respondents were given significant to it in the study area.
- Around 70 percent, as the unhappiness with the work assigned would diminish the interest and productivity of the employees which eventually force them to quit the job.

IV. Perceptions on the nexus between Institutional factors and job market

- Nearly 68 percent of the agreed upon the statement which clearly indicates that the caste and the nature of the work closely correlated.
- Nearly 63 percent of the respondents didn’t agreed upon the statement that religion of the candidate did influence the employers while recruiting in the study area.
- Nearly 66 percent of the respondents didn’t agreed upon the statement that place of resident certainly have influence the employers while scrutinizing the candidate for the job profile in the study area.
Nearly 52 percent of the respondents didn’t agreed upon the statement that place of education certainly given importance in the private organization in the study area

Nearly 85 percent of the respondents didn’t agreed upon the statement that gender certainly considered the important factor influence the payment structure usually women use to hire for lower salary as the collective bargaining power is less

V. Challenges and constraints faced by respondents

Major chunk of the respondents (94%) opined that inadequate salary were forced them undergo stress and unhappiness, in the same line further the respondents revealed that inadequate salary and the incentive was the prominent tool which trigger the constraints in the study area

Majority of the respondents (76%) have opined that inadequate incentive inhibited the employees to function effectively in the same line the authorities exclusively concentrated on imposing the rules and regulations rather than implementing the incentive effective consensus and mentoring

Major chunk of respondents (86%) revealed that lack of recognition diminish the interest of the respondents and induce to decline the productivity, enthusiasm to involve in innovative approach

Nearly 80 percent were revealed that there was no correlation between genuine performance and reward as the partial performance appraisal and the biased behaviour of the management have not properly identified the employees and given the incentive for the performance unleash lot of stress and constraints

Major proportion of the respondents (89%) have revealed that they have not given the amount of salary which is sanctioned during the selection, so the distinction between the sanctioned and the disbursed salary propelled lot of stress to the employees as the mediator agency deceived the workers larger extend and neither the organization nor the government ensure the protection to the people in the study area
VI. Information pertaining to job market discrimination

- With respect to Leave facilities nearly 67.3 percent of the respondents faced complications
- With regard to incentive provision nearly 74.7 percent of the respondents faced complications
- With respect to work load nearly 79 percent of the respondents faced complications

VII. Respondents perception on discriminatory practices

A) Recruitment Procedure

- With regard to caste indication; nearly 22 percent respondents stated that recruiters gave preference as fairly often and 58.7 percent are to give preference as almost always.
- With respect to place of domicile; 25.3 percent respondents stated that recruiters gave preference as fairly often and 53.3 percent are gave preference as almost always.
- With respect to institution studied nearly 21.3 percent respondents stated that recruiters gave preference as fairly often and 53 percent gave preference as almost always.

b) Discriminatory in recognition of skills and personality

- With regard to covering letter, nearly 13.3 percent respondents stated that recruiters percent have gave preference as fairly often and 67 percent have gave preference as almost always.
- With respect to enclosure of the relevant documents, nearly 12.7 percent respondents stated that recruiters have gave preference as fairly often and 69 percent have to give preference as almost always.
- With respect to dress code followed by the candidates, nearly 14.7 percent respondents stated that recruiters gave preference as fairly often and 71.7 percent gave preference as almost always.
c) Partial evaluation for inherent capabilities to nurture good team player

- With respect to Flexibility around 6 percent stated that recruiters gave preference as fairly often and 77 percent gave preference as almost always.
- With respect to Self-discipline, nearly 6.7 percent stated that recruiters gave preference as fairly often and 77.7 percent gave preference as almost always.
- With regard to Self-management, nearly 7 percent gave preference as fairly often and 77.3 percent gave preference as almost always.
- With respect to Emotional resistance, nearly 8.7 percent stated that recruiters gave preference as fairly often and 71.3 percent gave preference as almost always.

VIII. Accreditation to the employability skills assessment methods of employers on weaker sections

- With respect to job seeking skills assessment methods around 26 percent opined as very poor, 24 percent revealed as poor, 31.7 stated as moderate,
- With respect to Academic Skills of the job seekers, around 20 percent opined as very poor, 21.7 percent revealed as poor, 18 stated as moderate,
- With regard to personal career management aspirations of the job seekers, around 20.8 percent opined as very poor, 22.5 percent revealed as poor, 18.7 stated as moderate,
- With respect to self-assessment potentialities of the job seekers, around 21.6 percent opined as very poor, 23.4 percent revealed as poor, 19.5 stated as moderate
- With respect to general and technical capabilities for the work of the job seekers, around 22.5 percent opined as very poor, 20.7 percent revealed as poor, 20.2 stated as moderate,
• With respect to Interpersonal Skills of the candidate around 23.4 percent opined as very poor, 21.5 percent revealed as poor, 21.1 percent stated as moderate,

• With respect to consciousness on work ethics of the job seekers, around 18.3 percent opined as very poor, 24.3 percent revealed as poor, 21.9 percent stated as moderate,

• With regard to awareness on business strategy of the candidate around 19.1 percent opined as very poor, 24.0 percent revealed as poor, 20 percent stated as moderate,

• With regard to adaptability to work environment of the candidate around 19.8 percent opined as very poor, 23.7 percent revealed as poor, 20.8 percent stated as moderate

IX. Perceptions of the respondents on Labour welfare officials

• with respect to the improper guidance of the officials’ 40 percent of the respondents strongly accept the statement, 43.3 percent agreed the same,

• with regard to delay in processing 33.3 percent of the respondents strongly accept the statement, 41.7 percent agreed

• with regard to discouraging speech of officials’ 36.3 percent of the respondents strongly accept the statement, 40.3 percent agreed the same,

• in connection to the statement that non-cooperative attitude of officials’ 33 percent of the respondents strongly accept the statement, 40 percent agreed the same,

• in connection to the statement that political interference is high 35.7 percent of the respondents strongly accept the statement, 41.7 percent agreed the same,

• with regard to caste discrimination is high 42.3 percent of the respondents strongly accept the statement, 45 percent agreed the same,
with regard to the statement that rampant corruption 37.3 percent of the respondents strongly accept the statement, 46.4 percent agreed the same

Policy suggestions

- The study shows that weaker sections face certain obstacles in career development. These obstacles are due to Non Institutional factors as well the existing male biased structure of the workplace. Hence, efforts should be made to remove these obstacles so as to tap the full potential of weaker sections professionals. It is expected that weaker sections will be constituting more than one third of the IT professionals in a few years.

- The advent of modern technology has brought about a revolution in communications and information systems. With the advent of Telecom and Internet connectivity, it is no longer necessary to be physically present in the workplace continuously and for fixed number of hours. A major problem stated by weaker sections especially for women is timings of work. Hence, firms should incorporate the concept of 'flexible work timings' and 'work based at home'. This will allow weaker sections to adjust their household responsibilities along with their work.

- This will go a long way in ensuring higher participation of weaker sections in the labour force. If weaker sections are given the freedom to choose their hours of work, their productivity will be higher.

- The government as well as private organisations should open more day care centres and creches for children of women employees. The presence of day centres are strong support systems women and enable a higher participation of weaker sections in the labour force.

- India has the largest number of computer educated but unemployed weaker sections in the world, as per Nasscom report, 2012. There is a mismatch between IT education and absorption in the labour market. This has to be kept in mind while framing policies regarding manpower in the IT sector. India is facing a shortage of manpower in IT sector. Hence, efforts should be made to harness the existing pool of manpower. To
ensure a greater equilibrium between supply and demand of IT trained professionals, it is necessary to absorb the unemployed group of IT trained personnel. Hereby, absorbing the existing pool of trained but unemployed weaker sections, will help in removing shortages in the IT sector.

- The IT sector is a newly growing sector and there is paucity of skilled labour in terms of formal degreeholders. The industry is gearing to meet its requirements by employing a wide range of IT trained personnel who have different levels of IT skills. The criterion for entry in the IT industry is a formal degree or a diploma in computers. However, it is seen that although these levels are considered comparable at entry point, the post labour market situations are very different.

- The nonformal sector has not been able to impart similar levels of skills as compared to skills imparted to degree holders.

- The quality and efficiency of products of institutes providing diplomas IT need to be examined in further detail. If required, the syllabus of institutes imparting IT education should be revised. The non-formal educational institutes in the IT sector have come to occupy an important position. These institutes are providing a substantial portion of IT workforce. The efficiency of the products of these institutes need to be examined.

- According to the radical segmentation theorists, employers by continuously developing and adopting capital-intensive technologies try to create and maintain an industrial reserve army of unemployed, so labour intensive industries need to be promoted in semi-urban areas thereby ensure the employment opportunities to weaker sections of the society.

- State need to invest more in the education of the vulnerable groups in the small scale manufacturing labour market may not raise their employability, given the credential inflation and resulting devaluation of degrees in India. Because, it is the nature of the labour market and the
employers’ control of that market which, to a large extent, determine the level of unemployment

- Information plays a vital role in the labour market outcomes. More aptly, the study shows ample evidence to suggest that there is a great deal of disparity in terms of their earnings capacity, on-the-job search, social security, and level of job satisfaction for workers who apply different sources of job information.

- Those who get labour market information from family members are employed in better labour market condition than those find jobs through direct application. In fact, the disparity in the labour market outcomes for homogenous workers can be reduced, to a great extent, by making labour market information free to those who look for jobs.

- State has to play a major role in this regard. Unfortunately, the functioning of the state employment agencies in many regions of the state, particularly in less developed regions of Tamil Nadu, does not seem to very impressive.

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- Try to bring the reservation in private sector thereby ensure the representation of socially vulnerable people.

- Enhance the quality of training centers of the socially weaker sections to enrich the employability skills.

- Special incentive and tax concession need to give the industries who appoint more socially weaker sections of the society.

- Scatter industrialization process across the state equally thereby diminish the migration which also helpful to the socially weaker sections to have job opportunities without much difficulties.

**Scope for further research**

- There is ample of scope to analyze the how the gender get discriminated and their dual role

- Further the there is a prospective to study the employability skills of weaker sections and the job market

- Occupational structure and the socially weaker sections could be probed.