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### RESEARCH ARTICLE

#### COVID-19 PANDEMIC AND THE PLIGHT OF PRIVATE-SECTOR EMPLOYEE: A SAMPLE STUDY

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#### Abstract

COVID-19 is a major global pandemic the world is reeling around. This pandemic has significantly affected the world economy due to the closedown and suspension of activities in various sectors. Though many migrant workers lost their jobs instantly, many private-sector employees still face unprecedented pay cuts even today. The only safer population is the government employees who enjoy better job security and salary assurance. However, the younger generation today prefer to work in the private sector due to various factors. In this circumstantial situation, this sample study was focused on the effects of COVID-19 pandemic on the private sector employees and their attitude towards their job, the employer as well as government jobs. The study results revealed the economic unpreparedness of private-sector employees to manage the financial turbulence which humanity is facing now. Unforeseen pay cut has led to a disastrous situation in the lives of private-sector employees. And the study results also show, despite all this hardship, the private sector employees do not want to shift themselves to government jobs and cope up with the situation in their unique ways.

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#### Introduction:-

##### And the Problem:

COVID-19 is an unfortunate situation that the humankind has faced so far and this pandemic 2020 has challenged the world economy significantly. Industries, organisations were closed, and suspension of human activities are seen at every corner of the world. It is a global phenomenon. World Health Organisation declared that it is a virus outbreak that started in Wuhan, China, in December 2019. A complete lockdown decree was passed by the Government of India in the month of March 2020 and the country has not yet recovered since that lockdown. In India, the first case of COVID-19 was found in the state of Kerala on January 30, 2020. Since then the numbers of infected people increase every day and as of September 14, 2020, India stands at the second place in the number of infected people in the world (WHO, September 2020). The COVID-19 virus has infected more than 24 million people and left more than 800,000 dead, due to the ability of people to change behaviours the mortality was reduced (Charumilind, et al. 2020). As the lockdown is lifted step by step, the mobility and transport of goods and people has started. Hence the economic situation is slowly recovering. In the gold market, many migrant workers who are gold craftsmen lost their jobs and the manufacturing industry is still in turmoil just like many other sectors. Hence the sales and purchase of gold has come down. However, non-banking financial companies (NBFCs), which provide loans against gold see an increase in India in recent months (Narasimhan, 2020). More than the economic and health

concerns of the pandemic, the ambiguity of future and uncertainty of returning to normalcy, isolation from friends, family and relatives contribute an enormous amount to the stress, depression, and related mental health problems of the people. Added to that, job insecurity and the economic difficulties have made life miserable for millions in India.

The first preventive lockdown in India on March 25, 2020 affected the social, religious, and business establishments. In India, the Micro, Small and Medium Enterprises (MSMEs), Tourism and Hospitality, Aviation and Automobile sectors, and the Real Estate are the most affected. Among them, the daily wage workers and the private sector employees are the greatest losers. When India announced a Janata curfew on March 20, the government failed to direct the employers to pay in advance the salaries for the month of March and April and all landlords not to collect rent. The court also failed to instruct the government on this responsibility (Dave, 2020; Janetius, et al. 2020). It was a misery to see thousands and thousands of people, mainly working in the daily wage sector who have neither savings, nor food to eat, pushed to poverty, starvation, and death (Dey& Roy, 2020). Job loss, undue salary deduction, fuel price hike due to extra tax by the government, exorbitant prices of common commodities and vegetables made the life of working-class people miserable (Janetius, 2020). Despite all these difficulties, people try to live in the given situation.

Employees could be classified generally into four types. They are full-time employees, part-time employees, temporary employees, and seasonal employees. Among these, the full-time employees are usually allowed to enjoy the benefits offered by the company or organisation in which they are employed. In the time of the pandemic, even the full-timers are not spared in the private sector jobs (Janetius, 2020). The seasonal workers are the ones who perform labour or services on daily need or as per the need that arises due to situational demands or during seasons. They are paid on the daily basis, or weekly basis or in some cases on a contractual basis. Although India has labour laws to cover all these employees, nothing is practised, and no one dares to challenge the authorities.

The desire to have a government job is extremely high in India. For example, for 368 peon's jobs in UP, there were 2.3 million applicants (Desai, 2018). There is a general opinion among people that a government job is not demanding, has no targets to achieve, and provides a lot of benefits and more job security (Muralidharan, 2015). Even though some public sector concerns of governments like Bharat Sanchar Nigam Limited and Air India like firms struggle to pay salaries on time, the attraction for government jobs has not yet diminished (Yechury, 2019). Today people who are living in metropolitan cities prefer to opt for private-sector jobs. New job aspirants today look for reputed private company jobs in Metropolitan cities due to the attraction of better perks, facilities, good pay package and above all the professionalism that is attached to many companies (Mitra, 2019). However, the dark secret behind the private sector jobs in India is a known fact to many. It is unrewarding, too much accountability to the owners, no job guarantee, and long hours of hard work (Desai, 2018). In this background, this study is focused on the effects of COVID-19 pandemic on the private sector employees and their attitude towards their job, the employer as well as government jobs.

### **Objectives & Research Questions:**

A good number of private-sector employees lost their jobs due to the pandemic, and in many organisations, there was an unwarranted pay cut. In some cases, the pay cut was justifiable whereas in many cases it is not. The study is focused on the following problems.

- 1) What is the status of the private sector employees in India as far as their economic situation is concerned?
- 2) What is the attitude of private sector employees towards government jobs?
- 3) How do they cope up with the current situation in the economic turmoil?

### **Methodology:-**

This qualitative study was conducted among private-sector employees in the Southern states of Karnataka, Kerala, and Tamil Nadu. An online survey was conducted among private sector employees and data were collected using google forms. Convenient sampling was used, that is, those who are willing to respond and those who have access to internet and google forms were the subjects. The authors send the google form link via WhatsApp communication software and requested the subjects to respond. A 26-item survey questionnaire was prepared by the authors for this research. Besides few demographic details, the questions were focused on the research questions. The data was analysed using basic statistical tools and the discussions were done based on the problems being studied.

### Results and Discussion:-

The demographic details are given in tables and the other data are presented in categories below. The following table gives details of the demographics.

**Table 1:-** Showing the demographic details (n=248).

| Age   |       | Education     |       | Marital Status |       | Stay                  |       | Dependents |       |
|-------|-------|---------------|-------|----------------|-------|-----------------------|-------|------------|-------|
| 20-25 | 31.4% | PhD           | 14.3% | Married        | 48.6% | With Family           | 60%   | 1          | 12.9% |
| 26-35 | 52.6% | MA or Equi    | 51.4% |                |       | Go home Weekly        | 12.9% | 2          | 30%   |
| 36-50 | 22.3% | BA or Equi    | 24.3% |                |       | 3                     | 21.4% |            |       |
| > 50  | 14.3% | Dipl/ Certifi | 8.6%  | Not            | 51.4% | Stay away from Family | 27.1% | > 3        | 15.7% |
|       |       | Others        | 1.4%  |                |       |                       |       | None       | 20%   |

Majority of the employees who participated in the survey belongs to the age bracket of 26 to 35 years of age (52.6%) and have Masters' or equivalent education (51.4%). Both the married and unmarried are almost equally distributed in the sample. 60% of the people who participated stay with the family and the others visit the family weekly (12.9%) or visit a few times in a year (27.1%). Only 20% of the participants have no dependents and the rest has dependents who rely on their salary for survival.

**Table 2:-** Place & Nature of Work.

| Home State   |     | Place of work |     | Nature of work     |       | Nature of salary |       |
|--------------|-----|---------------|-----|--------------------|-------|------------------|-------|
| Karnataka    | 30% | Karnataka     | 30% | Full Time          | 90.9% | Monthly          | 95.7% |
| Kerala       | 27% | Kerala        | 27% | Part time          | 4.9%  | Weekly           | 1.4%  |
| Tamil Nadu   | 34% | Tamil Nadu    | 34% | Temporary/seasonal | 2.9%  | Daily            | 2.9%  |
| Other States | 9%  | Other States  | 9%  | Others             | 1.4%  | Others           | 00    |

The participants of the survey belonged to different sectors like education, IT and software, banking and finance, customer care and manufacturing. Four per cent of the participants identified themselves as working in clerical jobs and two percentage marked as working in other sectors. Only 5.7% of the participants are from blue-collar jobs and the majority work in white-collar and administrative posts. Majority of the subjects (58.6%) work with the current employer for less than 3 years.

**Table 3:-** Sector and position of the subjects.

| Sector           |     | Position in the org |       | Years incurrent job |       |
|------------------|-----|---------------------|-------|---------------------|-------|
| Education        | 33% | Administration      | 25.7% | 0 -1 year           | 15.7% |
| IT & Software    | 28% |                     |       |                     |       |
| Banking, Finance | 14% | White Collar        | 68.6% | 1- 3 years          | 42.9% |
| Customer Care    | 10% |                     |       |                     |       |
| Manufacturing    | 9%  | Blue Collar         | 5.7%  | > 3 years           | 41.4% |
| Clerical Job     | 4%  |                     |       |                     |       |
| Others           | 2%  |                     |       |                     |       |

More than 50% of the subjects did not register in the employment office which shows that they were not interested in government jobs. Only 45% of the subjects have registered in the employment office for a job after their graduation. Nearly 9% of the graduates never thought about government jobs after their graduation.

#### Pay cut and desire for government job:

65.7% of the private sector employees participated in this study faced pay cut during the COVID-19 pandemic. Only 34.3% of the employees did not have any pay cut during the pandemic. And nearly 75% of the employees never faced similar salary-related issues in their life. So, facing the problems for the first time is exceedingly difficult for them because they do not know how to face the situation. Lack of preparedness to manage finance during a disastrous pandemic situation is the reason for this panic. It is like a person who faces mental health issues for the

first time and hence do not know how to cope up with the situation (Brenner, 2014). So also, people when they face pay cut and salary deduction for the first time, it is shocking and painful for them.

Since this pay cut and salary issues are seen in the private sector jobs and the government is not doing anything to safeguard the dignity of labour, nearly 33% of the people think that the government need to do more on this issue of a pay cut. More than 75% feel that if the government is concerned about workers, the salary issue for private sector employees will not be there. Nearly 66% of the people believe that the government and the employer must safeguard the workers in this pandemic period. A similar opinion has been recorded in earlier studies too (Janetius, Nayan & Mini, 2020). Only 37% of the people believe that the salary cut in the private sector is justifiable because the management has a business loss.

Even though the private sector employee has a harsh attitude towards government employees like, “they work little”, “work without much accountability”, they are not attracted towards government jobs and they do not hate the government employee, have no desire to join government sector jobs for the sake of security. Also, they do not regret that they did not apply for government jobs. Only 4% of the subjects feel bad about working in private sector jobs. Due to this economic situation and the situational attitude of the management, 47% of the employees say that their commitment to the job and organisation has diminished. Also, the same percentage of the employee regret joining the organisation that does not take care of them in the times of trial.

#### **Managing the situation:**

Looking at the problems of the employee, nearly 6% of the employee finds it difficult to come out of their problem, none of them attempted suicide. 41.4% of the employees are incredibly positive with the feeling that their problems are nothing compared to the plight of millions of migrant workers in India who died and lost their jobs. Similar views have been identified by earlier studies (Janetius, 2020). 32% of the people are confident that they will manage the situation healthily. Talking to their friends, accept the reality as a part of life, talking to family members and praying to God is the coping strategy of the people in rank order. The private sector employees do not count this economic problem or the pandemic as karma as traditional people in India used to justify unforeseen natural disasters (Besant, 1975; Gokhale, 1961). The employees have a positive attitude that their situation is much better than many migrant workers who lost their jobs and lives. These views give them enormous positive energy and coping strength.

#### **Conclusion and Recommendation:-**

The current study was conducted among private-sector employees, mainly in three southern states of India. The study focused on the economic issues in the current employment and their general outlook towards government employees. Lack of financial preparedness and readiness in managing an emergency lockdown led to many hardships in the lives of people. Thus, the difficulty they received came from the management of concerned organisation as well as the Government. Unforeseen salary cut has led to an insecure situation among the private sector employees. Still, people like to work in the private sector and do not regret or want to change their employment to the government sector. Talking to their friends and family members give them comfort and solace in this situation besides accepting this as a reality of life. They also have a positive outlook, thinking that their problems are smaller when compared to many migrant workers who lost their jobs and lives. A further study, using a higher number of sample taken across India, may give much clearer picture of the issue of the private-sector employees.

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