

**A STUDY ON THE IMPACT OF OCCUPATIONAL
STATUS AND EDUCATIONAL LEVEL ON WAGES OF
THE WORKERS IN CRICKET BAT MANUFACTURING
INDUSTRY OF KASHMIR**

Arshad Hussain Bhat*

Syed Tariq Murtaza**

Hitesh Rawal***

Abstract

Human capital is a major asset to increase the flow of workers income. It may be the natural ability of the worker or can be attained through the training and education. In the present study two attributes, educational level and occupational status of the workers were taken into account to know their effect on wages earned. The study depicted the significant difference between the wages of skilled, semiskilled and unskilled workers. Post hoc test results revealed that wages of skilled workers were higher than unskilled and semiskilled workers, while semiskilled and unskilled workers wages had no significant difference. Homogeneity of the wages of workers was found when compared in terms of their educational level. The level of education has no impact upon the wages earned. The wage structure of all the three categories of workers was excellent to compensate their basic necessities. The workers engaged in the industry have higher wages as per the minimum wages act 1948.

Key Words: occupational status, minimum wages, level of education

* **Research Scholar, Department of Physical Education, A.M.U, Aligarh**

** **Associate Professor, Department of Physical Education, A.M.U, Aligarh**

*** **Associate Professor, Department of Physical Education, BNCPE, Rajasthan**

Introduction

The type of work one performs is directly linked with the status as the wealth. In the previous times the occupational status of workers was visualized in terms of blue collar that belongs to manual labourers, the white collars that include the officers and pink collars that is associated with the secretarial and nursing jobs. But in the present world the labour grades are today described in terms of skilled labours, unskilled labours and semiskilled labourers. The skilled workers are mastered in their work. For attaining the mastery of skill, the workers have to spend a lot of time. It desires familiarity with the work and depends upon the judgement of the worker. The unskilled labour does not entail the worker to use judgement. It only needs the physical strength of the individual. There is no need to have previous experience the individual can stick to the work at any time he wants. The semiskilled work does not require any specialized training for its operation but paying little attention the requirement for its action can be performed smoothly. The constitution of India provides the living wage to safe guard the interests of its citizens especially the working class under the chapter of directive principles of state policy. The protection of workers against the exploitation in terms of wages is the hall mark of the developing nation so the government of India accepts the responsibility to create an environment in which every citizen of the country finds its employment and gets a fair wage. As a result every developing nation put forward several schemes under which the low class citizens can be protected. The minimum wage act of 1948 was in its essence the initiative taken by the government of India The minimum wage act 1948 strengths both the central and state governments in fixing the wages of labour class. The wage rates fixed to the workers through this act including skilled, unskilled and semiskilled workers in both organized and in organized sector ensures the maximum safety and mitigating the basic necessities of the workers families (Ministry of Labour and Employment 2010)

Wages are the payments made to the employees as compensation for the services they provided to an enterprise. Wages are the central point for all labour problems. There are three types of wages (1) Living Wage - According to Fair Wages Committee Report (2005) the living wage should enable the earner to afford himself and his family not just the basic requirements like food, clothing and shelter but a means of comfort including education for the children, requirement of essential social needs, protection against ill-health. The Constitution of India in

article 43 states that the state shall endeavour to secure by suitable legislation, conditions of work ensuring a decent standard of life and full enjoyment of pleasure and social and cultural opportunities (Srija 2014). (2) Minimum Wages may be defined as the lowest wage necessary to sustain a worker and his family at the minimum subsistence level, which includes food, clothing and shelter. When the government fixes minimum wage in a particular trade, the main objective is not to control or determine wages in general but to prevent the employment of workers at a wage below an amount necessary to maintain the worker at the minimum level of subsistence. Minimum wage in a country is fixed by the government in consultation with business organisations and trade unions. At the 15th Session of the Indian Labour Conference held at New Delhi in July 1957, an important resolution was passed, which laid down that the minimum wage should be need based and should ensure the minimum human needs of the industrial worker (Ministry of Labour and Employment 2013). The following norms were accepted as a guide for all wage-fixing authorities including Minimum Wage Committees, Wage Boards, Adjudicators, etc.: (i) In calculating the minimum wage, the standard working class family should be taken to comprise three consumption units for one earner, the earnings of women, children and adolescents being disregarded. (ii) Minimum food requirements should be calculated on the basis of a net intake of 2700 calories as recommended by Dr. Akroyd for an average Indian adult of moderate activity. (iii) Clothing requirements should be estimated on the basis of a per capita consumption of 18 yards per annum, which would give for the average worker's family of four a total of 72 yards. (iv) In respect of housing, the norm should be the minimum rent fixed by the Government for houses provided in any area under the subsidised industrial housing scheme for low income groups; and (v) Fuel, lighting and other miscellaneous items of expenditure should constitute 20 per cent of the total minimum wage. The Resolution further lay down that wherever the minimum wage fixed was below the norms recommended above, it would be incumbent on the authorities concerned to justify the circumstances. Minimum wages are often put in place to redistribute earnings to low-paid workers and reduce poverty; the economic literature has concentrated on analysing the effects of minimum wages on wages and employment (ILO 2013). (3) Fair Wages—A fair wage is something more than the minimum wages. Fair wage is a mean between the living wage and the minimum wage. While the lower limit of the fair wage must obviously be the minimum wage, the upper limit is the capacity of the industry to pay fair wage.

Objectives of the study

1. To find out the wages earned by the workers engaged in cricket bat manufacturing process.
2. To analyse whether the wages earned by the workers in cricket bat manufacturing industry meet their basic necessities of life.
3. To know the occupational status of the workers.
4. To know the educational status of the workers.

Hypotheses

H₁ There will be no significant difference between wages of skilled, semiskilled and unskilled labourers.

H₂ There will be no significant difference between the wages and level of education of the workers of cricket bat manufacturing industry.

H₃ The wages of the workers will be less than minimum wages.

Methodology

The data for the study was collected from the district Anantnag and Pulwama of Jammu and Kashmir. After the identification of the manufacturing units, the researcher selected sixty subjects on random basis through self made questionnaire on certain variables. The questionnaire was validated through face validity. The reliability of the questionnaire was established through test retest method. The reliability coefficient was .92. The data was analysed through descriptive statistics and Anova test.

Results, Analysis and Interpretation

Table 1

Occupational Status	Frequency	percentage	Mean Wages	Std. Deviation	Minimum	Maximum
Skilled	47	78.33	378.71	64.96	300	500
Un-skilled	8	13.33	225	53.45	150	300
Semi-Skilled	5	8.34	320	27.39	300	350
Total	60					

The Table 1 shows that 78.33 percent of the workers were skilled labours, 13.33 per cent were unskilled labourers, and only 8.34 were semiskilled labourers. The skilled, unskilled and semiskilled workers had daily average wages of 378.71, 225 and 320 with sd. 64.96, 53.45, and 27.39 respectively. The minimum wages of the skilled workers was 300 and the maximum wages were 500 per day. The minimum wages of the unskilled workers was 150 and maximum was 300.

Table 2

ANOVA

Wages

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	193829.947	2	96914.973	63.112	.000
Within Groups	87530.053	57	1535.615		
Total	281360.000	59			

The result of one way ANOVA table shows that there is a significant difference between the wages of skilled, semiskilled and unskilled labourers. The null hypothesis is rejected, $F(2,57) = 63.11, p < 0.05$.

Table 3

Post hoc test table

TUKEY TEST

(I) Occupational status	(J) Occupational status	Mean Difference (I-J)	Std. Error	Sig.
Skilled	Semi-skilled	117.65957*	18.43355	.000
	Unskilled	148.90957*	14.98748	.000
Semi-skilled	Skilled	-117.65957*	18.43355	.000
	Unskilled	31.25000	22.33998	.348
Unskilled	Skilled	-148.90957*	14.98748	.000
	Semi-skilled	-31.25000	22.33998	.348

The post hoc test shows that there is a significant difference found between the wages of skilled and semiskilled, and skilled and unskilled but, there is no significant difference between the wages of semiskilled and unskilled labourers.

Table 4

Wages in Kashmir cricket bat manufacturing industry as per the minimum wages act 1948

Occupational status	Minimum wages
Skilled	225
Semiskilled	175
Unskilled	150

Table 5

Level of Education and Wages earned by workers in Cricket bat Manufacturing Industry

Illiterate	Primary	Middle	High school	Intermediate	Post Graduate
361.33	406.67	388.57	406.42	433.33	433.33

The Table shows the average wages earned by the workers with their level of education. The workers that were Illiterate earn the daily wages of 361.33, workers with Primary education have 406.67, Middle school 388.57, High school 406.42, Intermediate 433.33, and Post graduate 433.33.

Graph 1

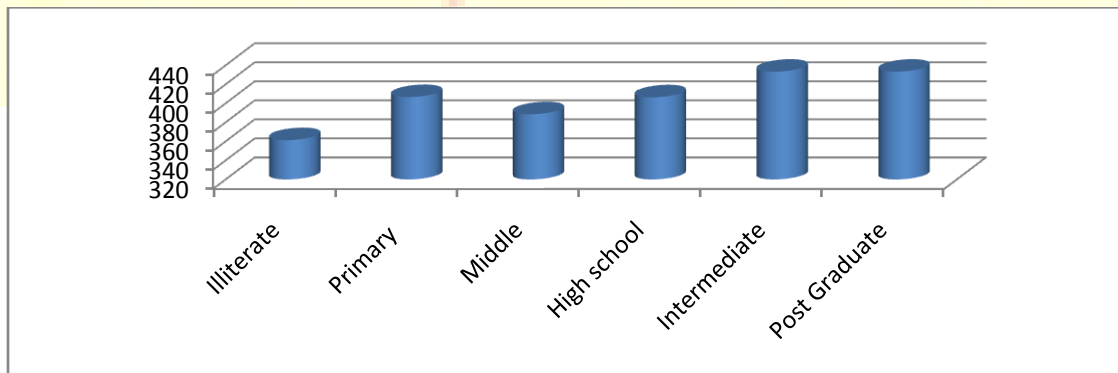


Table 6

ANOVA

Wages

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	40512.857	5	8102.571	1.817	.125
Within Groups	240847.143	54	4460.132		
Total	281360.000	59			

The One Way ANOVA test result shows that there is insignificant difference between the wages earned by the workers and level of education acquired. The null hypothesis is accepted $F(5,54) = 1.81, P > 0.05$.

Discussion

It is evident from the study that wages earned by the skilled labourers are higher than semiskilled and unskilled labourers. The growing gap between the skilled and unskilled labourers was prevalent in the labour market during the early eighties. Literature has proved several explanations for the increase in wages growing income inequalities in advanced countries (Chusseau & Dumont 2012). The reasons behind the fact can be proven by the demand supply factor (Katz & Autor 1999). The demand for the skilled labour is the most important cause of the increase in the wage structure of the skilled labourers. Huge amount of literature has estimated the skill-based technological change is responsible for the wage inequality between the skilled and unskilled labourers (Bartel & Sicherman 1999). Human capital embraces the notion that individuals acquire skills and knowledge to increase their value in labour market. Experience, training, and education are three main mechanisms for acquiring human capital, with education being primary for most individuals. The estimated coefficients reveal that the effect of education on earnings is larger as education level increases (Gunawan 2012). In order to handle the complex machinery, educational level of the workers plays an important role in growing the gap between the skilled and unskilled wages. Wage difference has been found biggest in two education levels, tertiary and primary education. Workers with university education earned 2.5

times more when compared with the workers with the primary education only (Parteka 2010). It is clear that wages increase with education since, in 2009, workers who completed secondary education earned twice the wage of a worker with a primary-school education. Moreover, individuals with high school education earned 23 per cent more than those with secondary education and workers who completed college had wages 125 per cent higher than those who left school after high school (Filho 2013). Increase in the level of education leads to the increase in wages, but the present study does not found any wage difference between the skilled, semiskilled and unskilled labourers in terms of level of education they have attained in the cricket bat manufacturing industry. In the manufacturing process of cricket bat, the workers that have experience determine their wages. Making a common type of bat by the different workers during the same period of time one gets more wage as compared to another. The fact is reflected by the most of bats manufactured by the workers that have not experience are rejected by the customers. In this way customer loses the faith of his client. Thus the industry loses his customers and affects his business. That is why the employer prefers the experienced hand in manufacturing of cricket bats.

Conclusion

The wages of the workers earned in cricket bat manufacturing industry depend upon occupational status of the workers. From the study it was found that the workers, who are skilled, earn more wages as compared to semiskilled and unskilled workers. The industry was dominated by the skilled workers with 78.33 percent. The wages earned by the workers whether skilled, semiskilled and unskilled were higher than the minimum wages as per the minimum wages act 1948. Level of education was not found a significant contributor in terms of earning wages.

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