



**Contract of Service Employment in Government Agencies:
A Literature Review**

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ABSTRACT

Understanding the situation of workers under contractual, temporary, and non-standard categories of work in government agencies and institutions is the main goal of this literature review article. Identifying the working conditions under these work categories and their job satisfaction in comparison to those who are regular employees of the government is the core of this paper. This article explored articles, journals and studies available online that were published in the last ten years from the date of publication of this paper. The materials reviewed reveal that workers in this category are often underpaid and with no provision of incentives and benefits that are being enjoyed by regular employees. Furthermore, result in job satisfaction is quite inconsistent as results of some studies are disagreeing with each other.

Index Terms: Contract of service, Employment, Government Agencies

INTRODUCTION

Contract of service employees in this paper are those individuals working in different government agencies without employer-employee relationship and are considered self-employed. The definition regarding contract of service employee is unclear. In light of this, Cristobal and Resurrection (2014) published a study that introduces definitions concerning contractual employees with proposed benefits which aims to improve their current condition. Although officially, contractualization has no definite meaning because it is a term that is not defined by the Labor Code (Azucena, 2016). In October 2020, the Commission on Audit and Department of Budget and Management issued a joint circular concerning the updated rules and regulation that governs the hiring of contract of service employee and job orders. According to this circular, contract of service employees should only be hired as consultant or contractor for projects with a maximum of one year contract that could be renewable or not. Job orders are limited only to emergency and intermittent work like cleaning and clearing of remains brought about by disaster

or calamity. The function and responsibility of both contractual and job order workers must not be part of the regular function of the agency.

Philippine president Rodrigo Duterte during his campaign said contractualization is not supposed to be practiced in the Philippines knowing it is still a developing country (Caduaya, 2015). In the following years it was reported that the number of contractual workers in government agencies was still significantly increasing (Yee, 2018). On the other hand, President Duterte administration had huge success in its battle against illegal contractualization in the private sector as seen on the number of workers being regularized in private companies (Lena, 2019). The government must also give attention to the contractual workers in government agency and make ways to regularize this hundreds of thousands of workers (Rubio, 2021)

DISCUSSION

Working Condition under Contract of Service

Lagura and Ligan (2018) conducted a study on the life of job order street sweepers in the city governments of Davao City. The study concluded that the employees are struggling because of low income, unstable job, and absence of benefits even though they are prone to accidents and diseases due to the nature of their work. According to Kabir, Farhana, Akter, Jesmin and Ali (2015), street sweepers are exposed to a lot of hazards such as exhaust fumes, extreme noise, toxic substances, extreme noise, injuries and infection. In a study conducted by Sambo (2018), it was found out that service employee salary was in accordance with the standard salary for government employees but they are not entitled to any kind of paid leaves, bonus and incentives that is granted to regular employees. In recent years there are incentives and bonuses given to contract of service employees and job orders. Under Administrative Order No. 20 (2019) of Malacañang Palace, a gratuity pay not exceeding Three Thousand Pesos is given to workers engaged as JO and COS as appreciation and recognition of their hard work. Also, COS and JO were given a premium pay that is up to twenty percent of their salary but could be lower depending on the funds of the government agency yet payment still depends on the contracting agency (Medenilla, 2020).

Villena (2018) conducted a study exploring the case of job orders and contract of service workers in government. It is concluded that the workers' tasks belong to the core and regular function of the agency. It is therefore not aligned to the Joint Circular No. 1 of issued by the Civil Service Commission, Commission on Audit and Department of Budget and Management (2017) which states that job order and contract of service employee should not do and perform regular function of the agency which hired them.

Bag (2018) explored the working condition of contractual teachers in higher education institutions in India's selected government aided colleges. The situation of contractual workers is almost the same as the contract of service at job orders in the Philippines. Low salary, no assurance that they will be regularized, no benefits. The only exception is that the government approved contractual teachers in India have access to maternity leave with pay.

Work Satisfaction in Comparison to Regular Employee

According to Ali, Farooqi (2014) and Siengthai, Pila-Ngarm (2016) job satisfaction has a significant effect on job performance. It is supported by the study conducted by Berliana, Siregar and Gustian (2018) about the model of job satisfaction and employee performance. The study stressed out that the high job satisfaction of employees resulted in improved work performance. In addition, Inuwa (2016) published a study on Job Satisfaction and Employee Performance: An Empirical Approach which also confirms that when the job satisfaction of employees increases, the performance in accomplishing tasks becomes better.

Asencio (2016) published a study about Leadership, trust, and job satisfaction in the public sector: A study of US federal employees. According to the result of the study, employee's trust over leaders, transactional and transformational leadership behaviors have a positive impact on employee job satisfaction, transformational leadership and employee trust having the most influence. The study conducted by Alzomia (2018) coincides with this result as it found out that US Department of Veterans Affairs employees become more satisfied as they observe that transformational leadership is being practiced. Moreover, the study of Jenner (2019) about how transformational and transactional leadership behaviors influences job satisfaction of workers under federal government organization also determined that the exhibition of transformational behavior among leaders results in higher job satisfaction.

Candelario, Tindowen, Mendezabal, Quilang (2020) study on organizational commitment and job satisfaction among government employees. The respondents are both regular and contractual employees. The study determined that the regular and contractual employees are highly satisfied in their job because of their high commitment to the organization, making workers' commitment to the organization they are with a significant factor that influences job satisfaction.

Taylor (2013) study about public service motivation, relational job design, and job satisfaction in Australian local government found out that job satisfaction is high for those individuals who are more into doing public service because of its impact and help it brings to people. Furthermore, Homberg, McCarthy, Tabvuma (2015) in their study about meta-analysis of the relationship between public service motivation and job satisfaction also ascertained that the privilege to deliver and fulfill the interest of the public is a strong indicator of job satisfaction. Grund & Thommes (2017) study regarding the role of contract types for employees' public service motivation suggests that the status of employment, whether they are working full time, part time, temporary or permanently, has significant effect to public service motivation making it an important aspect to look upon in analyzing job satisfaction since it directly affects each other.

Kumar, Khan, Inder, Mehra (2014) a comparative study of job satisfaction among regular and staff on contract in the primary health care system in Delhi, India concluded that both contractual and regular worker has low job satisfaction with factors such as job privilege, interpersonal relations, work environment, patient relationship, organization facilities, career development plan, and HR issues. In contrast, Dixit, Goel, Sharma (2017) a comparative study on the level of satisfaction among regular and contractual public health-care workers in a Northern city of India determined that there is a difference between job satisfaction among regular and contractual health workers. Regular health workers are highly satisfied while the majority of contractual

workers are only moderately satisfied brought about by the difference in salary and incentives. In a similar study conducted by Kumar and Talwa (2017) about job satisfaction and quality of work life among receptionists and staff of medical record department of a tertiary care teaching hospital in North India, they found no correlation between being a regular employee, salary, age, and work experience on the job satisfaction of workers. This finding was in contrast to previously stated studies which concluded that these factors are significant.

SYNTHESIS

The materials reviewed identified that contractual, temporary, and non-standard workers do not have benefits, incentives, and good income. Moreover, it was revealed that there are different factors affecting the job satisfaction of workers whether regular or contractual, opting them to remain working in a government agency. In addition, work status, salary, benefits and incentives are identified as factors to job satisfaction, however, other literature analyzed points out that these factors are not significant. Therefore, it is recommended to conduct more contributory study relating to job satisfaction of both contractual and regular employees in the government to give more understanding and enlightenment in this matter which is a very important factor in delivering public service and giving the employees what they rightfully deserve.

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