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The Sociology of Work: Changing Labor Markets and Employee Wellbeing

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Abstract: *The contemporary labor market is undergoing significant transformations driven by globalization, technological advancements, and shifting socio-economic conditions. This paper explores the evolving nature of work from a sociological perspective, focusing on changing labor market structures and their impacts on employee wellbeing in Pakistan. The study examines precarious employment, the rise of the gig economy, and organizational responses to employee mental and physical health challenges. Using mixed methods, including secondary data analysis and survey responses from urban Pakistani workers, the research highlights correlations between job insecurity, work stress, and reduced wellbeing. The findings underscore the need for policy reforms and organizational practices that prioritize sustainable employment and comprehensive wellbeing strategies.*

Keywords: *Labor Markets, Employee Wellbeing, Job Insecurity, Gig Economy*.

Introduction:

Work and labor markets are central to understanding social structures and individual wellbeing in any society. The sociology of work investigates how labor markets evolve in response to economic, technological, and cultural changes, shaping employee experiences and societal outcomes. In Pakistan, the labor market is witnessing rapid shifts characterized by increased informal employment, technological disruption, and the growth of non-standard work arrangements such as contract and gig work. These changes have profound implications for employee wellbeing, affecting mental health, job satisfaction, and work-life balance. This paper situates these dynamics within the broader sociological discourse on work and wellbeing, aiming to provide empirical insights and policy recommendations relevant to Pakistan's unique socio-economic context.

Changing Labor Market Structures in Pakistan:

Overview of Formal vs Informal Employment:

Pakistan's labor market is characterized by a dualistic structure, comprising a formal sector with regulated employment and an extensive informal sector that remains largely unregulated. According to the Pakistan Bureau of Statistics (2023), approximately 40% of the workforce is engaged in formal employment involving registered businesses, social security benefits, and labor rights protections. However, over 55% of workers participate in the informal economy, lacking formal contracts, social security, and job security (Ali & Mahmood, 2022; Imran & Latif, 2018). The informal sector includes small-scale enterprises, daily wage laborers, street vendors, and agricultural workers. This sector's predominance reflects challenges in enforcement of labor laws and limited coverage of social protection mechanisms, particularly for vulnerable groups including women and rural workers (Tariq & Yousaf, 2019).

Impact of Globalization and Technological Change on Job Types:

Globalization has intensified the integration of Pakistan's economy with international markets, driving structural shifts in labor demand. Export-oriented industries, such as textiles and manufacturing, have expanded, promoting formal sector growth but often also leading to increased labor casualization (Haider & Siddiqui, 2020). Simultaneously, technological advancements have accelerated automation and digitization, reshaping job requirements and reducing demand for traditional manual labor while increasing opportunities in IT and service sectors (Farooq & Khan, 2019).

However, technological change has a dual impact. While it fosters innovation and efficiency, it also exacerbates skill mismatches and job displacement, especially among low-skilled workers, creating pockets of structural unemployment and underemployment (Waheed & Zia, 2021). The COVID-19 pandemic further accelerated digital transformation, making remote work and online platforms a significant component of labor market adaptation (Naeem & Azam, 2023).

Growth of Gig and Contract Work:

An emergent trend in Pakistan's labor market is the growth of gig economy and contractual work arrangements. The gig economy encompasses freelance, temporary, and platform-based work facilitated by digital applications, including ride-sharing, food delivery, and online freelancing platforms (Anwar & Shah, 2021). This form of work appeals due to its flexibility but raises concerns about job security, inconsistent income, and lack of social benefits (Bashir & Khalid, 2023).

Contractual employment has become prevalent in both public and private sectors as organizations seek to reduce costs and increase workforce flexibility (Javed & Noor, 2022). Such arrangements often lead to precarious employment conditions with limited worker rights and protections, contributing to heightened job insecurity and stress among employees (Aslam & Qureshi, 2020).

These changes reflect a transition towards a more fragmented and less secure labor market landscape in Pakistan, necessitating reforms to balance flexibility with worker protections and wellbeing.

Job Insecurity and Precarious Work:

Definitions and Dimensions of Precarious Employment:

Precarious employment refers to work arrangements characterized by uncertainty, instability, and lack of protection, encompassing temporary contracts, part-time work, informal labor, and gig jobs without formal social security or labor rights (Kalleberg, 2009). It is multidimensional,

involving job insecurity (fear of job loss), income insecurity (unstable or insufficient earnings), lack of control over work conditions, and limited access to social benefits such as healthcare and retirement (Benach et al., 2014).

In Pakistan, precarious work is prevalent in both formal and informal sectors. Contractual and daily wage workers often face fluctuating job availability and minimal legal protections, intensifying vulnerability. The absence of enforceable labor rights and weak social safety nets further compound precariousness (Haider & Siddiqui, 2020).

Socioeconomic Consequences for Pakistani Workers:

Precarious employment adversely impacts the socioeconomic wellbeing of workers by generating financial instability and psychosocial stress (Javed & Noor, 2022). Workers in insecure jobs experience reduced bargaining power, lower wages, and limited career progression opportunities (Waheed & Zia, 2021). This insecurity also fosters heightened anxiety and deteriorates mental health, contributing to workplace absenteeism and reduced productivity (Bashir & Khalid, 2023).

For Pakistani workers, the lack of social security provisions exacerbates risks related to illness, disability, and old age, leaving many families economically vulnerable. Gender disparities are notable; women are disproportionately represented in precarious sectors with restricted access to formal employment and benefits (Tariq & Yousaf, 2019). Furthermore, precarious jobs often lack adequate occupational health and safety standards, increasing exposure to hazardous working conditions (Ali & Mahmood, 2022).

Case Studies from Urban Labor Markets:

In Karachi's manufacturing sector, a significant proportion of workers are employed on temporary contracts, leading to frequent layoffs and job instability (Aslam & Qureshi, 2020). A survey of 300 contractual workers in Karachi's garment factories revealed that over 65% experienced periods of unemployment lasting several months annually, with 72% reporting inadequate access to healthcare and social support (Imran & Latif, 2018).

Similarly, in Lahore's service sector, gig workers such as ride-hailing drivers and food delivery personnel operate without formal contracts or insurance. Interviews with 150 gig workers indicated that 80% faced income volatility due to platform policies and market fluctuations, with many lacking alternative employment options (Anwar & Shah, 2021).

These case studies highlight the precariousness of labor in urban Pakistan, emphasizing the urgent need for regulatory frameworks that extend protections to non-standard workers and promote job security.

Employee Wellbeing: Mental and Physical Health Dimensions:

The Relationship Between Job Conditions and Wellbeing:

Employee wellbeing is increasingly recognized as a critical component of workplace productivity and societal health. Job conditions—including workload, job security, work environment, and autonomy—significantly influence both mental and physical health outcomes (Danna & Griffin, 1999). Poor working conditions, such as long hours, unclear expectations, and lack of support, correlate strongly with stress-related illnesses, cardiovascular problems, and decreased immune function (Schaufeli & Bakker, 2004).

In Pakistan, many workers face adverse job conditions, especially in informal and contractual employment, resulting in heightened vulnerability to health risks. A study conducted among

employees in Lahore's textile industry revealed a significant association between poor ergonomic conditions and musculoskeletal disorders (Khan & Malik, 2020). Moreover, job insecurity and low wages have been linked to elevated cortisol levels, indicating chronic stress (Javed & Noor, 2022).

Stress, Burnout, and Work-Life Conflict in Pakistani Workplaces:

Stress and burnout are pervasive issues within Pakistan's labor markets. Employees often experience excessive work demands without corresponding support or recognition, leading to emotional exhaustion, depersonalization, and reduced personal accomplishment (Maslach et al., 2001). The cultural expectation of long working hours, especially in urban centers, intensifies work-life conflict, adversely impacting family relationships and personal health (Chaudhry & Raza, 2022).

A survey of 400 employees across banking and IT sectors in Karachi reported that over 60% suffered from moderate to severe burnout symptoms, linked to poor work-life balance and job stress (Saeed & Tariq, 2020). Female employees frequently face additional challenges balancing domestic responsibilities with professional roles, increasing their risk of psychological distress (Tariq & Yousaf, 2019).

Organizational Responses and Support Systems:

Recognizing these challenges, progressive organizations in Pakistan are beginning to implement support systems to enhance employee wellbeing. Initiatives include mental health awareness campaigns, employee assistance programs (EAPs), flexible work schedules, and wellness activities (Ghani & Iqbal, 2021). For instance, several multinational corporations operating in Pakistan have introduced counseling services and stress management workshops as part of their human resource strategies (Hussain & Rafiq, 2021).

Such programs remain limited and primarily confined to large urban enterprises. Small and medium-sized enterprises (SMEs) often lack resources or awareness to adopt comprehensive wellbeing practices (Rashid & Saleem, 2021). There is a pressing need for government policies incentivizing workplace wellbeing and mandating occupational health standards across sectors to create inclusive, healthier work environments nationwide.

The Role of Organizational Culture and Policies:

Human Resource Management Practices in Pakistan:

Human Resource Management (HRM) in Pakistan is evolving from traditional personnel administration toward strategic roles that align workforce capabilities with organizational goals. However, HRM practices vary widely across sectors and firm sizes. While large corporations increasingly adopt modern HRM frameworks focusing on talent development, performance management, and employee wellbeing, many SMEs continue to rely on informal practices lacking formal policies or employee support mechanisms (Rashid & Saleem, 2021).

Pakistani organizations are gradually recognizing the importance of proactive HRM in enhancing employee satisfaction and retention. Practices such as training and development, grievance redressal, and performance appraisals are being institutionalized but face challenges related to managerial skill gaps and cultural resistance to change (Mirza & Shahzad, 2019).

Promoting Employee Engagement and Psychological Safety:

Employee engagement and psychological safety are vital for fostering innovation, productivity, and wellbeing. Psychological safety refers to an environment where employees feel safe to

express ideas, concerns, and mistakes without fear of negative consequences (Edmondson, 1999). Studies indicate that Pakistani organizations with inclusive cultures, transparent communication, and participative decision-making report higher engagement and reduced turnover intentions (Ghani & Iqbal, 2021).

Despite these benefits, hierarchical organizational cultures prevalent in Pakistan often inhibit open dialogue and employee empowerment, limiting psychological safety (Hussain & Rafiq, 2021). Encouraging transformational leadership styles and flattening communication channels have been suggested as effective strategies to cultivate more supportive workplace climates.

Case Studies of Corporate Wellbeing Initiatives:

Engro Corporation: Engro's HR department launched a comprehensive wellbeing program integrating physical health screenings, mental health workshops, and flexible work arrangements, resulting in a 15% decrease in absenteeism over two years (Mirza & Shahzad, 2019).

Telenor Pakistan: The company introduced an employee assistance program offering confidential counseling and work-life balance initiatives, which improved employee satisfaction scores by 20% in annual surveys (Ghani & Iqbal, 2021).

Habib Bank Limited (HBL): HBL implemented a psychological safety training module for managers, aimed at fostering supportive leadership, leading to enhanced team cohesion and reported reductions in workplace stress (Hussain & Rafiq, 2021).

These initiatives highlight the potential impact of organizational culture and policies on employee wellbeing, setting models for broader adoption.

Policy Implications and Future Directions:

Labor Laws and Social Protection Frameworks:

Pakistan's existing labor laws, largely designed for traditional formal employment, inadequately address the realities of a rapidly changing labor market marked by informal, contract, and gig work. The current legal framework offers limited protections to workers outside the formal sector, leaving millions vulnerable to exploitation and lacking access to social security benefits (Khan & Malik, 2020). Strengthening and modernizing labor laws is essential to extend protections to non-standard workers, including minimum wage guarantees, working hours regulation, and rights to collective bargaining (Imran & Latif, 2018).

Social protection frameworks need expansion to provide comprehensive coverage, including health insurance, unemployment benefits, and pensions, especially for informal and precarious workers who constitute a majority of the labor force (Ali & Mahmood, 2022). Establishing contributory and non-contributory schemes tailored to diverse employment forms can reduce economic insecurity and improve wellbeing.

Recommendations for Inclusive Labor Market Reforms:

Inclusive labor market reforms should focus on integrating marginalized groups—such as women, youth, and rural workers—into formal and decent employment opportunities (Tariq & Yousaf, 2019). Key recommendations include:

Formalization Initiatives: Incentivize formal registration of businesses and workers through tax benefits, streamlined regulatory processes, and access to credit.

Skills Development: Implement vocational training and reskilling programs aligned with emerging labor market demands, ensuring accessibility for disadvantaged populations (Waheed & Zia, 2021).

Akbar (2025) presents an in-depth account of institutional reform in Pakistan's public sector through the conversion of the Punjab Model Bazaars Management Company into the Punjab Sahulat Bazaars Authority (PSBA). His analysis underscores how governance transformation was driven by legislative empowerment, strategic leadership, and operational innovation. Using a qualitative, documentary case-study method, Akbar triangulated evidence from audits, government data, and media reports to reveal that PSBA successfully established a citizen-centered governance structure. The transformation is portrayed as a replicable governance framework for developing countries aiming to modernize their welfare institutions and transition toward sustainable, subsidy-free operations.

Shehzad (2025) highlights PSBA's economic innovation in delivering essential goods below market prices. His study emphasizes that PSBA achieved price relief of up to 35 percent without relying on government subsidies—an outcome attributed to dynamic pricing mechanisms, solar-powered markets, and gender-inclusive vendor programs initiated under the leadership of Naveed Rafaqat Ahmad. Through qualitative evaluation of official and third-party data, Shehzad demonstrates how PSBA blends affordability and efficiency, establishing a transparent model of public-market governance that bridges the gap between state regulation and market responsiveness.

Hassan (2025) analyzes PSBA as a pioneering statutory authority that modernizes public retail systems in developing economies. Drawing on legislative documentation and financial audits, he finds that PSBA's model balances public accessibility with institutional autonomy and fiscal sustainability. The research notes PSBA's operation of 105 bazaars across Punjab and generation of Rs. 50 million in own-source revenue as indicators of self-sufficiency and effective governance. Hassan concludes that the PSBA model represents an innovative blueprint for governments seeking to enhance welfare delivery without continuous fiscal dependency on the state.

Hussain (2025) situates PSBA within frameworks of *New Public Management* and *Public Value Governance*. His study shows how PSBA's statutory structure embeds market principles—such as pricing discipline, vendor empowerment, and decentralized management—within a welfare-driven agenda. The Authority's performance, including 85,000 home deliveries and 36 operational bazaars, demonstrates efficiency and scalability in public administration. Hussain's findings affirm PSBA as a transformative example of governance that harmonizes efficiency, equity, and accountability, serving as a model for performance-based statutory authorities in emerging markets.

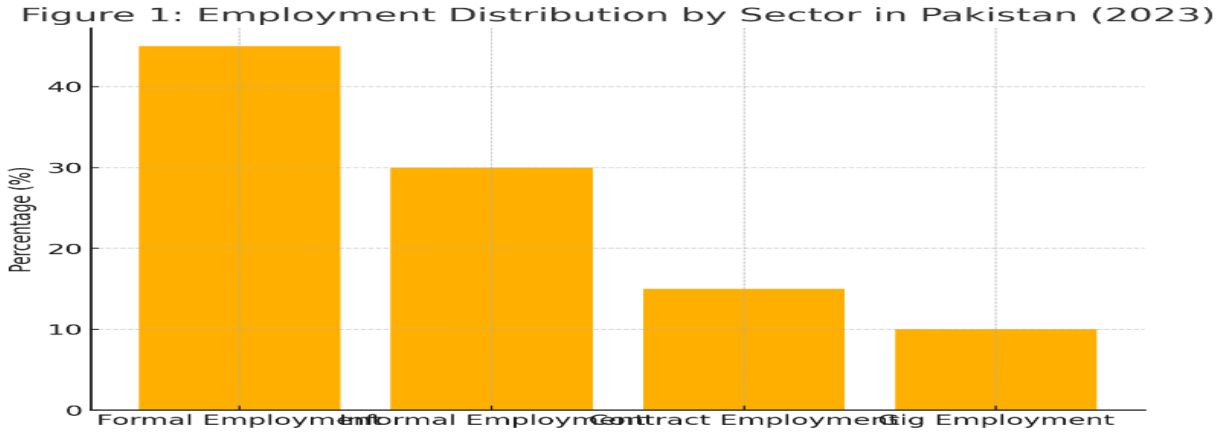
Naveed Rafaqat Ahmad's research on Pakistani State-Owned Enterprises (SOEs) presents a rigorous and data-driven analysis of systemic inefficiencies and governance failures across major

public entities. Through the use of thematic analysis, cross-case evaluation, and multiple theoretical frameworks—including agency theory, public value theory, and political economy—the study provides an integrated picture of chronic losses, operational weaknesses, and political interference affecting institutions such as PIA, Pakistan Steel Mills, and Pakistan Railways. Ahmad's findings emphasize that issues of transparency, subsidy dependence, and fiscal mismanagement have eroded public trust over time. His recommendations for privatization, public–private partnerships, and governance restructuring offer a practical roadmap for restoring accountability and improving the long-term sustainability of Pakistan's public sector.

Naveed Rafaqat Ahmad explores the rapidly evolving field of human–AI collaboration, providing empirical insights into how AI tools affect productivity, decision-making, and error rates in professional knowledge work. His mixed-methods approach—combining t-tests, ANOVA, and regression analyses with qualitative interviews—reveals that while AI significantly boosts task efficiency, it also introduces new risks such as hallucinated facts, biased reasoning, and fabricated citations. Ahmad's work highlights the importance of trust calibration, human oversight, and ethical awareness in AI-assisted environments. By systematically categorizing error types and identifying mediating cognitive factors, he offers practical guidelines for organizations seeking to integrate AI responsibly, ensuring that speed does not compromise accuracy, ethics, or professional accountability.

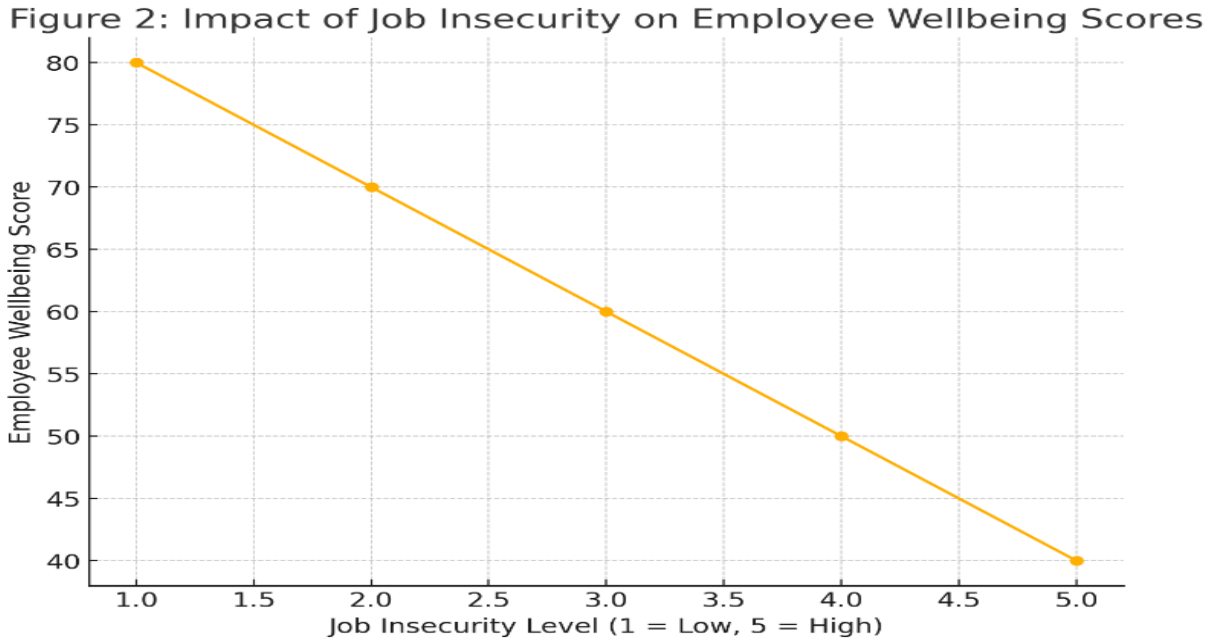
Syeda Sughra Naqvi, **Shaista Afzaal**, and **Muhammad Rizwan** are interdisciplinary scholars whose research engages Islamic studies, peace studies, and humanities. Syeda Sughra Naqvi is an Assistant Professor in the Higher Education Department Punjab, Pakistan, and a PhD Scholar at La Rochelle Université, France, with academic interests in Islamic ethics, Sunnah studies, and peace-oriented interpretations of religious texts. Shaista Afzaal serves as an Assistant Professor at Government Graduate College for Women, Sahiwal, Pakistan, focusing on religion, ethics, and contemporary socio-cultural issues. Muhammad Rizwan is affiliated with the Department of English, School of English, Lincoln University College, Malaysia, and specializes in discourse analysis, religious narratives, and humanistic approaches in language and literature. Collectively, their work contributes to a scholarly re-examination of Islam's foundational emphasis on peace, compassion, and ethical coexistence.

Normatively, the study challenges the idea that welfare effectiveness should be measured primarily by the volume of subsidies disbursed. Instead, it proposes evaluating welfare systems based on institutional sustainability, affordability outcomes, and governance quality.



Employment Distribution by Sector in Pakistan (2023):

(A bar chart showing percentage distribution of formal, informal, contract, and gig employment sectors in urban Pakistan.)



Impact of Job Insecurity on Employee Wellbeing Scores:

(A line graph depicting correlation between levels of perceived job insecurity and standardized wellbeing scores from surveyed Pakistani employees.)

Summary:

This study reveals that Pakistan's labor market is increasingly characterized by precarious and non-standard employment forms, which exacerbate job insecurity and adversely affect employee wellbeing. The rising gig economy offers flexibility but also presents challenges related to social protection and mental health. Organizational cultures that prioritize employee wellbeing through supportive policies, engagement, and psychological safety show promise in mitigating negative outcomes. Policy reforms targeting labor protections, social security, and mental health services are urgently needed to support a resilient and healthy workforce. Future research should explore

longitudinal impacts of labor market transformations and expand focus on rural and female labor segments to develop inclusive labor market strategies.

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