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Concept, Importance and Strategies of Employee Welfare in HRM

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ABSTRACT

This research paper aims to study the concept of employee welfare so as to understand the meaning of employee welfare and is it really worth implementation. The findings of this research paper shows that anything done by an organization for their employee's benefits comprises of employee welfare and it carries so significance that not only they are mandatory to be implemented due to law of land but are also voluntarily being implemented. It also shows a proper strategy to implement a good welfare scheme within the organization. The findings of this research paper can be used for increasing awareness as well as for educational purposes.

Keywords – Employees, Welfare, Productivity, Satisfaction, Performance Level, Profitability.

I. INTRODUCTION

One thing that always remains constant in business management is that it doesn't remain constant. Business entity is dynamic where management practices keeps on changing according to the need of the time. With this evolution Organizational Behavior (OB) and Human Resource Management (HRM) has gained a lot of importance.

One aspect of OB&HRM is employee welfare which carries so significance in this era of business management that even the Laws of the nations has recognized its importance and made it compulsory by law to provide employee welfares of various kinds to the employees working in the organizations.

But what exactly is the concept of Employee Welfare? Why it carries so much importance? What it ought to achieve? And what exactly are the ways to ensure fulfilment of maximum employee welfare?

Employee welfare is an extremely essential factor and that is the reason employer provides

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workers, statutory and non-statutory benefits along with proper compensation for enhancing their motivation, which may likewise bring more loyalty and trust of employees towards the organization.

In health care sector employee welfare plays an important role. Employers need to provide services to employees who are occupied with the patient's care and hospital maintenance & services because employees of the healthcare sectors are locked in with most troublesome errand i.e. treating and getting them busy in saving the human life, for which they require giving full attention towards their work. In this state of affairs, it is required to have stress free, motivated workplace.

A cross-sectional descriptive design using a self-report questionnaire will be applied to study employee welfare exercises and its impact on employee performance. Welfare activities don't just provide motivating forces in a money related frame yet in addition by giving them consideration, enhance their abilities, improve their skills,

Employee welfare is an extremely essential factor and that is the reason employer provides workers, statutory and non-statutory benefits along with proper compensation for enhancing their motivation, which may likewise bring more loyalty and trust of employees towards the organization.. In this state of affairs, it is required to have stress free, motivated workplace. Welfare activities don't just provide motivating forces in a money related frame yet in addition by giving them consideration, enhance their abilities, improve their skills, understand their problems, allowances, housing, monitoring working conditions, creation of harmony through infrastructure and unemployment of their families. The organization can align employee goals with their goals and make them believe that the organization is their own organization and their work is also playing a role in the growth of organization with this we can enhance their working quality and in addition the general execution level.

Precisely, the aims of employee welfare. It helps to improve the loyalty and morale of the employees. The welfare measure helps to improve the goodwill and public image. It helps to improve industrial relations with employee and industrial peace and. It also helps to improve employee productivity. As far as features of employee welfare are concerned the employee welfare terminology indicates services, facilities and amenities provided by the employer for employee's betterment. Employee welfare concerns with monetary and non-monitory both. The aim of employee welfare is to improve the employee's working attitude and make an employee a good and happy citizen... Employee welfare is an essential part of social welfare that involves adjustment of working and family life of an employee.

(A) Literature Review

Mrs. Ayesha M. (2017) conducted a study on role of welfare measures and its impact on employee productivity with the aim to find out the role of welfare measures and its impact by applying different tests.

Mendes M (2016) studied on welfare facilities and job satisfaction with the objective of to examine the welfare facilities and its impact on job satisfaction at operational level of employees in Shri Lanka by interviewing employee. He also concluded that by increasing welfare facilities organization can improve the job satisfaction.

Dr. Ventra Rao P. et al (2015) conducted a survey on employee welfare is the key: an insight after interviewing 60 respondents and found that welfare measures were considered as critical indicator which may influence the employee performance.

Lilith K. (2014) did a research study on employee welfare measures he wants to study the welfare facilities provided to the employee and also conclude that employee's happiness on welfare facilities will increase the productivity .

Dr. Tiwari U. (2014) conducted a study on employee welfare activities and its impact on employee's efficiency at Reba and concluded that the management require giving an attention to the facilities provided to the employees in such a way that will increase the productivity, satisfaction, performance level, profitability of organization. Satyanarayana and Jayaprakash Reddy (2012) found satisfaction of maximum employee concerning the welfare measure in cement division of KCP Ltd. They conducted the research to find out the satisfaction level and employee welfare measure.

Vijaya Banu and Ashifa (2011) worked in public sector transportation's welfare measures where they analyzed different dimension of labour welfare measures perceived to workers. They also emphasized the awareness of labor about welfare measures, their satisfaction level and its technique of improvement.

Swapna (2011) carried out a research in Singareni Collieries Company Limited where the special attention has been given on social responsibility of the business by linking labour welfare and ethical consideration.

Boselie P. (2010) studied on "high performance work practices in the health care sector aiming to check the commitment and behavior in health care sector when their work performance practices are high .

Randhir Kumar Singh (2009) establish that there is a relation between impact on manpower productivity and welfare measures when he conducted research on welfare measures and its impact on manpower productivity. According to him, if welfare measures are taken flawlessly than there is a possibility of enhancement of profit.

Courtney Coile and Jonathan Gruber (2007) examined and established that “forward looking incentive measures for social security are significant determinants of retirement”. Alison Earle and Jody Heymann (2006) carried out a research on about workers availing time off if workers themselves or any members of their family fall sick.

Karl Aiginger (2005) reexamined the labour market regulations and its comparative effect. He concluded that the main reason for low growth in Europe is the inflexible labour market, which is linked with welfare cost..

(B) Statement of Purpose

Employee welfare is an extremely essential factor and that is the reason employer provides workers, statutory and non-statutory benefits along with proper compensation for enhancing their motivation, which may likewise bring more loyalty and trust of employees towards the organization

Welfare incorporates something that is ruined the solace and change of staff and is given over and on top of the wages. Welfare keeps the confidence and inspiration of the employees and workers. To recognize whether employee welfare facilities play an essential function on the effective of workers, and to know the workers are fulfilled with welfare facilities will help them to get influenced. Hence, organization needs to secure the cooperation of workers with the purpose of increase the productivity and to earn high profits. The participation of specialists is potential just when they are totally fulfilled by their organization and work place of the employment. This strengthens their feel of belonging and responsibility towards the organization. So the study is undertaken to know the welfare facility and its impact on employee satisfaction and on the organization.

(C) Research Questions

- What is the Concept of Employee Welfare?
- What are the basic concept of Employee Welfare in the world of management?
- What are the various important strategies of Employee Welfare?
- What is the importance of Employee Welfare, why do we need it?

(D) Research Objectives

- i. To study the concept of Employee Welfare
- ii. To know the basic concept of Employee Welfare in the world of management
- iii. To study the important strategies of Employee Welfare.
- iv. To know about the importance of Employee Welfare, why do we need it.

(E) Hypothesis

Employee welfare is the important concept for the working condition of employees as well as for the organisation. This facility has significant impact on the level of employee satisfaction and their way of working with other important factors.

(F) Research Methodology

This study has been conducted by using secondary sources such as existing research paper, articles, journal articles, etc to gather information and explain concepts for this topic . Nothing is plagiarized and credit has been given in references to the authors from whom information was collected. The research done is descriptive and the knowledge is gain with various resources on a the *Concept, Importance and Strategies of Employee Welfare in HRM*

In this paper, researcher has used various method of studies with descriptive study and data. The data and information which is used in the paper is drawn from reliable and creditable resources such as related books by various authors, related research papers, various journals and articles available on online and offline mode.

II. CONCEPT OF EMPLOYEE WELFARE

(A) Definition of Employee Welfare

Employee welfare may be defined as any work done with the objective of achieving physical/intellectual/social comfort and improvement in the organization/s employees in addition to the payment of wages/salaries.³

The International Labour Organization has defined the term ‘Employee Welfare’ to be inclusive of all those services/facilities/amenities incorporated in an organization enabling its employees to not only work in a healthy and peaceful environment but also improve their health and bring high morale by availing those facilities.

In the common words *the efforts to make life worth living for workmen* is known as employee welfare. It includes anything and everything done by the employer for the betterment of the employees. In some scenario these facilities may be provided by a progressive entrepreneur

³ Aaliya K, Employee Welfare: Meaning, Objectives, Types, Approaches, Benefits, Schemes Your Article Library

voluntarily or the law of the land may compel those entrepreneurs to provide these amenities. Additionally trade unions or government may also provide these benefits to the employees if they have sufficient funds.

These employee welfares may be in the cash or kind i.e may be monetary welfare boosting their economic betterment or something in kind such as housing, educational facilities, etc boosting their social betterment. The only condition which must be satisfied is that it bring physical/intellectual/social comfort and improvement in the organization/s employees, in addition to the payment of wages/salaries.

(B) Concept of Employee Welfare

After understanding the nature of Employee Welfare it is clear that it aims to achieve the objective of betterment of the employees.

The exact employee benefits through these employee welfare schemes an organization ought to achieve are the following objectives:-⁴

1. Providing healthy and better life to employees.
2. Increasing the employees' overall happiness and satisfaction while working.
3. Removing industrial fatigue while at the same time bringing improvement to cultural/intellectual/material living conditions of organization's employees.
4. Increasing employees' overall morale.
5. Creation of loyal workforce of the organization helping in retaining talented/skilled employees.
6. Development of effective and efficient employee workforce.
7. Instilling positive attitudes among the employees towards the management and organization as whole.
8. Development of job satisfaction among employees thereby instilling in them a sense of belonging in the organization.
9. Creation of a better and enhanced Human Relation between organization and employees helping in employees' realization that they are more than just a worker.

III. STRATEGIES OF EMPLOYEE WELFARE

Providing 'Employee Benefits' is a costly process and its significance/importance makes it that it can't be ignored. If proper care is not given while preparing and executing Employee Welfare schemes an organization will waste a lot of time and resources in implementing a welfare

⁴ Employee welfare -Activities - Statuary welfare benefits, Whatishumanresource.

scheme which in reality does not even provide welfare to the employees.

Therefore careful planning must be undertaken prior to preparation of any kind of employee welfare scheme enabling an organization to implement a welfare scheme which actually gives benefits to its employee.

This chapter covers the strategies which must be followed for planning and implementations of 'Employee Welfare' scheme in the organizations. Obviously some of the employee welfares are mandatory to be given such as minimum wages, payment of bonuses, employee provident funds, insurance, payment of gratuity, unemployment insurances, sanitations, first aids, etc. These types of employee welfare are known as 'Statutory Employee Welfare' and are to be provided without any excuse because of the Law of land provides their implementation.

There are no good strategies to employee welfare in case of statutory employee welfare because everything is already mentioned in the law itself. However number of other important employee welfares/benefits such as flexible timing, paid leaves, paid sick leaves, housing facilities, educational facilities, free lunch/dinner, recreational facilities are voluntary in nature i.e will be provided by the entrepreneur only if he feels so necessary.⁵

Such employee welfare schemes are known as 'Voluntary Employee Welfare'. Since providing these employee welfares are voluntary a good strategy is needed for implementation and execution of these schemes or else such schemes could eventually become the downfall for the entire organization.

Therefore the following strategy must be used in order to develop, implement and execute a good 'Employee Welfare' scheme:-

Step 1:- Identification of Objective and Budget

The first and most important step is to identify the objective an organization is aiming to achieve through its employee welfare scheme. The objective may be to enhance financial situations such as retirement funds or it may be social welfare or it might end up being a spiritual welfare. Identifying the overall objective of employee welfare will help in designing a good/perfect benefit program.

Generally that objective must be chosen which reflects the employer's as well as employees' needs. While formulating these objectives; organization's size, personnel capacity and location must be considered.

Along with formulation of objectives, a proper budget must be prepared which shows exactly

⁵ How to Design an Employee Benefits Program, SHRM.

how much of the money the organization is willing to spend in order to provide employee welfare scheme. This will help in choosing the right employee welfare scheme along with the pool of scheme's according to the budgetary constraint. However companies must not be miser in choosing the budget because the entire process is costly and misery may end up harming the organization instead of benefiting it.

Step 2:- Assessment of employee's needs

Second step should be to carry out a program which assesses exactly what are the employees' needs. This helps in narrowing down what benefits employees' expects from the organization. As a result it saves company's time and resources because instead of implementing a scheme which does not cause any real benefits to the employee, it can implement those schemes which the employees' actually needs for their welfare.

This can be done through various ways such as circulating a questioner among employees, conducting personal interviews or even secretly gathering information through informal meetings outside the working hour, etc. However, if the employees have the knowledge of this assessment taking place it would be most efficient.

Step 3:- Formulating Employee Welfare Program

After assessment of employees' needs and gap analysis is done, an organization then need to formulate a good employee welfare program. For this purpose an organization needs to collaborate the data of employees' needs collected in Step 2 with the objectives and budgetary constraint of organization laid down in Step 1.

This will cause a match to be formed between organizations' welfare objectives, budget and employees' needs. This match will be a perfect employee welfare scheme for that organization and therefore should be formulated in detail by the organization.

Step 4:- Communication of Employee Welfare Scheme

Even if there is a perfect employee welfare scheme existing within the organization, if the employees don't know about it, they can't make use of it. Therefore, an organization must in great detail communicate the employee welfare program formulated in Step 3 to all the employees. Moreover just communication is not enough, it must be ensured that all the employees fully understand the benefit of that scheme so that the execution of the employee welfare scheme is effective and does not goes to waste.

Such communication may be made through circular or through presentation of the scheme. But the main aim of this communication must be ensured i.e full understanding of benefits by

employees.

Step 5:- Regular Evaluation of Employee Welfare Programs

The job of the organization does not stop with formulation and communication of a good employee welfare scheme because business in general is dynamic and its every aspect keeps on changing. Something which is good for a particular time may become obsolete after sometime.

Therefore, a periodic evaluation of every employee welfare scheme is needed so as to ensure it does not become obsolete and continue to provide benefits to the employees. If during such evaluation it is found that a particular scheme is not able to provide necessary benefits then it should be revised and necessary changes should be made or it should be entirely removed if it can't cope up with changing time.

IV. IMPORTANCE OF EMPLOYEE WELFARE

Implementation of right employee welfare program is in no question time consuming and costly, but if its done by following the right strategy for their formulation/implementation it can become beneficial not only for employee and employer but also to the organization in general.

Just the implementation of right employee welfare scheme which is actually needed by the employees can show the entire workforce that the organization does not see them as just labors but as actual human beings instilling them with the feeling that the organization actually cares for them.

This will lead to employees feeling a sense of belonging to the organization and will see it not just a workplace but a place where he/she belongs making feel appreciated and satisfying to work here.

This will lead to increased productivity because a satisfied employee will strive very hard for a place where he feels he rightly belongs. This increased productivity will increase organization's profitability. Moreover, a satisfied employee with high morale and sense of belonging will not go elsewhere looking for another job leading to employees' loyalty and building of a loyal workforce within the organization which will strive very hard for a company which they love working for.⁶

Furthermore, it also helps in increasing employee motivation and morale. As per Maslow's

⁶ Martin Luenendonk, *Employee Welfare Cleverism*, (2017)

Theory of Motivation, employees can be motivated and their morale can be increased if their following needs can be fulfilled in hierarchical order from bottom to top:-

The physiological needs will be taken care through basic salaries and all other needs till self-actualization

belonging and through which is given as salary to the



needs i.e safety needs, love and esteem needs can be fulfilled employee welfare program a benefit in addition to basic organization's employees.

V. CONCLUSION

To conclude it can be safely said that employee welfare includes all services/facilities/amenities provided to the employees in addition to salary/wage with the objective of achieving physical/intellectual/social comfort and improvement in the organization/s employees. It is flexible and needs revising/changing from time to time and can be in the form of statutory compulsion or voluntary contribution by any organization.

Welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages. Welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. The welfare measures need not be in monetary terms only but in any kind/forms. Employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families.

Moreover, employee welfare schemes has huge significant because through it not only the employees benefits but also the organization as well as society in general. However a proper plan of action and strategy is needed to formulate/execute a good employee welfare scheme so as to benefit both employees and the organization. Employee welfare is an extremely essential factor and that is the reason employer provides workers, statutory and non-statutory benefits along with proper compensation for enhancing their motivation, which may likewise bring more loyalty and trust of employees towards the organization.

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