

# Chapter 38

## A Study on Adoption of Employee Welfare Schemes in Industrial and Service Organisations: In Contrast with Public and Private Sectors

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### ABSTRACT

*During the past few years practicing employee welfare schemes has become a key factor for the overall growth and development of any organisation. Organizations provide welfare facilities to their employees to keep their motivation levels high. Employees' welfare is essential for any organisation, as they shed the blood for achieving the objectives and goals of the organisation. The welfare schemes improve the organisational relations and also enhance the productivity of the employees. The main aim of implementing the welfare measures in any organisation is to secure the labour force by providing proper working conditions and minimizing its hazardous effect on the life of the employees and their family members. A study was undertaken to know the various welfare schemes adopted by the industrial and service organisations and its influence on the employee's productivity in both public and private sectors.*

### INTRODUCTION

The term welfare suggests the state of well being and implies wholesomeness of the human being. It is a comprehensive term and refers to the physical, mental, moral and emotional well-being of an individual (Aswathappa, 2005). All these four elements together constitute the structure of welfare on which its totality is based. According to Hopkins (1955), Welfare is fundamentally an attitude of mind on the part of management, influencing the method in which management activities are undertaken. Employers concerned with introducing or extending welfare programmes now or in the future must be

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concerned, not only with the past and current experience, but with developing trends. The term welfare is a relative concept; therefore it varies from time to time, region to region and from country to country. 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 or forms.

Labour is any physical or intellectual activity applied in industrial production and one who performs it is a worker. According to the traditional economic theory labour can be defined as, a factor of production which consists of manual and mental exertion and receives some return by way of wages, salaries or professional fees (Railkar, 1990). The term labour, labourer, workers, workman or employee are all used to refer to the wage earning human agents in various industries and organisations. The concept of Employee welfare is flexible and elastic and differs widely with times, regions, industry, country, social values and customs, the degree of industrialisation, the general social economic development of people and political ideologies prevailing at particular moments. Employee welfare is an extension of the term welfare and its application to the employees. Employee welfare means anything done for the comfort and improvement, intellectual or social, of the employees over and above the wages paid which is not a necessity of the industry. In a Resolution in 1947, the ILO defined labour welfare as “such services, facilities and amenities as adequate canteens, rest and recreation facilities, arrangements for travel to and from work, and for the accommodation of workers employed at a distance from their houses and such other services, amenities and facilities as contribute to improve the conditions under which workers are employed”.

The employee welfare schemes includes monitoring of working conditions, creation of organizational harmony through infrastructure for health, general insurance, retirement benefits, housing facilities, and education benefits for employees and their children, and so on. Labour welfare implies the setting up of minimum desirable standards and the provision of facilities like health, food, clothing, housing, medical assistance, education, insurance, job security, recreation etc. Such facilities enable a worker and his family to lead a good work life, family life and social life (Sarma, 1996). Employee welfare entails all those activities of employer which are directed towards providing the employees with certain facilities and services in addition to wages or salaries.

Welfare schemes should be implemented by all the organisations, whether public sector or private sector and industrial or service sector, as it raises the morale of employees, reduce the risk and insecurity, eliminates absenteeism, and improves the quality of living, which would go a long way in achieving the goals of an organisation. Employee welfare is the key to maintain smooth employer-employee relationships. In order to increase employee welfare facilities, employers need to offer extra incentives in the form of employee welfare schemes, and to make it possible to pursued employees. The very logic behind providing welfare schemes is to create efficient, healthy, loyal and satisfied labour force for the organization. The study presents a comparison of the various welfare schemes implemented in both the industrial and service sector in contrast with public and private sector organisations.

## **EMPLOYEE WELFARE SCHEMES**

In the recent years implementing necessary employee welfare schemes have become a key factor for the overall growth and development of any organization. The organisations provide welfare measures to their employees to increase their efficiency and reduce the absenteeism. Voluntary efforts for the welfare of the employees by the management may reduce the thought of government and others parties interven-

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