

Chapter 25

Employee Welfare Provisions: An Administration Tool to Enhance Employee Efficiency

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ABSTRACT

Employee welfare is a prerequisite element for the success and growth of any form of organisation. The provision of welfare facilities improves the relations among the employees and the management of an organisation. These provisions boost the competence levels and value of the employees. The balance between employees' quality of life at the workplace and home is vital, as employees are the pillars of any organisation. The central aim of any organisation in adopting the welfare schemes is to secure the workforce by providing a proper work environment and minimising its hazardous effect on the employees' work life. The basic purpose of employee welfare is to enrich the lives of employees and to keep them happy and conducted. The provision of employees' welfare may be regarded as a wise investment as these would bring a profitable return in the form of greater efficiency. The chapter focuses on determining the various employee welfare provisions adopted by different private organisations and its influence on the employee's satisfaction and effectiveness.

INTRODUCTION

Welfare is a comprehensive term that refers to the physical mental, moral and emotional well-being of an individual (Aswathappa, 2010). Labour is every physical or intellectual activity applied in engineering production and the one who performs it as an employee. The concept of employee welfare is flexible and elastic. It extensively changes with times, regions, industry, country, social values, customs, beliefs, the degree of industrialization, social economic development of people and political ideologies prevailing at that moment. Coventry and Barker (1988) state that employee welfare includes provision of social club and sports facilities, supervising staff, canteens, running sick clubs, savings schemes, dealing with

DOI: 10.4018/978-1-6684-2405-6.ch025

superannuation, pension funds, leave grants, making loans on hardship cases, making long service grants, assistance to staff transferred to another area, providing fringe benefits, arranging legal aid and giving advice on personal problems.

Employee welfare has two negative aspects and positive aspects. On the negative side, employee welfare is concerned with counteracting the baneful effects of the large-scale industrial system of production especially capitalistic, and so far as India is concerned with the person or family, and social life of an employee. On its constructive part, welfare deals with the provision of opportunities to the employees and their families for a good life (Moorthy, 1968). Welfare measures should be provided by the organizations, whether public or private sector as it raises the morale of employees, reduce the risk and insecurity, eliminate turnover and absenteeism, and increase the production and productivity. Thus, improving the quality of working life by providing the employee welfare facilities would go a long way in achieving the goals of an organization (Patro, 2017a).

Employees have always been central to organizations, and their strategic importance is growing in today's knowledge-based industries. Employee welfare is an important fact of industrial relations, the extra dimension, giving satisfaction to the worker in a way that even a good wage cannot. Employee welfare is an important aspect of any industry. It acts as social security measures that contribute to improving the condition under which workers are employed. Employee welfare facilities in the organization affect the behavior of the employees as well as on the productivity of the organization. The management should provide good facilities to all employees in such a way that employees become satisfied and they work harder and more efficiently and effectively (Choudary, 2017). In the current scenario, the welfare schemes are provided to the employees to retain talented and skilled employees. Thus, employee welfare is very comprehensive and embraces activity provided by employers, state and central governments, trade unions and other agencies to help employees and their families to lead a contented work life. The welfare schemes change the way employees lead their quality life at the workplace as well as at home. The important question is whether the welfare schemes adopted by the companies have an impact on the employees' work life and their satisfaction (Patro, 2017b). Thus, employee welfare is a comprehensive term including various services, benefits, and facilities offered to employees by the employers. Through such generous fringe benefits, the employer makes life worth living for employees. The welfare amenities are extended by in addition to normal wages and other economic rewards available to the employees as per legal provisions. The welfare measures need not be monetary but in any kind/form. This includes items such as allowances, housing, transportation, medical insurance, and food. Employee welfare also includes monitoring of working conditions, the creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident, and unemployment for the workers and their families.

The chapter focuses on identifying the various welfare measures adopted by the companies for motivating the employees. Further, examines the influence of welfare provisions on employees' satisfaction and its impact on the effectiveness of the organization. Therefore, assortments of both statutory and non-statutory welfare provisions that can be provided by the companies according to the industrial acts are discussed for a better understanding.

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