

Chapter 47

Employee Welfare Measures in Public and Private Sectors: A Comparative Analysis

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ABSTRACT

Employees' play a key role in the existence and growth of any organisation, therefore their welfare is essential. During the past few years, both public sector and private sector organisations have been contributing towards the employee's benefits and also increase their efficiency. Employees' welfare facilities include housing facilities, free medical facilities, retirement benefits, children and adult educational benefits, welfare measures for the employee's families, loan facilities, etc. If the organisations do not bother about the employees benefit, but expect efficient and high performance from them, it is a mere waste. So there is utmost need for the employee's welfare in any type of organisation. Organizations have to provide welfare facilities to their employees to keep their motivation levels high. A comparative study was undertaken to know the satisfaction level of the employees on the enforceability of various welfare measures in both the public and private sector organizations. The study also throws light on impact of welfare measures on the employees' performance.

INTRODUCTION

The term welfare suggests the state of well being and implies wholesomeness of the human being. It is a desirable state of existence involving the mental, physical, moral and emotional factor of a person. All these four elements together constitute the structure of welfare on which its totality is based. The term welfare is a relative concept; therefore it varies from time to time, region to region and from country to country. 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). 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

DOI: 10.4018/978-1-5225-1674-3.ch047

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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”.

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. 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. It 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).

According to C.P John (1998) the term labour welfare in its broad connotation refers to a state of living of an individual or a group in a desirable relationship with the total environment - ecological, economic, and social. 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 is the key to smooth employer-employee relations. A proper organization and administration of welfare facilities can play a vital role in promoting better working conditions and living standards for industrial workers, and also increase their productivity, especially in developing countries (Kohli and Sharma, 1997). 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 labor force for the organization. Welfare measures practiced in any organization, aims or should aim, at improving the working and living conditions of employees and their families.

The present study will present a comparative analysis on the implementation of various welfare measures and the employee’s satisfaction level in both public and private sector organisations. It also focuses on the impact of the welfare schemes on the employees’ performance and overall productivity of the organisation.

Public Sector and Private Sector

In general terms, the public sector consists of governments and its controlled or funded enterprises. This includes federal, provincial, state, or municipal governments, depending on where the people live. Privacy legislation usually calls organizations in the public sector a public body or a public authority. The private sector is usually composed of organizations that are privately owned and not a part of the government. These usually include corporations, enterprises, companies or business, regardless of size, ownership and structure. It may cover all sectors of the food, agriculture, forestry and fisheries systems from production to consumption, including associated services like financing, investment, insurance, marketing and trade.

In the present competitive environment the private sector organisations are playing major role in the overall development of the economy. So, it is essential to focus on the welfare measures which enhances the employees quality of work life and also helpful in increasing the organizations productivity. Generally in public sector, the funds are organized and provided either by central or state government. So, they are able to provide the welfare measures effectively to their employees without any hesitation.

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