

# Chapter 35

## Welfare Regime: A Critical Discourse

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### ABSTRACT

*In the present competitive business environment, it is essential for the management of any organization to precisely manage the welfare services to be provided for their employees. An organization is certainly a place where employees' and employers try to get the maximum from each other. Both, there can be lot more if and when they work together as partners in an organization, and if they have compassion of understanding of each other problems, which is the basic problem in employee welfare. The extreme logic in the wake of providing welfare services is to create proficient, healthy, loyal and satisfied labour force for an organization. The aim of the chapter is to articulate the welfare services administered by the organizations to the employees and their effect on the employees' efficacy and work life. It also examines the various principles and theories of welfare along with measures to improve welfare facilities in the organizations.*

### INTRODUCTION

Welfare is a driving vigour which secures the labour force and also augments their quality of living. 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, 2010). 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 concerned not only with the past and current experience, but also with developing trends.

The traditional economic theory defined labour 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). Labour is any physical or intellectual activity applied in industrial production and one who performs it

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is a worker. The term labour, labourer, workers, or employee are all used to refer to the wage earning human agents in various industries and organisations. 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 (Lalitha & Priyanka, 2014).

The concept of 'Employee welfare' is flexible and differs widely with times, regions, industry, country, social values, and customs, the degree of industrialization, the general social economic development of people and political ideologies prevailing at particular moments (Patro, 2015). Coventry and Barker (1988) assert that staff welfare includes providing social club and sports facilities as appropriate, supervising staff and works' canteens, running sick clubs and savings schemes; dealing with superannuation, pension funds and leave grants, making loans on hardship cases; arranging legal aid and giving advice on personal problems; making long service grants; providing assistance to staff transferred to another area and providing fringe benefits. Such facilities enable a worker and his family to lead a good work, family, 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. Labour welfare is a state of living of an individual or a group in a desirable relationship with the total environment - ecological, economic, and social (John, 2004). 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 & Sharma, 1997).

The very logic behind providing welfare schemes is to create efficient, healthy, loyal and satisfied labour 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. Pylee and George (1996) stressed that even one discontented employee or an employee nursing a grievance can eventually infect an entire organization with the germ of discontent which, in turn, will result in lower efficiency, poor morale and reduction in overall production. However, the CLW (1969) defined the phrase to mean such facilities and amenities as adequate canteens, rest and recreation facilities, sanitary and medical facilities arrangements for travel to and from and for accommodation of workers employed at a distance from their homes, and such other services, amenities and facilities including social security measures as contribute to conditions under which workers are employed.

## **BACKGROUND**

The chapter provides an extensive review of available literature in the area of employee welfare to develop a thorough understanding of the conceptual constructs and empirical research. A study by Zachariaiah (1954) in manufacturing undertakings identified that better working conditions and adequate provision of welfare services would contribute to harmonious industrial relations. Saiyadin (1983) revealed that the most predominant theme in the minds of organizations when they think of the voluntary welfare measures was not only the output and efficiency, but also increasing loyalty and morale. In respect of cost, the public sector organizations spend more on transportation and recreation whereas, private sector was found to be spending more on housing. Burchardt (1997) examined the balance between public and private sector welfare activity mainly in five areas such as education, health, housing, personal social services, and income maintenance and social security.

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