

The Role of Employee Welfare Facilities In Engaging Employees

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Abstract; Employee welfare is the term that is always changing the image of the organization. Employee welfare is a term including various services, benefits and facilities provided by the employees to the employee for his worth living. Employee welfare may increase the expenses of the organization but it helps the organization in many ways. Investing in employees pays dividends in terms of higher productivity and greater loyalty. The basic purpose of employee welfare is to improve the lot of working class and there by make a worker as a good employee and a happy corporate citizen. Employee welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. 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. Employee engagement is a workplace approach resulting in the right conditions for all members of an organisation to give of their best each day, committed to their organisation's goals and values, motivated to contribute to organisational success, with an enhanced sense of their own well-being. David Macleod: "This is about how we create the conditions in which employees offer more of their capability and potential". The research work aims at various welfare services provided by LIC that leads to employee satisfaction, higher productivity, healthy industrial relations and overall industrial peace which are generating highly engaged employees. The present study is an empirical research that is trying to analyze the satisfaction levels of LIC employees towards LIC welfare amenities and to recognize the level of employee engagement in LIC.

Key Words; employee welfare, employee satisfaction, industrial relation and employee engagement.

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I. Introduction

Labor welfare schemes are flexible and over changing. These may be introduced by the employers, government, employees, or by any social or charitable agency. The purpose of labor welfare is to bring about the development of the whole personality of the workers to make a better workforce. Welfare facilities provide better physical and mental health to workers and thus promote a healthy work environment.

Definition: Welfare means faring or doing well. It is a comprehensive term, and refers to the physical, mental, moral and emotional well-being of an individual. The term welfare is a relative concept, relative in time and space. It, therefore, varies from time to time; region to region and from country to country. **Labor welfare refers to taking care of the well-being of workers by employers, trade unions and governmental and non governmental agencies.** Recognizing the unique place of the worker in the society and doing good for him/her, retaining and motivating employees, minimizing social evils, and building up the local reputation of the company are the argument in favor of employee welfare. Employee welfare means "the efforts to make life worth living for workmen." According to **Todd** "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. The [International Labor Organization] ILO at its Asian Regional Conference, defined labor welfare as a term which is understood to include such services, facilities and amenities as may be established in or in the vicinity of undertakings to enable the persons employed in them to perform their work in healthy, congenial surroundings and to provide them with amenities conducive to good health and high morale.

Labor welfare has the following objectives:

To provide better life and health to the workers

To make the workers happy and satisfied

To relieve workers from industrial fatigue and to improve intellectual, cultural and material conditions of living of the workers.

II. Review of literature

Employee welfare measures can be provided by the employer, government for the better life of the employee and for improving the standard of living. **Goyal,(1995)** who has studied the awareness of labor welfare facilities and brought out the relationship between labor welfare facilities and job satisfaction.

Pylee and Simon George25 in their book, “Industrial Relations and Personnel Management” stated that companies should provide retirement benefits such as provident fund, gratuity and pension to employees. They felt that the provision of these benefits assists employees to be free from fear of want and fear of starvation besides instilling in them a feeling of security. **Debashish Sengupta (2007)76** in his article, “Responsibility for Sustainability – The Changing Face of Corporate Social Responsibility” stated that organizations should design welfare schemes keeping in view the well-being of employees. **Mukul, G. Asher (2009)83** in his article, “Pension Plans, Provident Fund Schemes and Retirement policies: India’s Social Security Reform Imperative” stated that the major objectives of any social security system are consumption smoothing over an individual’s life time, insurance against longevity and inflation risks, income redistribution for society as a whole and poverty relief. **Poongavanam (2011)86** in his article, “A Study on Labor Welfare Facility” found that welfare measures will improve the physique, intelligence, morality and standard of living of workers, which in turn will improve their efficiency and productivity. **Hoppock, 1935** defined job satisfaction as any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say that I am satisfied with my job. **Vroom, 1964** defined job satisfaction as effective orientations on the part of individuals toward work roles which they are presently occupying. **Gallup, 2009** when employees are engaged in organizations they become productive, safer, increased customer relationships and stays longer in the company. **Blessing white, 2011** employee engagement can be measured by the contribution to the company’s success and personal satisfaction that employees derive from their role.

III. Research methodology

Objectives of the study

- To identify the employees’ welfare measures in LIC
- To study the level of satisfaction of various employees’ towards welfare measures at LIC
- To find out the relationship between employee welfare facilities and employee satisfaction to measure the level of employee engagement at LIC.

IV. Hypothesis of The Study

The hypotheses of the study have been made according to the need and importance and objective of the study.

Hypothesis 1 -The null hypothesis of the study (H0) assumes that “Employees’ welfare measures in LIC are not effective”, whereas the alternative hypothesis of the study (H1) assumes that “Employees’ welfare measures in LIC are effective”.

Hypothesis 2 -The null hypothesis of the study (H0) assumes that “There is no overall satisfaction of the LIC employees towards various Fringe Benefits”, whereas the alternative hypothesis of the study (H1) assumes that “There is overall satisfaction of the LIC employees towards various Fringe Benefits”.

Hypothesis 3 -The null hypothesis of the study (H0) assumes that “Job satisfaction leads to employee engagement in LIC”, whereas the alternative hypothesis of the study (H1) assumes that “job satisfaction does not leads to employee engagement in LIC”.

V. Methodology adopted for the Study

Primary sources

The primary data has been collected by means of questionnaires and interview method of the employees of LIC

Secondary sources

The secondary data have been collected from various public sources such as Books, Journal, Annual Reports and Magazines, LIC Newspapers, and various Websites, etc.

Sample design and sample size

In this study researcher selected the sample size of 70 employees from various levels by following the technique of Simple Random Sampling (SRS). The primary data was collected by using questionnaires.

Statistical tools applied

For the analysis and interpretation of data wherever necessary the simple and primary statistical measures and techniques such as calculation of Simple Average Mean, Percentage, Standard Deviation and ztest has been applied.

Concept of employees’ welfare

‘Welfare’ is a broad concept referring to the state of living of an individual or a group, in a desirable relationship with the total environment – ecological, economical and social. The term ‘welfare’ includes both the social and economic contents of welfare. Pigou (2005) defined economic welfare as that part of social welfare which can be brought directly or indirectly into relation with the measuring need of money. According to him, "the economic welfare of a community of a given size is likely to be greater; the larger is the share that accrues to the poor.

Impact of welfare on employee engagement

In today’s competitive and ever-changing business environment where employees are expected to continually adapt to new conditions and to find innovative and creative ways to contribute to organizational success, contingent engaged employee to the fully engaged employee is the satisfaction of employees i.e. the satisfaction of basic psychological needs.

Employee satisfaction vs. employee engagement

Employee satisfaction refers to how employees feel — their “happiness”— about their job and conditions, such as compensation, benefits, work environment, and career development opportunities. Engagement, on the other hand, refers to employees’ commitment and connection to work as measured by the amount of discretionary effort they are willing to expend on behalf of their employer. Highly engaged employees go above and beyond the core responsibilities outlined in their job descriptions, innovating and thinking outside the box to move their organizations forward. Employee welfare amenities are often designed to tie in existing staff without enough thought being given to how they secure engagement. A welfare strategy is just one of several engagement drivers that include good training and development, relationship with superiors, other compensation benefits, recreation facilities, grievance redressal procedure, job satisfaction, and fringe benefits.. They must be mutually reinforcing. People at different stages in their careers want different things depending on their personal and career needs.

About LIC

LIC is a state-owned insurance group and investment company head Quartered in Mumbai. The company was founded in 1956 and which commanded a monopoly of soliciting and selling insurance in India. LIC is a largest insurance company in India which has 8 zonal offices and 113 divisional offices. LIC is holding more than 13, 00,000 employees and is implementing effective welfare facilities to its employees. The slogan of LIC is “**yogakshemam vahamyaham**” which means “**your welfare is our responsibility**”. The following are the list of welfare facilities provided by LIC to its employees.

Welfare facilities; Excellent working environment, flexible working hours, conveyance allowance, canteen service, maternity leave, rest rooms, house building advances, motivational schemes, recreation facilities, grievance redressal machinery, educational facilities and retirement benefits etc.....

Fringe benefits; Constructive leave policy, over time allowances, pension schemes, medical benefits, paid holidays and other monetary benefits.

Employee welfare	Employee satisfaction through job	Employee engagement
Working environment Training facilities Interest subsidy scheme Motivational schemes Recreational schemes Educational facilities Retirement & pension schemes Leave system Medical benefits Employee counseling	Proper channels of communication Job & salary satisfaction Employer and employee relation Climate and culture of the company	Higher productivity Reliability Higher self motivation Low employee turnover Lower absenteeism High service quality High employee involvement Employee morale Commitment to quality

VI. Data analysis

The analysis and interpretation of survey conducted by the researcher to test the hypothesis constructed around the satisfaction, efficiency of welfare amenities and level of employee engagement of LIC employees. The study tested that whether the LIC employees are satisfied with existing employees’ welfare amenities; Fringe benefits; job satisfaction. The method intended is empirical study with the simple random sample of 70.

Welfare amenities

	Details	H.satisfied in %	Satisfied in %	Average in %	Dis.sat in %	H.dissat in%	Calculated mean
1	Satisfaction with the working environment	79	17	4	-	-	4.7
2	Working hours	74	22	4	-	-	4.7
3	Sitting arrangement	10	80	10	-	-	4.0
4	Conveyance allowance	6	86	-	4	4	3.84
5	Canteen services	-	22	14	64	-	2.57
6	Lunch rooms	-	71	9	14	-	3.45
7	Training facilities	9	82	6	3	-	3.97
8	Grievance redressal	17	67	16	-	-	4.01
9	Educational facilities	-	30	60	6	4	3.14
10	Retirement benefits	11	89	-	-	-	4.11
11	Over all satisfaction towards welfare amenities	7	84	9	-	-	3.98

Hypothesis 1

H0: Employee welfare measures in LIC are not effective.

H01: Employee welfare measures in LIC are effective.

In order to Test the hypothesis, one sample Z-test is applied because its subscale has 11 items. The mean score of this subscale compared to the neutral value ($11 \times 3 = 33$).

Descriptive one-sample statistics

	N	MEAN	STD.DEV	STD.ERROR MEAN
Effectiveness of employee welfare activities	70	3.86	0.624	0.074

One-sample statistic for z test

(Population Mean)Test Value = 33					
	z	Df	Mean difference	95% Confidence Interval of the Difference	
Effectiveness of employee welfare activities	11.62	69	0.86	Lower 0.14	Upper 0.43

From the above Table, tabulated value of Z for 69 df at 5% level of significance for two-tailed test is 1.96. Since calculated value is much greater than the tabulated value it is highly significant. Hence we conclude that “Employees’ welfare measures in LIC are effective” (H01) is accepted.

Fringe Benefits

	Details	H.satisfied in %	Satisfied in %	Average in %	Dis.sat in %	H.dissat in%	Calculated mean
1	Leave policy	43	50	7	-	-	4.35
2	Overtime allowances	3	61	6	17	13	3.24
3	Pension scheme	71	25	4	-	-	4.67
4	Medical benefits	88	8	4	-	-	4.84
5	Paid holidays	6	90	4	-	-	4.01
6	Employee counseling	86	14	-	-	-	3.85

Hypothesis 2

H0: There is no overall satisfaction of the LIC employees towards existing Fringe Benefits.

H01: There is overall satisfaction of the LIC employees towards existing Fringe Benefits.

In order to Test the hypothesis, one sample Z-test is applied because samples are large and its subscale has 6 items the mean score of this subscale compared to the score of the neutral value ($6 \times 3 = 18$).

Descriptive one-sample statistics

	N	MEAN	STD.DEV	STD.MEAN.ERROR
Satisfaction of fringe benefits	70	4.16	0.587	0.07

One-sample statistic for z test

(Population Mean)Test Value = 18					
	Z	df	Mean difference	95% Confidence Interval of the Difference	
Satisfaction of fringe benefits	16.57	69	1.16	Lower	Upper
				0.15	0.43

From the above table, it is clear that tabulated value of Z for 69 df at 5% level of significance for two-tailed test is 1.96. Since calculated value of Z is greater than the tabulated value it is significant. Hence, at 5% level of significance, we conclude that “There is overall satisfaction of the LIC employees towards various Fringe Benefits.”

Job satisfaction-Employee engagement

	Details	H.satisfied in %	Satisfied in %	Average in %	Dis.satisfied in %	H.dissatisfied in%	Calculated mean	Std .deviation
1	Channels of communication	6	84	10	-	-	3.95	
2	Job & salary	44	44	12	-	-	4.32	
3	Employee & employer relation	7	80	7	6		3.88	
4	Services provided by cooperative societies.	75	16	9	-	-	4.67	
5	Climate of the company	10	19	67	4	-	3.34	0.72

Hypothesis 3

H0: job satisfaction doesn't leads to employee engagement

H01: job satisfaction leads to employee engagement

In order to Test the hypothesis, one sample Z -test is applied because samples are large and its subscale has 5 items the mean score of this subscale compared to the score of the neutral value (5 x 3 = 15).

Descriptive one-sample statistics

Job satisfaction through hr policies	N 70	MEAN 4.03	STD.DEV 0.5	STD.ERROR MEAN 0.056
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One-sample statistic for z test

(Population Mean)Test Value = 15					
	Z	df	Mean difference	95% Confidence Interval of the Difference	
Job satisfaction through hr policies	18.39	69	1.03	lower	upper
				0.11	0.33

From the above table it is clear that tabulated value of Z for 69 df at 5% level of significance for two-tailed test is 1.96. Since calculated value of Z is greater than the tabulated value it is significant at 5% level of significance “Human resource policies regarding Job satisfaction are effective in LIC” statement is accepted.

VII. Major Findings

The research reveals the following

- * LIC is providing medical leave to all its employees and all the respondents were fully satisfied with the provision.
- * LIC is providing interest subsidy scheme house building advances to its employees and were fully satisfied.
- * 86% of respondents were satisfied with the motivational facilities provided by LIC.
- * 65% of respondents were satisfied and 35% of respondents were dissatisfied with the recreation facilities.
- * Existing Employee welfare measures in LIC are effective
- * There is overall satisfaction of the LIC employees towards existing Fringe Benefits.
- * Job satisfaction leads to employee engagement which is the prime objective of the study stands and significantly substantiated by the results of this study.

VIII. Conclusion

After analyzing the whole situation the researchers concludes it is proved that the Employee welfare activities are sufficient and effective for the employees of LIC. The researcher reached with this conclusion after thorough the study of all the aspects of Employee welfare activities is pruning to job satisfaction and that leads to employee engagement. The employee of LIC was highly engaged and they are producing as according to the

requirement and the mission statement of the company. The very important observation is all the employees of LIC were strongly connected to the objectives and their commitment towards productivity is very high.

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