

Influence of labour welfare measures on employee retention- A study with reference to Hothur Ispat private limited, Bellary

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Abstract

Purpose:The research paper aims at examining the influence of employee welfare measures on employee's intention to stay in the organisation, with particular reference to HothurIspat Pvt, ltd.

Design/ methodology: The study conducted is exploratory and descriptive in nature and convenience random sampling method was used. A structured questionnaire with five point likert scale was used to gather primary data from a sample of 66 employees at HothurIspat private limited, Bellary.The data is analysed using simple tools like averages and percentage scales.

Findings: Employee insurance benefits, medical benefits, safety measures and holiday benefits had major influence on job satisfaction, whereas flexible work hours, insurance benefits and medical benefits influenced the employees to stay in the organisation.

Research implications: This study can aid the policy makers to understand the perception of employees with respect to the welfare measures offered and help them design suitable welfare programs to ensure its workforce is satisfied and retained in the organisation, which in turn would lead to better productivity and profit.

Keywords: Employee welfare measures, employee retention, job satisfaction, Steel, employee intention to stay.

Introduction

The optimum effectiveness and efficiency of a firm do not depend on its financial resources or using the latest technology, rather it is determined by the extent to which way it is using its dedicated, motivated and efficient employees. Again, it also depends on the number of its satisfied employees who will continue to provide their valuable service to the same organization. So, the success of a corporate firm lies on how efficiently it is using its quality and talented employees with optimum satisfaction.

The objective of HR is to improve the contributions of employees towards the firm and develop competitive advantage to the organizations (Werther and Davis, 1996). It is now very well accepted that an organization enriched with committed, motivated, talented, skilled and competent human resources can achieve any challenging goal. In modern business world full of diversified challenges, success is entirely dependent upon the way managers are utilizing the capabilities of their human resources (Absar and Mahmood, 2011). Most of the successful firms in today's business world are investing heavily in employee development programs and also trying to retain them at any cost even though they can get replacements at a much less compensation package.

A Brief note on steel industry in India

India is the second-largest producer of steel in the world, and continues to expand the capacity, efficiency, and modernization of its steel industry. According to a recent report by National Council of Applied Economic Research (NCAER), steel sector in India has a very high potential of contributing in India's overall development. Indeed, it is the one commodity that has multifarious applications spanning diverse sectors of economic activity. Steel sector now contributes about 2% to India's GDP and employs approximately 6 lakh people directly and 20 lakh people indirectly. However, the nation is still far from being self-sufficient when it comes to production of high-grade steel owing to limited availability of essential raw materials and skilled workforce. Hence, the organisations need to focus on achieving employee welfare which shall ensure employee satisfaction and the retention of skilled workforce.

A Brief note on employee welfare

The International Labour Organisation (ILO) Regional Conference described welfare to mean "such services, facilities and amenities, which may be established outside or in the vicinity of undertakings

to enable the persons employed therein to work in healthy and congenial surroundings and to provide them with amenities conducive to good health and high morale".

The Report of the Committee on Labour Welfare (1969) includes under it "such services, facilities, sanitary and medical facilities, arrangements for travel to and from work and for the accommodation of workers employed at a distance from their homes, such other services, amenities and facilities, including social security measures as contribute to improve the conditions under which workers are employed"

A Committee of Experts on Welfare Facilities for Industrial Workers was constituted by the ILO in 1963. The Committee divided welfare services into two groups:

- (i) Intramural facilities : welfare amenities within the precincts of the establishment such as latrines and urinals, washing and bathing facilities, creches, rest shelters and canteens, arrangements for drinking water, arrangements for prevention of fatigue, health services including occupation safety, administrative arrangements to look after uniform and protective clothing and shift allowances,
- (ii) Extramural facilities : Welfare amenities outside the establishment such as maternity benefits, social insurance measures including gratuity, pension, provident fund and rehabilitation, medical facilities including programmes for physical fitness and efficiency, child welfare, education facilities including adult education; housing facilities, and leave travel facilities; workers' cooperative stores, credit societies, vocational training for dependants of workers, and transport to and from the place of work

Labour welfare work can be statutory or non-statutory (voluntary). Statutory welfare measures, as the term itself indicates, are those services whose implementation depends on the coercive power of the government. Non-statutory welfare measures include all those activities, which you may undertake for the welfare of your employees on a voluntary basis.

Labour welfare measures have the main objective of supporting and empowering workers, improving the health, education, and enriching their state of existence and safeguarding the labour from social, economic and physical tribulations.

Job satisfaction

Job satisfaction is a worker's sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one's efforts. Job satisfaction further implies enthusiasm and happiness with one's work. Job satisfaction is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfilment (Kaliski, 2007).

The term job satisfaction refers to the attitudes and feelings people have about their work. Positive and favourable attitudes towards the job indicate job satisfaction. Negative and unfavourable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

Employee retention

Workforce Planning for Wisconsin State Government (2005) has defined employee retention as 'a systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs.'⁵ Retention activities are defined as, sum of all those activities aimed at increasing organizational commitment of employees, giving them an overall ambitious and myriad of opportunities where they can grow by outperforming others (Bogdanowicz & Bailey, 2002).

Problematics

In any labour intensive manufacturing sector, such as steel sector, an employee is constantly exposed to tremendous amount of physical and mental stress and accidents of various kinds. No amount of wages can compensate him or her adequately. The employee needs an added stimulus and support to meet all requirements and maintain himself or herself and his or her family in a comfortable manner. Employee welfare measures entails all those activities of employer which are directed towards providing the employees with certain facilities and services in addition to wages or salaries, in order to perform their work in healthy, congenial surroundings and to provide them with amenities conducive to good health and high morale. For the Indian steel sector, which has embarked upon a vast programme of industrialisation and expansion, the need for efficient workforce and ensuring their well-being and retaining them in the organisation is of utmost importance. Very few studies have shed

light upon the influence of employee welfare measures on employee satisfaction and retention simultaneously.

Objectives of the study

- To identify the welfare facilities offered and awareness of the employees towards welfare benefits in HothurIspat Private, Limited.
- To identify the level of employee satisfaction toward the welfare facilities offered in HothurIspat Private, Limited.
- To identify the influence of welfare measures provided in the organization on employees' intention to stay.

- **Research Methodology:**

Research design :Exploratory and descriptive method.

Data collection :The following methods are used to collect the primary data.

- **Questionnaire method** – This research work makes use of close- ended structured questionnaire with 5 point likert scale to elicit information from employees.

Sampling method and size :The respondents for the survey were selected through convenience random sampling. Total of 66 respondents participated in the study from HothurIspat Pvt Ltd, Bellary.

Data analysis: primary data was analysed using simple tools like average , percentage measurement scales

Review of literature

- **Ushatiwari (2014):** identified the various welfare measures available at Rewa in vindhatelelinks ltd. The study was conducted in Madhya Pradesh at tele inks ltd. The sample size was 100, research design was descriptive in nature, primary data collected was analysed using percentage method. It was concluded that the workers were fully satisfied with welfare services such as education to children, insurance, canteen facility, safe drinking water facility and workmen compensation.
- Sabarirajan et.al.(2010) shows that 15% of the employees are highly satisfied with their welfare measures. 22 % of the employees are satisfied with their welfare measures.39 % of the employees are average with their welfare measures. 16% of them are in highly dissatisfied level. Welfare measures plays important role in employee satisfaction and it results in improved quality of work life. This study throws light on the impact of welfare measures on QWL among the employees of textile mills in Salem district.
- **Lalith and Priyank (2014):** examined the perception of the workers regarding the welfare facilities. The survey was conducted at IT industry in Guntur, AP. Data was analysed using percentage analysis method through tables and charts. The variables identified were wage improvement and welfare facilities. The result of the learning was that the workers were satisfied with welfare services like health and safety, recreational facility, social security provided in IT industry.
- **Shiva, Latha and Sirisha (2019):** identified that the welfare facilities will impact on the job satisfaction and productivity. The study was conducted in Vishakhapatnam at RastriyaIspat Nigam Ltd. The sample size was 45, they used descriptive methodology was used with convenience sampling technique. Percentage method was used to analyse the data. The result of the study was that the workers were fully satisfied with the drinking water facilities, restroom, first aid lighting facility and were dissatisfied cleaning system and working conditions.
- Srinivas (2013) identified welfare facilities and employee's satisfaction level about welfare facilities adopted at Bosch limited, Bangalore. It is found that most of the, welfare facilities like medical, canteen, working environment, safety measures etc., are provided by the company and most of the employees are satisfied with the welfare facilities adopted by the company towards the employee's welfare.
- Robinson (2004) and Penna (2007) developed a model of engagement which incorporates employee satisfaction, feeling valued at work, communication and training and development as key influences on staff engagement and overall satisfaction at work. Robinson (2004)

argued that satisfaction with the job of work alone, will not produce a satisfied and engaged workforce, but it is a contributory with many other factors.

- Murray (1999) has clearly stated that job satisfaction has direct effect on level of absenteeism, commitment, performance and productivity. Furthermore, job satisfaction not only improves the retention of employees but also reduces the cost of hiring new employees.
- Sokoya (2000) in his investigation on job satisfaction level among the public sector managers found that income or compensation is the most valuable determinant of job satisfaction.
- Al- Aameri, (2000) found that satisfied employees tend to be more productive, creative, and committed to their employers, and recent studies have shown a direct correlation between staff satisfaction and patient satisfaction in health care organizations.

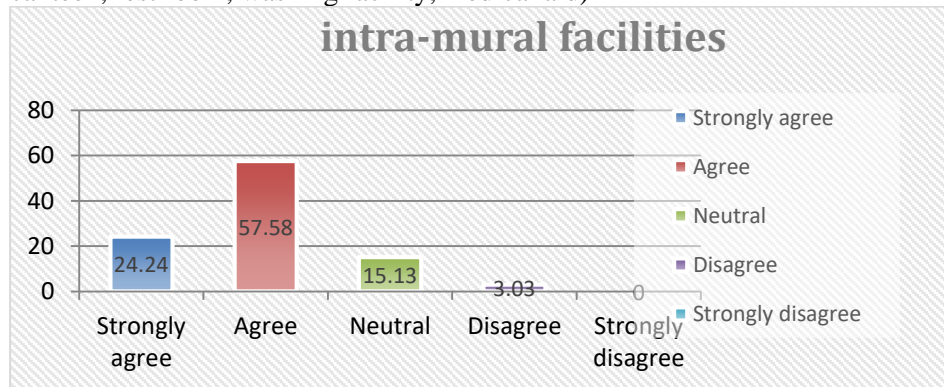
Data analysis and interpretation

Demographic characteristics of the sample:

- The survey conducted gathered demographic details about age, experience and gender of the employees.
- It was observed that majority of the respondents belongs to the age group of 25-30 years.
- The entirety of the sample belongs to gender category of male.
- Majority of the employees are having a work experience between 2-6 years .

Employees' Awareness of Welfare facilities provided

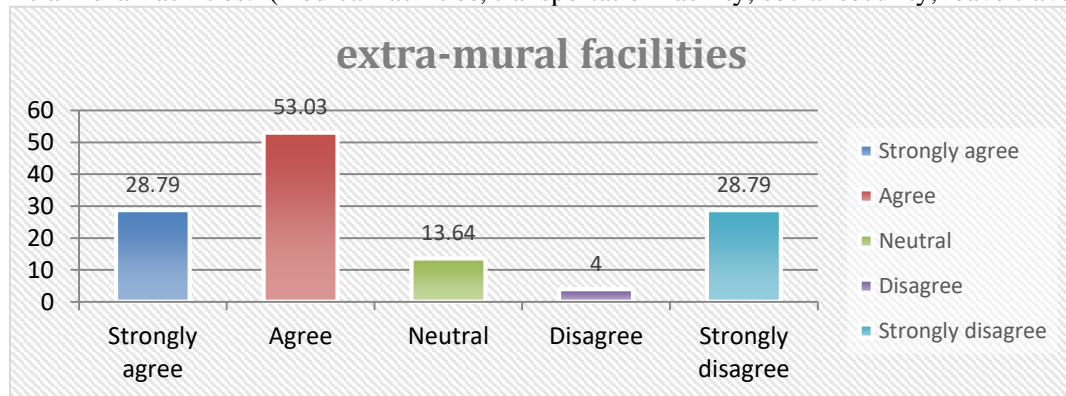
1. Intra-mural facilities. (drinking water facility, sitting facility, urinals and latrines, lighting, canteen, rest room, washing facility, medical aid)



GRAPH:1

Interpretation: almost 70% of the employees are aware of the intra-mural facilities were provided by the organisation.

2. Extra-mural facilities. (medical facilities, transportation facility, social security, leave travel)

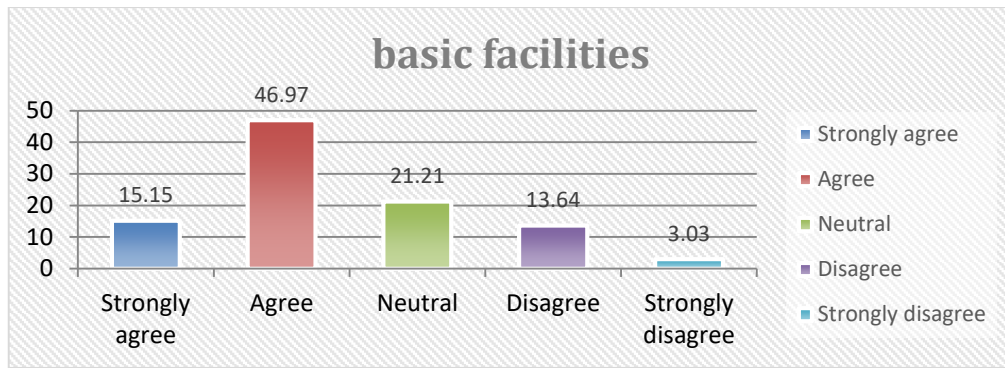


GRAPH:2

Interpretation: Majority of the workers (81%) were aware of the extra mural facilities provided in the organisation.

Influence of welfare measures on employee job satisfaction

3. The basic facilities provided in the organization leads to employee satisfaction.



GRAPH:3

Interpretation:

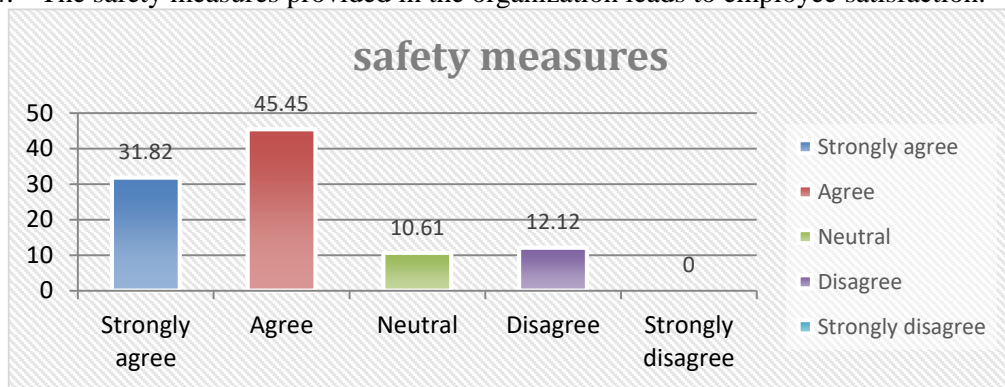
The majority of workers responded positively (61%) that basic amenities like drinking water facility, toilets and wash rooms, rest rooms provided in the organisation leads to employee satisfaction.

garment industry is one of major sector contributing to the Indian economy it also contributes substantially to Indian GDP

rate. Henceforth, any organization should focus on achieving employee satisfaction and employee welfare to ensure higher rate

of productivity resulting in more revenues for the organization

4. The safety measures provided in the organization leads to employee satisfaction.

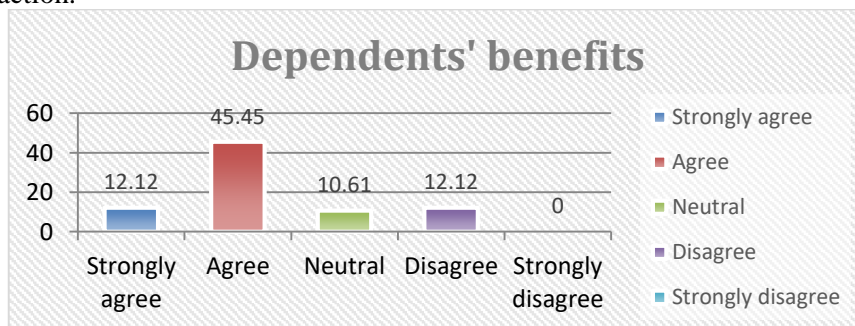


GRAPH:4

Interpretation:

Majority of the workers (approx...80%) agreed that the safety measures such as fencing and covering of machinery, service dress, helmet, shoes provided in the organisation leads to employee satisfaction.

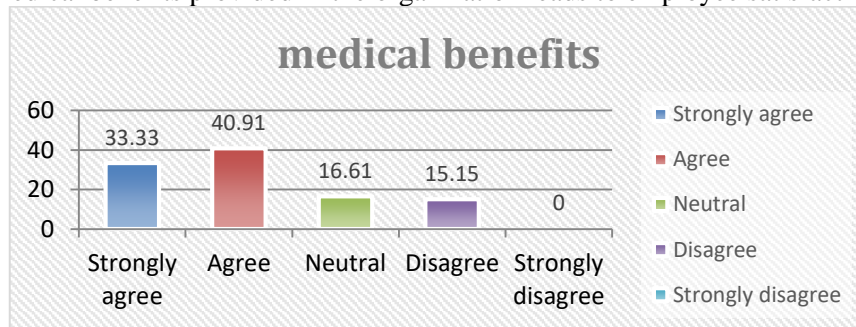
5. The employees' dependents' benefits provided in the organization leads to employee satisfaction.



GRAPH 5

Interpretation: Majority of the workers (57%) agreed that the dependant's benefits provided in the organisation leads to employee satisfaction.

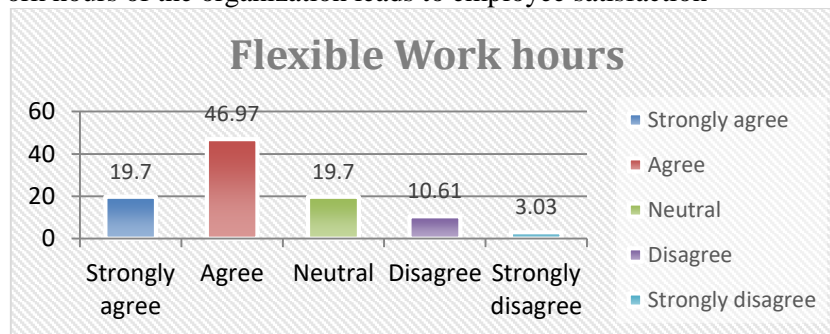
6. The medical benefits provided in the organization leads to employee satisfaction.



GRAPH:6

Interpretation: 80% of the employees agreed that medical benefits provided in the organization leads to employee satisfaction

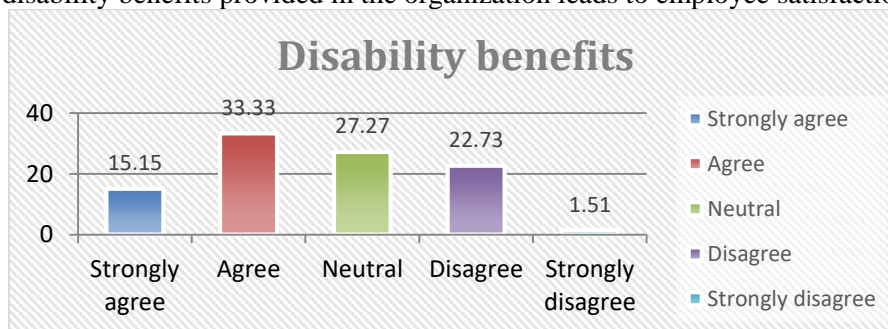
7. Flexible Work hours of the organization leads to employee satisfaction



Graph 7

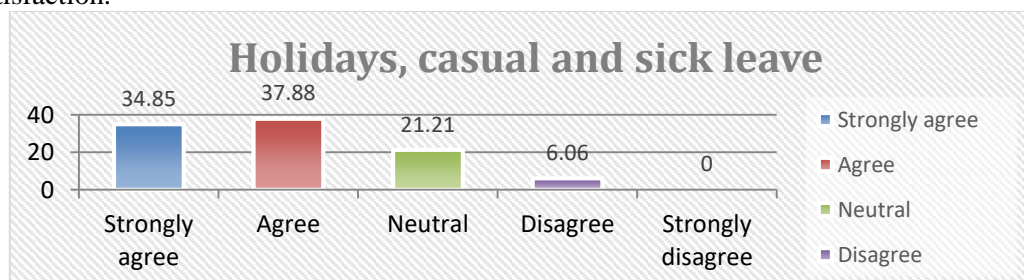
Interpretation: 65% of the employees agreed that flexible work hours provided in the organization leads to employee satisfaction.

8. The disability benefits provided in the organization leads to employee satisfaction.



Interpretation: It is observed that employees were not quite satisfied with the disability benefits provided in the organization as 27% of them are neutral in their opinion and 22 % are dissatisfied.

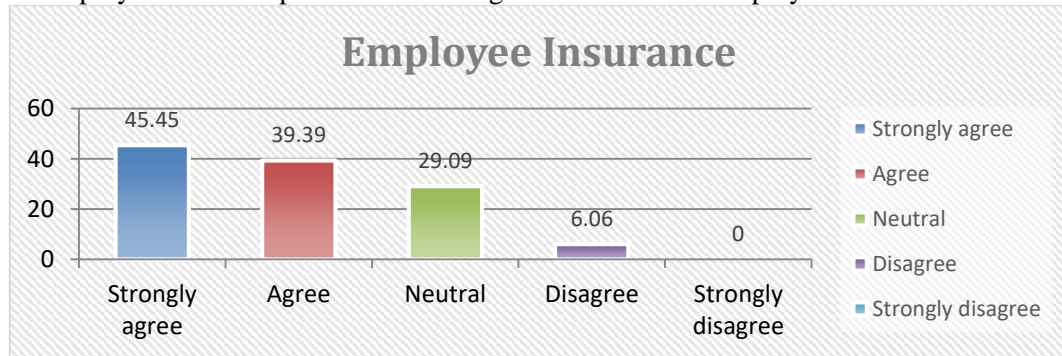
9. The Holidays, casual and sick leaves provided in the organization leads to employee satisfaction.



GRAPH:9

Interpretation: It is observed that the majority of employees(71%) are satisfied with the holiday benefits in the organisation.

10. The Employee Insurance provided in the organization leads to employee satisfaction.



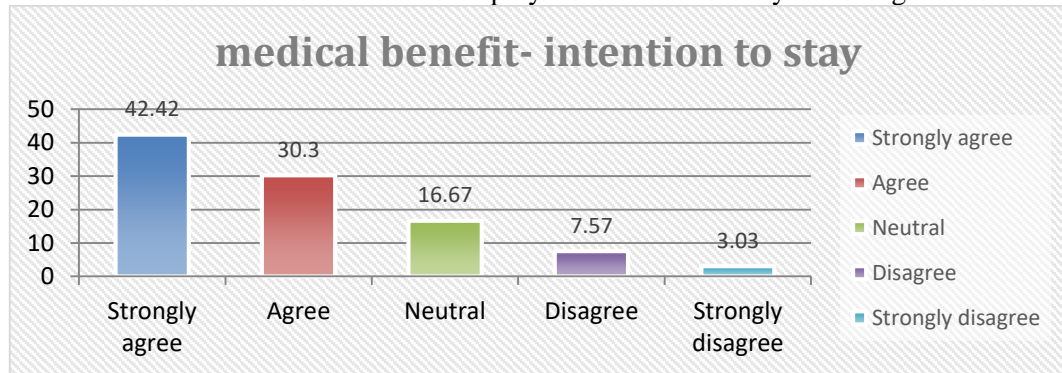
Graph10

Interpretation:

Majority of workers (85%) agreed the Employee Insurance provided in the organization leads to employee satisfaction.

Influence of employee welfare measures on employee intention to stay

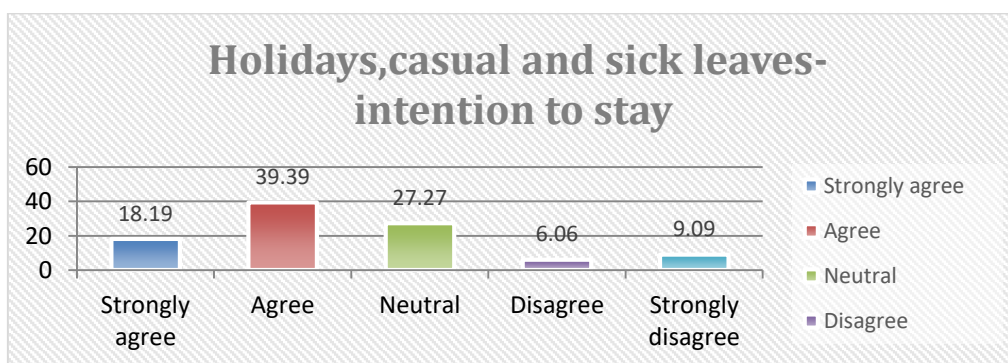
11. Provision of medical benefit influences employees' intention to stay in the organization.



GRAPH:11

Interpretation: majority of workers (73%) were strongly agreed that provision of medical benefit influences employees' intention to stay in the organization.

12. Provision of Holidays, casual and sick leaves intention to stay in the organization.

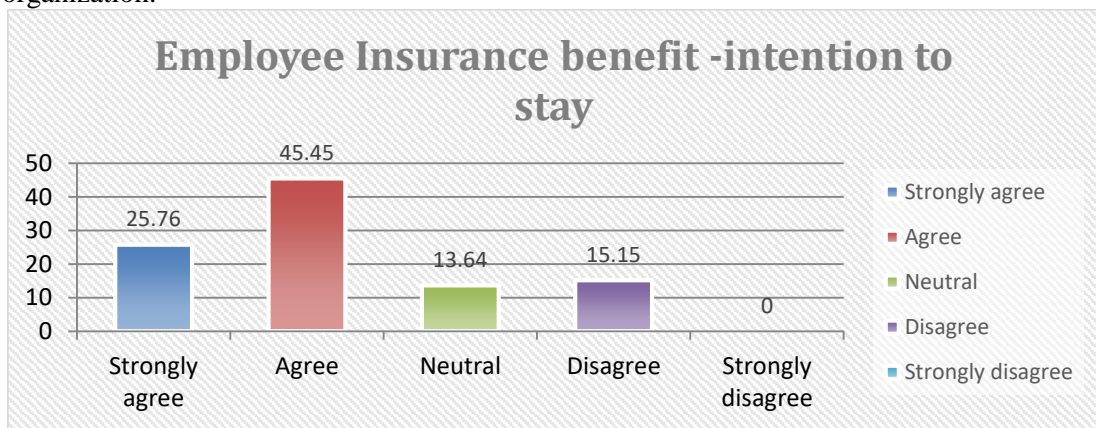


GRAPH:12

Interpretation:

Although majority of labours(50%) agreed that provision of Holidays, casual and sick leaves influences them to stay in the organization, few of the employees (27%) were neutral about the particular provision.

13. Provision of Employee Insurancebenefit influencesemployee intention to stay in the organization.

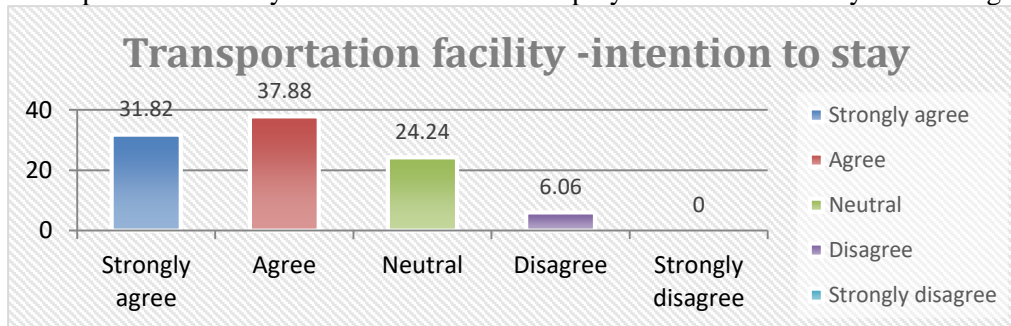


Graph 13

Interpretation:

Majority of workers (70%) agreed the Employee Insuranceprovided in the organization influences employee intention to stay in the organization.

14. Transportation facility benefits influences employee intention to stay in the organization.

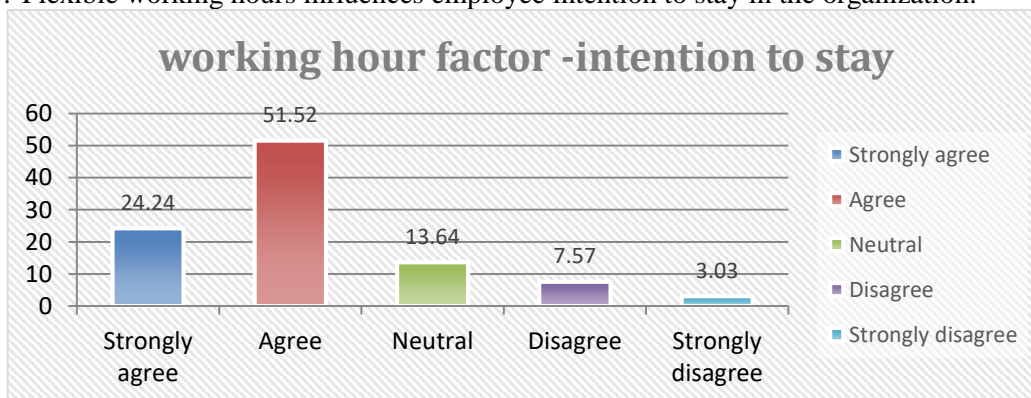


Graph14

Interpretation:

Majority of workers (69%) agreed the transportation facilitiesprovided in the organization leads to employee intention to stay in the organisation.

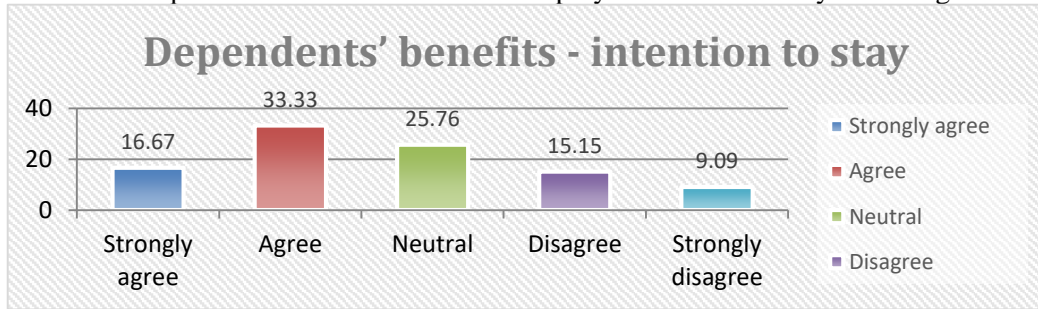
15. Flexible working hours influences employee intention to stay in the organization.



Graph 15

Interpretation: Majority of workers (75%) agreed the flexible work hours provided in the organization influences employee intention to stay in the organisation.

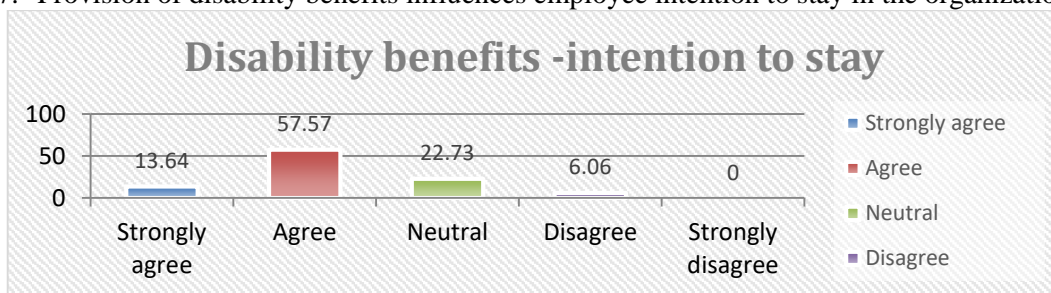
16. Provision of dependents' benefits influences employee intention to stay in the organization.



Graph 16

Interpretation : Few section of workers (49%) agreed the dependent's benefits provided in the organization influences employee intention to stay in the organisation. However, 25% appear to be neutral and almost 25% of employees are not influenced to stay in the organisation.

17. Provision of disability benefits influences employee intention to stay in the organization.



Graph 17

Interpretation: Majority of workers (70%) agreed the disability benefits provided in the organization influences employee intention to stay in the organisation.

FINDINGS AND SUGGESTIONS

- Majority of respondents were aware of the various intra-mural facilities like drinking water facility, sitting facility, urinals and latrines, lighting, canteen, rest room, washing facility, medical aid provided at the work place and extra-mural facilities like medical facilities, transportation facility, social security, leave travel.
- It is observed that employees at hothurIspat Pvt Ltd, Bellary were provided with basic welfare facilities as per statutory norms.
- It is inferred from the analysis that intra mural factors such as drinking water facility, sitting facility, urinals and latrines, lighting, canteen, rest room, washing facility and safety facilities have the highest impact on employee satisfaction.
- It is observed that extra mural factors such as employee insurance benefits ,medical benefits and holiday benefits have the larger impact on employee satisfaction.
- Intra mural factors such as flexible work hours and good transportation facilities influences employee intention to stay in the organisation
- Extra mural facilities such as medical benefits and insurance benefits majorly influence the employees' intention to stay in the organisation.
- It is observed from the study that , disability benefits and dependency benefits could be improved in order to enhance employee satisfaction and retention.

Conclusion

Effective implementation of welfare measures, ensuring physical, economic, social and psychological well-being of employees will facilitate employee satisfaction and consecutively help retain key workforce which are significant to achieve success and competitive advantage for an organisation.

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