

A STUDY ON EMPLOYEE WELFARE ACTIVITIES IN INSURANCE AND BANKING SECTOR IN PUNJAB

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Abstract

During the last few years the private organisations are playing an important role in the overall development of the economy. In today's competitive economy, the business organizations need to focus on providing the welfare activities to the employees as it results in their increased satisfaction towards the organisation and improved quality of work life. The present study is based on employee welfare activities in insurance and banking sector in Punjab. The objective of the study is to identify various welfare activities provided to employees in insurance and banking sector. Data has been collected from Bathinda region in punjab. The sample size is 100 employees. Primary data collection method is used in this study. The data analysis tool applied in this study is factor analysis. The findings indicate that employee welfare activities have impact on satisfaction level of employees.

Keywords: Employee welfare, welfare activities, Organisations, Satisfaction.

I. Introduction

The activity of nurturing and nourishing constitutes in essence what is called "Welfare". Welfare facilities enable the employees to live a richer and more satisfactory life. The various Welfare activities that can be provided to the employees include provision of loans, free medical facilities, retirement benefits, education facilities for the employee's and their families, housing benefits, etc. Many organisations facilitate these welfare activities to their employees to keep their motivation levels high. The basic purpose of employee's welfare is to enrich the life of employees and keep them happy and contented.^[8]

Welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages. 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 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. Labor 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.

Employee Welfare Benefits Schemes

Organizations provide welfare facilities to their employees to keep their motivation levels high. The employee welfare schemes can be classified into two categories viz. statutory and non-statutory welfare schemes. The statutory schemes are those schemes that are compulsory to provide by an organization as compliance to the laws governing employee health and safety. These include provisions provided in industrial acts like Factories Act 1948, Dock Workers Act (safety, health and welfare) 1986, Mines Act 1962. The non-statutory schemes differ from organization to organization and from industry to industry.^[9]

II. Review of Literature

Chaudhay and Iqbal (2011)^[1] identified the employees' welfare measures in Indian Railways and to study the level of satisfaction of various employees' welfare measures among the Indian Railways employees. The primary data has been collected by means of questionnaires and interview method of the employees of Indian Railways. In this study researcher determined the sample size of 500 employees was chosen from various levels by following the technique of simple random sampling. For the analysis and interpretation of data wherever necessary simple and primary statistical measures and techniques such as calculation of Simple Average Mean, Percentage, Standard Deviation, Variance, Standard Error, and Z-test has been applied. After analyzing the whole situation, the researchers concludes that the Employees' welfare schemes were not sufficient for the employees of the Indian Railways and other things that no improvements were found in any schemes. It was pointed out that the Railways have been discouraging the social burden at the cost of their own employees. Hence, it may be suggested that, the railway may minimize the cost of social burden and ask the Government to subsidies the social cost.

Logasakthi and Rajagopal (2013)^[2] highlights the welfare measures taken in the chemical industry, the employees' satisfaction level, and to identify the overall quality of work life of the employees. The Data collection was done through schedule. To analyze, the collected data the

researcher used simple percentage analysis, one way ANOVA and Chi-Square test. Different charts and graphs were drawn to interpret the collected data. The researcher has undertaken a descriptive type of research. The researcher has chosen the 100 employees in the Salem region. The employees of this industry enjoy not only the satisfaction of their jobs but also various facilities given by the firms. The labours extend their maximum support for the improvement of the company. The personal department takes care of the total human resources in the company. The management provides all the health safety and welfares to the employees that will help to produce better performance in the work and working environment.

Tiwari (2014)^[3] studied the various employee welfare facilities and its impact on employees efficiency at Vindha Telelinks Ltd. Rewa Madhya Pradesh and to understand the extent of awareness among employees with various statutory and non-statutory welfare measures. To measure the Employees welfare schemes and its impact on employees efficiency 22 items questionnaire was administrated to the selected respondents. The study showed the Employees welfare facilities and its impact on employees efficiency at Vindha Telelinks Ltd. Rewa appear good. It can be conclude that the employee welfare facilities provided by the company to employees were satisfied and it was commendable, but still of scope was there for further improvement. As per the study it was observed that VTL Rewa (M.P.) was provided various facilities to the employees and also follows the rules and regulation of state and Indian Government. The management required to provide good facilities to all employees in such way that employees become satisfied about employee welfare facilities.

Princitta and Gowri (2015)^[4] analysed the effectiveness of the welfare measures and their impact on the employees'. This study was conducted to know about the employee's satisfaction level towards the welfare measures. The major purpose of this research was to improve the welfare measures provided by the management of Engineering Colleges. This research deals with descriptive research type. In this study a structured questionnaire was used to collect the data. The questionnaire collects the feedback of the employee on Medical facilities, Housing loan, Conveyance facilities, Vocational facilities, Recreation, Working environment, Leave facilities, Canteen facility, Insurance facilities, Sanitation and Cleanliness, Mutual co-operation among your superiors, subordinates and management, The role of management in implementing welfare measures and the overall welfare measures provided by the organization. The management

provides all welfare facilities as per the factories act 1948. Most of the workers were satisfied with the welfare measures adopted in the organization. Some of the facilities need improvement in order to satisfy employees' expectation. Especially the employees were not satisfied with recreation, medical facilities and festival bonus. So the management may consider these issues and may settle these issues.

Ramya et al., (2016)^[5] Discussed the factors of employee satisfaction and to understand various welfare amenities offered by the business to keep happy workers and also impact of welfare facilities on employee satisfaction. Descriptive research has been used to describe the characteristics of the variables. The research has conducted using primary data collected through questionnaire and secondary data through journals, company website etc. The statistical tools utilized for the study were correlation test and factor analysis. In this research, employees of hotels were surveyed. 100 employees from 3 hotels were interviewed. It was found that workers were fulfilled by the approach of employee welfare procedures taken for the workers, Operating environment has satisfactory airing but the employee's sense there must be adequate arrangements for fresh air wherever possible. Majority of the employees were satisfied with medical advantage and safety measures provided by the company.

Sapna (2016)^[6] examined the satisfaction level of workers and differences in their satisfaction level regarding welfare laws on the basis of demographic variables. The sample size of the study was workers or lower class employees working in the industrial sector of Northern India (Haryana, Punjab and NCR). The study was based on the primary data collected from 750 workers through questionnaire. It was exploratory cum descriptive type of study. Mean, Standard deviation, percentage and ANOVA has been used to analyze the collected data with the help of SPSS. It was concluded that unmarried workers were more satisfied with the provisions under welfare laws as compared to married workers. Married workers think that more facilities should be provided to them in the organization in an effective manner. Male workers were more satisfied as compared to female workers to the welfare laws. Workers from urban areas were more satisfied than the workers from rural areas regarding Factories Act, Industrial Disputes Act, Minimum Wages Act and Payment of Wages Act. Management should concentrate on the problems of the workers so that they will be satisfied with the amenities provided to them.

Naveen and Madhavi (2017)^[7] analysed the various dimensions of labour welfare measures and to know the satisfaction levels of employees. This study helps to improve the welfare schemes in N.T.P.S Ibrahimpatnam. The data was collected through well-structured questionnaire. Primary and secondary sources have been used as source of data. Percentage analysis and mean square method has been used for data analysis. The study was directed towards the all levels of N.T.P.S. sample size of 100 was taken in this study. As per the study it was observed that N.T.P.S. was provided various welfare measures to the employees and also follow the legislations of state and Indian Government. The management required to provide good facilities to all employees in such way that employees become satisfied about employee welfare facilities. It increases productivity as well as quality and quantity. So there was some requirement of making some provisions for improving the welfare activities through that employees will become happy, employees performance level become increase.

III. Objectives of the study

The present study is conducted to identify various activities involved in employee welfare in insurance and banking sector in Punjab.

IV. Research Methodology

The research design used in this study is exploratory cum descriptive. To achieve the objective of the study, a sample of 100 employees is taken on the basis of random sampling. The primary data has been collected through pre-tested structured questionnaire from the employees of five private banks and five private insurance companies. Data is collected from 10 employees from each organization. The collected data are analyzed with the help of factor analysis.

V. RESULTS AND DISCUSSIONS

KMO i.e. Kaiser-Meyer-Olkin test measures the adequacy of the sample. KMO is also known as data validation test. If the test indicates the result that is higher than 0.50 than the sample data is adequate enough to carry out the factor analysis. KMO and Bartlett's Test is 0.872 which is greater than 0.50, Therefore factor analysis can be carried out (Table-1). Various statements of employee welfare activities with factor loading and communalities (Table-2) shows that there are six factors that have been extracted using varimax rotation method. Factor 1 has 6 statements, Factor 2 has 5 statements, Factor 3 has 4 statements, Factor 4 has 3 statements, Factors 5 has 2 statements and Factor 6 has 1 statement. For the

purpose of analysis, finally 6 factors have been labeled, which had a factor loading greater than or equal to 0.50 percent. Total percent of variance is 74.789.

Factor 1 'On the job facilities' includes six statements that helps in increasing the motivation level of employees such as financial rewards and bonus, team building activities, seminar and training, recreation activities, working environment and conveyance allowance facility. It accounts for 18.730 percent of total variance.

Factor 2 'Workplace facilities' includes five statements such as first-aid service, toilet facility, lighting at workplace, seating arrangement and spittons facility. It accounts for 14.604 percent of total variance.

Factor 3 'Compensation/Performance management' includes four statements like Retirement benefits, overtime allowance, job security and talent management. It accounts for 14.380 percent of the total variance.

Factor 4 'Medical & Canteen facility' includes Maternity leave facility, medi-claim insurance scheme and canteen facility. It accounts to 14.023 percent of the total variance.

Factor 5 'Loan facility' includes two statements such as Educational loan and housing loan facility to build the morale of employees. It accounts to 7.445 percent of total variance.

Factor 6 'Employee Development' includes one statement that is structured employee benefit scheme to develop overall skills of employees. It accounts to 5.608 percent of total variance.

VI. CONCLUSIONS AND POLICY IMPLICATIONS

The results of the study illustrated that employee welfare activities has direct impact on employee satisfaction, employee performance and on employee development. Welfare facilities should be given to employees for their growth and which builds their morale. Various facilities as on the job facilities, workplace facilities, compensation/performance management, medical & canteen facility, loan facility and various other facilities should be given to employees for their overall development which ultimately results in increased productivity. The improvement in working condition were suggested to improve effectiveness of the employee welfares measures like canteen facility, spittoons, educational loan, rest rooms and housing loan facilities

which in turn would build the morale and increase the productivity of the employees. And which also helps to retain good talent in the organization.

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Table-1: KMO and Bartlett's test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.872
Bartlett's Test of Sphericity	Approx. Chi-Square	2.75E+03
	Df	435
	Sig.	0

Source: Survey

Table-2: Factors of Employee welfare activities with Factor Loading and Communalities				
Sr. No.	Various employee welfare activities	Factor loading	communalities	% of variance
A	On the job facilities			
	Financial rewards and bonus	0.855	0.824	18.73
	Team building activities	0.847	0.811	

	Seminar & Training	0.827	0.773	
	Recreation activities	0.724	0.771	
	Working environment	0.705	0.7	
	Conveyance allowance facilities	0.626	0.834	
B	Workplace facilities			
	First-aid service	0.785	0.853	14.604
	Toilet facility	0.779	0.775	
	Lighting at workplace	0.676	0.694	
	Seating arrangements	0.66	0.707	
	Spittons facility	0.655	0.691	
C	Compensation/Performance management			
	Retirement benefits	0.792	0.727	14.38
	Overtime allowance	0.764	0.682	
	Job security	0.752	0.739	
	Talent management	0.649	0.692	
D	Medical & Canteen facility			
	Maternity leave facility	0.835	0.89	14.023
	Medi-claim insurance scheme	0.733	0.79	
	Canteen facility	0.682	0.798	
E	Loan facility			
	Educational loan	0.814	0.759	7.445
	Housing loan facility	0.637	0.783	
F	Employee development			
	Structured employee benefit scheme	0.605	0.711	5.608

Source: Survey