

Impact of Employee welfare benefit activities on employee turnover: With special reference to cement industries of Rajasthan.

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Abstract

Human resources are the most important assets of an organization. Employees are important at all levels. In order, to get the best results from workers, the employer must be aware of what employees expect. Therefore, apart from basic pay, the organization should form a competitive remuneration package along with sound welfare and benefits to retain the young and talented employees in an organization. The purpose of this research is to find out the impact of employee welfare and benefits on the retention of employees. This paper discusses extensively the impact of employee welfare benefit on employee turnover. The population sample of 252 employees was drawn from executives working in the different cement plants in Rajasthan. The data gathered was analysed using descriptive statistics and weighted mean. It was found out that Employee welfare and benefit practices have a significant impact on employee retention.

Keywords: *Employee welfare and Benefit, Retention, Turnover*

Introduction

Labour 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 committee on Labourwelfare(1969) defined it. “such services ,facilities and amenities as adequate canteen, rest and recreation 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, and such other services ,amenities and facilities, including social security measures as contribute to improve the conditions under which workers are employed.

Employee welfare services may be classified into two broad categories

1. Intramural
2. Extramural

Intramural services are provided within the establishment. These include latrines and urinals, washing and bathing facilities, crèches, rest shelters, canteens uniform, medical aid, library, recreation facilities, free or subsidized food, etc. On the other hand, extramural activities are provided outside the establishment. These consist of housing accommodation, transport, maternity benefits, children's education, sports fields, family planning and child welfare, holiday homes leave travel facilities, workers cooperative stores, credit societies, vocational guidance, interest-free loans etc

Welfare services may also be divided as voluntary and statutory many employers provide various welfare facilities voluntarily such as Housing, Education, Transportation, Recreation, Consumer cooperatives societies etc

There are various statutory provisions concerning employee welfare such as

1. The Plantation Labour Act 1951
2. The Mines Act 1952
3. The Motor Transport Workers Act 1961
4. The Contract Labour (Regulation and Abolition) Act 1970

Employee Turnover

Employee turnover refers to the rate of change in the workplace of an enterprise during a given time period. It has been defined as “ the time to time changes in the composition of the workforce that result from hiring, release and replacement of employee” Various research progress divides the causes into various factors such as external factors(the labour market), Institutional factors(such as physical working conditions pay,job skill, supervision and so on), employee's personal characteristics (such as intelligence and aptitude, personal history, sex,interests, age, length of service and so on) and employee's reaction to his/her job (including aspects such as job satisfaction, job involvement and job expectations) (Knowles,1964)

Review of Literature

Relationship between Employee Welfare and Benefit and Employee Turnover

The relationship between Employee Welfare and Benefit can be understood by reviewing the work done by various researchers

A study conducted in Chittoor district revealed a positive relationship between Employee welfare and benefit and employee satisfaction and employee retention. The study also recommended that these industries should adopt more welfare facilities such as Gratuity, Pension and welfare fund in order to increase employee retention and to improve the quality of work life. (Venugopal P. et.al2011)

(Narkhede&Chaudhari) undertook a study to observe the Attrition Trends in India.The study recommended that in order to control attrition, an organization should adopt measures such as Mentoring, Recreation, Health care, gym facilities, Financial support for performing family weddings, festival celebration, property purchases etc, ESOP(Employee Stock Ownership Plan) ESOPs help employees to have ownership in their own company without investing.

In a study conducted on Employees in Private Sector Sugar Mill suggested that to retain employees, industries should offer a benefits package that fits the need of the employees.It should be a combination of health and life insurance, retirement savings plan, financial and non-financial perks, flexible timings etc.(Mathur et.al 2013)

A similar study was carried out in Kenya on police officials. The results revealed that better welfare and health services have a significant impact on the performance of the officials. (Nyamwamu et.al 2012). Therefore in order to increase the performance and to retain employees organizations should pay attention to improve the level of welfare and services.

Many organizations provide benefits program to develop employees' skills in the belief that this investment will strengthen their human resource. Overall attractiveness of firms also gets enhanced through benefits and that employees will have greater satisfaction and loyalty towards the organization. (Tsai and Wang 2005)

A similar case study was undertaken in cement industry of Pakistan which studied the effect of employee welfare and services on performance and retention of employees. The study also revealed that organization can improve competitive edge by introducing enriched welfare and benefits programs which in turn will help in retaining the talented and skilled employees.

Yao et .al (2005) has confirmed that the total remuneration package, long –term accumulation have a significant impact on the satisfaction and long term incentive have a significant impact on Employee Retention.

Another study conducted by (Wanous 1974, Shi 1991) discussed that a good remuneration system can motivate employees thereby reducing the intention of looking for other jobs.

A study was conducted to identify employee welfare measures in the auto sector of India. The study revealed that welfare activities help in increasing the motivation level of employees. The study also highlighted that most of the employees were satisfied with the employee welfare activities implemented in the sector. (SalariaPoonam 2013)

Cao Zhoutao et.al (2013) undertook a study to examine the impact of total rewards on turnover intentions. The study confirms the effect of total rewards to reduce turnover intention. This study also highlighted the importance of career development and performance appreciation.

The Objective of the Study

- i) To study the effectiveness of labour welfare measures provided to the employees of cement industries in Rajasthan
- ii) To study the satisfaction level of employees towards the various welfare activities provided in the cement industry.
- iii) To give suggestions to further better or improve the existing policies

Conceptual Framework



The Scope of the study

The present study has been undertaken to study the effectiveness of employee welfare and social security in select cement units in Rajasthan.

Cement units selected for the study are:

- i) Shree Cement Ltd.
- ii) Shree Ultra cement
- iii) Bangur Cement
- iv) Wonder Cement
- v) Ambuja Cement

Sources of data collection

Primary and secondary data were used for the study

Primary Data

For collecting data questionnaire method was used. The total data was collected, 252 respondents. Personal interaction was also made with respondents to explore detailed information.

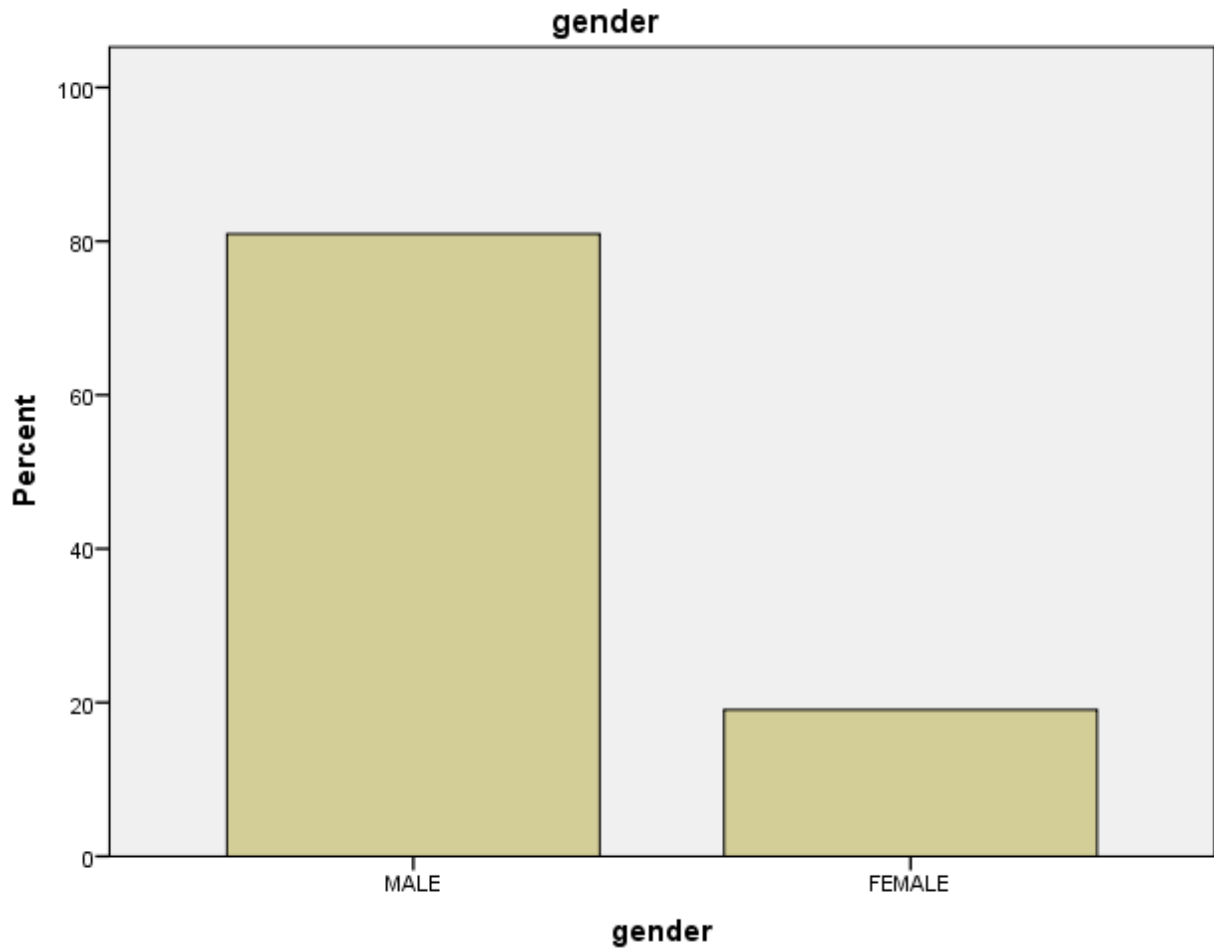
Secondary Data

For the secondary data, the researcher has collected information from various records of cement manufacture, websites and journals, company newsletters, company annual reports, reference books etc.

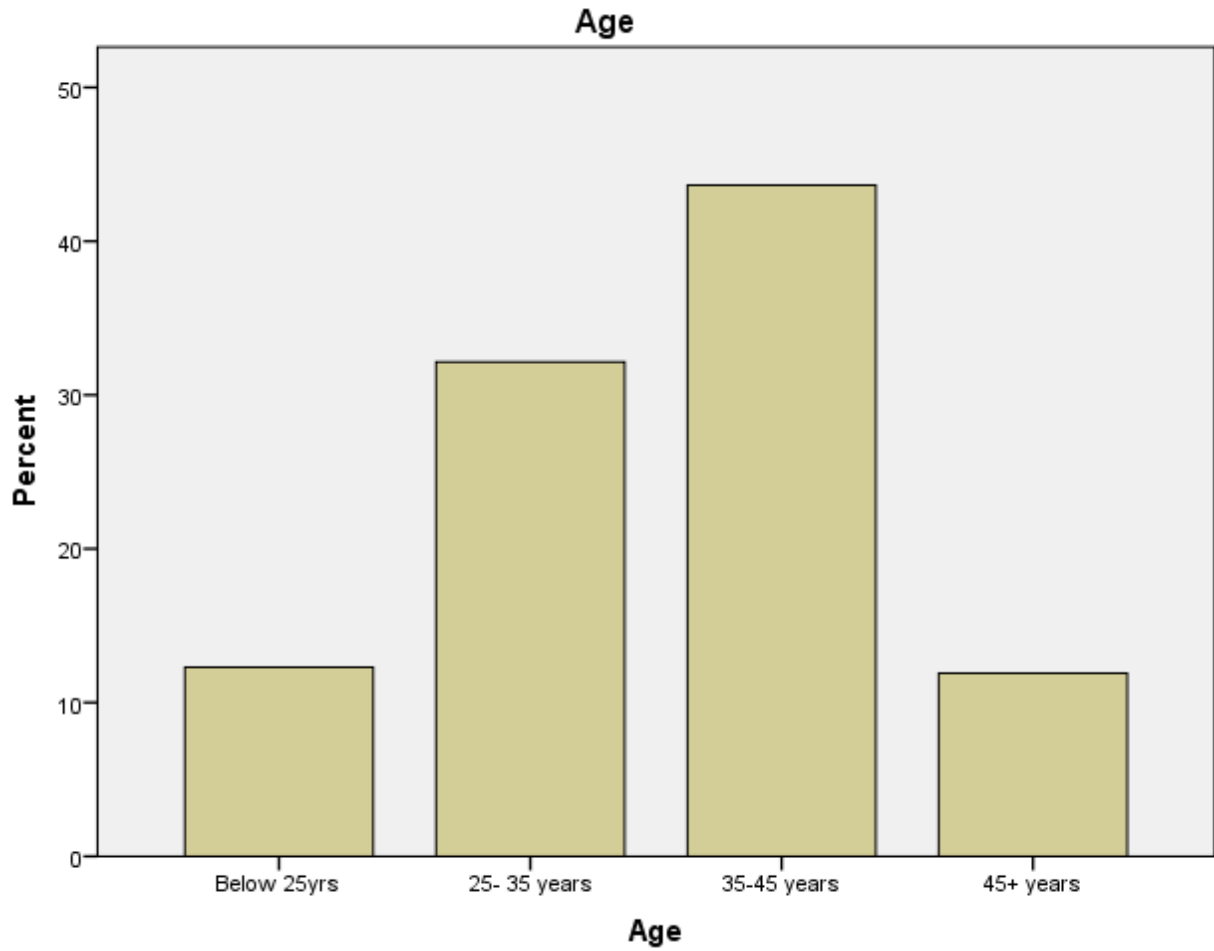
Data Analysis and Interpretation

Demographic Profile

gender		Frequency	Percent	Valid Percent	Cumulative %
	MALE	204	81.0	81.0	81.0
Valid	FEMALE	48	19.0	19.0	100.0
	Total	252	100.0	100.0	

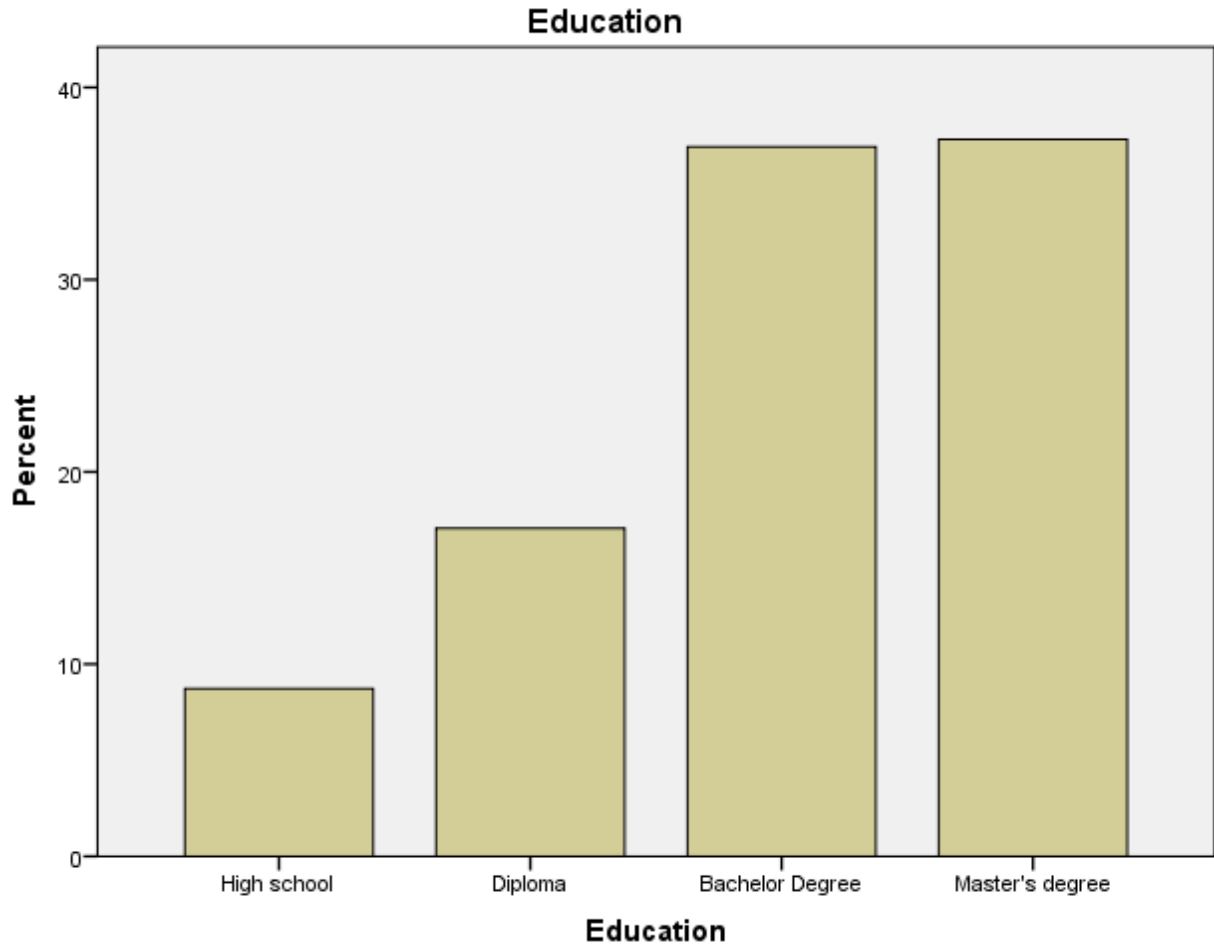


	Frequency	Percent	Valid Percent	Cumulative %
Below 25yrs	31	12.3	12.3	12.3
25- 35 years	81	32.1	32.1	44.4
Valid 35-45 years	110	43.7	43.7	88.1
45+ years	30	11.9	11.9	100.0
Total	252	100.0	100.0	



Education

	Frequency	Percent	Valid Percent	Cumulative %
High school	22	8.7	8.7	8.7
Diploma	43	17.1	17.1	25.8
Valid Bachelor Degree	93	36.9	36.9	62.7
Master's degree	94	37.3	37.3	100.0
Total	252	100.0	100.0	



Experience

	Frequency	Percent	Valid Percent	Cumulative %
less than a year	14	5.6	5.6	5.6
1-5 years	109	43.3	43.3	48.8
6-10 years	80	31.7	31.7	80.6
11- 20 years	35	13.9	13.9	94.4
20+ years	14	5.6	5.6	100.0
Total	252	100.0	100.0	

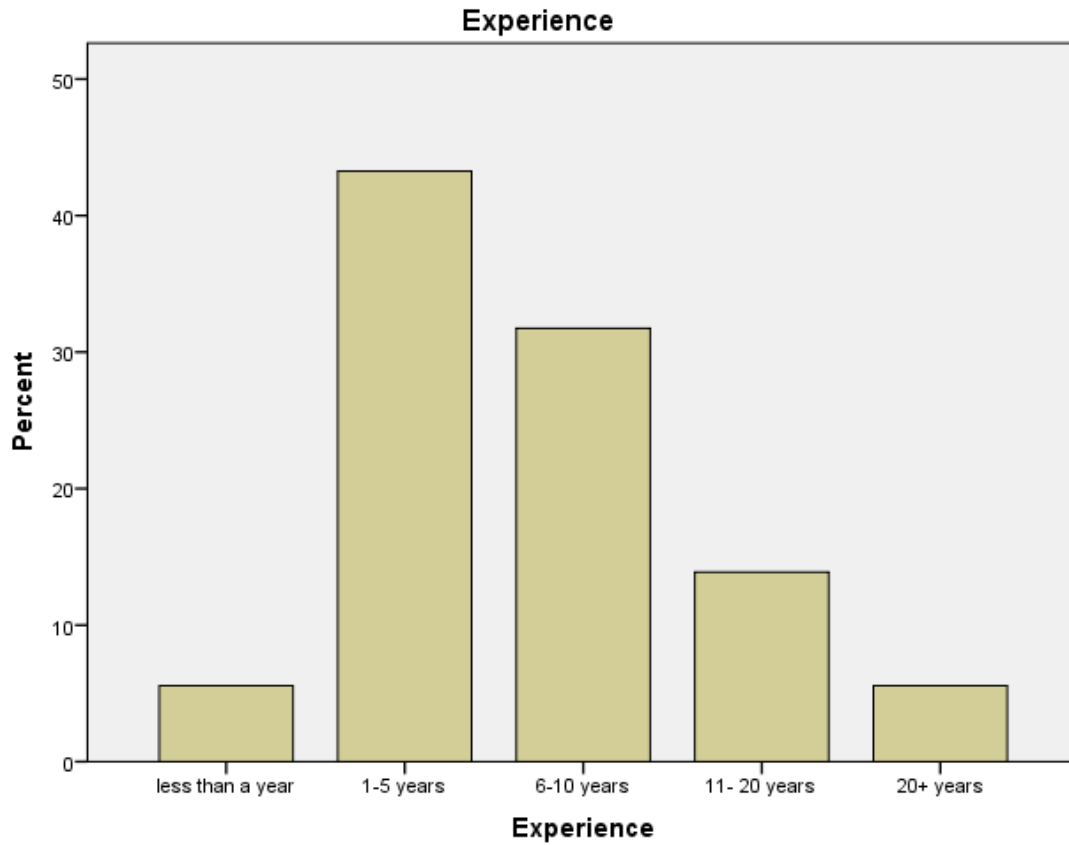


Table No. 1

Descriptive Statistics			
	N	Mean	Std. Deviation
VAR00001	252	2.7063	.96610
VAR00002	252	3.8611	1.09715
VAR00003	252	3.4881	1.23521
VAR00004	252	3.2857	1.28960
VAR00005	252	3.5198	1.13070
VAR00006	252	3.6706	1.11788
VAR00007	252	3.0595	1.20772
VAR00008	252	3.0476	1.08122
	252		

From the above table variable 6, i.e. facility of holiday homes that means employees are satisfied with the holiday home facility provided by the firms.

	S. No.	Name of the Variables	5	4	3	2	1	Total	Weighted		Rank
									Total	Mean	
D I M E N S I O N	1	Working Conditions	76	112	30	21	13	252	973	64.86	1
	2	Benefit for Self and family	39	133	25	22	33	252	879	58.6	4
	3	Transport	42	93	48	33	36	252	828	55.2	5
	4	FlexibleWork Schedule	31	142	31	23	25	252	887	59.13	3
	5	Housing and Accomodation	53	120	41	19	19	252	925	61.66	2
	6	Holiday Homes	26	78	68	45	35	252	771	51.4	7
	7	Movie Shows	29	53	84	73	13	252	768	51.2	8
	8	High Tea	19	103	54	60	16	252	805	52.66	6

The above table clearly states that working condition is ranked as the best practice with weighted mean as 64.86. On the other hand benefit for self and family has the lowest weighted mean as 51.2.

Findings of the study

- Through the demographic profile, it was clear that the maximum no. of employees working in the cement industry are males. Out of 252 respondents, only 48 are female employees
- Majority of the employees lie between the age group of 35 to 45 years
- Majority of the employees have been working with the organization between 1 to 5 years
- Facility of Holiday home has the highest mean of 3.6706
- Working Condition has the highest weighted mean of 64.86 and Movie shows and stage play has the lowest mean of 51.2 followed by 51.4 i.e. Holiday homes

Conclusion and Suggestions

Employee welfare benefit activities are very important for an organization. A combination of good employee welfare activities not only provides a competitive edge to the organization but also help in retaining the best and talented employees.

As per the findings the following suggestions need to be incorporated in order to further improve the existing policies

- i) As per the findings facilities and policies for women should be developed in order to employ more women employees in the sector
- ii) Organizations need to improve their welfare activities or policies in order to retain senior employees in the organization
- iii) More benefits should be given to the employees who stick to the organization for more than five or ten years in order to retain dedicated employees.

- iv) Various other recreational facilities for example movie shows or stage plays for the employees should be organized regularly
- v) Various other activities like providing the facility of holiday homes and organizing high tea with the top management can be undertaken.
- vi) Benefits for the individual and for the family need to be increased in order to retain high performing employees.
- vii) Cement organizations need to improve their transport facility because most of the plants are situated in far areas.
- viii) Organizations need to provide a flexible work schedule to employees in order to maintain their work life balance

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