



An Overview of Various Theories of Labour Welfare

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DOI: <https://doi.org/10.55248/gengpi.2022.31265>

ABSTRACT

Labours are an integral part of an organization. Without effective & skilled labours, an organization can do nothing in the market. But nowadays, in different parts of the world, employees as well as labours, are not treated well. This leads to frustration. As a result, good organization sometimes loses great & skilled employees. For all managers as well as CEOs all over the world, it is important to know about various concepts of labour welfare so that organizations will be blessed with a great work environment.

Keywords: effective, skilled, frustration, work environment

Introduction

Welfare means the physical & mental happiness of an individual person.[1] Labour welfare, in management practice, is therefore a flexible concept. There is no such proper definition of labour welfare as it changes with time, the work environment, the economic development of the people etc. According to ILO, “labour welfare can be defined 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”. [2]

Why good labour welfare practice is important?

Various importance of labour welfare is as follows.[3]

1. It improves the moral & mental condition of the workers.
2. Satisfaction among various workers leads to improve industrial peace,
3. With suitable labour welfare practices & facilities, workers feel happy & they become enthusiastic.
4. It helps to increase production by increasing efficiency.
5. Skilled & efficient labours of various organizations make the market competition which leads to new inventions.

Significance of this article

Through this article, entry-level managers can understand how to deal with various workers in different situations which make the man effective and good leader, as well as their subordinates, become an efficient team player.

Theories of Labour welfare

A. Philanthropic Theory

1. This theory was proposed by Robert Owen.



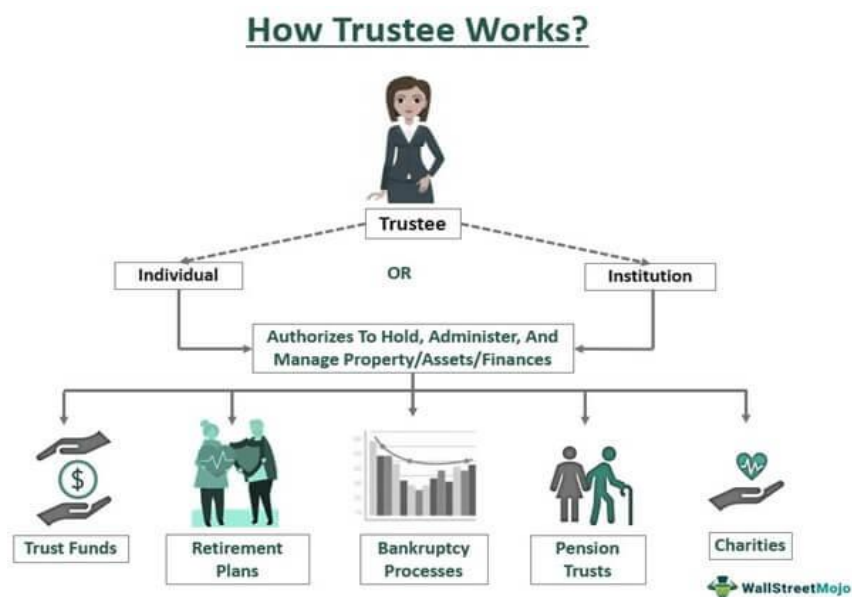
Image: Robert Owen [4]

2. It is based on man's love for mankind.
 3. It is the first theory that an employer can provide labour welfare spontaneously.
 4. Major demerit of the theory is that it is unrealistic and unpracticable.
 5. Human beings have natural feelings for the sufferings of other human beings.[5] Based on this various welfare programmes are introduced.
 6. In real-life practice, various kinds of corporate giving as a part of philanthropy are listed below which is one kind of good labour welfare practice.
- [6]

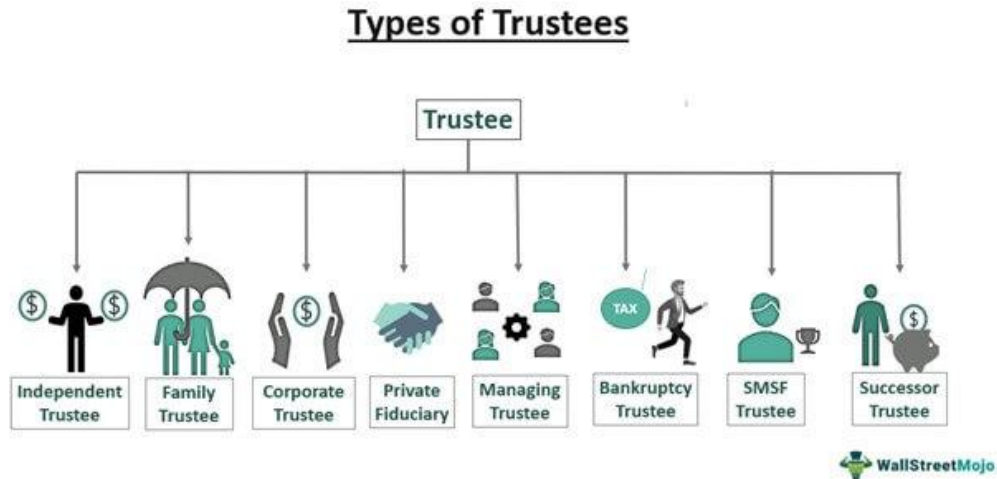


B. Gandhian/Trusteeship Theory

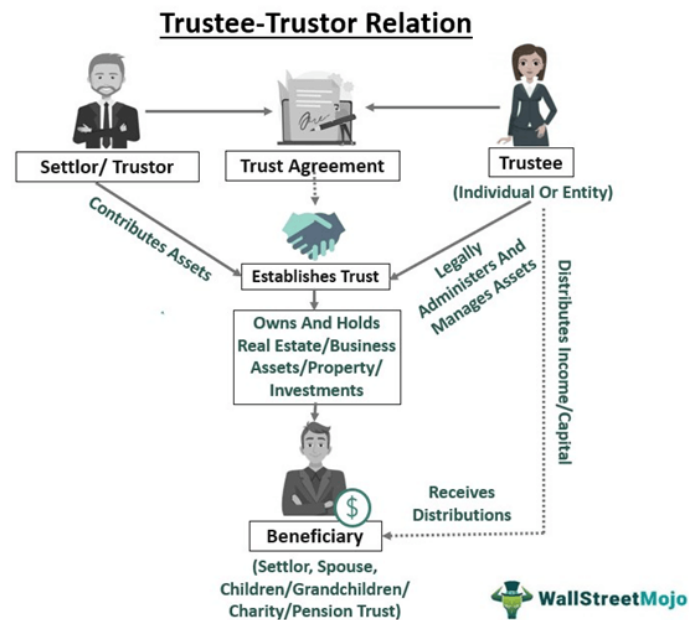
1. This theory is also known as paternalistic theory.
2. This theory was strongly advocated by Mahatma Gandhi.
3. According to this theory, employers hold the total industrial estate properties and profits. These properties, he uses for himself, for the benefit of the workers, and also for society.
4. Merits of this theory are as follows[7]
 - a) It explores good sentiment.
 - b) It is voluntary in nature.
 - c) It is promoting harmony.
5. Demerits of this theory are that it is non-practicable & it has no-legal sanction behind it.
6. Below image shows how trustee works[8]



7. Various kinds of trustees are as follows[9]

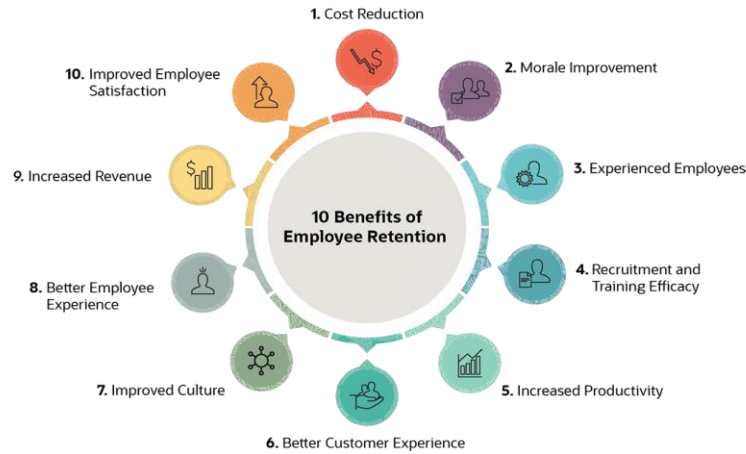


8. Moreover, we can understand the trustee-trustor relationship through the below image.



C. The Placating Theory

1. According to this theory, labour groups are now more conscious of their rights & privileges.
2. Employers can not ignore their demand for higher wage & better facilities.
3. This theory is based on the assumption that appeasement pays when the workers are organised and militant. [10]
4. As of my thought, this theory may be best suited for employee retention if employers can meet their demands in a timely manner. The following image shows the benefits of employee retention [11]



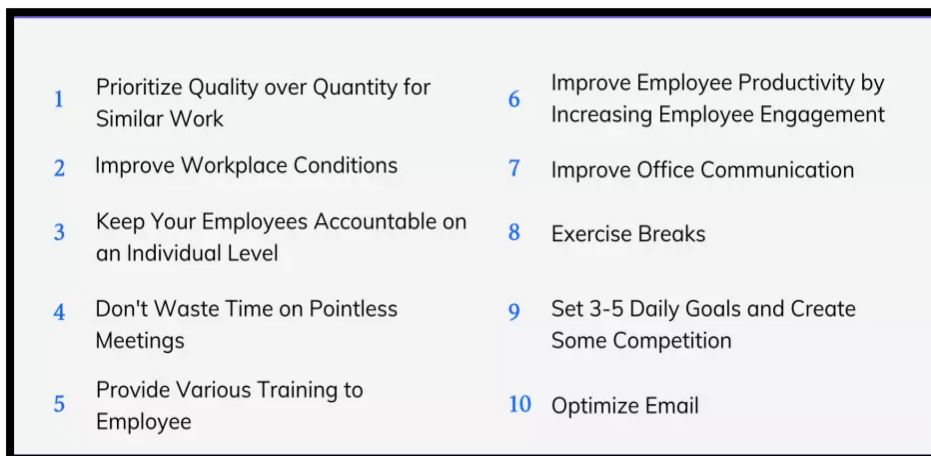
D. The Functional/ Efficiency Theory

1. The concept behind this theory is that a happy and healthy person is a better, more productive worker. Here, welfare is used as a means to secure, preserve and develop the efficiency and productivity of labour. [12]

2. The approach to any solutions, especially as that as between the workers and the management should be dialogue and an understanding of one another's viewpoint. [12]

3. Higher production is beneficial to both management & labour. It helps to get better wages in a later stage & also a higher share in the profits.

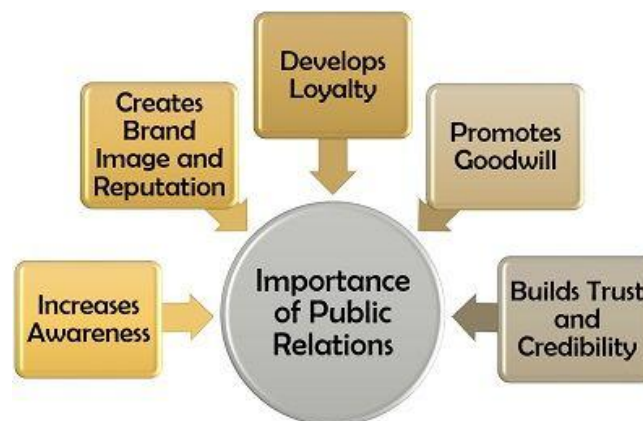
4. Following image shows how employee productivity can be increased. [13]



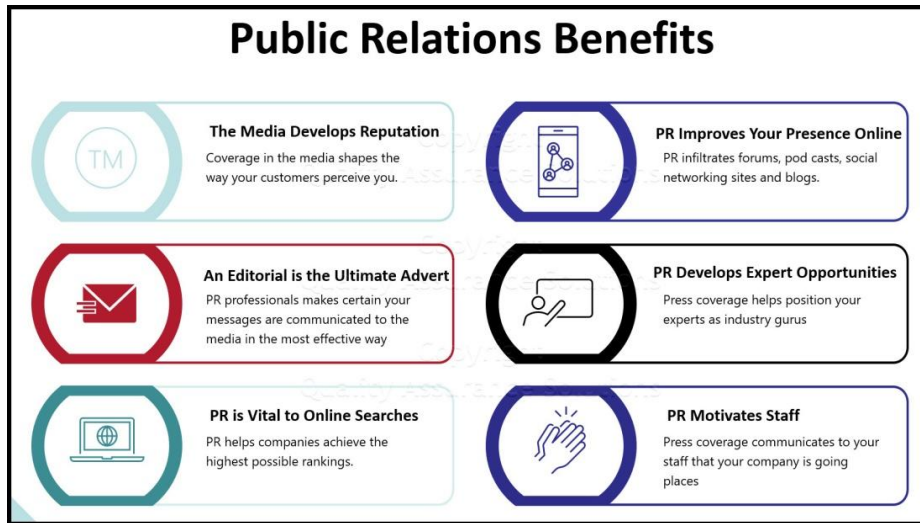
E. Public Relations Theory

1. Public Relations Theory explores the central principles and theoretical components of public relations and their practical applications in actual situations. [14]

2. Importance of public relations is given below. [15]



3. Benefits of good public relation is also given below. [16]

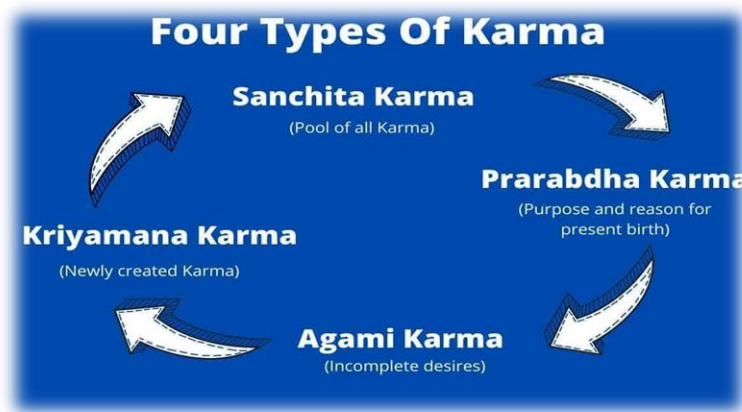


F. The Police Theory

1. This theory says that a minimum standard of welfare is required for workers.
2. The background of this theory has an assumption stating that employers exploit the workers using their tactics and they do not leave any such opportunity. They may force the labour to work for long hours by paying low wages, by keeping unhygienic condition, by neglecting basic needs.
3. According to this theory, the state has to take the role of police & enact laws that provide minimum labour welfare amnesties & services.

G. The Religious Theory

1. This is considered as one of the orthodox theory of labour welfare & based on the concept that man is “a religious animal”.
2. This theory has mainly two concepts- investment & atonement.
3. It is based on the Hindu concept of rebirth & on the belief system of Good & Bad karma. According to this theory, what we are today is the result of our deeds in the last birth & what we do now will reflect in our next birth.
4. The cycle of Karma is given below. [17, 18]

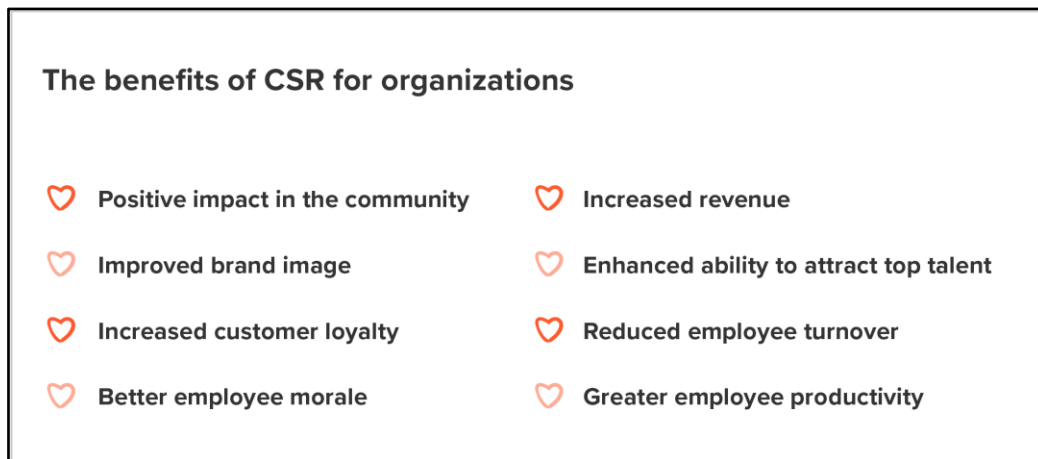


H. Social Theory

1. According to this theory, big business houses must undertake social responsibility. Labour welfare is also one kind of social welfare.
2. This theory also implies Corporate Social Responsibility (CSR). [19]



3. Benefits of CSR for an organization are given below. [20]



Conclusion

The main purpose of this article is to give an idea about various labour welfare theories so that new-age managers can do good in their organizations. Managers can understand their own psychological motifs and act accordingly. As a result, employees can work with satisfaction and the productivity of the organization will be increased. Moreover, this article will help management students to get an idea about various theories of labour welfare if it is included in their syllabus & study curriculum.

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