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ENSURING EMPLOYEE WELLBEING: A STUDY ON STATUTORY AND NON-STATUTORY WELFARE MEASURES

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ABSTRACT :

This research paper aims to analyze the employee welfare measures adopted in organizations, including both statutory and non-statutory provisions, and their impact on workforce efficiency and satisfaction. Employees are the backbone of any organization, and their well-being directly influences productivity and organizational success. Employee welfare encompasses various initiatives taken by employers to enhance employees' comfort, security, and overall quality of life. Statutory welfare measures include mandatory provisions such as health and safety regulations, working hours, minimum wages, and social security benefits, while non-statutory measures include additional facilities like health programs, financial assistance, housing, education support, recreational activities, and career development opportunities. By implementing effective welfare programs, organizations can create a positive work environment, boost employee morale, and enhance job performance. This study adopts a descriptive research methodology to explore the significance of both statutory and non-statutory employee welfare measures among employees and their role in fostering employee engagement and organizational growth.

Keywords: Employee welfare, Welfare Measures, Productivity, Job Satisfaction, Work Environment, Statutory Welfare, Non-Statutory Welfare.

Introduction

Employee welfare refers to a wide range of services, benefits, and facilities provided by employers to ensure the well-being and comfort of their workforce. It plays a crucial role in maintaining employee satisfaction, enhancing productivity, and fostering a positive work environment. Welfare measures can be classified into statutory and non-statutory provisions. Statutory welfare measures are legally mandated and include provisions such as health and safety regulations, minimum wages, working hours, social security benefits, and compensation for occupational hazards. On the other hand, non-statutory welfare measures are voluntary initiatives taken by organizations to enhance employee well-being, such as housing assistance, medical facilities, education benefits, recreational activities, and financial support.

By implementing effective welfare programs, organizations not only improve the quality of employees' professional and personal lives but also strengthen industrial relations and workforce engagement. Ensuring a safe and healthy work environment, providing financial security, and offering additional facilities contribute to job satisfaction and overall organizational growth.

According to C.B. Mamoria, "Welfare measures encompass all those activities undertaken by an employer to improve the condition of employment of workers and their families, aiming at enhancing their quality of life." This highlights that employee welfare extends beyond workplace facilities to support employees' personal and social well-being.

Objective of The Study

This study aims to explore the significance of both statutory and non-statutory employee welfare measures, analyzing their impact on employee motivation, retention, and productivity.

The major objectives of the study are:

1. To assess the awareness and satisfaction levels of employees regarding statutory and non-statutory welfare measures provided by the organization.
2. To evaluate the effectiveness and accessibility of welfare facilities and suggest improvement for better employee well-being and productivity.

Statutory and non-statutory welfare measures

Employee welfare measures are crucial for ensuring the well-being, satisfaction, and productivity of workers in any organization. These measures are broadly classified into statutory and non-statutory welfare provisions. Statutory welfare measures are those mandated by law, and every employer is legally required to implement them. Examples include Gratuity under the Payment of Gratuity Act, 1972; Maternity Benefits under the Maternity Benefit

Act, 1961; and Provident Fund (PF) under the Employees' Provident Fund Act, 1952. Other essential statutory provisions are Employees' State Insurance (ESI) for health security, Overtime Payment, Annual Leave, First Aid, Health and Hygiene, Crèche Facilities, and Workplace Safety, which are mainly governed by the Factories Act, 1948 and related laws. These ensure a minimum standard of welfare and protect employees' rights at the workplace. In contrast, non-statutory welfare measures are voluntarily provided by employers to further enhance employee well-being and morale. These include recreational activities, transport facilities, canteens with subsidized meals, and educational support like scholarships and adult learning programs. Companies may also offer housing support, stress management programs such as yoga or counselling, and health improvement initiatives like medical camps and wellness checks. Additional benefits include awards and incentives, family welfare schemes, and emergency welfare funds during crises. Though not legally mandated, these practices reflect a company's commitment to creating a supportive, inclusive, and productive work environment.

Review of Literature

Kumar and Joshi (2021) studied the welfare measures implemented at Tata Motors' Sanand plant in Gujarat. The research focused on both statutory and non-statutory welfare practices, including employee training, subsidized canteen services, health and safety measures, housing assistance, and recreational activities. A survey of 250 employees revealed that Tata Motors places a strong emphasis on worker safety, with advanced protective gear and regular safety drills & equipment. Additionally, initiatives such as educational scholarships for employees' children and family health check-ups significantly enhanced employee satisfaction and loyalty. The researchers concluded that the welfare measures at Tata Motors not only ensure employee well-being but also contribute to improved productivity and lower attrition rates.

Chowdhury et al. (2022) found that job security, training, and health benefits in hospitality improve employee loyalty and customer satisfaction.

Singh & Yadav (2022) noted that non-statutory welfare measures like flexible work hours enhance employee satisfaction in the IT sector.

Rao & Reddy (2021) highlighted that subsidized loans and healthcare in public banks improve service quality and employee morale.

Kumar & Joshi (2021) found that Tata Motors' safety and welfare initiatives improve employee retention and productivity.

Desai (2020) showed that crèche and housing benefits in Surat's textile industry reduce turnover.

Ghosh (2020) found that competitive welfare policies in banking attract and retain talent.

Kim & Lee (2020) noted that subsidized housing and training programs improve workforce retention in South Korea.

EU Labour Market Report (2020) showed that advanced welfare policies increase productivity and reduce stress in EU nations.

Jones et al. (2020) found that non-statutory welfare programs enhance employee well-being and organizational culture.

ILO (2019) emphasized that strong labour welfare policies reduce workplace accidents and improve job satisfaction.

Shukla (2019) found that welfare disparities in Gujarat's industrial hubs require policy intervention for contract workers.

Patel & Shah (2018) showed that mental health and flexible work policies improve retention in Gujarat's IT sector.

Prasad & Rajan (2017) - highlighted that gender-specific welfare provisions reduce burnout in Bengaluru's IT firms.

Mehta (2017) - found that dairy cooperatives' profit-sharing and pension schemes improve employee satisfaction.

Joshi (2016) - noted that structured welfare programs in Gujarat's industries reduce absenteeism and boost morale.

Garcia & Pinto (2016) - found that both statutory and non-statutory welfare programs improve employee conditions in Brazil.

Research Methodology

This study aims to analyse employee welfare measures and their impact on satisfaction levels. A descriptive research design is used to systematically assess employee perceptions and identify areas for improvement. The design adopted supports in examining the adequacy, accessibility, and effectiveness of welfare measures. The exhaustive list of welfare measures was extracted through extensive literature review. The primary data is collected through structured questionnaires and observations to ensure a comprehensive evaluation.

Sample Size Determination

The target population consisted of 700 employees working at Dahej unit of the organization under study. The sample study includes a sample size of 100 employees from various departments of the organization. It mainly covers mid-level employees to ensure a balanced perspective. The sample supports a representative analysis of employee welfare measures.

The sample size was calculated using a sample size calculator, ensuring a 95% confidence level and a margin of error of $\pm 0.091\%$. Based on these parameters and an estimated population of 700 employees, the sample size is 100 employees.

$$n = \frac{N \times Z^2 \times p \times (1 - p)}{(E^2 \times (N - 1)) + Z^2 \times p \times (1 - p)}$$

$$n = \frac{700 \times (1.96)^2 \times (0.5) \times (1 - 0.5)}{((0.091)^2 \times (700 - 1)) + (1.96)^2 \times (0.5) \times (1 - 0.5)}$$

$$n = \frac{(700) \times (3.8416) \times (0.25)}{(0.008281 \times 699) + 3.8416 \times (0.25)}$$

$$n = \frac{672.28}{6.7464}$$

$$n \approx 99.67 (100)$$

N = Total population (700)

Z = Z-score (1.96 for 95% confidence level)

p = Estimated proportion (0.5 for maximum variability)

E = Margin of Error (0.091%)

Sampling Method

A convenience sampling method is used, selecting employees based on accessibility and willingness to participate. This approach allows for efficient data collection while maintaining diversity in employee responses.

Data Analysis and Interpretation

Demographic analysis

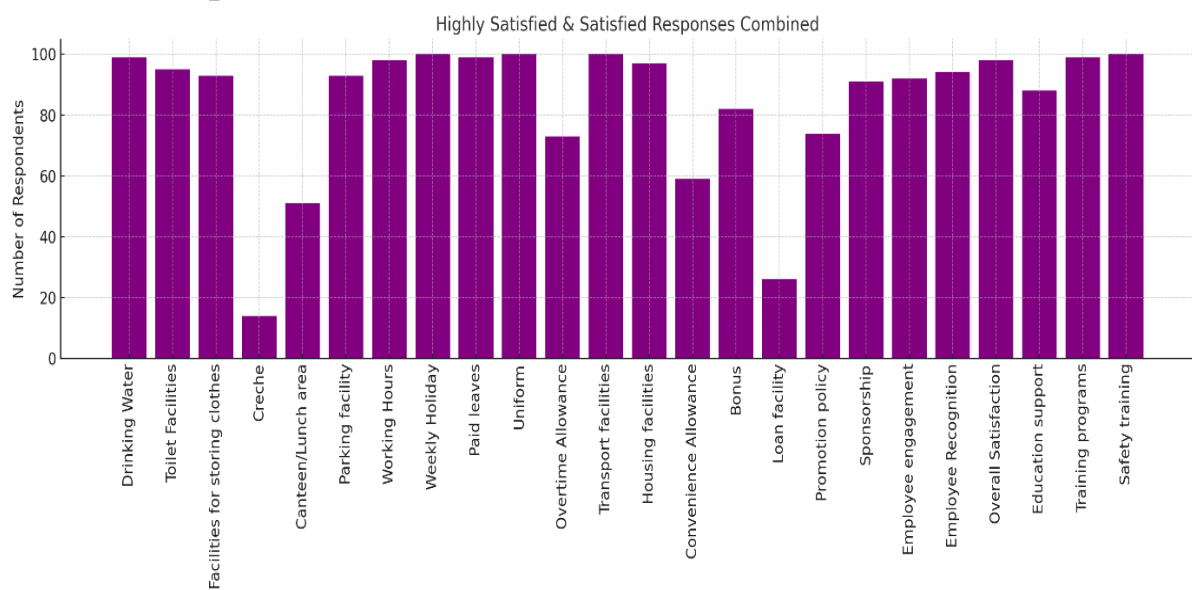
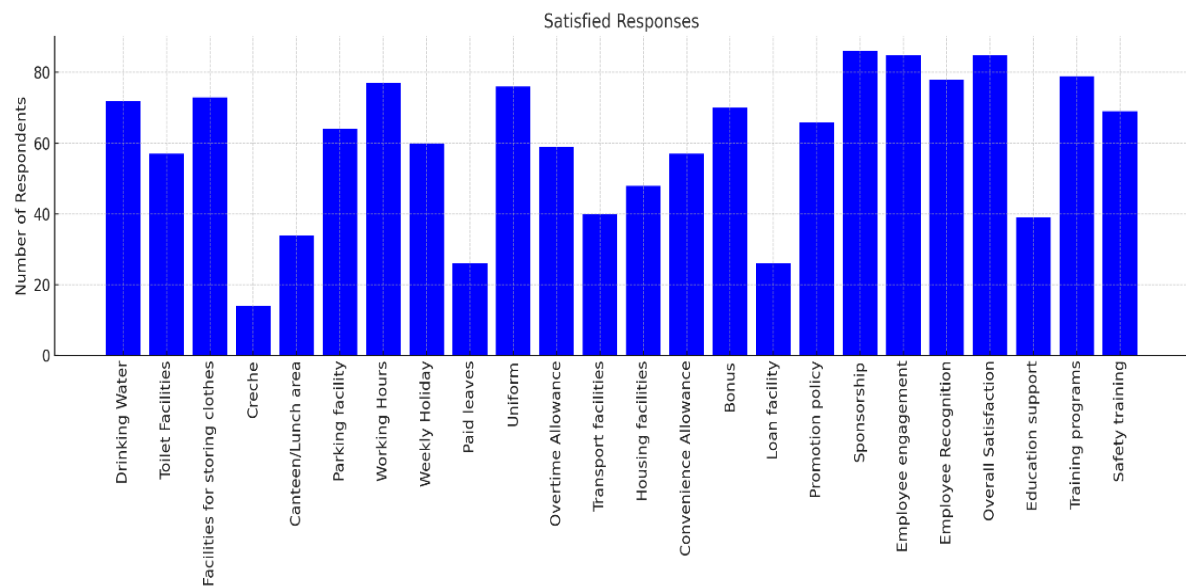
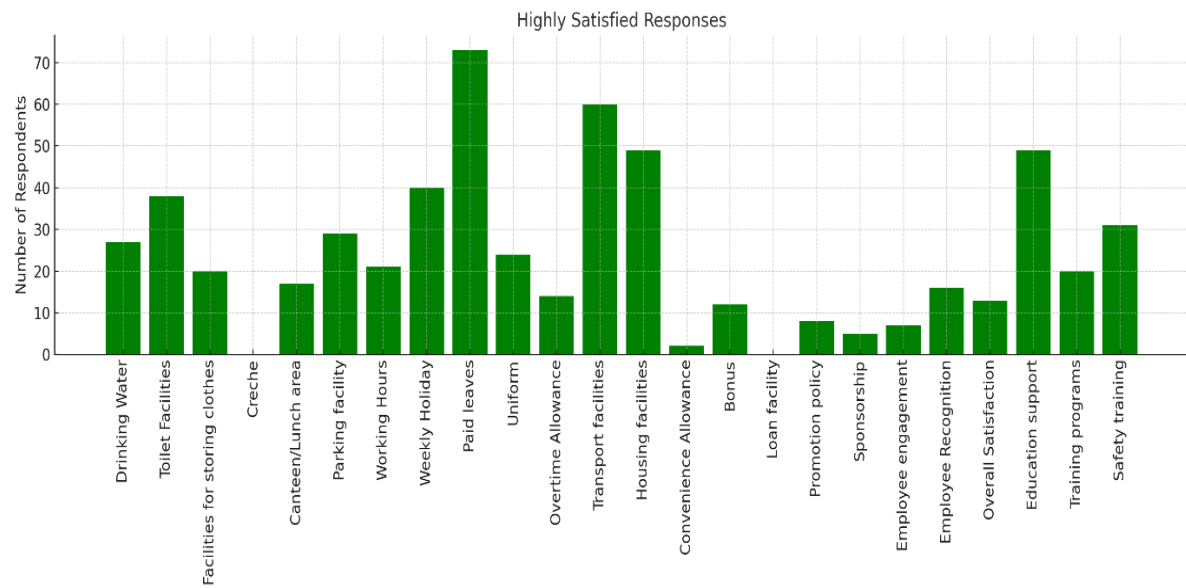
- **Age Distribution** - The majority of respondents are in the 26-35 years age group (54.4%), followed by 36-45 years (19.4%).
- **Gender Distribution** - A large majority of respondents (83.5%) are male, while only 13.6% are female. This shows a strong male predominance in the study sample, reflecting a gender imbalance in the workforce looking to the nature of work.
- **Educational Qualification** - Most respondents hold a diploma (36.9%) or ITI qualification (28.2%), followed by graduates (25.2%). Only 6.8% have post-graduate qualifications, indicating a workforce with predominantly technical education.
- **Department Distribution** - The highest representation is in the "Prefer not to say" category (16.5%), followed by departments like Refinery 1 (14.6%) and Smelter 1 (13.6%). Operational and technical departments dominate, while support departments (IT, HR, Finance) have lower representation.
- **Designation Distribution** - The most common designations are Junior Technician (13.6%) and Junior Engineer (11.7%), with fewer in managerial positions. This highlights the prominence of operational and technical roles, with limited representation in senior roles.
- **Experience Distribution** - The majority of respondents (39.8%) have 1-5 years of experience, followed by those with 5-10 years (35%). Only 21.4% have more than 10 years of experience, and a small number (1.0%) have less than one year. The workforce is mainly early to mid-career professionals.

Employee Satisfaction Levels on Welfare Measures: Response Analysis

(HS- Highly Satisfied, S- Satisfied, N- Neutral, D- Dissatisfied, HD- Highly Dissatisfied)

The analysis of employee satisfaction regarding welfare measures indicates that most employees are content with the facilities provided. Key areas of high satisfaction include paid leaves (70% HS), transport facilities (60% HS), and housing facilities (49% HS), reflecting the importance of convenience and stability. Essential amenities such as drinking water (72% S), toilet facilities (57% S), and parking facilities (64% S) were also well-received. Workplace factors like canteen facilities (84% S) and working hours (75% S) gained positive feedback, while financial benefits like bonuses (58% N, 40% S) and convenience allowances (55% N, 38% S) received mixed reactions, showing room for improvement.

Despite overall satisfaction, areas such as promotion policies (56% N), training & development programs (41% N, 8% D), and employee engagement initiatives (7% D) require attention. Financial incentives, including overtime allowances (46% N) and loan facilities (66% N), also saw a significant neutral response. While 85% of employees are satisfied with the welfare measures, addressing career growth opportunities, financial benefits, and recognition programs could enhance employee engagement and retention.



Adequacy and accessibility of various welfare measures provided to the employees

Overall satisfaction remains high, with 85% of employees satisfied, but areas like promotion policies, training programs, and financial incentives need attention. Improving career growth opportunities and financial benefits could further enhance employee morale and retention.

- A significant 97.2% of employees are satisfied with the cleanliness of the workplace, with 73.8% agreeing and 20.4% strongly agreeing.
- 71.8% of employees are satisfied with waste disposal arrangements, with 53.4% agreeing and 18.4% strongly agreeing. However, 24.3% were neutral, suggesting room for improvement.
- 85.4% of respondents are satisfied with the ventilation in the workplace, with 67% agreeing and 18.4% strongly agreeing. Only 10.7% were neutral, indicating a generally positive view with minimal dissatisfaction.
- 71.8% of employees perceive the working space as sufficient, but 13.6% remain neutral or disagree. This shows most employees feel the space is adequate, though a few have concerns.
- 85.4% of employees are satisfied with seating arrangements, with 68.9% agreeing and 16.5% strongly agreeing. The responses indicate strong satisfaction with minimal concerns.
- 80.6% of employees are satisfied with lighting, with 60.2% agreeing and 20.4% strongly agreeing. The data shows that lighting is well-regarded by most employees, with minimal dissatisfaction.
- 98% of employees are satisfied with the availability of PPE, showing strong support for safety measures. Only 1.9% of respondents were neutral, indicating a high level of satisfaction.
- 94.5% of employees agree or strongly agree that machinery is properly arranged for safety, reflecting strong satisfaction. No employees disagreed, highlighting a safe work environment.
- 94.2% of employees are satisfied with machinery maintenance, with 60.2% agreeing and 34% strongly agreeing. The absence of negative responses demonstrates confidence in safety practices.
- 84.4% of employees express satisfaction with building maintenance, with 55.3% agreeing and 29.1% strongly agreeing. A few remain neutral, indicating generally positive perceptions.
- 95.2% of employees are satisfied with clearly marked drinking water and toilet facilities, with 68% strongly agreeing. The data suggests high satisfaction with facility accessibility.
- 93.2% of employees are satisfied with the lighting and maintenance of floors, stairs, and access areas, with 65% agreeing and 25.2% strongly agreeing. This reflects a well-maintained and safe workplace.
- 97.1% of employees are satisfied with fire safety provisions, with 64.1% strongly agreeing. This indicates a strong confidence in workplace safety measures.
- 94.2% of employees are satisfied with fire safety training and mock drills, reflecting high confidence in the company's emergency preparedness.
- 94.2% of employees agree or strongly agree that first aid and medical facilities are adequate, ensuring a strong sense of safety and well-being in emergencies.
- 63.9% of employees are satisfied with the work environment, though a significant portion (33%) remains neutral, indicating some areas for improvement in workplace conditions.
- 61.2% of employees agree that top management engages with employees, though 35% remain neutral, suggesting room for improvement in management communication.
- 73.8% of employees are satisfied with the availability of flexible work arrangements, although 21.4% remain neutral, indicating some mixed experiences with flexibility.
- 92.3% of employees agree or strongly agree that the company has an effective grievance redressal system, reflecting a strong trust in the company's ability to address employee concerns.
- 94.2% of employees agree or strongly agree that the company has a mechanism for receiving regular feedback, indicating strong support for employee involvement and engagement.

Employee Awareness of Social Security Measures in the Company

The data highlights employee awareness of social security measures, showing that essential benefits like Employee Provident Fund (EPF), Employee State Insurance (ESI), Gratuity, Health Insurance, Workmen Compensation, and Regular Health Checkups are fully known to all employees. Additionally, Pension Plans (95% awareness) and Employee Education on Social Security Benefits (96% awareness) are well understood, though a small portion remains unaware. However, benefits such as Child Care Services (79% awareness), Maternity/Paternity Benefits (77% awareness), and Flexible Work Hours (78% awareness) show a moderate level of familiarity, indicating the need for better communication, particularly for employees not directly impacted by these measures.

On the other hand, Employee Counselling (41% awareness), Legal Assistance (43% awareness), and Financial Planning Support (22% awareness) are significantly less known, highlighting gaps in communication or perceived relevance. While the company effectively communicates core social security measures, it may need to enhance awareness strategies for lesser-known benefits, ensuring employees fully understand and utilize available support systems. Targeted communication for specific employee groups could further improve overall awareness and accessibility of these measures.

Conclusion

The research provides valuable insights into employee demographics, satisfaction levels, and awareness of welfare and social security measures within the organization. The majority of employees belong to the 26-35 age group, are predominantly male, and hold diploma or ITI qualifications. Most employees have 1-10 years of experience, indicating a workforce primarily composed of early to mid-career professionals.

Regarding welfare measures, employees are highly satisfied with essential facilities like paid leaves, transport, and housing, but areas like promotion policies, training programs, and financial incentives require improvement. While core social security benefits like EPF, ESI, and health insurance are well-communicated, awareness of support services such as employee counselling, legal assistance, and financial planning remains low. To enhance employee satisfaction and well-being, the organization should focus on improving communication strategies, strengthening career growth opportunities, and ensuring better utilization of available benefits. Strengthening these areas can contribute to a more engaged and motivated workforce, ultimately benefiting both employees and the organization.

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