CHAPTER I

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1.1 INTRODUCTION

‘Welfare’ is a broad concept referring to a state of living of an individual or a group, in a desirable relationship with the total environment- ecological, economic and social. Labour welfare includes both the social and economic contents of welfare. Social welfare is primarily concerned with the solution of various problems of the weaker sections of society like prevention of destitution, poverty etc.

Labour welfare may be viewed as a total concept, a social concept and as a relative concept. The total concept is a desirable state of existence involving the physical, mental, moral and emotional well being.

The social concept of welfare implies the welfare of man, his family and his community.

It is a dynamic and flexible concept and hence its meaning and content differ from time to time, region to region, industry to industry and country to country, depending upon the value system, level of education, social customs and degree of industrialization and general standard of the socio-economic development of the people.

Labour welfare implies the setting up of minimum desirable standards and the provision of facilities like health, food, clothing, housing, medical assistance, education, insurance, job security, recreation, etc. Such facilities enable the worker and his family to lead a good work life, family life and social life. So a study has been carried out on labour welfare measures provided at Neyveli Lignite Corporation.

1.2 CLASSIFICATION OF LABOUR WELFARE MEASURES

Labour welfare measures can be broadly divided into two categories;

(i) Statutory and

(ii) Non-statutory or Voluntary.
1.3 STATUTORY WELFARE MEASURES

Statutory welfare measure consists of those provisions of welfare works which depend for their implementation on the coercive power of the government. The government enacts certain rules of labour welfare to enforce the minimum standards of health and safety of workers. The employers are required by law to fulfill their statutory obligations on welfare. Every country is gradually increasing its statutory control over labour welfare.

1.4 NON-STATUTORY WELFARE MEASURES

Non-statutory welfare measures include all those activities which employers undertake for the welfare of their workers on a voluntary basis. There are some social welfare organizations which undertake voluntary welfare services, for instance, Y.M.C.A. Some of the trade unions also undertake voluntary welfare work for the benefit of their members.

The Committee of Experts on welfare facilities for industrial workers was constituted by the ILO in 1963. It divides the welfare services into two groups.

1.5 SCOPE AND IMPORTANCE OF WELFARE

In this section a brief discussion on the importance of Labour welfare at all levels on a national perspective is presented. Today in India only a considerably small population is employed in the organized sector when compared to the unorganized sector, but the former constitutes a substantial amount to the national economy. Every worker carries with him the intangible asset of knowledge and skills at his job, be it in the private or public sector. If this resource is rightly directed and fully utilized, it would make a great contribution to the prosperity of the organization and thereby to the nation. This can only be achieved through the personal satisfaction of the labourers when they feel that they are active participants in the process of production and they do much for increasing the production and ultimately increase the organizations’ gross productivity. For this a prerequisite would be an environment where a person is contented with his job, assured of a bright future and provided with his basic needs in life which means an atmosphere of good working condition and satisfaction to carry out his work.
The need and importance of labour welfare has for long been appreciated throughout the development of civilization. Its importance is felt very much in the developing countries, like India. The concept of welfare, however, varies from country to country depending upon the social customs, degree of industrialization and educational development of the workers (R. Kaur, 2012).

The basic needs of a labourer are freedom from want, job security and freedom from fear. Enough food, good health, clothing and housing are the most basic human requirements. The human heart takes secret pride and without any deviation responds to courtesy and kindness just as it revolts to tyranny and fear. Pigou (1935) defined economic welfare as that part of social welfare that can be brought directly or indirectly into relation with the measuring need of money. According to him, "the economic welfare of a community of a given size is likely to be greater; the larger is the share that accrues to the poor.” However, he admits that economic welfare was not the index of total welfare. So we understand that labour welfare is not all about financial assistance and acquiring other monetary benefit. There is more to it. Varghese (2010) states this as “the concern for improving the lot of the workers, a philosophy of humanitarianism or what is now termed as internal social responsibility, a feeling of concern and a caring by providing some of life's basic amenities, besides the basic pay packet”. All labour welfare measures should focus on serving the ultimate purpose of promoting greater efficiency of the workers, their work team development, assuring proper human working conditions, creating better industrial relations and so on. There could not be just one single objective but it could be multiple in terms of Labour Welfare Programme (LWP). This type of care based LWP can build a sense of loyalty on the side of employees towards the organization. According to Varghese (2010) there could be two approaches to LWP. One is the Humanitarian Approach and the other is the Utilitarian Approach. In fact, the humanitarian approach has given way to the utilitarian approach. The utilitarian approach views investment in labour welfare through the lens of an economic framework where the possible cost benefit to the organization gains greater concern through improved or quicker services from the employees. Whatever may be the approach, the LWP must aim at creating a Win-Win situation both for the employees and the employers. For the employees, the welfare package frees them to devote their time and attention to the organizational task and thus enhance efficiency and improved productivity. If the package is more attractive and if it provides benefits throughout the
course of an employee's career, this will serve to attract and retain the better workers and simultaneously enhance their morale. Also the organization reaps rich benefits as it becomes eligible to certain tax concessions by spending on employee welfare.

1.6. THE NUMBER OF EMPLOYEES IN VARIOUS CATEGORIES

The number of employees in various categories behind the success of the company as on 11.03.2014 is

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>4,259</td>
</tr>
<tr>
<td>Non-executives (Regular)</td>
<td>8,106</td>
</tr>
<tr>
<td>Labour</td>
<td>5,228</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>17,593</strong></td>
</tr>
</tbody>
</table>

1.7 REVIEW OF LITERATURE

The following national and international articles pertaining to labour welfare measures are reviewed in order to identify the gaps in the literature.

Binoy Joseph, Joseph Injodey and Raju Varghese (2009) point out that the structure of a welfare state rests on its social security fabric. Government, employers and trade unions have done a lot to promote the betterment of workers' conditions.

Jim Collins, (2001) stated the importance for hiring motivated people and creating the right conditions for maintaining their intrinsic motivation. He also suggests that implementation of training and development practices keep the organization to be alive and enhance employee retention.

Bill Jenson (Cambridge, Ma: Perseus, (2002) found that good superior-subordinate relationship, good interpersonal relationship, motivation and uniform discipline procedures are the important factors of job retention.

Margret Deery (2008) examined reasons for the retention of good employees and the role that work-life balance issues have in an employee’s decision to stay or leave an organization. He focused on job attitudes such as positive and negative
affectivity, the role of work life balance in employee turnover and finally, the strategies provided to alleviate high turnover rates.

Marilyn Zuckerman and Lewis Hatala (1992) found that the strategies of flexible workplace such as flexible time, part time working, job sharing career breaks and welfare practices are essential for retaining talents in organizations.

In the view of K.K. Chaudhuri, in his “Human Resources: A Relook to the Workplace”, said that the HR policies are being made flexible. From leaves to compensations, perks to office facilities, many companies are willing to customize policies to suit different employee segments. The older employees want social security benefits and younger employees want cash in hand because they can’t think of sticking to a company for many years and retire from the same company. Therefore “one jacket fits all” will not be right to motivate the talents of workers and retain them.

1.8 RESEARCH GAP

After receiving national and international literature pertaining to labour welfare measures the researcher identified the scenario that remains unanswered in particular labour welfare measures were addressed in private sector organization in India as well as in abroad. Therefore the researcher intended to explore labour welfare and their total effectiveness in a public sector organization of huge dimensions.

1.9 OBJECTIVES OF THE STUDY

1. To study the socio economic profile of the employee of NLC
2. To present the Labour welfare measures practiced in NLC.
3. To measure the effectiveness of Labour welfare measures in the study area.
4. To identify the influence of person impact of effectiveness and organizational variables on their perception towards Labour welfare measures.
5. To make suitable suggestions on the basis of the findings of this study.
1.10 HYPOTHESES OF THE STUDY

1. There is no significant relationship between monetary labour welfare measures and organizational effectiveness.

2. There is no significant relationship between non-monetary labour welfare measures and organizational effectiveness.

1.11 RESEARCH METHODOLOGY

Research Design

This section describes research design, data collection and questionnaire development efforts used in this study. And also the sampling plan used for the final study.

Employee’s welfare is discussed in detail along with data collection procedure and data analysis procedure used in the pretest, pilot test and the final study.

The present study is based on the primary as well as the secondary data. The study depends mainly on the primary data collected through a well–framed and structured questionnaire to elicit the well–considered opinions of the respondents. Convenient random sampling is adopted to obtain the responses from the respondents relating to labour welfare measures in Neyveli Lignite Corporation. This study employs both the analytical and the descriptive type of methodology. The study is conducted in a two stage format, with a preliminary pilot study followed by the main study. The secondary data are collected from journals, magazines, publications, reports, books, dailies, periodicals, research papers, web sites and from the Company Publications, Manuals and Booklets.

1.11.1 Pilot Study

The study is conducted using both the analytical and the descriptive type of methodology. The study primarily depends on primary and secondary data.

A pilot study was conducted to validate the questionnaire and to confirm the feasibility of the study. The filled up Questionnaires are collected from 100 respondents
and Cronbach’s Alpha Criterion was applied to test the reliability. The value determined is 0.799 proving the reliability of the instrument. The quality of the questionnaire was ascertained and the test showed high reliability. The variables considered for the analysis are satisfying the normal probability distribution. Based on the pilot study, the questionnaire was modified suitably to elicit response from the sample group.

1.11.2 Study Area

The Survey is conducted in Neyveli Lignite Corporation Limited, a “Navaratna” Government of India Enterprise; under the administrative control of MOC which has a chequered history of achievements in the last 56 years since its inception in 1956 located in Neyveli city, Cuddalore District. The NLC operates Three Opencast Lignite Mines of a total capacity of 28.5 Million Tonnes per Annum at Neyveli and one open cast lignite Mine of capacity 2.1 Million Tonnes per Annum at Barsingsar, Rajasthan. It also Three Thermal Power Stations with a total installed capacity of 2490 Mega Watt at Neyveli and one Thermal Power Station at Barsingsar, Rajasthan with an installed capacity of 250 Mega Watt. (www.NLC.com)

As Neyveli Lignite Corporation Limited has entered the economic arena, their high level of pay has raised the economic stands of young and educated professionals. Neyveli, being the township, truly represents employees belonging to various strata of the society.

The perception of Neyveli has changed and remains the destination of choice for investments. The world renowned NLC has predicted that Neyveli would be one of the top favoured destinations for Mines outsourcing in India. The attractive parameters include skills availability, infrastructure, skills retention, cost of living, political support, access and overall quality of life.

1.11.3. Sampling Size and Design

The primary data were collected through survey method. Survey was conducted using well formulated questionnaire. Convenience sampling was applied for selection of respondents. Sample for the purpose of the study are selected systematically. Totally 1000 Questionnaires were distributed and 596 collected out of which 522 respondents
were selected which comprises of 98 Executives, 172 in Non-Executive workers, 150 in Non-Executive office staff, 102 in Supervisors.

1.11.4 Sample Selection

The convenient sampling method was applied to collect and select the primary data. This sampling method is justified as follows: The whole of NLC was downsized based on labour welfare measures in the first stage of sampling. The second stage is preceded with employees working in the Neyveli Lignite Corporation. After these two stages, the convenience sampling method is applied to obtain the responses from the employees. Hence, the convenience sampling method is justified to collect the samples from the Neyveli Lignite Corporation.

1.11.5 Questionnaire Design

The primary data were collected through field survey. The respondents were asked to give their opinions relating to the three crucial Labor Welfare Measures in Training and Development, Statutory and Non Statutory Welfare. The first part of the Questionnaire comprises Demographic factors with optional questions. The second part includes Statements relating to residence and surrounding facility and Likert’s 5 point scale was used. The Third part consists of statements about recreational facilities, educational facilities and social security and some optional questions are included along with rating questions. The fourth part of the Questionnaire is related to amenities at work place, training and personal educational facility and all relevant statements are included to derive responses. The fifth part comprises statements pertaining to women welfare, safety measures and medical facility in the NLC. The sixth part includes yes or no questions to arrive at general details along with some optional questions.

1.11.6 Scaling Technique in the Questionnaire

The questionnaire used comprises both optional type and statements in Likert’s 5 point scale. The responses of these sections are obtained from the employees of NLC on the 5 point scale, which ranges as follows:

5 – Strongly Agree; 4 – Agree; 3 – Neutral; 2 – Disagree; 1 – Strongly Disagree.
1.11.7. Secondary Data

The Secondary data were collected from Journals, Magazines, Publications, Reports, Books, Dailies, Periodicals, Articles, Research Papers, Websites, Company Publications, Manuals and Booklets.

1.11.8. Data Analysis

The Primary data collected were analyzed using the SPSS (Statistical Package for Social Sciences) computer packages.

The Statistical tools used for obtaining results are as follows:

1. t test and Paired t test are applied to ascertain the nature of responses of employees about the labour welfare practices and significant differences among the various factors of labour welfare.

2. Factor Analysis by Principal Component Method is used to identify the factors of welfare needs, labour welfare practices, core competencies and managerial capabilities.

3. K - Means Cluster Analysis is exploited to classify the employees of NLC based on their perception.

4. Regression Analysis is brought to bear upon the problem of identifying the discrimination of factors of various welfare sub systems.

5. Karl Pearson’s Co-efficient of Correlation is brought into the context to explore the parametric relationship among the various factors of labour welfare practices and consequences.

6. One Way Analysis of Variance (ANOVA) is applied to ascertain the significant relationship between various labour welfare practices and their effects with respect to the organizational and personal variables of employees.
1.12 CHAPTERISATION

**Chapter I** - Gives an introduction which deals with the concept of Labour Welfare, Need for labour welfare, Statement of the Problem, Objectives of the Study, Methodology, Scope and Limitations of the Study.

**Chapter II** - Sketches the review of related literature relevant to the present Study.

**Chapter III** - Deals with the overview of Labour welfare Measure followed in NLC.

**Chapter IV** - Gives an intensive analyses relating to Labour welfare measures in NLC. It also explains the factor analyses and statistical analyses pertaining to employee satisfaction.

**Chapter V** - Examines the impact of Labour welfare measures in NLC. The effectiveness has been studied by applying the relevant statistical tools.

**Chapter VI** - This Chapter presents the Summary of Findings, Conclusion and Suggestions and also scope for further Studies.