Chapter-VI
CHAPTER-VI

WAGES AND EMPLOYEE WELFARE

For maximum achievement of organization and goals, an organisation makes an effort to coordinate various factors of production in such a way that each factor contributes maximum. The organisation also plans to compensate these factors in relation to their contribution so that this process continues. Compensation of non-human factors depends on technological combination while compensation for human resources is fixed on the basis of separate factors. Existing of compensation for human resources becomes more tedious since human factor is also to be compensated besides economic factors. To compensate human factor, separate techniques and tools are required which taken together may be termed as compensation management, remuneration management or wage and salary administration.

Types of Compensation:

Compensation includes direct cash payments, indirect payments in the forms of employees benefits and incentives to motivate employees to strive for higher level of productivity.

Many benefits received may be in different forms base compensation in money form and various benefits, which may be associated with employees service to the employer like provident funds, gratuity, insurance scheme and any other payment which the employee receives or benefit he enjoys in lieu of such payment.
Based on above description of compensation, various components may be identified as under:

1. **Wage and Salary:** This is the most significant component of compensation and these are essential for every type of organization. Wages is referred as payment to physical labour based on hours of working where as salary refers to the payment to white caller employees including managerial personnel. Wages and salary are paid on the basis of fixed period of time. These are generally not associated with productivity of an employee at a particular time.

2. **Incentives:** This is additional payment to employees besides the payment of wages and salary. This may be limbed up either with the productivity or cost savings or even both, groups or individuals may be given incentives either an sharing basis or an individual basis. There are various types of incentives such as individual output-limbered incentives, bonus, profit sharing, co-partnership and stock options etc.

3. **Frinze Benefits:** Those benefits includes such benefits which used to have either long term impact on employees such as Provident Fund, Gratuity, Pension, or occurrence of certain events like Medical benefits, accident relief, health and life insurance or facilitation in performance of job like uniforms, canteens and recreation etc.

4. **Perquisites:** These facilities are normally provided to the management, personnel's either to smoothen their job
performance or to retain them in the organisation. These perquisite may include, employees car, club membership, Free or concessional, Residential Accommodation, and paid holding trips etc.

(i) **Wage Concepts**

According to economic theory, wages are defined broadly as any economic compensation paid by the employer to his labourers under some contract for the service rendered by them. In its actual sense which is prevalent in the practice, wages are paid to workers which include basic wages and other allowances which are linked with the wages like dearness allowances etc. Traditionally, in the absence of any bargaining power possessed by labourers, they did not have any say in the determination of wages paid to them. This has led to the development of several theories of wages such as subsistence theory by Ricardo, wage fund theory by Adam Smith, surplus value theory by Karl Marx, residual claimant theory by Frascis Walker, marginal productivity theory by Philip Wicksttled and John Clark, bargaining theory by John Davidson, and behavioural theory by James March and Herbert Simon. Each theory tries to explain how wages are determined. In the Indian context, soon after the independence, Government of India set up a Committee on Fair Wages in 1948 which has defined various concepts of wages which govern the wage structure in the country specially in those sectors which can be termed as under paid and where workers do not have bargaining power through unions. These concepts are: minimum wage, living wage, and fair wage.
Later, the concept of need based minimum wage was added.

Government enacted legal provisions regarding minimum wages under the Minimum Wages Act, 1948. This Act does not define the concept of minimum wages but empowers the Central Governments as well as State Governments to fix Minimum Wages from time to time. Wherever this Act applies, the payment of minimum wages is mandatory. Along with the minimum wage, the Committee on Fair Wages has given the concept of living wage which has been defined as follows:

A living wage is one which should enable the earner to provide for himself and his family not only the bare essentials of food, clothing and shelter but a measure of frugal comfort, including education for his children, protection against ill-health, requirements of essential social needs and a measure of insurance against the more important misfortunes, including old age.

Living wage is more than the concept of minimum wage. Such a wage is determined keeping in view the national income and paying capacity of industrial sector. The Committee also observed that since the national income did not support the payment of living wage, it should be implemented in three phases. In the initial stage, the wages to be paid to the entire working class was to be established and stabilised. In the second phase, fair wages were to be established in the community and industry. In the final phase, the working class was to be paid the living wage.

The Concept of fair wage is linked with the capacity of the
industry to pay. The Committee has defined fair wage as follows:

"Fair wage is the wage which is above the minimum wage but below the living wage... The lower limit of the fair wage is obviously the minimum wage, the upper limit is to be set by the capacity of the industry to pay."

Thus, fair wage depends on different variables affecting wage determination. Such factors are labour productivity, prevailing wage rates, the level of national income and its distribution and the capacity of industry to pay. At present, the concept of fair wages is followed by the most business organisations.

Laying down a sound wage system and its implementation is one of the most complex assignments in an industrial organisation. It is a dynamic and complex field involving many workable principles and procedures. Over a period of years, the wage payment system has taken different shape and acquired multidimensional character due to the rapidly changing technology and socio-economic transformation of the society. Employees began to compare their inputs and outcomes with those of others and expected just and equitable pay. It gave rise to innumerable disputes and frictions, particularly with regard to the relative pay to be assigned to certain jobs or occupational groups in organisations. Consequently, different patterns of wage payment and methods of wage fixation began to assume an important role in the management of personnel in enterprises.
(ii) Principles of Wage Formulation and Wage Policy

A sound compensation system should encompass factors like adequacy of wages, social balance, supply and demand, fair comparison, equal pay for equal work measurement. The concept of adequacy has two aspects, the internal and external. The internal component is concerned with the fair wage concept and hence has a link with the adequacy in relation to the given job, employee basic needs, apart from ensuring a decent standard of living. The external aspects has a relation to the comparable jobs in other industries. The wage compensation for a particular job should not be less than the level at which it is paid elsewhere.

Wage Policy:

Wage policy according to I.L.O. refers to "legislation or Govt. action, calculated to effect the level or structure of wage, or both, for the purpose of attaining specific objectives of social and economic policy." Wage policy is a determinant of the shares of the rival claimants of the product of industry and national dividend.

Wage and salary administration refers to the establishment and implementation of sound policies and practices of employee compensation. It includes such areas as job evaluation, surveys of wages and salaries, analysis of relevant organisational problems, development and maintenance of wage structure, establishing rules for administering wages, wage payments, incentives, profit sharing, wage changes and adjustments, supplementary payments, control of compensation costs and other related items."
The compensation policy must include the method of determining base compensation, incentive and benefits and various type of perquisites to various levels of employees. The compensation policy should be designed to link up with the organisational philosophy on human resources and strategy. Besides, many externals factors which influence on the policy must also be to be care of.

In India a fair deal in wage compensation began after independence. Payment of a fair wage to labour fair return on capital employed and reasonable reserves for maintenance and expansion of the undertaking were emphasised in the Industrial Truce Resolution (1947). The Industrial Policy Resolution (1948) also emphasised the promotion of fair wages. The successive five year plans also emphasised adoption of fair wage concept and stated that the wage rise should be effected in those sectors where it is very low. At the same time the plans also emphasised that improvement in wages should result mainly from increased productivity which implies not merely more efficient work on the part of labour, but also by better output plans, improvement in management practices and the like.

As regards wage policy in dairy industry, it is in consonance with the national wage policy (NWP) as enunciated in the five year plans and other policy documents of the government. According to the principles of co-operative sector, dairy units also believe in compensation system based on 'fair wage'. Hence the AMUL implements revised pay scales to all the dairy units.
(iii) **Wage and Salary Administration in Dairy Industry:**

One of the most important and difficult problems of the management is that of determining the rate of the monetary compensations i.e. control of wage and salary levels. The main objectives of such wage and salary device is to give an incentive to greater employee productivity and to maintain a satisfactory public relations image.

Broadly speaking compensation refers to a wide range of financial and non-financial rewards or payments. Thus wages, salaries and many other benefits and services include paid vacations, sick leave, medical insurance etc. Monetary payments may be regarded as direct compensation and employee benefits as indirect compensation.

**Wages and Salary at AMUL:**

It is a universal fact that no one will work without any reward. Thus, an employee has to be properly rewarded for his service wandered to the organization. He should be paid reasonable wage or salary. The salary or wage is remuneration for his service to the organization.

At AMUL, wages and salaries are paid on monthly basis. A time rate wage system is followed by the organization. The salary of an employee would include basic salary plus allowances like house rent, medical allowance, clearness allowance, performance allowance, festival allowance, travel allowance, educational and development allowance, leave allowance etc. Besides provident fund is also paid out from the monthly salary.
### Table 6.1
**Pay Scales in AMUL**

<table>
<thead>
<tr>
<th>Post</th>
<th>Pay Scale</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director</td>
<td>21000 - 28000</td>
<td>Manager</td>
</tr>
<tr>
<td>General Manager</td>
<td>15000 - 21000</td>
<td>Manager</td>
</tr>
<tr>
<td>A.G.M.</td>
<td>7000 - 15000</td>
<td>Manager</td>
</tr>
<tr>
<td>Manager</td>
<td>5000 - 10000</td>
<td>Manager</td>
</tr>
<tr>
<td>Deputy Manager</td>
<td>3500 - 8000</td>
<td>Officer</td>
</tr>
<tr>
<td>Superintendent</td>
<td>2800 - 5400</td>
<td>Officer</td>
</tr>
<tr>
<td>Deputy Superintendent</td>
<td>2300 - 5400</td>
<td>Clerical</td>
</tr>
<tr>
<td>Clerical</td>
<td>1500 - 4500</td>
<td>Clerical</td>
</tr>
</tbody>
</table>

Source: Amul Records.

In Amul there are three cadre of managerial personnel in which the highest scale of pay is Rs. 21000-28000 payable to Managing Director. General Manager is placed in the grade of Rs. 15000-21000 while his Deputy is placed in the grade of Rs. 7000-15000. The lower down employees are also placed in the downward grades and are described as A to F category employees.

A common method is followed for the wage and salary administration. The present catalogue record received from the timekeeping officer is maintained of each employee in the register, which is known as "Muster Roll".

Timekeeper sends that muster roll to the account department for attendance of each and every employee. This will analysis and entered in the computer. The report is scrutinized and statutory
and non-statutory deductions for each employee through computer according to that they prepare salary sleep of employees.

The wages are paid in cash and also credited to their saving or current account. The wages and salaries paid according to the grade-wise. AMUL delegates grades like A, L, C, E, F, D and G.

Wage sand Salary means regular done to the employees for the work performed by them.

In AMUL salary counting is a centralization process. That means, salary of all plant worker, chilling center and AMUL dairy workers is counting at AMUL in Account Department. Every month leave must of concern plant send in an Account Department and according to that they prepare salary sleep of employees. In AMUL salary prepared on based of Attendance report from T.K. Office. In AMUL Time Keeping Department has its own important. It play very important roll in AMUL. This Department is handling a work of keep attendance record of employees in AMUL. T.K. Office send this report to account department. Attendance of all employees are analysed and entered into computer. On base of that record salary, wages and deduction is made. After made deduction salary is paid to them. Attendance is consider to be one of major and important factor. The wages are paid in cash and also have a facility of bank A/C in UTI bank for employees, salary transfer in that particular account of employee. ATM facility is also available for employees, so employee can withdraw money at any time.
Time keeping System:

The Kaira district co-operative Milk producer has a large volume of products and the manufacturing process of product continues for 24 hours of entire year.

In Amul Time Keeping Department has its own importance. It plays very important role in Amul. This department is handling a work of keep attendance record of employees in AMUL on the base of that record salary, compensation, wages are decided to pay to employees. In AMUL there are two type of Time Keeping system in Dairy plant.

1. Electronic punch card system (for officers)
2. Manual punch card system (For Workers).

1. For Officers:

In AMUL dairy muster keeper maintain detail of each employee. This function is handling in Time Keeping Office. When employee enters in the organization he has to sign in the muster and also use electronic punch card for that electronic system is fix at office. The punch card functioning in a way that employee uses it maximum 6 times in a day. If workers want to go outside during the recess than he has to punch card.

2. For Workers:

For the workers there is a manual punch card system. There are two type of card. The first one is pink and the other is white. The workers have to punch then whenever they going off the duty and at the recess time.
**Wages and Allowances:**

In AMUL they give various type of allowances to their employees, some of are mention under:

**Basic:**

Basic pay is the fixed salary or wage, which contributes the rate for the job. In AMUL basic is decided according to designation of employee and their grade. In future the increment will given to employee in basic according to his/her experience.

**D.A.**

D.A. is given to employees as a rule. D.A. counting report came from Ahemdabad office. In AMUL DA is counting by using following formula:

\[
D.A. = \frac{\text{Price index No.} \times 3.20 + \text{working days} + 14}{192}
\]

The price index no. is considering of Ahemdabad Management and settlement committee decides D.A. every three year.

**Adhoc:**

Adhoc is a one type of allowance given to employees. Union is deciding this allowance as an extra benefit for employees.

**HRA**

House rent allowance is given to employees as an incentive. HRA is given to that employees who are not leave in quarter allotted by union. HRA is decided by management committee every three year according to designation of employee.
**Travel allowances:**

Travel Allowance is given to employees as incentives. Travel allowance is deciding by management and committee according to designation of employee.

**Medical:**

For the medical expanse of employees this allowance is given. Medical allowance is deciding by management committee according to designation of employee. This allowance is given to employee for their children education.

**(iv) Bonus:**

The employer is required to pay a part of profits as bonus to the employees. Bonus is regarded as a deferred payment. In a way, it is assumed that it bridges the gap between the present wage the worker is getting, and the wage which he should have got (living wage). It has become a statutory obligation to the employer under the Payment of Bonus Act, 1965, to pay bonus to the employees. The Act stipulates that the quantum of bonus is determined between a minimum of 8.33 per cent (of basic wage) and a maximum of 20 per cent through negotiations between the parties. All the industrial establishments covered under this Act are required to pay a minimum of 8.33 per cent whether the company earns profit or not after the infancy period.

Individual employees may receive additional compensation payments in the form of bonus, which is a one time payment that does not become part of the employee's basic. In AMUL bonus is paid to employee on regular basis on Diwali.
According to the payment of bonus act 1996

Organisation must paid bonus at a rate of .33%. AMUL follow this rule and paid minimum .33% of basic + DA + Adhoc as a bonus. Some time they also paid more than .33% of bonus to employees.

Production bonus:

In AMUL production bonus is also paid to employees, Management decides this bonus. In this bonus they decide some amount per day and than that amount is multiply with working days of employees, whatever the resulted amount is given to employees as a production bonus. For example if management decide Rs. 4 per day and one employee work 200 days in a year than-

Production bonus = 200x4 production bonus = 800 so that employee get Rs. 800 as a production bonus.

In AMUL the other allowance is also given like

Performance allowance:

According to Grade this allowance is given. In AMUL if any employee want.

Employee Welfare:

The term 'labour welfare' describes a modern concept conveying a specific programme for the well-being of workers. It is assumed that, while workers are citizens, the nature of their work, the level of their wages and education, their position in the
employing organisation and the demands of modern industries, put them in a peculiar position calling forth special attention. In the beginning, when machines were invented, men and women workers were required to adapt themselves to the needs of the machines. This took some time, and in the process of adjustment, workers suffered much bodily and experienced mental agony. It was slowly realised that workers were human beings and that they were more valuable than machines. The new trend is, therefore, to adjust the machines and the workers. They story of labour welfare all over the world, is a story of this adjustment—adjustment of the machines and working conditions to the human needs of workers. To some extent workers themselves have made this adjustment; partly it has been brought about by legislation; and intelligent employers have voluntarily in some measure provided for this adjustment.

Employers offer welfare services and benefits to attract and retain their employees. Employee welfare offers organisationall advantages such as attracting good employees, increasing employee morale, and reducing labour turnover. The benefits offered to employees often times closely conform to the compensation and welfare philosophy of the organisation. However, many organisations do not get the returns of the investment they expect because employees often place a minimal value on the welfare facilities they receive. This perception may be explained in part by the management's failure to communicate adequately to employees the value of welfare services to the organisation and its workforce. It is also important to analyse the costing aspects of welfare
services in terms of their affordability. Though benefit programmes are generally expensive, they are an important means toward specific organisational objectives when well-conceived.

Social Security is one of the pillars on which the structure of welfare state rests and it constitutes the hard core of social policy in most countries. It is through social security measures that the state attempts to maintain every citizen at a certain prescribed level below which no one is allowed to fall. It is "the security that society furnishes, through appropriate organisation, against certain risks to which its members are exposed." These risks are, essentially, contingencies against which the individual of small means cannot effectively provide by his own ability or foresight alone. Beveridge, while explaining the purpose of social security said, "The term special security is used to denote the security of an income to take the place of earnings when they are interrupted by unemployment, sickness or accident, to provide for retirement through age, to provide for loss of support by the death of another person, and to meet an exceptional expenditure, such as those connected with birth, death, and marriage." Thus social security measures seek to relieve individuals of anxiety as to what they would do in the case of loss or stoppage of income. The feeling of confidence so gained enables them to apply themselves to work wholeheartedly.

(vi) Employee Welfare Policy in Dairy Industry:

AMUL provides a comprehensive package of employee services and benefits. The dairy spend considerable sums of money for promotion of the well-being of employees. It tends to look upon
welfare work as a means of security, preserving and promoting the efficiency and improving the quality of life of workforce.

Welfare amenities in the dairies can broadly be classified into two categories i.e. statutory and non-statutory welfare amenities.

(a) Statutory Welfare Facilities in Dairy Industries

For every organisation to survive, it has to attend the basic needs of the workers initially i.e., food and shelter. Further in order to get more work done by them, they have to be satisfied mentally. For this purpose, the new idea of providing welfare facilities to the workers was introduced by "Robert Owen", an industrialist from Scotland. He believed that the workers' performance was influenced by the total environment of working conditions and human treatment.

The employees in India are statutorily required to comply with the provisions of various welfare amenities. As mentioned in Chapter 5 of the Factories Act, 1948, the amenities include, washing facilities, facilities for storing and drying of clothing, facilities for sitting, first-aid appliances, shelters rest rooms and lunch rooms, canteen, crèche, supply of drinking water, provident fund, payment of gratuity, leave with pay, workmen's compensation and ESI.

Washing Facilities:

The Royal Commission on Labour clearly stated that the provisions of working facilities to all employees should be there in the factory premises. The commission recommended that the
employees engaged in dirty process, suitable place for washing and water should be made available compulsorily.

Section 42 of the Factories Act lays down that in every factor (a) adequate and suitable facilities for washing shall be provided and maintained for the use of workers there in (b) separate and adequately screened facilities shall be provided for the use of male and female workers, and (c) such facilities shall be conveniently accessible and shall be kept clean.

AMUL maintain cleanliness in the premises, that necessitates the appropriate provision of washing facilities by the management, more specifically to the plant employees.

Facilities for Storing and Drying of Clothing:

Section 43 of Factories Act stipulates suitable provision for keeping the clothes not worn during working hours and for drying the wet clothes. This facility requires the provision of separate rooms, pegs, lockers or other arrangements.

Almost all the employees of AMUL who are working in workshop, processing section, and engineering department require the provision of facility for storing and drying of clothes. The management of AMUL provided this facility to the employees up to their satisfaction.

Facility for Sitting:

Section 44 of the Act specifies that in every factory suitable arrangements for sitting shall be provided and maintained for all workers obliged to work in a standing position, in order that they
may take advantage of any opportunities for rest which may occur
in the course of their work.

The management of AMUL dairy provided the stools and
chairs for employees for sitting purpose in processing section,
workshop and engineering section wherever there is necessity to sit
a while, at the same time to observed the working of the machinery.

**First-aid Appliances**

According to Section 45 of the Factories Act, every factory
must provide and maintain first-aid boxes or cupboards equipped
with the prescribed contents. The number of such boxes must be
not less than one for every 150 workers and they should be kept
under the charge of a responsible person who holds a certificate in
first-aid treatment recognised by the state government. These
should be readily accessible during all working hours. In case there
are more than 500 workers, and ambulance room of the prescribed
size and containing the prescribed equipment is to be provided
under the charge of qualified medical and nursing staff.

The above facility is made available in AMUL dairy also. They
organise regular check up and vaccination programme of the
workers. Amul has its own hospital in the organisation which offers
all the necessary medical help to the workers under the prescribed
rules and regulations.

**Shelters, Rest Rooms and Lunch Rooms:**

According to Section 47 of the Factories Act, every factory
employing more than 150 workers must provide adequate and
suitable shelters or rest rooms and a lunch room with provision for
drinking water where workers can eat meals brought by them. But, in case a canteen is maintained, it will be regarded as part of this requirement.

**Canteen:**

The labour Investigation Committee of 1946 has emphasised the role of canteen in providing benefits to workers from the point of view of health, efficiency and well being. The canteens, provided by the employers, can provide nutritious items to the workers at lower prices and help the workers maintain and improve the efficiency. Since AMUL has its own canteen, it need not to have shelter or Lunch rooms separately. They provide Tea, coffee, breakfast and lunch at a minimal price. For dry fast foods coupons can also be used at Khatti-Mithi shop. The management and the unions join hands in running the canteen on no profit no loss basis.

**Leave Facility:**

AMUL has framed leave rules similar to the state government employees, which are applicable to different categories of tis employees. A close examination of leave facilities reveals that they are more beneficial than it is required under the provisions of the Factories Act.

**Types of Leave in AMUL**

1. **Casual leave (C.L.)**

   In Amul according to office rule casual leaves are granted to the employee. It is non transferable to next year and gets lapsed at
the year end. It is valid from April 01 to March 31 every year. The rules for this leave are as under:-

(a) For all pay scale employees - 10 leaves in a year.
(b) For Apprentices- I.C.L. shall be transferred on monthly basis.
(c) For Trainees- no C.L.

In case of sanctioned casual leave the employee will be entitled for the full pay for the leave period.

2. Privilege Leave (P.L.)

All employees are eligible for privilege leave based on the working/pay days. This leave can be carried forward for the next year. Maximum accumulation is allowed in the following manner.

(a) For Senior Officer in Managerial : 180 days Group
(b) For employees from Senior : 120 days Assistant to Assistants
(c) For Workers : 72 days

If privilege leave exceeds the maximum limit, the balance will be auto encashed.

The calculations for privilege leave is as under:

(i) 2.75 leave for every month for other than apprentices and trainee (33 days per year)
(ii) 1.50 leaves/months for trainee (18 leave days per year)

In case of sanctioned privilege leave the employee will be entitled for the full pay during this leave.
3. **Leave with Salary**

One leave every month for other than apprentices and trainee. This leave can be carried forward to next year. Maximum accumulation allowed for leave with salary is 60 days for all employees above worker group and for workers leave with salary is 48 days. If leave with salary exceeds the maximum limit the balance will be auto en-cashed.

4. **Notified Holiday**

In a year 12 days are notified holidays. All employees under office rule are entitled for this 12 days leave.

5. **Optional Holidays**

All workers, Managerial Group and other staff is entitled for 5 days optional holidays.

6. **Accident Leave**

For this type of leave medical certificate is required from a doctor. Employees do not get payment for the period from which he remains absent. However, he will get compensation as per the Workmen Compensation Act.

7. **Maternity Leave**

For Woman employees 12 weeks leave is given for maternity purposes. For this type of leave the employee is entitled full pay also. In this case the employee shall be paid salary equal to the salary drawn immediately before proceeding on leave.
8. **Dog Bite Leave**

For the type of leave a medical certificate is to be produced by the employee.

**Late Coming:**

If any employee comes late more than 3 times in a month, his casual leave account will be debited by 1 day for each 3 days of late coming during a month. If an employee does not have sufficient C.L. balance to his credit, his P.L. account is debited accordingly balance to his/her credit, he or she will be treated on leave without pay for 1 day of each 3 days of late coming.

**Drinking Water Facilities:**

As per the statutory provisions of the Factories Act, the management is providing its employees with drinking water facilities at suitable places. Cool water is also provided through water coolers. It is observed that these water facilities are kept near the working place, urinals, latrines, spittoons and wherever necessary. The location of water points is found to be convenient and in conformity with the provisions of the Act.

**Employees Provident Fund:**

All the employees are covered under Employees Provident Fund Act, 1952. The organisation deducts 10 per cent of employees salary towards this fund with matching contribution from the organisation. For joining this fund employees are required to submit P.F. Declaration Form and P.F. Transfer and nomination form after their joining in the organisation.
The employees who render a minimum of 5 years service are eligible for gratuity. In case of death or employment injury the minimum 5 years service is not applicable.

**Workmen's Compensation:**

When an employee meets with an employment injury arising out of and in the course of employment, he will be attended by a medical officer immediately and will be shifted to hospital. If the injury is of serious nature, he will be granted disablement leave till he resumes duty. He will be paid at the rate of 100 per cent of his salary if he takes treatment as outpatient. After completion of treatment, his loss of earning capacity will be assessed by a medical board and he will be paid compensation amount worked out according to his loss of earning capacity.

In case of fatal accident, compensation will be paid to the dependents of the deceased employee as per the provisions of ESI Act irrespective of whether they crossed wage limit of ESI provisions. In case of non-managerial personnel who meet with employment injury, compensation is paid as per the provisions of Workmen's Compensation Act.

Amul follows the rules of Workmen Compensation Act and pays compensation for the injuries are caused during the course of working hours in the organisation.

**(b) Non-Statutory Welfare Measures:**

**Medical Facilities:**

The protection of health must be accorded a prime place
because any unhealthy worker will become a chronic absentee and thus earns less which eventually will lead to low morale. Thus, good health is not of a importance to the worker alone but also to the employer also. A healthy worker is a better adjusted worker and will contribute to the efficiency and productivity of the organisation.

In AMUL a medical check of up of newly joining employee is carried out to ascertain his medical fitness. AMUL has arrangement of providing medicine after examination of the worker by the medical officer to the employees and their family members. Amul also runs its own hospital for the treatment of its employee.

**Mediclaim Insurance:**

Facility of Mediclaim exists in Amul for the employee, spouse and upto two children. Under this scheme for M.D. level the amount can be claimed to himself, spouse and two children is Rs. 70,000/- while the same for senior officers is Rs. 60,000/-. This amount for supervisors and the spouse is 30,000 while for children it is Rs. 20,000. In case of A to E Grade employees this Rs. 30,000 to himself and the employees and Rs. 20,000 to the children.

**Education:**

Children of the employees are given discount in fees at Anandalya Schools run my Amul children of the employees are motivated by awarding best performance for S.Sc. and H.Sc.

**Group Life Insurance:**

Organisations have began to realise their social responsibility. Amul dairy has also taken Group Life Insurance considering social responsibility of the organisation.
Loan Facility:

Amul runs a employees' society to provide loans to its employees for the specified purposes. Member employees of this society contribute every month a specified sum from their salaries and gets loan as and when they need it. It is a facility generated out of savings of the employees.

Uniform:

AMUL gives 3 pairs of uniform every 2 years to the workers. They also provide free washing facility of uniform. For that workers have to level their uniform for wash and collect in 2 days. Besides uniforms employees are provided other necessary equipments and utilities which they have to return at the time when full and final settlements are carried out.

Safety Measures:

For the safety of employees AMUL provides footwear, gloves, aprons etc. to its employee.

Advances:

Amul provides facility of advances at the time of festivals and food gaining purposes.

Personal Accident Policy:

The amount for this policy is set up for every worker category wise. Amul on behalf of employees pays the premium according to the category of the employees. In case of an accident this policy is very helpful to the worker.
Other Welfare Activities:

(i) Employees are given long service award at the completion of 25 years of service.

(ii) Post despatch section exits for the case of employees.

(iii) Amul provides creational facilities to its employees after their duty hour.

(iv) RED TAG DAY is celebrated every year. All employees participate in the events of celebration wherein housekeeping activities are carried out.

(v) Safety day is celebrated every year.

Kaizen Gift

(i) Kaizen is small improvement in day to day activities Amul dairy recognises employees small improvement in day to day activities by awarding Kaizen Gift. Special appreciation letters are given to employees who have given special contribution to achieve specific target.

(ii) Kaizen Committees are formed for office and plant to review the Kaizen of employees.

(vii) Wages and Employee Welfare- Item Analysis:

On the question of salary commensurate with the qualifications and the efforts done by the respondents, the perception of the respondents is tabulated in Table 6.2.
Table 6.2
Salary Commensurate with the Qualifications and the Efforts done by the Respondents.

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
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<tbody>
<tr>
<td>Yes</td>
<td>185</td>
<td>60.7</td>
<td>60.7</td>
</tr>
<tr>
<td>No</td>
<td>120</td>
<td>39.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled.

The majority of the respondents as per Table 6.2 have a salary commensurate with their qualifications and their efforts put in the organisation while the remaining respondents expressed a contrary view on this issue.

The respondents were asked about the comparative salary in other organisations. Their view are tabulated in 6.3.

Table 6.3
Salary compared with other Industries

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>60</td>
<td>19.7</td>
<td>19.7</td>
</tr>
<tr>
<td>Same</td>
<td>180</td>
<td>59.0</td>
<td>78.7</td>
</tr>
<tr>
<td>Low</td>
<td>65</td>
<td>21.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled.
Table 6.3 reveals that majority of respondents found their salary vis-a-vis the salary in other industries as either high or same. The total percent of these two categories combined constitutes 78.7 percent. Only 21.3 percent of the respondents felt that they are paid low as compared to their counterparts in other industries.

The respondents were asked is their salary is sufficient to meet basic requirements? The answer data is tabulated and analysed in Table 6.4.

**Table 6.4**

Adequacy of Salary

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>171</td>
<td>56.1</td>
<td>56.1</td>
</tr>
<tr>
<td>No</td>
<td>134</td>
<td>43.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled.

Table 6.4 reveals that majority of respondents (56.1 percent) feel that their salary is adequate enough to meet their basic requirements. However, remainder 43.9 percent of the respondents showed a contrary view.

On the issue of eligibility for incentive/perks the questions were put to the respondents and the data is tabulated as under in Table 6.5.
Table 6.5
Eligibility for Incentives/Perks

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>95</td>
<td>31.2</td>
<td>31.2</td>
</tr>
<tr>
<td>No</td>
<td>210</td>
<td>68.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled.

Table 6.5 indicates that 68.8 percent of the respondents are not eligible for incentives and perks while rest are eligible.

On asking about satisfaction with the bonus payment the answer data is tabulated in Table 6.6.

Table 6.6
Satisfaction with Bonus Payment

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>67</td>
<td>21.9</td>
<td>21.9</td>
</tr>
<tr>
<td>No</td>
<td>238</td>
<td>78.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled.

As revealed by table 6.6 over three fourth 78.1 percent of respondents are not satisfied with the existing system of bonus payment.

To find out the overall opinion of the respondents towards employees welfare activities an effort was made to quantify the responses by using the method of summated ratings.
At the first stage, a set of items were selected and they were given 2/1/2/1/1/2/3 responses. Then each response was given score ranging from 1, 2, 3... etc.

Employee welfare is an implied responsibility of the employer. To motivate the employees on a continuous basis the employer has to provide various welfare facilities in any organisation.

Further to find out what are the variables that affect the level of satisfaction, data has been cross tabulated.

**Table 6.7**  
**Employee Welfare**

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>128</td>
<td>42.0</td>
<td>42.0</td>
</tr>
<tr>
<td>Middle</td>
<td>126</td>
<td>41.3</td>
<td>83.3</td>
</tr>
<tr>
<td>Low</td>
<td>51</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>305</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 6.7 reveals that majority of respondents are satisfied with the welfare facilities. A number of 128 respondents (42%) showed high level of satisfaction while another 41.3% showed a moderate level of satisfaction. Rest of the respondents showed a low level of their satisfaction. It is perhaps due to high level of expectations as compared to existing facilities provided by management.

On the whole it can be inferred that employees are satisfied with welfare facilities. It also implies that the management policy shows a positive attitude in this regard. Further it also shows harmonious relations between the employees and the Management.
Is employee welfare associated with the sex of the respondents? To find out the answer, related data have been cross-tabulated and are presented in Table 6.8.

Table 6.8
Employee Welfare by Sex

<table>
<thead>
<tr>
<th>Year</th>
<th>Employee Welfare Regrouped</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Male</td>
<td>114</td>
<td>116</td>
</tr>
<tr>
<td>Female</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>126</td>
<td>131</td>
</tr>
</tbody>
</table>

It is revealed by Table 6.8 that among all respondents 131 of them were moderately satisfied with the welfare facilities. However, sexwise in this group 116 male and 15 showed their satisfaction. This is interesting further revealed by the analysis 126 of respondents (114 male and 12 female) has a low satisfaction level. 48 of respondents (38 male and 10 female) has a high level satisfaction regarding welfare measures. To know the association between two variables Chi-square test has been applied and the result showed a significant association. This it can be concluded that sex has some impact on welfare of employees.

Is employee welfare associated with the educational background of the respondents? To find out the answer, data relating to them are cross-tabulated in Table 6.9.

It is clear from the table 6.9 among the total respondents, the number of respondents showing respectively moderate and low
satisfaction is almost equal (131 x 130 respectively). However 44 respondents are highly satisfied. Among the moderate category no. of High School and graduate respondents is 59 and 31 respectively. However in low category, the same educational qualification respondents are 51 and 26 respectively showing again the same trend as it is in moderate category. This is interesting to note that in high satisfaction class, graduates have a larger number as compared to high school passed respondents. A chi-square test is used between the two variables to ascertain the significance of their association and it is found to be statistically significant. Therefore, the employees educational background has a bearing on the level of satisfaction regarding their welfare.

Table 6.9
Employee Welfare by Educational Background

<table>
<thead>
<tr>
<th>Education Background</th>
<th>Employee Welfare Regrouped</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Elementary level</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>High School Level</td>
<td>51</td>
<td>59</td>
</tr>
<tr>
<td>Intermediate</td>
<td>28</td>
<td>20</td>
</tr>
<tr>
<td>Graduation</td>
<td>26</td>
<td>31</td>
</tr>
<tr>
<td>Post-graduation/professional</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Technical</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
<td>130</td>
</tr>
</tbody>
</table>

[221]
Is employee welfare associated with the indebtedness of the respondents? To find out the result, data is tabulated in Table 6.10.

**Table 6.10**

**Employee Welfare by Indebtedness**

<table>
<thead>
<tr>
<th>Indebtedness</th>
<th>Employee Welfare Regrouped</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Yes</td>
<td>71</td>
<td>71</td>
</tr>
<tr>
<td>No</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
<td>131</td>
</tr>
</tbody>
</table>

Table 6.10 reveals that out of total respondents above 50% (164) are indebted. Out of them 22 feels high satisfaction, 71 moderate and rest 71 as low. It is further analysed that over all satisfaction level of employees welfare is fairly good. A chi-square test was conducted to ascertain the association between the two variables. The result of the test indicates the association statistically not significant. This respondents indebtedness does not indicate their level of satisfaction.

Indebtedness of employees has no effect on the satisfaction level of the employees on their welfare. If management takes care of their welfare, indebtedness has nothing to do with it and they may be satisfied and happy with welfare activities.

Is employee welfare associated with the number of dependents of the respondents? To know the answer, data relating to them tabulated in Table 6.11.
Table 6.11
Employee Welfare by number of Dependents

<table>
<thead>
<tr>
<th>Number Dependents</th>
<th>Employee Welfare Regrouped</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>0.00</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>1.00</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>2.00</td>
<td>28</td>
<td>21</td>
</tr>
<tr>
<td>3.00</td>
<td>44</td>
<td>30</td>
</tr>
<tr>
<td>4.00</td>
<td>32</td>
<td>44</td>
</tr>
<tr>
<td>5.00</td>
<td>10</td>
<td>21</td>
</tr>
<tr>
<td>6.00</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>125</td>
<td>133</td>
</tr>
</tbody>
</table>

Table 6.11 reveals that majority of respondents (133) the level of satisfaction on the basis of number of dependents and employees welfare is moderate. This is followed by low level satisfaction. However 47 respondents are higher satisfied with the two variables. A chi-square test is conducted to judge the association between two variables. The result shows a significant association. Hence it may be concluded that there is an effect of number of dependents on the satisfaction level of respondents.

Since the number of dependents have a bearing on the satisfaction levels. It is therefore concluded that the respondents having less number of dependents are more satisfied as compared to the respondents having comparatively more number of dependents.

Is employees welfare associated with the Rural/Urban
background of the respondents? To find out the result, data relating to them have been tabulated in Table 6.12.

Table 6.12
Employee Welfare by Rural/Urban Background

<table>
<thead>
<tr>
<th>Rural/Urban</th>
<th>Employee Welfare Regrouped</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Rural</td>
<td>120</td>
<td>108</td>
</tr>
<tr>
<td>Urban</td>
<td>11</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>131</td>
<td>132</td>
</tr>
</tbody>
</table>

Table 6.12 reveals that the level of satisfaction and employee welfare in case of 132 respondents is moderate (both Rural and Urban) while the same combination (131) has a low level of satisfaction. Total 42 of both Rural and Urban background respondents have a high level of satisfaction in this regard. Chi-square test has been used to know the association between the two variables. The result of test indicates statistically association is not significant. This employee's Rural/Urban background does not reveal their satisfaction level on employee welfare.

Further analysis concludes that employees welfare has nothing to do with the rural or urban backgrounds of the employees. The existing satisfaction level about employees welfare cannot be judged on their native background.

Is employee welfare associated with the category of the respondents? To find out the result, data related to them of the
respondents and their Employee Welfare have been tabulated in Table 6.13.

Table 6.13
Employee Welfare by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Employee Welfare Regrouped</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>Managerial</td>
<td>24</td>
<td>27</td>
</tr>
<tr>
<td>Urban</td>
<td>105</td>
<td>104</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>131</td>
</tr>
</tbody>
</table>

Table 6.13 reveals that moderate and low level of satisfaction exists almost in equal number of employees (131 and 129) of both the categories taken jointly. However, 4 managerial and 41 non-managerial employees have a high level of satisfaction about employees welfare. Chi-square test was applied to know the association between the two variables and it is find that it is statistically not significant. Hence category of the employee has no bearing on the satisfaction level of the employees so far their welfare is concerned.

It can be concluded that the employees are happy with the welfare activities for them and their category has no impact on their satisfaction level.

Is employee welfare associated with the caste of the respondents? To find out the answer, data relating to them have been cross tabulated in Table 6.14.
Table 6.14
Employee Welfare by Caste

<table>
<thead>
<tr>
<th>Caste</th>
<th>Employee Welfare Regrouped</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>OC</td>
<td>80</td>
<td>107</td>
</tr>
<tr>
<td>BC</td>
<td>38</td>
<td>21</td>
</tr>
<tr>
<td>SC</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>126</td>
<td>134</td>
</tr>
</tbody>
</table>

Table 6.14 reveals that 126 respondents of all the casts have a low level of satisfaction on employees welfare and a little more than it (134) feels that it is moderate. However 45 among them feel it as high. Chi-square test was applied to find out the significance of association between the two variables. The result of the test shows that the association is statistically significant.

Further analysis reveals that the cast has a bearing on the satisfaction levels regarding employees' welfare. The results may be read as that OC (Higher Casts) may have better satisfaction as compared to other casts i.e. B.C. and S.C.

Is employee welfare associated with the Age of the respondents? To find out the result, data relating to them have been tabulated in Table 6.15.

It is evident from table 6.10 that in the case of a majority of the respondents from all the ages the level of satisfaction on employee welfare is moderate. It is followed by 131 respondents
from all the age group having low level of satisfaction. To test whether there is any significant association between the two variables, chi-square test was used. The results show that the association is statistically not significant. That is the employees' age does not have any relation to employee welfare.

Table 6.15
Employee Welfare by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Employee Welfare Regrouped</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>27-43</td>
<td>29</td>
<td>34</td>
</tr>
<tr>
<td>44-51</td>
<td>53</td>
<td>78</td>
</tr>
<tr>
<td>52-57</td>
<td>40</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>122</td>
<td>136</td>
</tr>
</tbody>
</table>

Table 6.15 reveals that the a total of 136 respondents from all age group feels moderate about the level of satisfaction on employees welfare. However another 122 feels satisfaction level as low and 47 feels it high. Chi-square test applied on the data reveals that there is no association between age and satisfaction level.

It is found that the level of satisfaction of male respondents is higher than the female. It may be because of the fact that dairies do not provide any special welfare facilities to the female respondents other than the statutory benefits. In respect of educational background, the study found that the higher the levels of the education the lower the level of satisfaction on employee welfare. It
may be because education brings more awareness and increases the level of aspiration. When the aspirations are not met, the dissatisfaction increases. It is further found that the higher the number of dependents of the respondents the lower the level of satisfaction with employee welfare. The rationale behind this might be the increased number of dependents of the employee may increase the expectations of the respondents as he has to meet the requirements of his dependents. With regard to association between caste background of the respondents on satisfaction with employee welfare, it is found that the level of satisfaction of open category (upper caste) is higher than that of others. It might be because of the status on the benefits they enjoy in the society, upper caste people may not expect more from the organisation.

Based on the above analysis it can be concluded that the employee welfare has association with sex, educational background, number of dependents, caste.