

Employees Benefits and Satisfaction: A Conceptual Frame Work.

Arvnendra Kumar Thakur
(Research Scholar-Management)

University Department of Commerce And Business Administration
L.N. Mithila University, Darbhanga

Dr. I.D. Prasad
Rtd. Associate Professor

University Department of Commerce And Business Administration
L.N. Mithila University, Darbhanga

Abstract

Economic and Social Progress is correlated to the Quality of working life. The benefits provided by the employees' plays a crucial role in motivating and preparing to employees for constant change and development. Employees benefits plays important role in the lives of employees and their families and have significant impact on the business house. Most of the organisations operate in an environment in which the employees have come to expect a Comprehensive benefits programme. Benefits of employees varies from organisations to organisation, serve different social and economic obligations. Employees satisfaction is a comprehensive term that Comprises satisfaction of employees and their satisfaction overall with organisational policies.

Keywords : BHEL, Benefits, Employees, Organisation, Satisfaction,

Introduction :

The backbone of employees satisfaction is respect for works and the job they perform. Employee satisfaction is utmost important in any types of organisation, small or large. It plays significant role in defining organisational success. Every organisation develop strategies that strengthen the work environment and increases the employees moral to enhance employees performance and productivity, which ultimately results in high profits, and customer retention. The reason behind having satisfied employee is elementary. Satisfied, employees are preferred because they make a work environment and organisational climate better.

Employee benefits play an increasingly important role in the lives of employees and their families and have a significant financial and administrative impact on a business. Most organisations operate in an environment in which an educated work force has come to expect a comprehensive benefits program. The absence of an inadequate program can seriously hinder the organisational ability to attract and keep its people fit. Organisation must be aware of these

issues and be ready to make informed decisions when they select employee benefit. The employee preferences of the existing employee benefits program of the organisation have some variations in terms of the employee characteristics. However, employee benefits such as security and health benefits, payment for time not worked benefits and employee services benefits are related with employee satisfaction. In general, social security refers to protection provided by the organisation to its members against mishaps over which a person has no control. The underlying philosophy of social security is that the State shall make itself responsible for ensuring a minimum standard of material welfare to all its citizens on a basis wide enough to cover all the main contingencies of life. In other sense, social security is primarily an instrument of social and economic justice.

According to the Social Security (Minimum Standards) Conventions (No 102) adopted by the ILO in 1952, the following are the nine components of social security that configure its scope.

- Medical Care
- Sickness benefits
- Old age benefits
- Employment Injury benefits
- Family benefit
- Maternity Benefits
- Invalidity Benefits, and
- Survivor's benefits.

The introduction of social security measures in India is expectedly a recent one. In fact, the making of climate for industrial security in India started from the 10th Session of the International Labour Conference held in 1927 in which two Convention and Recommendations which were adopted for social security in the country.

India, as a 'Welfare State', is expected to take care of the citizens from the 'cradle to the grave'. Against is this realisation, the constitution of India lays down that the State shall, within the limits of its resource and development, make effective provisions for securing public assistance in event of unemployment, old age, sickness, and disablement. This constitutional obligation has served as epoch making in India's effort in the field of social security provisions in the country. Since then, various social security schemes have been introduced in the country. provisions to afford the needy people protection against uncertainties in their lives.

Social Security

It is important to understand why there is a need for social security especially in India. As has already been mentioned, the underlying philosophy of social security is to ensure a minimum level of material living to the needy or helpless ones of the society by the State. Our accumulated experience reveals that in an industrial economy, the workers have been subjected to periodic unemployment due to cyclical fluctuations in business, sickness, industrial accidents and old age. In fact, there is nothing more disconcerting to worker and his/her family than unemployment. Similarly, while sickness suspends earning capacity of a worker temporarily, industrial accidents may disable him/her partially or even permanently, and old age may put a stop to his/her ability to earn and support himself/herself and the family. The capitalist having sufficient resources, has no problem in facing the risks of life. But, the worker does not have resources required to face the risks of life. The worker does not have resources required to face the risks caused by sickness, accidents, unemployment and old age. Nor has he/she alternative sources of livelihood or accumulated property to overcome the period of adversity. Such a situation underlines the need for social security to be provided to such needy workers/people. Naturally, the Government has, then, the obligation to help the needy and helpless workers and provide them security to pass through in period of adversity.

The need for social security is realized not only to afford the needy workers' protection against the adversities of life, but also for the overall development of the State is well elucidated by a former trade union leader, the President of India, Mr. V.V. Giri. He opines that, "Social Security measures have two-fold significance for every developing country. They constitute an important step toward the goal of a Welfare State, by improving living and working, conditions and affording the people protection against the uncertainties of the future.

The Factories Act, 1948

The Act covers areas including health, welfare, safety, working hours, annual leave with wages and employment of women and children. The Act is applicable to premises minimum of where ten or more workers are employed with the aid of power, or where 20 or more workers are employed without power.

The welfare amenities provided under the act include:

Washing facilities.

1- Facilities for storing and dry clothing.

- 2- Sitting facilities for occasional rest for workers who are obliged to work standing.
- 3- First-aid boxes for cup-board-one for every 150 workers, and ambulance facilities if there are more than 500 workers.
- 4- Canteens if employing more than 250 workers
- 5- Shelters, rest rooms and lunchrooms, if employing over 150 workers
- 6- Creche, if employing more than 30 women.
- 7- Welfare officer, if employing more than 500 workers.

The various benefits provided under the Act include: (i) No worker (adult) shall be required to work in a factory for more than 48 hours in any week (Section 51); (ii) The working hours shall be kept restricted to 9 hours on and day (Section 54) (iii) An adult worker shall have weekly paid holidays, preferably Sunday (iv) A worker deprived of weekly holidays, is eligible for compensatory holidays of the same number in the same month; (v) Provision for double salary to the workers working during holidays: and (vi) Provision for canteen employing more than 250 workers and crèches where more than 30 women employees are working.

Benefits Trends

India—a much-watched, analysed and observed country – is standing expectantly on the brink of economic supremacy and leadership. Before it can realise its vast, latent economic potential, however, it has to improve its rapidly expanding but equally challenge-ridden public sector. While the impediments in this area are complex and unique, the opportunities are also myriad and exciting. On the one hand, we have the multifaceted demands and expectations of increasing population, a larger share of the global disease burden and a severely tested, not-so-strong health-care delivery mechanism. On the other hand, India has the fantastic opportunity to learn from the challenges that systems of other developed countries are dealing with – primarily by incentivising public-sector participation in financing and delivery, improving access and quality and propelling the public sector.

Benefit costs have outpaced both revenue growth and inflation, making employers more prudent and insisting on employees sharing the cost. Competition for talent is putting pressure on companies to squeeze the maximum financial savings out of plan design without diluting the benefits. Thus, organisations have begun to focus more on productivity and attraction, retention and engagement through offering greater involvement and decision-making to

employees. Furthermore, some employers are now showing an increased interest in wellness – a move from illness management to wellness management.

The Corporate Benefit Landscape

At present, India lacks a unified social security framework and whatever social security is available is overwhelmingly welfare-orientated without any planned financial discipline. Furthermore, one of the other great challenges is that, as each component of India's social security system has developed separately, there is no agency responsible for a system-wide perspective.

The rationale for levying a fringe benefit tax on the employer lies in the built-in complexity of isolating the 'personal element' in a benefit where there is collective enjoyment and attributing this directly to the employee. This is especially so where the expenditure incurred by the employer is supposedly for the purpose of the business but includes, in partial measure, a benefit of a personal nature – the value of which may be difficult to truly capture. To counter this challenge, the perquisites that can be directly attributed to the employees are taxed in their hands in accordance with the existing provisions of the Income-tax Act and subject to the method of valuation outlined in Rule 3 of the Income-tax rules. In cases where attribution of the personal benefit poses a problem or where for some reason it is not feasible to tax the benefits in the hands of the employee, the FBT is levied on the organisation on the nature of such benefits deemed to have been provided for the employees.

The Indian insurance market is undergoing an extremely sensitive and remarkable transformation – like detariffing – that is fast reshaping the way in which medical insurance as a benefit is both perceived and sold in India. As we all know, the standard categories of insurance bought by any employer are property insurance, liability insurance and employee benefits.

As employee benefits was a non-tariffed line of business (in pricing as well as policy design), 100% of the risk was retained by local insurers. A unique feature here was the common demand for dependent parents' inclusion under the medical plan. Under rising medical costs, this meant increasing severity of claims. Thus, historically, the average loss ratio under employee benefit insurance (specifically group medical insurance) was well in excess of 100%. The placement of volatile employee benefits insurance on a standalone basis was therefore naturally an expensive proposition.

As a result, companies were forced to innovate.

Employee Benefit Priorities

Each country has its own set of priorities when it comes to benefits. As I observed earlier, India already has a fairly mature corporate benefits structure in place, especially in the retirement space where the majority of the benefits are mandated by the Government. With the recent liberalization of the Indian insurance industry, Public enterprise will be far more enthusiastic in product and servicing innovation in line with benefit priorities.

Yes, the challenges faced by the Indian public sector segment are daunting. The physical infrastructure is problematic, public spending in health is below that of more advanced economies, insurance spread is token and the private-sector bandwidth has yet to reach out to the underprivileged. On the bright side, there is a growing awareness of employment in public sector.

Employee Satisfaction

Opportunity for Growth It is a fact that an ambitious employee derives more job satisfaction provided he is given challenging opportunities for professional growth by the organization. Therefore, resources such as time, money and moral support need to be provided by the employers for professional development in Indian Power sector.

Compensation Package Compensation extends beyond salary. A compensation package includes benefits, vacation, perks, etc. The package should be at least as per the expectations of the employees. If the package is less, then negotiation for a better package is necessary.

Superior a Mentor If the boss is a great leadership role model, the decisions taken by him are respected by the fellow colleagues even if they may not be what they like. The leadership qualities of a boss can certainly bring enormous positive changes in the job satisfaction levels of the employees in the organization.

Organization: The top management ensures that organization should be positioned well in future so that it will be able to compete globally.

Morale is High: Wherever the employees are treated with respect and appreciation, the output is as per expectations and they are happy at work as well as at home also because their morale is kept high by the power sector.

Tools and Resources: The organization that provides required resources and tools to the employees, not only increases the productivity also the job satisfaction level of the employees.

Innovation: The organization where employees are encouraged to contribute innovative ideas for solving the problems are often benefitted to promote progressiveness which eventually is able to compete locally and globally.

Corporate Values: High degree of job satisfaction demands adhering to defined values of the organization by the authority. The compensation packages and incentives should demonstrate these values which yield higher productivity.

Ethics and Integrity: This aspect needs particular attention especially in power sector organizations. The trust that has been developed among the colleagues and the customers could be quite significant for sustained development.

To Enhance Satisfaction

It is proved that employees experience sense of satisfaction in doing their tasks only when they are provided with motivating environment. The improvement in performance of workers, machinery, quality of products and increase in output are the responsibilities of the leaders of the organization which is essential to create high level of satisfaction among the employees. The motivation of the employees within the organization can be improved by taking below stated steps:

Positive Work Culture: Providing a positive work environment is the first step to initiate job satisfaction within the employees. In order to do this, it is important to find out what motivates the workers and what turns them on. This is the most crucial aspect in the process of motivation. The authorities, if required, are required to go beyond the prescribed norms of duty to attend to the needs of the employees to create motivating working environment. The organisations observed that job motivation and loyalty to the company is directly related to caring of employee needs at the workplace.

Appreciation, benefits and Recognition: The appreciation of performance and personal recognition of employees by the management have proved to be a very powerful tool in building their morale and motivation. Informal and small celebrations are many times more effective than a formal annual grand function. Some innovative benefits in the form of kind and services are also creativeways to reward top performing employees which are more worthy than cash.

Employee Participation: It is seen that wherever employees are involved in the decision-making process, they contribute their valuable ideas and suggestions and appear to be more

committed and engaged with a sense of ownership and satisfaction in their work. If employees are not taken into confidence, it is likely that they might not take keen interest in the work which may not yield desired results.

Workers' Skills and Potential: Capacity building in respect of enhancement of knowledge, skills and proactive change in the attitude of the employees is achieved through effective training and education process. Training should be a continuous process in the organization due to the fact that well trained employees are more capable and are willing to accept more responsibility. In addition, these employees need less supervision and are capable of handling the customers most satisfactorily ensuring customer loyalty. Trained employees have in-depth knowledge of the business and are proactive with sense of satisfaction and high motivation ensuring healthy relationship between management and employees.¹³

Assessment of Job Satisfaction: Employee job satisfaction and their engagement in the organization could be measured by obtaining feedback in a specially designed evaluation format before and after the training programs which should be a continuous process. This ensures the areas of improvements in the workforce including change in their attitude, morale and motivation. Good organizations conduct a job satisfaction survey of their employees at least once a year for continuous improvement.

Non-Monetary Ways of Employee Satisfaction

Despite various ways available with the management to improve employee satisfaction, all initiatives are not feasible due to the cost of incentive programs, workforce size, workforce demographics, and management goals. There are some non-monetary initiatives that positively influence employee satisfaction and are feasible for Indian power sector.

Reduce Employee Stressors: It is observed that excessive stress to employees is a potential source of dissatisfaction. It is, therefore, significant to reduce potential stressors to increase satisfaction. This could be done by reducing role conflict or ambiguity in employee's job descriptions and responsibilities. The employer can also reassign tasks or implement a job rotation program to reduce overload and exertion.

Encourage Flexible Work Schedule: Reduction in stress and increased job satisfaction are observed by some organizations as their employees were provided flexible working hours, days and location. By doing so, the employees could accommodate their personal obligations without affecting the business and departmental objectives.

Meaningful and Consistent Praise: Even though monetary rewards are well accepted, employees often react more favorably to intrinsic rewards such as compliments,

encouragement and praise. Considering this, the authorities of the organization should spare some time on a weekly basis with subordinates to appreciate their hard work and achievements.

Frequent and Honest Communication: Communication problems within an organization can be detrimental to employees by lowering morale and hindering positive attitudes. The employee job satisfaction and productivity of the organization is found to be enhanced where there is prompt and direct formal communication. A lack of vertical and horizontal communication in the organization leads to confusion in the minds of employees

Onsite Wellness Opportunities: Beneficial effects such as increased productivity, improved physical and mental health as well as decreased negative stressors have been observed by providing onsite wellness opportunities to the employees by the organizations. The costs of these programs vary drastically depending on the type of services provided. The Indian power sector may initiate suitable onsite wellness facilities such as offering healthy snacks, medical consultation, a small exercise and meditation area for their employees.

Strategies to Enhance Employee Satisfaction

Considering the importance of employee satisfaction in organizational development, it is essential to adopt suitable strategies by the power sector for building up their image on a sustainable basis. Following are some of the strategies to improve employee satisfaction in the Indian power sector.

Work Itself: The satisfaction of employees can be increased by job rotation, knowledge enlargement, task enlargement and job enrichment of each employee on a periodical basis.

Compensation and Benefits: Suitable policies should be built as regards compensation and various benefits for the employees to motivate them, considering the financial position from time to time. The proper and fair assessment of the work done by each employee needs to be carried out with reasonable justice which certainly encourages employees to perform better.

Relationship with Supervisors: Cordial employee-management relationship plays an important role in the development of an organization or vice versa. In order to have a cordial relationship of the employees with the management, the power sector should treat the staff fairly, be ready to help them, and positive attitudes, and be ready to listen and respond to employees.

Promotions and Career Development: The organization should develop suitable strategy for promotions to each category of employees within a reasonable period. Similarly, training programs based on training needs analysis of employees should be conducted to enhance their capability. Career development programs if built properly increases retention reducing employee turnover.

Build a Corporate Culture: As stated earlier, sharing culture produces positive results. This is possible only when there is cordial relationship between the co-workers and there is a well-defined channel of horizontal and vertical communication between them.

Conclusion:

Organisation operated in an environment in which the employees has come to expect a comprehensive benefits program. Employment benefits play significant role in the life of employees and their families and have a employees and their families and have a positive financial and administrative impact on the business operation. India a welfare state is expected to take care of the citizen all around. The need for employees to protect against the adverse effect of life and overall development of his and his families. BHEL in India, provides Sickness, Maternity, Disablement, Dependent, Funeral, Medical benefits to provide various supports to the employees and their families. BHEL is providing social security to protect workers against mishaps over which a person has no control, but till date also Indian industries lacks a unified social security framework. Employees satisfaction is a Comprehensive term that comprises role satisfaction of employees and their satisfaction overall with organisational policies.

The significance of employees satisfaction is respect for employees and their job that they perform. Employee satisfaction is of utmost important for organisation for organisations and their success. Satisfied employees make a work environment and true organisational climate in right manner. Erosional State of the employee may also affect their satisfaction. This forces the management of BHEL to create a friendly working environment. The employees satisfaction is on the bases or organisational citizenship behaviour that is, the well satisfied employees will work more willingly and this contributes to the effectiveness of the organisations. Satisfaction is the act of fulfilling a need, desire, appetite and the feeling gained from such fulfilment. In management, employees satisfaction makes the foundation of organisation success. Employees are considered to be one of the most important pillars on which the building of organisation stand. Human resource is the assets that enables organisation to reap benefits from other sources. There are various factors that contribute to employees satisfaction.

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