

Understanding the Relationship between Employee Welfare Schemes and the Performance of the Workforce in few organizations during the Covid-19 phase: A Case Study Approach

Dr. Seema P.V

Associate Professor
Institute of Education, Srinivas University, Mangalore

Prof. Preeja Sreedhar

M S Ramaiah Institute of Management, Bangalore
preejasreedhar@msrim.org

Article Type: Article

Article Citation: Dr. Seema P.V and Prof. Preeja Sreedhar, Understanding the Relationship between Employee Welfare Schemes and the Performance of the Workforce in few organizations during the Covid-19 phase: A Case Study Approach. M.S. Ramaiah Management Review. 2024; 15(02), 44-54. DOI: 10.52184/msmr.v15i02.209

Received date: January 01, 2024

Accepted date: March 01, 2024

***Author for correspondence:**

Dr. Seema P.V  Associate Professor,
Institute of Education, Srinivas
University, Mangalore

Abstract

The changing world has brought with it a flux of significant factors which are essential for performance and transformation. The effect on employee welfare and productivity, especially during the COVID-19 phase looks quite interesting. The pandemic had created a different workplace, virtual setup, and isolated dealings, and as such the understanding of the relationship between employee welfare schemes and their respective performance matters. The research questions are, 1) How did companies manage their employee welfare schemes during the COVID-19 phase? 2) Did they find any positive correlation between special employee welfare schemes during the pandemic and talent retention? The purpose of this study is to identify the significance of employee welfare schemes and the psychological bonding of employees with respective companies, especially during the pandemic times. The objective is to collate related work through a literature review and understand the relationship between employee welfare plans and performance-oriented goals. The approach is based on a case study, wherein three different organizations from Bangalore Urban are chosen. A focus group discussion was conducted to understand the relevance of employee welfare schemes and productivity during the COVID times. Also, a survey tool was used to record employees' perceptions and inferences drawn based on the data obtained. The output will be based on the deficiencies identified in organizations and also identifying the relationship between welfare programmes and productivity, if any.

Keywords: Employee Welfare Schemes, Productivity and Performance, Case Study, Organizations

Introduction

The COVID times had seen the whole world turn topsy turvy and of course, it was not easy for the organizations to ensure smooth transactions as there were a lot of emotional upheavals and uncertainty. Enough has been discussed about the negative downward spiral VUCA and its aftermath. The amount of chaos and confusion that was felt among the workforce in the organization has been very disruptive. The number of incidents that shook the equilibrium and furthermore were the retrenchments, lay-off, downsizing, and right-sizing which was inevitable. This also created havoc in some of the organizations.

Thus, the employees were rattled by the uncertainty in their respective organizations. The study has revealed that many leading organizations in the IT and ITES sectors have resorted to laying off their long-standing employees. Thus, the fear of the unknown and the unprecedented changes had a very negative impact on the people. The need for retaining talent and the need for running the show in most organizations looked bleak during the pandemic days (2019 onwards)

The word WELFARE refers to an act of creating the psychological well-being of individuals. The Committee on Labour Welfare has defined that any facilities of recreation, food, transport, medical, travel, and other amenities that cater to the needs of the employees can be termed as welfare. The welfare measure is provided to build rapport and motivation among the employees.

Employee welfare schemes can be divided into two sets viz. statutory and non-statutory welfare schemes. Statutory schemes are those that are like the compliance to be provided by an organization

in sync with the laws governing employee health and safety. These include provisions provided in industrial acts like the Factories Act 1948, Dock Workers Act (safety, health, and welfare) 1986, and the Mines Act 1962. The non-statutory schemes differ from organization to organization and from industry to industry.

Types of Employee Welfare: Employee welfare could be divided into statutory or non-statutory, meaning as required by the law or by the protocol of the management respectively. Welfare activities can also be classified as internal or external. Internal welfare facilities are meant to be based on the HR policies, like ergonomics, safe set up, employee facilities, maternity and paternity leaves, and employee engagement practices External welfare activities are many, and these could also be based on government policies. It also could be special acts that are meant for the welfare of the employees.

Problem Statement

During COVID-19 did the Employee welfare measures provided by certain organizations enhance the productivity and performance of the staff?

Was there a positive correlation between facilities such as medical grounds, counselling, psychological interventions, and trauma centres for the families of staff during COVID-19?

Did the amenities given by the organization during the tough times help in talent retention and thus curb absenteeism and attrition, thereby increasing productivity?

By and large, the employee wellness factor helps in enhancing effectiveness and efficiency at the workplace. The healthcare services, provided bring a kind of gratification to the working class. Employees are

deeply involved in their respective roles and contribute with dedication and commitment. The welfare measures provided to employees increase organizational productivity and thus promote a better working culture.

Objectives:

- To be aware of the effectiveness of labour welfare measures practiced at different organizations
- Also, to know the worker's attitudes towards the various welfare measures and their performance during the Covid-19.

Research Methodology

- For this study the data were collected from both primary and secondary sources. The primary data is collected through a survey method using a Likert scale from the employees of the following Organizations (HARMAN, INSTRUMENTATION PVT LTD, SAMSUNG, MU SIGMA, NESTLE).
- The structured questionnaire designed for the study is 'close-ended' in nature. Each section has multiple questions to cover different parameters with a Five-point Likert scale with "1" being "strongly disagree" and "5" being "strongly agree".
- The questionnaire consists of 10 close-ended questions. Data were collected to analyse the stated objectives from primary sources. Primary data is gathered from the direct interview with a questionnaire. For the study, convenience sampling is used with a sample size of 50 respondents of different organizations. And the secondary data was collected

from organization websites, and other search websites. There was also data collected from a focus group committee of different organization.

Scope of The Study

- The study aimed at understanding like productivity and employee welfare schemes at the workplace. Virtual work, vaccinations, medical welfare measures, psychological counselling, masks, gloves, and other protective gear, medical expenses, adequate medical facilities, hygienic toilet facilities, sufficient first aid boxes, adequate security instruments like a mask, shoes, helmet, etc helped the employees physically and emotionally.
- This study also brings into consideration the various levels of welfare schemes and the organization's benefits extended to the employees also the importance of psychological bonding of employees with the organization

Limitations of The Study:

- As the study was purely based on the information given by the employees there could be high chances for biased data.
- Workers are occupied in the day-to-day work and might not be interested to fill in the questionnaire hence there are chances for incorrect information.

Review of Literature

Goetzel and Ozminkowski (2008) refer to the attributes of effective programs, including various benefits, perks, and employee-related policies that help in contributing to the organization's productivity.

Companies have initially helped employees with issues like alcoholism and mental health-related issues right from the 1950s (Owens, 2006). These programs became the crux of HR policies and remained as compliance in the current times as the Employee Assistance Programs (EAPs) that are widely practiced even today.

Aruna and Seetha (2019) have researched on “Employees Welfare Measures: Importance, Statutory Provisions and Various Agencies Protecting the Welfare of Employees”. This study has revealed the importance of employee wellbeing measures like the basic amenities which are meant to care for employee wellness schemes.

Nanda and Panda's study depicted a better kind of changes in Management Vol. 12 (1) March (2019) World Business Economy Congress 2019 116 of welfare activities leading to a productive performance and better working environment in turn organization. They used varied categories of worker schemes like medical allowance; death relief fund, insurance, housing, transportation facilities recreation club, etc.

Jayanthi et al's research study showed that there is a significant relationship between employee welfare measures and the productivity of the industry. The following welfare measures are considered for the study: human resource policy, current pay scale, other facilities, children's education loan facility, housing facilities, gratuity, provident fund, first aid medical provisions, safety standards, and employee state insurance plans.

The literature review is connected to the frequency of usage of the so-called welfare measures which is categorized into five components: Medical facilities, Transport facilities, Canteen facilities, Allowances, and Recreational facilities can be

considered. Some of the organizations provide Bonus schemes, Pensions, Holidays, Life assurance, Sick leave, medical reimbursement, health, and psychological counselling. Timely medical intervention act as a lifesaver for the people and their loved ones, some of the leading Organization had therefore collaborated with hospitals for isolation rooms and with International SOS for medical support, several companies are stepping up efforts to assist employees after the severe second wave of covid-19 infections that affected the lives and livelihoods of many in India.

Also, there are the facilities of free food, free transport, Gym facilities, education assistance, training, team outing, and many more employee welfare schemes.

The Theoretical background of the study: Content Analysis

The following three theories have been considered as a background for the concept of employee welfare schemes: Primarily the Social Exchange Theory Social propagates that social behaviour is the consequence of transactional dealings between people. The aim of this exchange is to improve benefits and reduce costs.

According to this theory, individuals understand the primary benefits and risks connected to their social relationships. When the risks become more the rewards, they simply cease the relationship.

Most relationships are made up of a certain amount of give-and-take, but this does not mean that they are always equal. The social exchange theory suggests that it is the valuing of the benefits and costs of each relationship that determine whether or not we choose to continue a social association.

This theory of social interaction holds significance in the context of employee

welfare schemes and performance. Propounded by George C. Homan (1958) is based on the following perspectives;

Costs vs. Benefits

Social exchange theory propagates that we essentially take the benefits of a relationship and minus the costs in order to understand how much it is really worth it.

- **Costs** cover things that we perceive as bad, such as giving finance, time, and connection into a relationship. For example, if you work in an organization where the rewards and recognitions are very bleak, it might be demotivating.
- **Benefits** are things that one gets out of the relationship, such as camaraderie, companionship, and emotional back-up. However, if the organization gives opportunities to give foreign assignments, and better projects which add value to your profession, you might decide that the benefits really are better than the potential costs. Productive relationships are those in wherein the advantages beat the costs. An unproductive relationship occurs if the expenses are much bigger than the advantages.

Interest can occur within the circle of peer groups at the workplace within the working atmosphere. Various studies have always identified that there is an “expectation of reciprocity” about the performance and appraisal at the workplace among the staff.⁴ If a worker considers that his work is not appreciated by his supervisors, he doesn't feel recognized by his managers, this can definitely affect their productivity and interest.

The Consequences of Social Exchange on Relationships Specifically during COVID-19

The whole concept of the feeling that relationships are based on mutual reciprocity

can be synonymous with the era of the pandemic times. Thus, Evaluating the different phases and their aftermath gives a complete picture of the exchange theory.

THE HONEYMOON PHASE IN THE ORGANIZATION

The Honeymoon Phase is the initial connection with the organization, during the early days, it is referred to as the honeymoon phase because everything looks bright and great. hence individuals are prone to avoid the social exchange balance. They usually tend to ignore or they are not much aware of the employee welfare schemes.

When the span of this honeymoon comes to a close, there could often be a reflection of the exchange balance. During the pandemic times, most of the employees were keen to know about the kind of medical facilities, hospitalization charges, vaccines offered, free counselling, and other amenities offered by their respective organizations.

In this context, the shortcomings become more vivid, and thus the advantage will be more transparent and looks very practical. This phenomenon of the exchange balance leads to more pain points.

The other aspect of the social exchange process refers to the explicit options and after the brief iteration of the advantages and the finance involved. There is a paradox against the individual perspectives, the disgruntled employees might as well start looking out for other job options.

The survey in this study also revealed that the employees of certain organizations appreciated the welfare schemes and were very satisfied with the kind of physical and emotional support the organizations rendered during the COVID phase

If this type of exchange happens it is likely to impact the relationship. However, if it becomes a common way of representing

then the feelings of satisfaction can lead to employee retention as well.

The second theory which is used as the base for the study is **Vroom's Expectancy Theory**: is based on behaviour that is a consequence of conscious choices of different options whose only aim is to accelerate the pleasure and reduce the pain. Together with Edward Lawler and Lyman Porter, Victor Vroom refers to the aspect of the relationship between people's behaviour at work and their goals and performance as based on individual factors such as personality, skills, knowledge, experience, and abilities.

The theory points out that though individuals may have different sets of goals, they can be motivated if they believe that:

- There is a positive connection between hard work and productivity,
- increased performance will result in increased rewards,
- The reward will certainly accelerate progress.
- The desire to satisfy the need is strong enough to make an individual perform better

The theory is based on the following beliefs:

Valence: It is connected to the psychological reply individuals carry with regard to the output like incentives and performance related recognitions. This could be both extrinsic and intrinsic factors.

Management must discover what employees value and accordingly streamline the process of employee engagement practices to bring talent retention to the workplace.

In the context of this paper, during the pandemic era, the valence of the employees was in sync with intrinsic perspectives like

hospital charges, reimbursement of medical bills, psychological counselling, etc.

Expectancy: Professionals have different expectations and levels of confusion, especially the management that empathized on compassionate grounds could identify the needs of the employees rather than the management that could never drive empathy and compassion amongst the workforce.

Instrumentality: The belief of employees as to whether they will definitely get what they need even if it has been promised by a manager. The Management must make sure about the communication related to the awards and rewards which is due to the employees are taken care of and that employees are well communicated about it.

Vroom's concept of the employee's perception related to the factors of Expectancy, Instrumentality, and Valence bring psychological connection thus creating a strong internal intrinsic force that makes an employee perform rather than quitting from the organization.

Functional Theory of Labour Welfare

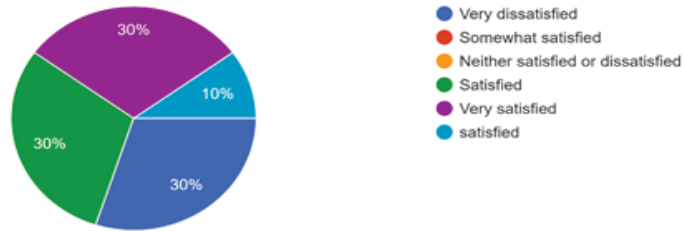
The Functional Theory of Labour Welfare: This theory suggests about a joyful person who is certainly a productive worker because of the good vibes he carries the person becomes an asset to the organization. The objective is to develop efficiency and productive performance thus enhancing productive labour. The approach to drive gratification and satisfaction to the employees thus promoting a solution-centric approach.

Findings AND ANALYSIS:

The percentage analysis was based on a few responses conducted by other organizations.

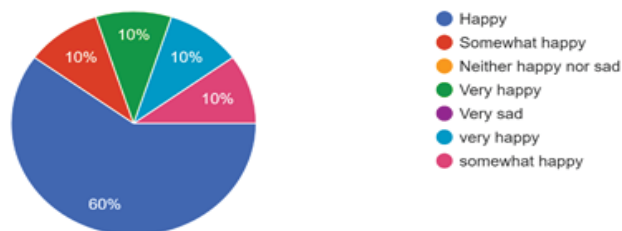
1. How satisfied were you with the Employee welfare schemes during Covid-19 at your organization?

10 responses



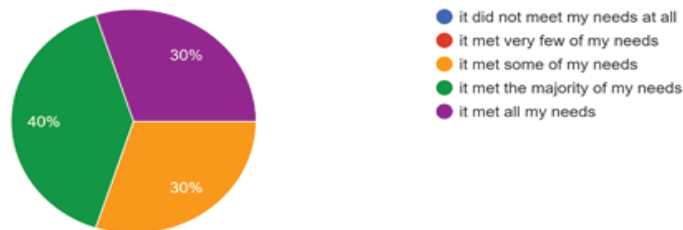
2. Which emotion best describes your experience with Employee Welfare Schemes

10 responses



3. How well did the Schemes meet your needs?

10 responses



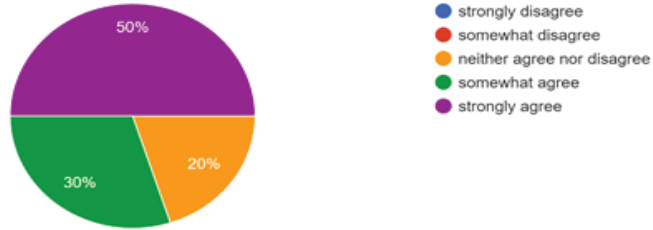
4. Please select how much you agree or disagree with the following statement: Employee welfare schemes builds better performance/productivity

10 responses



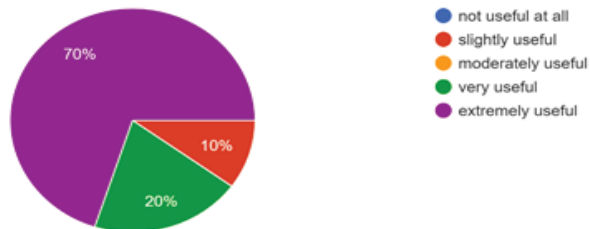
5. On a scale of one to five, how strongly would you agree or disagree with the following statement: Employee Welfare Schemes helps in talent retention

10 responses



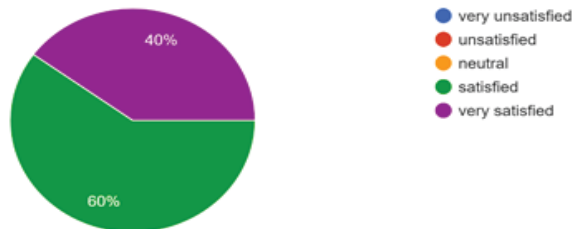
6. How important is Employee Welfare schemes in the Organization?

10 responses



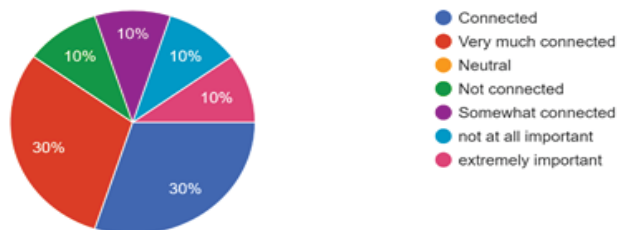
7. How satisfied are you with the Employee Welfare scheme

10 responses



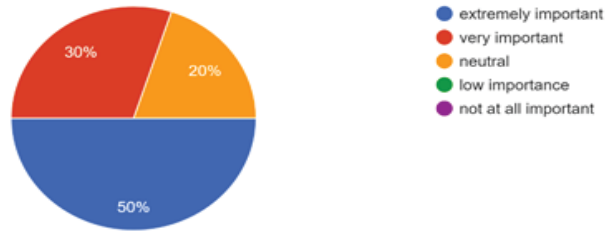
8. How is Employee Welfare Schemes connected to performance or productivity of individuals

10 responses



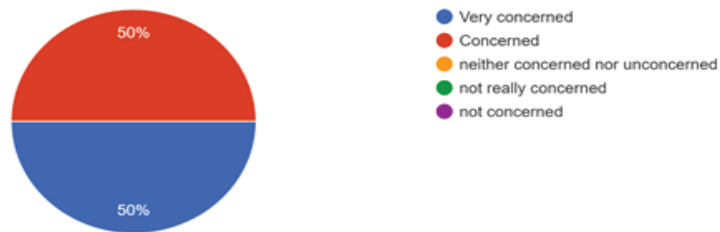
9. How important is employee welfare schemes in terms of building psychological bonding with an organization?

10 responses



10. How concerned are you about the Employee welfare schemes at your Organization?

10 responses



Many studies on employee welfare programs have shown the significance of health intervention activities (emphasizing physical exercises, diet, and weight management, etc.) (Conn, Hadal, Cooper, Brown, & Lusk, 2009). Findings have shown enough proof to mention that there is a linear relationship between employee welfare programs and performance.

Based on the ongoing research and various other studies. The following conceptual framework was made by the author identifying the elements of employee welfare schemes specifically during the COVID-19 times.

The following framework has been identified with moderating and mediating variables like psychological bonding, emotional bonding, and mental bonding, The Independent variable is employee wellness

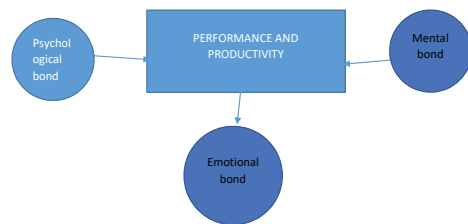


FIG-1 EMPLOYEE ENGAGEMENT ENGINE

schemes and the dependent variable is the performance of the workforce.

The employee engagement engine refers to three elements (the psychological bond, emotional bond, and mental bond) the psychological bond is primarily an unwritten contract between the employee and the employer. The employee schemes like medical reimbursement and hospitalization during covid-19, counselling the family members who had covid patients at

home, health insurance, work-from-home options, and international relocation could be some of the welfare schemes that can drive, the psychological connection leading to performance among the employees.

Secondly, an emotional bond can be built if the Organization has employee schemes like child care centres for women employees, paternity leaves, and other benefits, free food and travel allowances, Gym facilities, job training, educational assistance etc can certainly drive an emotional connect to better performance and productivity at the workplace.

Thirdly mental bonding at the workplace can be created if there are welfare schemes like professional support for healthy minds through wellness programs. Counselling services for employees who are under stress, online and offline programs such as yoga, pranayama, laughter therapy, and breathing exercises for employees to ease During Covid there were many organizations that had set up on-site COVID-19 testing facilities for employees to get tested quickly and take necessary actions. Many organizations had precautionary measures taken to control the infection thus safeguarding the health of the employees.

Setting high standards of safety and wellness at the workplace. Enhancing mental wellness through meditation, workplace yoga, and other therapies could also drive motivation among employees toward performance and productivity.

This model can be tested in the future through empirical research.

Conclusion and recommendation

Based on the analysis and the focus group discussions it was inferred that there is a positive correlation between employee

welfare schemes and productivity. The importance of employee welfare schemes during the pandemic era is highlighted in this paper. The need for medical reimbursements, hospital charges, and other benefits has always lured employees. The literature review also has shown enough shreds of evidence about the positive relationship between employee welfare schemes and performance in organizations.

The need to reinforce such employee welfare schemes in the organization remains predominantly the driving force for employee performance and productivity. The carrot and stick policy referred to different management concepts that hold sense when we connect them to the positive reinforcements and performance orientations of employees.

Thus, there is a huge scope for research on the topic of employee welfare schemes and performance in the long run. The covid phase had seen a paradigm shift in terms of retention of employees and the perquisites and employee benefits offered by them.

Bibliography:

1. Aruna, S., & Seetha, V. (2019). Employees Welfare Measures: Importance, Statutory Provisions and Various Agencies Protecting the Welfare of Employees
2. Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of management*, 31(6), 874-900
3. Dr.K. Lalitha, Priyanka, (2014) a study on "Employee welfare measures with reference to IT industry". *International Journal of Engineering Technology, Management, and Applied Sciences*, Volume 2 Issue 7, ISSN 2349-4476.
4. Goetzel, R. Z., Shechter, D., Ozminkowski, R. J., Marmet, P. F., Tabrizi, M. J., &

- Roemer, E. C. (2007). Promising practices in employer health and productivity management efforts: findings from a benchmarking study. *Journal of Occupational and Environmental Medicine*, 111-130.
5. Gallie, D., Zhou, Y., Felstead, A., & Green, F. (2009). Teamwork, productive potential and employee welfare
 6. Owens, D. (2006). EAPs for a diverse world: employers that provide culturally competent employee assistance programs show employees they care. *HR Magazine*
 7. Osterman, P. (2000). Work reorganization in an era of restructuring: Trends in diffusion and effects on employee welfare. *IL Review*, 53(2), 179-196
 8. Patterson, M., Warr, P., & West, M. (2004). Organizational climate and company productivity: The role of employee affect and employee level. *Journal of occupational and organizational psychology*, 77(2), 193-216.
 9. Patro, C. S., & Raghunath, K. M. K. (2018). Employee Welfare Measures: The Impact on Employees' Efficacy and Organizations Productivity. In *Management Strategies and Technology Fluidity in the Asian Business Sector* (pp. 215-234). IGI Global.
 10. Rahayu, S. M., & Saifi, M. (2019). The reciprocal relationship between profitability and capital structure and its impacts on the corporate values of manufacturing companies in Indonesia. *International Journal of Productivity and Performance Management*.
 11. Singhania, D., Jha, P. C., Mishra, P., & Singh, K. P. (2023). Labour Welfare and Industrial Hygiene During COVID-19. In *Handbook of Research on Technological Advances of Library and Information Science in Industry 5.0* (pp. 249-269). IGI Global.