

Human Resource Management - 1
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Lecture No. # 10
Employee Welfare

Good morning, today's topic is Employee Welfare. Now, why is employee welfare important when we talk of human resource management? Because you remember we discussed, when the employee joins the employer, isn't it some kind of a contract? That is a contract may not be a legal contract, but a contract that you come and do some work and in return you get some consideration, some pay, may be perquisite. So, why this question of welfare is the employer bound to look after the welfare of the employees? No, but then **why are more** why are many many companies in the world over concerned that, in managing your human resource you should also look at the welfare, why is that?

For Stability of employees

Yes

To increase the productivity

To increase the efficiency

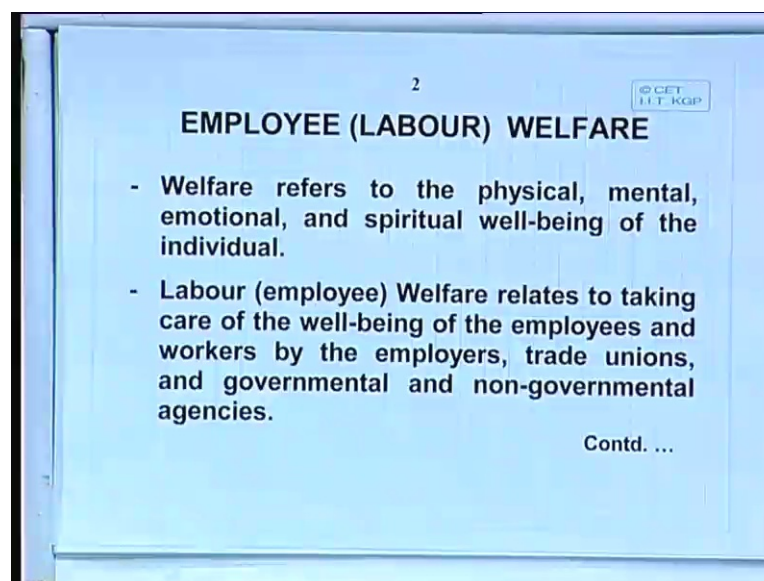
Yeah, any other

But, I thought if you give good pay, good incentive, more you produce the more money you will get, that will give enough motivation to increase the productivity, no that will not give? Up to certain limit yes, so after that what happens? After that, the human being requires something more, something beyond the so called contract of selling your services so to say or selling your labour and getting some pay and perquisites in return. So, that is where **all right** it is recognized today that you must address each employee as a human being also. Remember, we said, we have this humanistic school which talks of human resource as against

the personnel management, personnel management approach, which looked at only the contract.

Today, we look at it as an individual employee and earlier the concept was what? Pluralistic concept we said, you look at as a collective constituency, labour and employees they are collective contract, they do work and they get paid, today we are going beyond that. We are saying it is that of course and something more than that, within that collective entity is individual human being, an individual human being is motivated by things which are more than just money and perquisites. They are motivated by their own personal growth, their self actualization, their surroundings, **all right** their recognition that they get and so on and so forth. So, total concept now is look at the welfare of the employees also, apart from only looking at it as a legal kind of a contract, any questions? That is why we say that, employee welfare is part and parcel of the function of human resource management today.

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So, here we say welfare, refers to what? Physical, of course physical, mental, emotional and spiritual well-being of the employees, all these dimensions it covers. And welfare for the employee or the labour relates to taking care of the well-being of the employees and the workers by the employers, trade unions, and governmental and non governmental agencies.

So, you see here, what it says here is not only the employer, but also those who impact the employees, after all doesn't the government impact individual employees also by force of legislation, by force of enforcement of those legislations they also impact. So, they also have

a role to play, in seeing what is the kind of welfare that is given to the employees by the employers and so also the trade unions, **why do** why should trade unions look after welfare? What is the role of the trade union? Collective welfare because they are looking after this constituency **all right**, in a type of collaborative effort, it can be confrontative also, but more collaborative; that is the employer and the trade union in matters of welfare they collaborate, they do not confront. Unless they have a feeling that the employer is neglecting that, then it is a role of the trade union to bring up that dispute and demand that some welfare is given, any questions? **All right**.

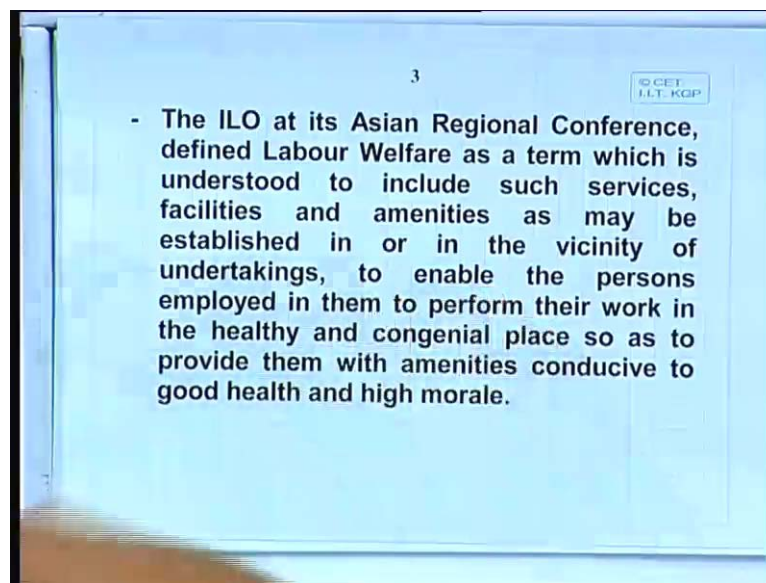
What about non governmental agencies? Where do they come in? How are they involved in the welfare? Do you know what Non-Governmental NGO? Have you heard of NGO? Non-Governmental organizations, they are essentially organizations who are for welfare as you say, for doing social activities, but essentially not for profit, they are not doing the work to earn profit, they are doing the work to fulfill some mission; may be running an orphanage, that may be a mission, to run that orphanage not to make profit or to hold eye camps and try and help people to have cataract operations who cannot afford to do it and so on.

So, where is their role in this employee welfare? After all the employees are working for organization, so will they be confrontative with the employer or collaborative, what sort of role do you think will they have? Usually, these roles are collaborative is it not, they can supplement some of the work with the employers may not, because after all for the employer, employee welfare is only a part time activity, is it not. For the normal employer which is a company making profits with stake holders you know, what is the main aim of the company the mission? To engage in some business activity as per the memorandum of association or the company and to render profit and benefits to the main stake holders, right. Employees are also one of the stake holders, but the employee welfare is not I am saying a primary function, it is secondary, to that extent the NGOs they can very well supplement the effort.

For instance, you can say there is a very deadly lethal disease which is spreading all across the planet. What is that HIV and AIDS, is it not? We are reading about it and we read that in India alone the rate of growth has been very alarming, huge population, may be more than three million are all ready affected and so on. And each of these employers, each of these companies in industrial areas for instance, may have cases of this; now that is where they can get a lot of help from the NGOs, who are specializing in trying to stop this spread of AIDS by various methods and means and so on.

So, there is a complementary role, which the NGOs can also play. And it is for the employer really to make use of whatever sources are available; there are also government departments and agencies, which can give help to the employer to run good welfare schemes. So, it is up to the employer and it is the innovation of the human resource department to tap all these sources and see that, not only the efforts of the employer, but also the efforts of others are also harnessed to see that you give a good welfare to the employees, any questions? **All right.**

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What sort of welfare do you think is given in the organizations? We will come to that, but before that, this is the ILO that is Asian Regional Conference, defined labour welfare as a term which is understood to include such services, facilities and amenities as may be established in or in the vicinity of the undertakings or the companies, to enable the persons employed in them, to perform their work in the healthy and congenial place, so as to provide them with the amenities conducive to good health and high morale.

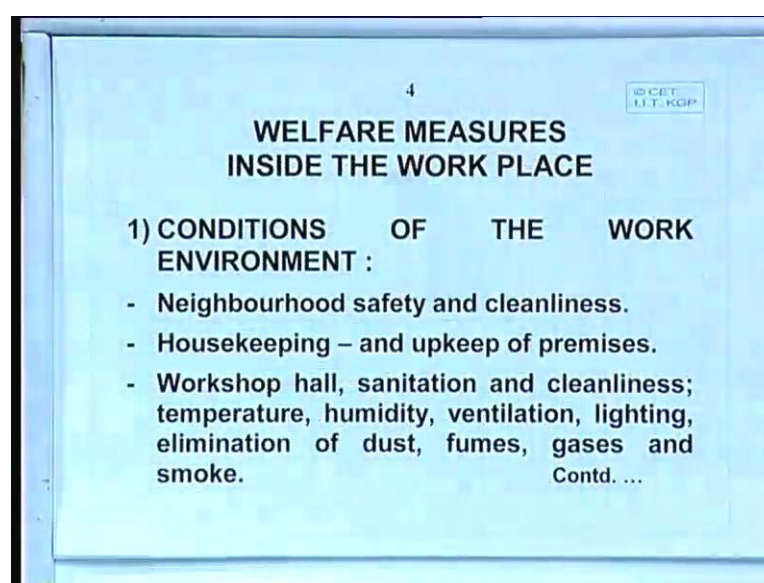
So, long definition, but what are the main points? That, you should provide facilities within the organization or nearby, **all right** for instance a social club it may not be within the company, but they can hire premises outside the company and have some sports activities which they will pay for or partly pay for. To see that, after the shifts are over, after the office hours are over, people have an opportunity for engaging in sports which is good for the health and other recreational activities.

Another point it makes to enable persons employed to perform their work in the healthy and congenial place. So, often when we talk of welfare, we have two other terms which go hand in hand with this, employee welfare and what could be the two other terms? Safety that goes hand in hand with that and health; safety, health, yet another term goes hand in hand with that, what is that? Welfare I said, has got few other terms associated with it welfare, health, safety and environment that is what it says, congenial place to provide them with the amenities conducive to good health and high morale.

What is morale? Morale, is it same as moral m o r a l? No, why, what is different? Morale means yes, good confidence, self confidence, good morale and moral is to do with something which is good or bad. So, **good morale** good morale means good team spirit, **all right** good team work, people feel confident, they feel positive, they have a positive attitude for achieving the work that is good morale, any questions here?

So, this is ILO is what? International Labour Organization, it is a part of the UN United Nations. So, this is recognized that, all countries of the world, so far as the employees are concerned and the labours you know, they have certain rights and countries which are part **you know** of the United Nations and all are **all right**, they have to ensure that these labour rights and employee rights are given to the people, so this is why it is important to follow this.

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So, as we said there are some welfare measures which we provide within the work place and some which we provide outside the work place. So, conditions of the work environment: neighborhood safety and cleanliness, what does that mean? Neighborhood safety, after all you got a factory with walls round it and that is your property inside the wall, but neighborhood is outside your wall, so how is it your responsibility? How does it affect, can you give an example? Give an example.

Say IIT Kharagpur, we have a campus here with wall around it, we have a neighborhood also, is there anything in the neighborhood which IIT can do to make sure that employees of IIT and students of IIT and faculty, are their health and safety is improved, what can it do? They can build a fly over may be, is it? Some good roads, so that pot holes are not there, have you seen in many of these bigger cities, metros and so on where you have large companies, how they you know the road in which the factory is located, how they look after that on the pavements, they plant trees, gardens isn't it? What about say in Bombay, city of Bombay, the municipal corporation they approach the large companies and say why don't you look after some of these circles you know like, let us say dada circle, you know look after it, adopt it or (()) you have got, look after that garden.

Similarly, you see many of the companies they even say that the road maintenance seeing that pot holes are not there. So, employees coming in two wheelers and all, they do not fall and injure themselves. And apart from the employees use the public road, then it is a social service also, because other passes by in that road, they also benefit from that. So, neighborhood safety and cleanliness, there is a saying cleanliness is next to godliness; that means, wherever you have gods and goddesses you try to keep the place clean you know. So, have you seen how this idea is being used in some of the cities?

You know some of the cities you will have various places, walls and all that, people use it as public latrine. So, how are they done? Innovative I think, they have painted all the gods and goddesses on the wall, so that the people would not go and use it as a public latrine and it works, have you not seen that, that is a good idea. So, cleanliness is next to godliness, must keep the premises clean and who is responsibility is it? At least inside the factory or inside the office, it is the responsibility of the management you know and the employees, there is a term I do not know if you have heard of it called house-keeping. Have you heard that term house-keeping as referred to a work place? Not referred to a private home as a work place, good house-keeping we say, good house-keeping.

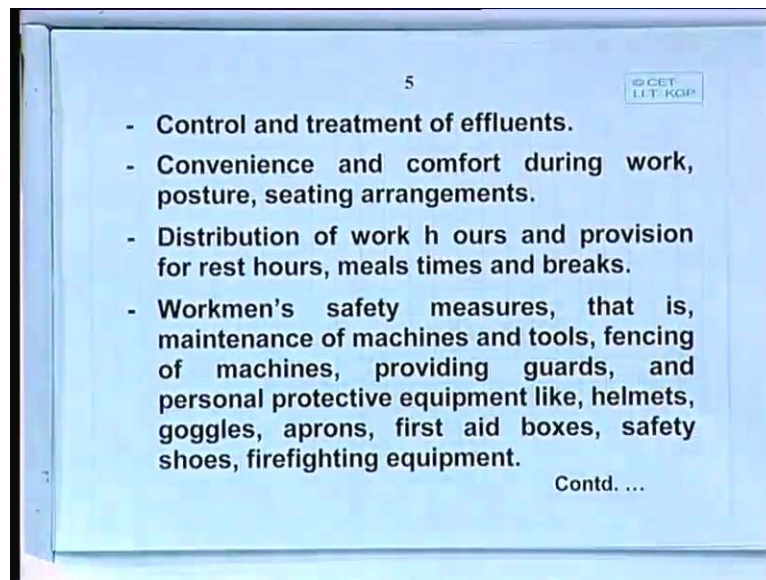
House-keeping refers to this cleanliness, orderliness, say you have good house-keeping in the office, you enter the office of let us say professor A, you will find all books, papers, and journals you know lying in heap all around. Next to him you enter the chamber of professor B and you will find there are nice racks, there everything is stored properly docketed **you know**, proceedings are stored, books are in almirah, reports are put in racks, so who has got good house-keeping? Professor B, is that important, in the work places is it important, why?

Yeah. Firstly, in a factory setting it makes for safety, because we have things lying around, you know in a factory people can get injured, it is a very real problem, safety. Second is, time saving, the productivity increases, you don't have to navigate around various obstacles lying there and third is, everyone likes to stay in good surroundings is it not? So, even the morale is better, now these are things which are very evident, but is not easy, you have to be conscious as an employer all the time to see that good housekeeping is done.

In fact, large factories they have nice little competitions, you know they have a shield or a cup and there is once a year the departments gets the best house-keeping award. So, you have these competitions to see that, house-keeping is kept in good order, because it has a direct relationship with safety, productivity and morale. Workshop hall, sanitation and cleanliness; temperature, humidity, ventilation, lighting, elimination of dust, fumes, gases and smoke, now many of these items the employers does not have a choice because they are under legislation, there are legislation in all countries, ILO has also got some conventions which are followed.

Now, in India we have got the factories act, has anyone heard of this, factories act? That is a very important legislation for those employers who run factories and there is also a shop and establishments act, where offices **you know** they are subject to that. Now particularly the factories act, it lays down minimum statutory conditions, referring to ventilation, referring to safety and so on, but the good employers, they just do not limit themselves to what is provided in the statutory act. They go beyond that, it is just like quality, there is ISI marking, which tells you that your product has got acceptable quality, but most of the employers, **do they** are they happy with that? No, they want to give quality which is well above that, isn't it? So, any question on this, this is within the workplace.

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Now, you look at this, you have a responsibility as we said earlier, outside the workplace also. Look here, control and treatment of effluents, what is effluent? Garbage, what else? What is effluent? It is a kind of byproduct after a process isn't it? Say you have an electroplating shop or in a chemical industry you are processing, **all right** certain chemicals and byproduct is a waste and that waste you cannot use, so you have to get rid of it, what is the easiest way of getting rid of it? Throw it into the drain or the sewer or the river or whatever is there, but that has got a long term deleterious effect, it harms the environment, it harms the soil, many of them have poisons you know, which get into the soil.

So, there is legislation now to control that. So, you have to have effluent treatment, if you have some effluent which you are generating, which has got poisons you know like lead or mercury or cyanides, then you have to treat them; that means, you have to spend money as an employer, do some other chemical reactions, treat them, neutralize them, only when it is safe, then you throw it out into the neighborhood into the environment. So, that is the responsibility **all right** for the company.

Convenience and comfort during work, posture, seating arrangements. If someone is going to be in your factory for eight hours, then it is your duty and also in your own interest because you will get better productivity to see that they are given proper work stations with proper chairs. And then there are other sciences, you have heard of ergonomics, yeah all of you have heard of it; that means it is a science which tells you, how to design the work station or chair

to see that it gives you, the best support and the best comfort for the health also the best health.

Distribution of work hours and provision for rest hours, meal times and breaks; that means if you have work there, you have to provide time for people to eat, to have rest. You know at the beginning of the industrial revolution, most of these workshops, the mills, they used to be like prisons, do you know that, there was no regulation, people used to work for ten hours, twelve hours, fourteen hours, children used to work inside child labour. So, like prisons there was no regulation to see that at least a minimum level and decent amount of comfort **all right** and cleanliness and regulation of work timing was given to the employees, but all that has changed now as the years have passed.

Workmen's safety measure, that is maintenance of machines and tools fencing of machines, providing guards what is providing guards? Like security guards, what is this guard? What are we saying guard?

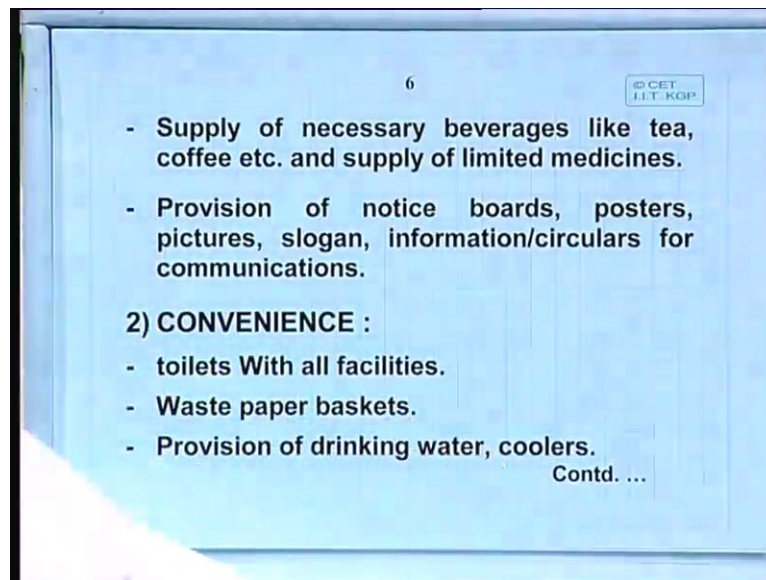
Protection

Whenever there are rotating parts in machinery like you have a fan, say a ceiling fan rotating, what do you put? You put jally around it that is called a guard, otherwise it is dangerous, you have the rotating blade going, so that is the guard we are talking about.

Then, personal protective equipment like helmets, goggles, aprons, first aid boxes, safety shoes, firefighting equipment for the personal safety, it is like you have a grinder or someone who is doing buffing, you are grinding wheel and supportable, welding has been done and you are grinding. In the process of grinding, these metals, specks are thrown out, so unless you have goggles protecting you not like this, but fully protecting, you may get eye injury, it is very common or gloves you are handling hot equipment, so a proper glove, safety shoes, what is safety shoes, do you know? Anyone know what is a safety shoe? Gum boots, is it same as gumboots?

Safety shoes are really shoes which are designed in such a way that if anything heavy falls on your feet **you know** and you are wearing the shoes, you are not injured badly. Yeah, usually there are metal plates, which are below the leather on the toe cap and at the sides. So, many of these employers now, they give free safety shoes, some of them give subsidized, that is they charge little and ask the employee to and give the rest, the employee pays for the rest.

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Apron, again if you are a welder you have to have an apron, usually it is a leather apron, otherwise the sparks that come will burn your clothes and burn you also. First aid boxes, safety shoes, firefighting equipment, any questions? Supply of necessary beverages like tea, coffee and supply of limited medicines, so all this is up to the employer to choose, a certain statutory, there are some employers who will give you free beverages up to a point, others will say we would not give free, but we will give it, you pay for it, some will subsidize.

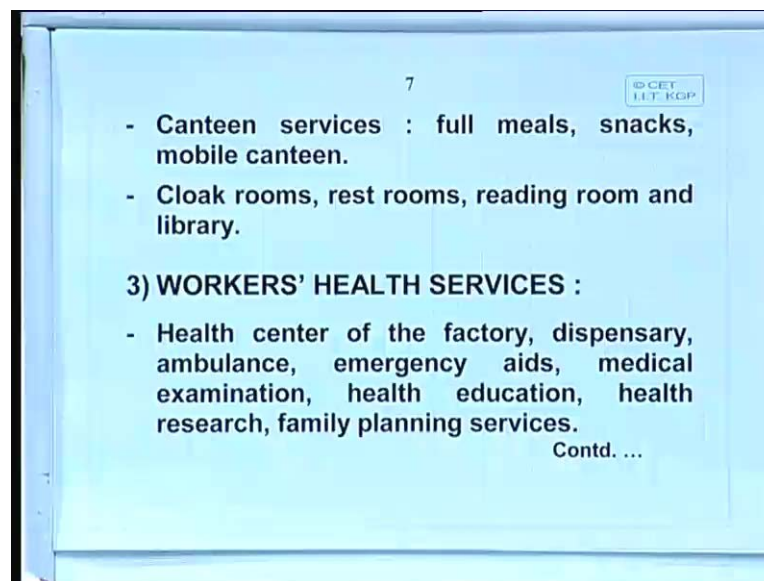
Limited medicines according to the factories act, if you have more than so many workmen, you have to provide a facility like a dispensary **all right** or a first aid. Now, in the dispensaries some SOS medicines, SOS means, which are emergency required can be given, but there are some other employers who give the medicine for three days also. So, this is up to the employer, what kind of welfare and what level of welfare they want to provide.

Then provision of notice boards, posters, pictures, slogans, information or circulars for communications. Why is that part of welfare? Helps in increasing productivity, for safety, slogans, you know you make cartoon pictures for instance and put it on the walls, then cartoon pictures is something visual, it gives the impact, there is someone who is walking you know and something falls on his head. If you have a poster that is to show you should wear a hard hat, otherwise you are likely to have injury.

But tell me, why notice boards passing information, because when you are dealing with large number of people, how do you communicate with them? It is the simplest form of

communication, is it not and why do you need to communicate? Because, you are treating people as human beings, you like to communicate because the first step in involving them in the affairs of your organization and involvements brings commitment, and if commitment is there, you gain in productivity. So, it is a very logical thing to do, to communicate as much as possible with the employees, instead of them hearing things about the company, from rumors or reading about it from newspapers or hearing from other friends, if they are working in the company, the management should communicate with them.

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Then convenience, toilets with all facilities, waste paper baskets, provision of drinking water, coolers; canteen services: full meals, snacks, mobile canteen; cloak rooms, rest rooms, reading room and library, are you familiar with all these terms? If not you ask me, what is a cloak room? Yes, to keep the luggage that is the cloak room, rest room taking rest like beds and all are provided, is it like a retiring room? Sometimes yes, for instance drivers if you have a company which has buses and it has drivers, then the drivers they are to stay within the company's premises longer than the statutory hours, which is eight hours. So, they call it the spread that is you work for eight hours, but within say eleven hour period actually, the rest three hours you have to stay within, you cannot go home, but you are not working, so you have to provide with rest room.

Sometimes **restrooms are called** even toilets are called rest rooms in some places, particularly say in America you know, they will say rest room, what we call toilets in India they call rest

rooms. Reading room and library see these are going one step above, the act does not say that you have to keep a library or a reading room, but the company may decide, particularly if the company which is more in the knowledge kind of area, you know where the workmen are trained workmen, the skill levels are high, highly skilled education levels, they may think that it is better to provide some sort of a library or reading room because that will be a good recreation and it would be appreciated by the workmen.

Then workers health services, so all these are coming under the welfare, some are statutory, but many are more than statutory means, there is no law what employers are giving. Health center of the factory, dispensary, ambulance, emergency aids, medical examination, health education, health research, family planning services, if you do not know anything about it, please ask me. What is health research? How it is important as welfare measure? Statistical data how is it that we have only one representative of the class, who is answering, have you chosen him to answer all questions or it is just spontaneous.

None of you has got any experience in industry? None of you, except you.

Five are there, see let us hear the other four also. You see here it says health education is there, that is teaching will help health education will count, but health research. What is said is statistical data about the health of the employees, many of the companies they keep that, like for example, say you have 1000 workmen and employees in the factory right from managers to unskilled labour workmen. Periodically, you have free check for diabetes or blood pressure **all right** and then you keep a record over the years and you see if there is any pattern, that if the diabetic incidents in your company is higher than in the industry or is higher than national average or is lower. If it is higher, **all right** is it correlated to cardiac disease also, so you also keep a record of cardiac disease **all right** and then you try and trace it, how to reduce it.

So, one level may be in the canteen the food which is being cooked in the oil, there is too much oil or some measures can be taken to minimize the quantity of oil, the kind of diet which is being given in the canteen. **All right**, what the workmen want and what the managers and the unions want and management has agreed also, that may not be very good for health, but if you want to give less oil, the union may say you are trying to save because of food is not tasty if the oil is low; in which case as a management you can say here is a research we have done, you want cardiac disease, high blood pressure we don't mind giving this oil, but it

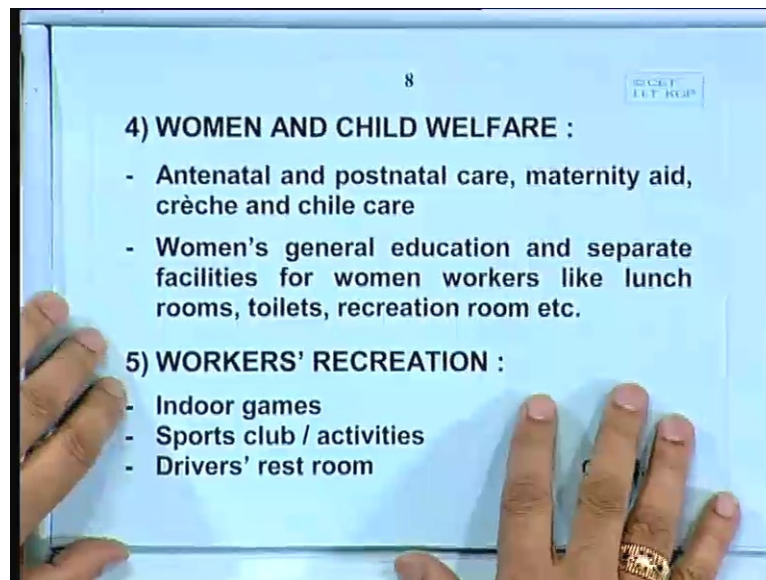
is in your interest and certainly we are our managers are not going to give food with all this oil. So, that is why it is important in the interest of your own employee that is the welfare.

Do you think that all the employees they know, what is good food and good diet? I do not think so, for instance, many of the employees may think that **you know** full fat milk and ghee **you know** a lot of it is very good, do not you think so? Many of the workmen who come from villages they cannot afford it, but they see if they could afford it or to eat meat every day is it good? We know as employers is not good, medical research has shown, but then it is the welfare measure, therefore to see that as an employer, you disseminate this information and that is why we say, it is a health education.

Usually, **you have a medical** in large companies you have a medical department also. Medical department they run periodic seminars on various topics, which are common for middle-aged people, you have the safety and health department. The safety department run seminars and training programmes throughout the year for unsafe working methods, unsafe conditions, use of personal protective equipment, firefighting, all this programmes are run and the health on the other side, about good eating habits, good diets, exercise, yoga, all these things are managed by them, some of them have got gymnasium with yoga so that you can do physical exercise, aerobic exercise, and also do meditation and many of the employers now, let me tell you they allow this to be done within the company premises and they provide the facilities free of cost, of course usually not in the companies time; that is, they have to that will be after the shift hours or after office hours all this is provided. And this is not only in the brick and motor industry, this is also in the software industry and IT, you have gymnasiums, swimming pools, have you seen, anyone of you has seen some of these, you know these technology parks Wipro, Infosys, the kind of facilities they have put up. It is fabulous facilities, it is like a small city where all these, cafeteria is there, good food, meditation, yoga, swimming pool, gymnasium, sports, **you know** tennis all these is provided.

So that they work long hours no doubt, but there employer is trying to bring in this welfare benefit to see two things; one is, the employees are healthy, the morale is high, productivity is high and also, that the company also gains isn't it, in the whole process. So, all these are done not only because of the minimum laid down by the statutes, but because the HR function recognizes today, that it is very good for the company in the long run.

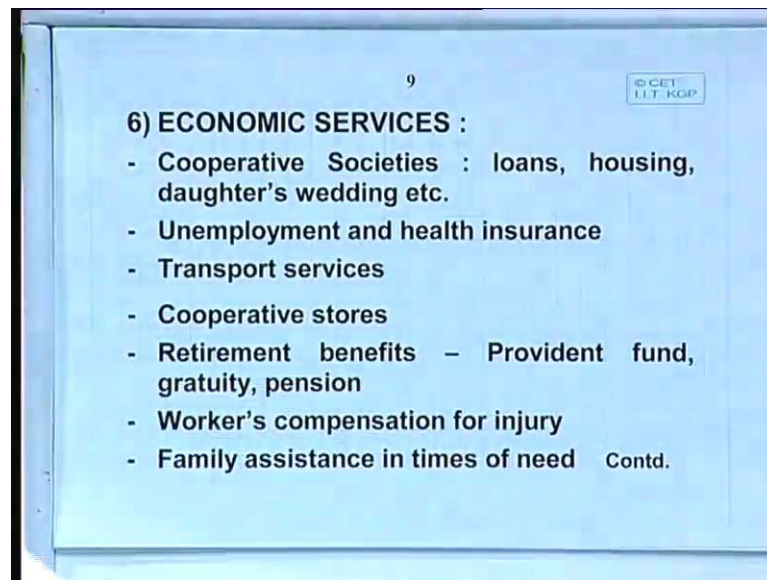
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Women and child welfare: Antenatal and postnatal care, maternity aid, crèche and child care. What is this antenatal and postnatal? That means, before child birth and after, ante means before A N T E, post means after care. Particularly, when we have at the workmen level etcetera the knowledge is not there. So, the employer **all right** has knowledge dissemination, the wives of the workmen they come and little classes are given or some education is given in the local language to tell them how to care. Because many of the people coming from the farming stock, they may think it is enough to put black two spots here, **you know** one black spot here and one black spot. So, the evil eye does not come, they do not know genuinely that you should have inoculation, you know? The government is doing lot of publicity, but still these cultural things they handed down from generation to generations.

The employer also has a role to play that you must have the child inoculated, because this you can keep the black spot is all right, but that is not enough, have to have inoculation. So, all this is then, about the feeding of the child and so on. What is crèche by the way? C R E C H E right, say the mothers are working then, where will they keep the child because they cannot afford and there nobody at home. So, a nice playground with toys etcetera is provided within the company and the children are there and there are attendants there also. So, while the mother is there she is not worried, she knows that the child is there looked after, after the office hours then when the shift is over, then the child goes, some little education is given to the child also, so like that of pre-primary kind of thing.

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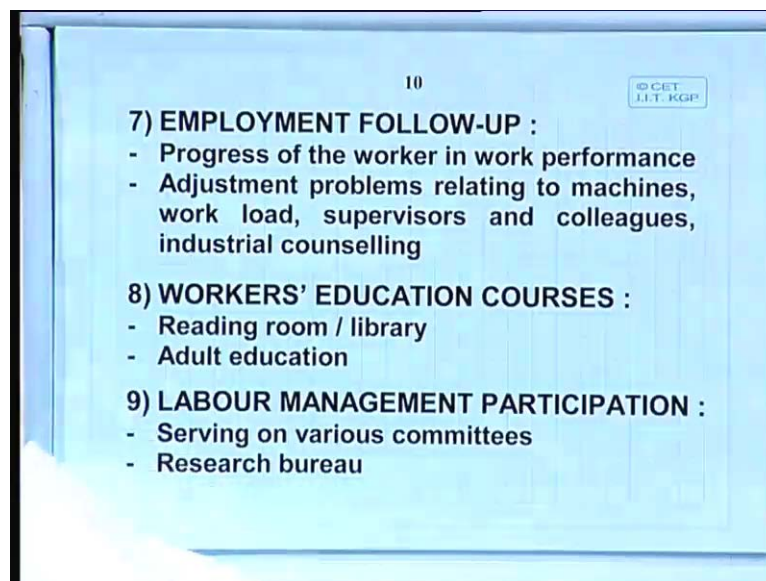
Women's general education and separate facilities for women workers like, lunch rooms, toilets, recreation room, and etcetera and workers recreation is number five. So, we are at health, now we come to recreation, indoor games, sports club, we mentioned activities, drivers' rest room we have mentioned. Another welfare, class of welfare is economic services, cooperative societies, loans housing daughter's wedding etcetera. Anyone has an idea of what is this cooperative society? It is like a cooperative bank basically and what is cooperative bank? Is owned by people who form the cooperative and the objects of the cooperative bank is what it says here, for matrimonial loans, house building etcetera. Not for any and everything they would not give you a loan if you want to go to Singapore for one week holiday and come back, but they have got their own objects of the society, they will give the loan from that and of course, you have to pay in monthly all right.

Unemployment and health insurance, transport services, cooperative stores, what is cooperative stores? Again formed by employees usually the employer, he also has a role in it. In the sense he gives he gives some kind of subsidy as there some management expertise he gives how to manage it. Of course, the premises are given, computerized systems are given by the employer, but it is run independently, you will have a election of society and amongst the workmen and the employees, they will elect president vice or chairman, vice chairman, executive committee, but the employer may give the auditing services. So, they do not have to hire auditor and pay money for that and cooperative store is the same concept. So, they try

and give you the goods of daily use **you know** like, toiletries, grains, cloth, clothes, and medicines and so on at a price which is, where the profit margin is much lower.

So, in the hands of the consumers, who are the employees it is cheaper, that is the whole idea. Worker's compensation for injury, now this is statutory, there is a workmen's compensation act, there is a legislation where you have to give the minimum amount **what is extension**, but many companies as I said, they give more than minimum, they do not limit, why? Because again, it is question of keeping a high morale, is it not? Isn't that, what is the principle, for instance those who are in the army or navy or air force don't they get free medical and compensation if you die by, because the work is such that it is the morale has to be high, but it is dangerous also. So, one way to do it is to give free, even if you die, education of your children, your wife will continue to draw the salary that you have been drawing, all these benefits are given there, because it is a high risk kind of job.

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Family assistance in times of need, so any questions on this? Next, those were economic. Now, employment follow up, progress of the worker in work performance. Adjustment problems relating to machines, work load, supervisors and colleagues and industrial counseling. Do you see how this is a welfare measure also or you do not see? Right, if there is one employee who somehow cannot fit into the department **you know**, so he is also not happy, others are also not happy. So, here the role of the employer come in, to see that the employee is inducted and fitted in properly or maybe transferred to some other department,

may be why he is unhappy is not because of the surrounding, but because of the inability to cope with this work which is given, so may be the answer is training him. So, this is itself a welfare now do you see that, you have to keep watch on the employees, so it is called employment follow up.

Then, workers education courses, workers education, what does this mean? It means, general education, most of the workers who have come they have come after vocational training right; they have not had the benefit of having a liberal arts or science or a commerce course. So, they may not know even about you know how our country, there are parliament and you have got state legislatures, what is the system of governance and so on, which every citizen needs to know, matters of hygiene, safety, health etcetera.

So, the workers education it is supported by the government, every state government has got that, but employers are suppose to run these classes and who takes the classes from among the workmen itself, sometimes trade union leaders, you train them as teachers to take their classes or other employees, from among the employees you train them as teachers to take the workers education class. And then, these classes are held throughout the year and they have examination also and grades and then they pass get a certificates, which is from the state government the certificate. And they have educational tours, so they have a chance which otherwise they would not have had to visit other factories, may be in the same industry, so this is workers education class.

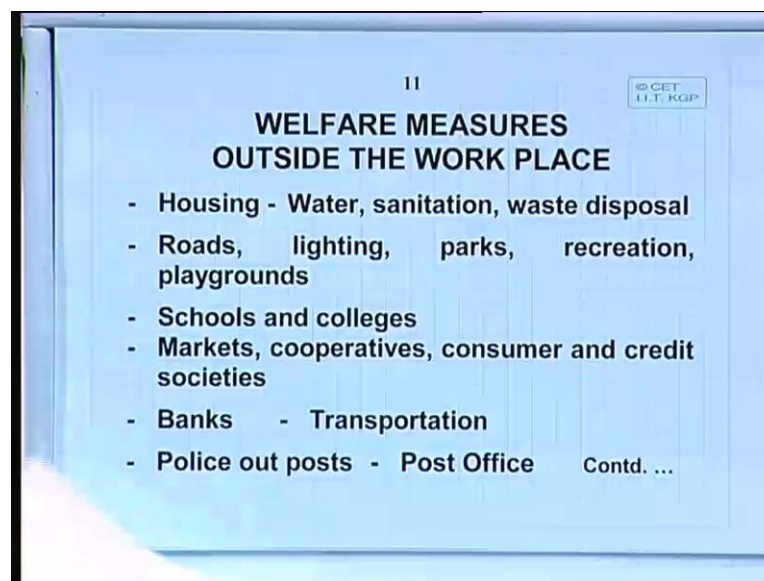
And what is this trying to do? Why is it a welfare benefit? Because, it is addressing the individual isn't it, for his self growth, instead of working for 30 years and rising getting three four promotions, from unskilled workmen to let us say skilled workmen and knowing nothing else, here is an opportunity for him or her to know something more about the country, more about more things, than the narrow vision of his work only, broadening the individual.

Reading room and library, adult education, labour management participation: Serving on various committees, research bureau. So, how is this a welfare, labour management participation, what does that mean? That means, you are asking the labour to participate in the management, is it not? And in order for you to participate in managing anything, you have to have certain knowledge, which you have to give to the workmen by educating them, you have to have some skills one of the skills is, how to talk and conduct yourself in a meeting itself isn't it, instead of doing [FL] and shouting, there is a subject, there is an

agenda, you have to discuss as per the agenda, you have to come to some conclusion, minutes have to be made. **All right**, when you serve on various committees, worker is put on a committee and he serves on that committee. Does he not learn by participation in that committee, it is a great learning process? In fact, even managers when you train managers for higher positions, you **(())** them to committees, first within the organization and later on outside the organization.

Because then, they have the learning of how industry functions, you have many industry associations, you have the Bengal chamber here, Bombay chamber, confederation of Indian industry, so they have got various committees and sub committees. And executives and managers from the companies are send to these and they participate, may be a productivity committee, may be a labour legislation committee, may be export committee, various committees are there, so people are sent to participate in that. So, this in a way is the personal development of the employee and this is important part of welfare.

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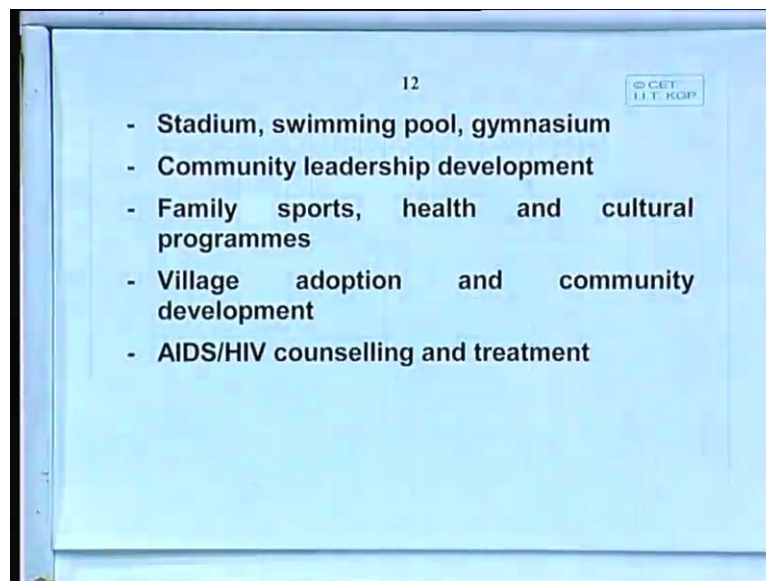


Now, what about the outside the work place? Housing very important, many company gives schemes and there are many innovative ways of giving, some give a scheme where a normal interest if you took a loan from HDFC, HDFC **H D F C** is a big company you have heard of HDFC they give loans for houses. So, if they charge 10 percent, then the company may say **all right** we will pay 4 percent out of it, so that only 6 percent is paid by you, so they subsidize the interest **all right**, so there are many ways. So, housing-water, sanitation, waste

disposal, now all this outside the work place, do not dirty the neighborhood we talked of effluent, we talked of maintaining the roads.

Roads, lighting parks, recreation and playgrounds, schools and colleges, markets, cooperatives, consumer and credit societies, banks, transportations, police out posts, post office, if you have questions ask me. In IIT we are provided police out posts, is not it a benefit?, say there was no police out posts then it would be difficult to go all the way to Kharagpur, we have got bank extension counter, railway extension counter, these are all benefits **you know** to all of us employees. Similarly, in big companies they have this, you have ATM facilities, banks are there, transportation. Does not IIT give a shuttle service to Kharagpur railway station you know that or you do not know, they give a shuttle service three or four times a day, early in the morning, the busses run IIT busses. If you are an employee you have an ID card, you are student you can use that bus, salwa you see the salwa busses running, that is that salwa air-force station, they have this transportation services.

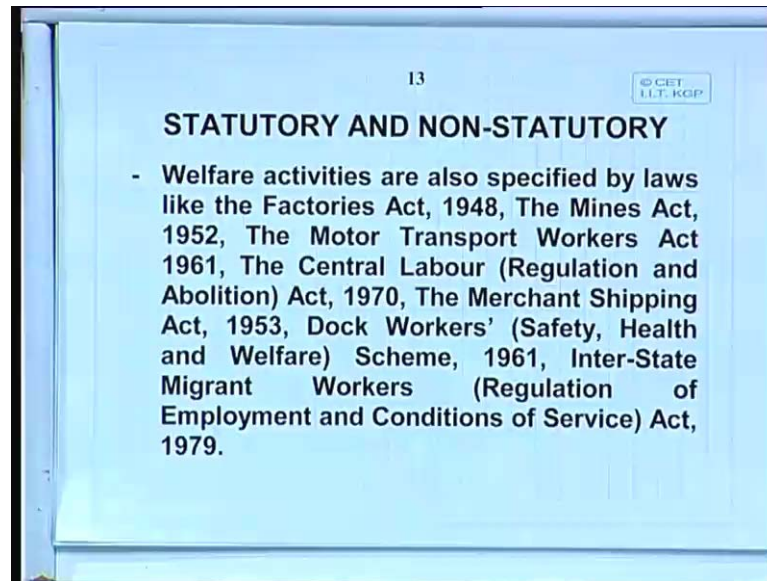
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Stadium, swimming pool, gymnasium, community leadership development, family sports, health and cultural programmes, village adoption and community development, AIDS, HIV counseling and treatment, there are host of activities. And some of the good company's progressive and large companies, they have a whole department **you know** of employee welfare with counselors, medical counselors, doctors, some of them have the medical and the employee welfare together as a one big department, they even adopt villages some of these

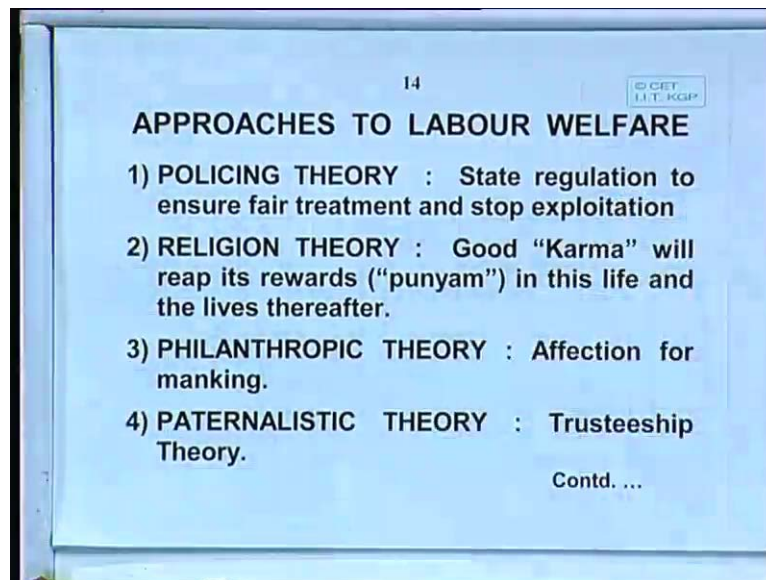
companies. Say, cement industry those who are in, the cement is a resource based you have to locate your plant, where the raw material is; so, it is out of the way, in the backwoods they have their own colony and you have villages round about, they adopt the villages and they give the welfare not only to them, employees inside the organization, but outside to the villages, so these are all under the outside.

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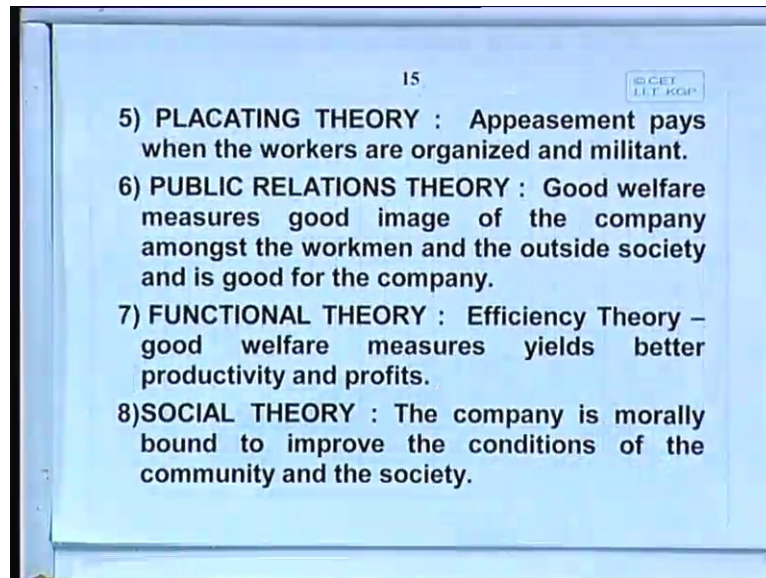
So, to sum up statutory and non statutory as we have said, welfare activities are also specified by laws like the factories act, the mines act, the motor transport act, the central labour act, the merchant shipping act, each industry wise the dock workers. All right then the inter-state migrant workers and so on, their plethora of legislation addressing all these and they set down the minimum, but many companies they do not just stick to the minimum, they go beyond that.

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So, approaches to employee welfare, one is policing theory, state regulation to ensure fair treatment and stop exploitation, one approach. Second religion theory: Good Karma will reap its reward, that is you earn [FL] in your life, say you are a sage, you set up a factory, put a mandir there and you believe that if you do well, good welfare **all right** is good for you. Third philanthropic theory: affection for mankind, for your fellow human beings and the other is, paternalistic theory, trusteeship theory, that what you feel like Gandhi use to feel, they are all that, if you are a managing director let us say, that all this company etcetera position that, I am **I am** a trustee do not mind, it belongs to someone else, my role is to do my best to see that whatever work and responsibility has been given to me is fulfilled to the best of my ability.

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So to that extent, employee welfare is part of my duty as a trustee, these are the four kinds of theories. Also, placating theory which means appeasement, appeasement is what? You want something I am giving it to you. Appeasement, child wants chocolate **all right** in the airport I saw today when I came or yesterday, mother says no, child screams and all, mother is walking on child lies down on the ground and scream; so mother comes, all right get up gives one chocolate appeasement placating.

Public relations theory: Good welfare measures, good image of the company amongst the workmen and outside society and is good for the company. Efficiency, we say productivity, good morale better profit. Social theory: The Company is morally bound to improve the conditions of the community and the society. So, how many of you? Which theory **do** would you belong to when you are managing director, there is some amount of combination, you know between, let us say moral theory, is it not? And the trusteeship theory. There is some amount of balance, think about it **which you** which theory you would subscribe to, thank you very much.