



# Impact of Human Welfare Measures in Working Efficiency of Bank Employee in Banking Sector of India

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Employee welfare measures are essential for maintaining a productive and satisfied workforce. The primary component of organizational productivity is thought to be the employee. The personnel of a business have a critical role in its potential to achieve better positions in terms of profitability and production. Because employees are a vital component of any institution in the development and survival of any firm, employee welfare is a crucial factor that cannot be disregarded. An important part of the nation's economy is the banking sector. From the current review it has found that Employee welfare is crucial since it gives workers incentive, and if a company is exclusively focused on great performance, then it is a waste of resources. Overview "Comfortable living and working conditions" equate to welfare. Worker welfare refers to initiatives aimed at improving the quality of life for employees in banking sector.

**Keywords:** *Employee Welfare; Banking Sector; Labor Supply; Economic Welfare Practices.*



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## 1. INTRODUCTION

Employees are defined as any male or female worker who is employed by the company, on the company's property, or in any of its branches and whose name is on the company's rolls and who meets the definition of a workman under section 2(s) of the Industrial Disputes Act 1947. For the purposes of these regulations, contractors and their employees are not considered employees (1).

The definition of employee welfare is "the voluntary efforts of the employees to establish living and cultural conditions for themselves outside of what is required by law, industry

custom, and market conditions, and occasionally within the existing industrial system."

### 1.1 Labor welfare:

The concept of "labor welfare" is ill-defined and elastic, with variations based on time, place, industry, country, social values and customs, degree of industrialization, general socioeconomic progress of the population, and political ideologies that are popular at any particular moment. Additionally, it takes into account the age range, sociocultural background, marital status, economic standing, and educational

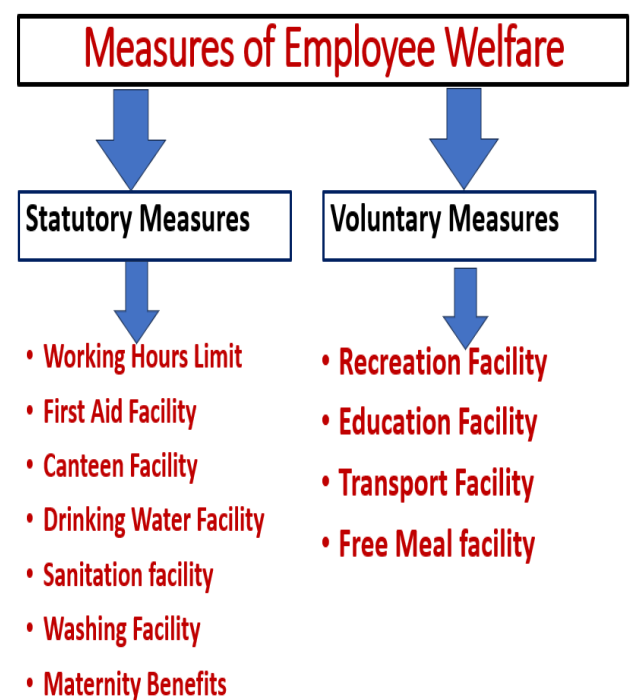
attainment of the employees across a range of sectors. Employers that provide welfare amenities receive a steady labor supply. Employees feel involved and participatory in their work and take an active interest in it. Welfare facilities provide workers the opportunity to have more fulfilling lives (2).

The origin of labor welfare dates back to the First World War. In the beginning the work was started on voluntary basis. During 1931 the Royal Commission on labor felt the need for labor welfare (3). The need was also emphasized in the constitution of India in the chapter, Directive Principles of State Policy', the labor investigation committee by Government of India, clearly mentioned the scope of welfare activities as follows: For our part we prefer to include welfare activities anything done for the intellectual, physical, moral and economic betterment of the workers, whether by employer, by government or by other agencies over and above what is laid down by law or what is normally expected as part of contractual benefits for which the worker may have bargained (4). Thus, we can include housing, healthcare and educational facilities, nutrition (including canteens), leisure and rest areas, cooperative societies, daycare centers and nurseries, sanitation, paid holidays, and voluntary social insurance programs implemented by employers, either alone or in conjunction with employees. These programs may include pensions, provident funds, gratuities, and sick and maternity benefit schemes.

Social Security system right from the Vedic time period, the concept of social security was in inception wishing everyone to be happy and free from ill-health, enjoy a better future and suffer no sorrow. Today, social security measures protect the employee and their entire family by giving beneficial packages as financial security and health care. It facilitates employees to plan their future through insurance and assistance. Social Security schemes are designed to guarantee long-term sustenance to families when the earning member retires, expires or suffers a disability (5).

## 1.2 Measures of employee welfare

Employers provide welfare facilities to establish and maintain relationship at all levels of management by giving satisfactory conditions of employment and also provide fairly for their requirement. The modern industrial welfare amenities cover the entire gamut of activities undertaken to secure the banking/company/industrial sector workers and human status, to make them a better citizen and to improve their efficiency and economic position. Employee welfare refers to initiatives aimed at improving workers' quality of life.



**Fig-1:** Measures of Employee Welfare components

Measures of employee welfare clearly depicted in figure 1 as statutory measures and voluntary measures. One of an organization's most valuable assets is its human capital. The value of human assets can be increased substantially by making investment in their training and development, freedom to generate innovative ideas, welfare activities, etc.

The provision of loans, free medical care, retirement benefits, educational opportunities for the workers and their families, housing perks, and other welfare services are among the many that may be

offered to the employees. In order to maintain strong employee engagement, banking sectors defines and also provide these welfare facilities.

Welfare facilities are offered by banking organization/companies to their staff in an effort to maintain high levels of motivation. There are two types of employee welfare programs: those that are statutory and those that are not. The programs that an organization is required by law to provide in order to comply with the regulations regulating the health and safety of its employees are known as statutory schemes. These include clauses included in labor laws such as the 1948 Factories Act, the 1986 Dock Workers Act (pertaining to safety, health, and welfare), and the 1962 Mines Act. The non-statutory plans vary from industry to industry and from organization to organization (Fig- 1).

## **2. MEASURES OF EMPLOYEE WELFARE IN BANKING SECTOR**

Welfare amenities and social security measures provide comforts to the employees through safeguarding the employee's whole family that keep the morale and motivation level of the employees high and in return they get dedication, commitment and improved quality of performance from every employee.

Banks have become a part of everyone's life. In the past three decades, Indian banking system has earned several outstanding achievements to its credit. Indian banking sector has been one of the very few ones that have actually been able to maintain resilience without much impacting the growth process.

The economic development of the country depends on banks, the degree of efficiency of work performed by human resource and the level of satisfaction expressed by the customers, all this credit of success goes to its dedicated employees. Today employees are considered as the assets of the organization (6). Employing and retaining, re-training, and promoting a culture of continuous learning is the biggest challenge for the banking institutions. As banking sector is growing rapidly throughout the world, it cannot compromise with its efficiency and perfection in its work. All this is possible if

they have a committed workforce, good coordination and co-operation between the managers and the employees. After the basic pay and incentives provided the next major component of the organization is the welfare amenities and social security benefits, some of which are made mandatory by law and some are voluntarily provided. Thus, welfare amenities and social security measures holds a greater need and importance in India. Welfare amenities and social security measures help in reducing employee absenteeism, turnover and in turn gains loyalty, commitment, increased morale and improves relationship between employer and employees (7).

Today, increased numbers of people are having a great career in the banking sector. Due to dramatic changes in the personal values of the workforce, the emergence of the knowledge economy and increasing global competition has created enormous challenges to the banks. To cope with the challenges efficiently, human resource is considered to be the most important asset in today's hyper-competitive environment (8).

The human resource has immense potential. Any country's ability to prosper economically is based on how well these resources are mobilized. The most important component in determining what makes a financial institution successful is its human resources. The financial institutions would have difficulties in finding and keeping experts and talented people, retraining the current workforce, and encouraging a culture of lifelong learning. The following are indicators of employee welfare measure in the banking industry (9):

### **2.1. Financial Security/Wellbeing:**

- Offering incentives and wages that are competitive
- Pension plans (like NPS and EPF)
- Life, health, and disability insurance
- Stock options for employees (ESOPs)
- Counseling and preparation for retirement

### **2.2. Health and Wellness**

- Health benefits (such as CGHS and ECHS)

- Medical coverage
- Wellness initiatives (physical and mental health)
- Programs for employee assistance (EAPs)
- On-site medical care

### 2.3. Work-Life Balance

- Adjustable work schedule
- Options for working remotely and telecommuting
- Paid time off (leave for illness, vacation)
- Maternity and paternity leave policies
- Rewards and appreciation for employees

### 2.4. Career Development

- Programs for training and development
- Coaching and mentoring
- Possibilities for career progression
- Feedback and performance management
- Financial aid and reimbursement for education

### 2.5. Job Security and Stability

- Policies on job security
- Packages for severance pay
- Placement services
- Programs for retaining employees
- Planning for succession

### 2.6. Diversity, Equity, and Inclusion

- Training on diversity and inclusion; 2. Policies against discrimination
- Equitable work prospects
- Assistance and modifications for people with disabilities
- Initiatives to promote LGBTQ+ inclusion

### 2.7. Workplace Environment

- A secure and wholesome workplace
- A well-designed ergonomic workstation
- 3. Facilities for employees (such as a gym or café)
- Social responsibility programs
- Green initiatives

### 2.8. Recognition and Rewards

- Programs for employee recognition
- Performance-related awards and bonuses
- Acknowledgment and celebration by

the public

- Duration of prizes for service
- Commemoration of an anniversary

### 2.9. Employee Engagement

- Frequent surveys and feedback
- Open communication and town hall gatherings
- Employee champions and ambassadors
- Team-building exercises and social gatherings
- Opportunities for volunteer work

### 2.10. Metrics to Measure Employee Welfare

- Surveys of employee satisfaction
- eNPS, or net promoter score
- Rate of employee retention
- Turnover and absenteeism rates
- Metrics for productivity and performance

### 2.11. Banking Sector-Specific Initiatives

- Financial stress relief programs for workers
- Special leave rules for bank examinations and training
- Employee financial literacy initiatives
- Employee appreciation for excellent customer service
- Industry-specific education and training initiatives

## 3. CONCLUSION

Employees are an asset of every organization. The needs of the employees must be satisfied in order to meet the goals of the organization. Any organization would be effective only when there is high degree of co-operation between the employees and management. Management seeks co-operation between the staff forces by providing welfare amenities. These welfare amenities go a long way stimulating interest in the workers to produce their full capacity and pay a good return to management in the long run.

**Conflict of interest:** Authors declare there is no conflict of interest.

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