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### **Current Trends in Employee Welfare Schemes in Udaipur Retail Sector**

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#### **ABSTRACT**

This paper aims at providing information about the employee welfare schemes prevalent in retail stores in Udaipur region. Employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families. Labor welfare entails all those activities of employer which are directed towards providing the employees with certain facilities and services in addition to wages or salaries. The welfare measures need not be in monetary terms only but in any kind/forms. Through such generous fringe benefits the employer makes life worth living for employees. The purpose of providing such facilities is to make their work life better and also to raise their standard of living. Welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. In India the vast middle class and its almost untapped retail industry are the key attractive forces for global retail giants wanting to enter into newer markets, which in turn will help the India Retail Industry to grow faster. The Indian retail scene has witnessed too many players in too short a time, crowding several categories without looking at their core competencies, or having a well thought out branding strategy. Companies invest a lot in hiring people. This makes employee retention an important part of any HR strategy. The difficulty is in finding the right balance in any approach. Money excites freshers whereas experienced staff looks for stability and growth.

**KEYWORDS:** welfare; retail sector; survey; facilities; employees

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## **INTRODUCTION**

The retail sector has become a gigantic service provider and employs a large part of the population. Indian retailing is one of the fastest growing sector and ranked tenth among the largest retail markets in the world. The development in the organized retail sector has showed the perfect platform to the Indian and foreign companies to enter into this sector. The entry of global players in retailing business has created huge challenges to the Indian companies. In the present day of retailing, service quality has become the basic tool for retailers to create competitive advantage and to enhance shopping experience. With the rise in competition, change in environmental factors, shift in consumer attitudes, the concern for service quality is growing.

The economic downturn that started in 2008 has had a significant impact on companies and the resulting decisions made by management. These decisions have impacted employee engagement levels and perceptions globally, leading to changes in leading drivers of employee engagement. In the past few years, the connection between employees and organizations has been strained. Employees are showing fatigue in response to the lengthy period of stress, uncertainty, and confusion. This consequently results in poor service and dissatisfaction from the side of the customers. To face the challenge of improving services through the workforce.

Organizations are also exhausted and struggling to find ways to improve or stabilize their future. Indian organizations have initiated adoption of innovative human resource management practices. The companies that have a highly engaged workforce have risen to the challenge. They proactively respond to the environment, competition, and changing workforce needs. They evolve, but stay true to the values that made them successful and are well positioned for continued success. Better HR practices and the employee satisfaction have now become the primary concern for the organized retailers.

## **EMPLOYEE WELFARE**

This refers to taking care of the employees by the employers, trade unions, government and non government agencies. Welfare includes everything that is provided for the comfort and improvement of the employees and is provided over and above wages or salaries. Welfare work refers to, “the efforts on the part of employers to improve with in the existing industrial system, the conditions of employment in their own factories”. Employee welfare aims at keeping the morale and motivation of employees high so as to retain them for longer duration. This includes monitoring of the working conditions, creating harmony through infrastructure for healthy employer-employee relations and insurance against accidents, disease and unemployment. It is a described as a state of existence involving physical, mental, moral and emotional wellbeing. All these four elements together constitute the structure of welfare on which is totality is based.

Types of labour welfare activities:

a) **Intramural activities**- These activities include providing working environment conditions, conveniences, women and child welfare, recreation facilities, economic services, employee's training etc.

b) **Extramural activities**-These activities are commonly known as benefit programmes.It consists of providing social security, medical coverage, housing facility, water and sanitation, recreation, gymnasium,schools, banks, cooperative society,transport, telephone, internet etc.

The basic feature of employee welfare are as follows:

- Employee welfare is dynamic in nature and is flexible.It varies from region to region.
- They provide physical and mental health to employees and promote healthy work environment.
- They help in raising the standard of living of the families, hence employees can pay more attention towards work and increase productivity.
- It brings about the development of whole personality of employees thus prepares a better workforce.
- These facilities reduce employee dissatisfaction and develops loyalty among employees towards organization.
- These facilities relieve employees from fatigue and improve the intellectual and cultural conditions of employees.

**Employee welfare schemes** refers to those measures that aims at promoting physical, psychological and general well being of the working class.The basic aim of welfare schemes in an industry is to improve the living and working conditions of the employee and their families because the employee's well being cannot be achieved in isolation with of the employee from his family. The welfare schemes include some or all of the amenities provided in or near the organization and related to the working and living conditions.

These facilities include canteens and nourishment facilities,transport arrangements, recreational services, housing schemes, education and training of employees, pension, bonus, medical facilities, child care facilities, personal counselling etc. Welfare schemes are a means to improve the productivity and efficiency of the employees.The employers are motivated to provide these facilities if it favourably affects their prosperity, profits and public image. This paper aims at studying the retail sector which is bringing out innovative schemes to please its talented workforce and retain them over a longer time period.

## LITERATURE REVIEW

1. Kahn's model, May *et al* found that meaningfulness, safety, and availability were significantly related to engagement. They also found job enrichment and role fit to be positive predictors of meaningfulness; rewarding coworker and supportive supervisor relations were positive predictors of safety, while adherence to co-worker norms and self-consciousness were negative predictors<sup>1</sup>.
2. According to Maslach *et al*, six areas of work-life lead to either burnout or engagement: workload, control, rewards and recognition, community and social support, perceived fairness and values. They argue that job engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work<sup>2</sup>.
3. Saks argues that employees will choose to engage themselves to varying degrees and in response to the resources they receive from their organisation. Bringing oneself more fully into one's work roles and devoting greater amounts of cognitive, emotional, and physical resources is a very profound way for individuals to respond to an organisation's actions<sup>3</sup>.
4. According to Robinson, employee engagement can be achieved through the creation of an organisational environment where positive emotions such as involvement and pride are encouraged, resulting in improved organisational performance, lower employee turnover and better health<sup>4</sup>.
5. Robinson *et al* identified key behaviours, which were found to be associated with employee engagement. The behaviours included belief in the organisation, desire to work to make things better, understanding of the business context and the 'bigger picture', being respectful of and helpful to colleagues, willingness to 'go the extra mile' and keeping up to date with developments in the field<sup>4</sup>.
6. Konrad suggests that high-involvement work practices can develop the positive beliefs and attitudes associated with employee engagement, and that these practices can generate the kinds of discretionary behaviours that lead to enhanced performance<sup>5</sup>.
7. Holbeche and Springett suggest that people seek more meaning in their day-to-day work than they do in their personal lives. This implies employers should be seeking to make work meaningful by finding out what matters to their employees<sup>6</sup>.
8. An alternative model of engagement comes from the 'burnout' literature, which describes job engagement as the positive antithesis of burnout, noting that burnout involves the erosion of engagement with one's job (Maslach et al 2001). According to Maslach et al, six areas of work-life lead to either burnout or engagement: workload, control, rewards and recognition, community and social support, perceived fairness and values. They argue that job engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work<sup>2</sup>.

9. The Gallup Organisation found critical links between employee engagement, customer loyalty, business growth and profitability. They compared the scores of these variables among a sample of stores scoring in the top 25 per cent on employee engagement and customer loyalty with those in the bottom 25 per cent<sup>7</sup>.

## **STATEMENT OF THE PROBLEM**

The Indian organized retail sector can be categorized into following segments:

- *Clothing and Textiles*
- *Jewellery*
- *Watches*
- *Footwear*
- *Home and office: Furnishings and utensils*
- *Books, Music, Gifts*
- *Consumer durables, Home appliances*
- *Health and beauty care services*
- *Food and grocery*
- *Entertainment*
- *Out of Home food*

Retailing is one of the service sectors where the need of qualitative human resources is highly expected. But at the same time we know that employment in the retail industry requires very little or no prior skills and offers low pay hence it is usually considered as the last choice occupation. As employment in retail stores is not considered as high esteem the stores experience high employee turnover. To face the challenge of increasing competition that has resulted from liberalization, Indian organizations have initiated adoption of innovative human resource management practices both critically and constructively to foster creativity and innovation among employees. The present retail organizations which are performing organized retailing are facing huge challenges in procuring and retaining and maintaining qualitative human resources. Hence an attempt is made through this study to find out the various tactics used by the retail industry to attract the short supply of skilled manpower.

## **RESEARCH METHODOLOGY**

Udaipur has a right demographic mix of customers who are also a critical factor in deciding requirement for entry level job in retail. Since Udaipur is considered as the education hub, there are large number of educational institutes producing thousands of graduates every year. The upcoming retail sector in Udaipur has been successful in offering employment to these students. The study

was carried out in various retail stores in Udaipur city which were having atleast ten employees in the last six months. The study is based on primary data collected through personel interview with the store managers, area managers or HR managers of the stores.

**Table 1: The stores that were covered under the study are as follows :**

Company	Segment	No. of employees
<i>Reliance trends</i>	Clothing & textiles	44
<i>V-Mart</i>	Clothing,beautycare,footwear	35
<i>Domino's Pizza</i>	Out of Home food	32
<i>Big Bazaar</i>	Clothing, home appliances, food & grocery,furnishing,	40
<i>OMG</i>	Clothing, out of home food, entertaintment,beauty care	30
<i>Lotus Wear</i>	Clothing & textiles	17
<i>Subway</i>	Out of Home food	10
<i>Tanishq</i>	Jewellery	10
<i>D'damas</i>	Jewellery	20
<i>KFC</i>	Out of Home food	26
<i>Mc-Donalds</i>	Out of Home food	25
<i>Woodlands</i>	Footwear	10

## ANALYSIS

These facilities can be classified into four categories:

### A) *Economic services:*

It provides for some additional economic security over and above the salaries. This includes rewards,insurance, medical aid, pension, bonus and discount offers company products. These facilities ensure safety, health and welfare of the employees. These not only improves the morale of the employee but ensures teamwork and mutual cooperation. Social security is an instument of social and economic justice that aims at providing protection to people of small means against risks. In order to attract the short supply of talented and trained workforce retail stores offer attractive remuneration that fits his status and job.

Since majority of the retail stores employees are into sales, their job is target oriented. The employers bring about lucrative incentives weekly or monthly as a challenge to the employees and hence enables them in self realization of their potential. It can be in the monetary form of per piece incentive or in kind as ift vouchers. Bonus is a statutory requirement offered exgratia yearly. Employee of the month, Best employee award, The achiever of the day are some examples. Every

retail store was found to provide pension, group insurance, ESIC coverage to their employees. In this way the employers keep giving an evidence that the human resource is the key to the development of their organization. *Big Bazaar* offers discount card to its employee upto 75,000. *Tanishq and D'damas* offers 10-15% discount over diamond products. A climate of creativity and competition is developed and maintained so that performance level keeps growing day by day.

**Table 2: The percentage of the retail stores under study offering various facilities were as follows:**

<b>Facilities</b>	<b>Percentage of companies</b>
Discount coupons	50
Accommodations	41.67
Transportation	41.67
Rewards	100
Festival celebration	91.67
Bday/Anniversary celebrations	75
In house magazine/blogs/podcast	58.33
Training programme	91.67
Education Sponsorship	25
Employee engagement activity	75
CSR activities	41.67
Insurance	83.33
Medical aid	83.33
Pension fund	83.33
Bonus	91.67
Staff suggestion schemes	91.67
Uniforms	66.67

Source: Fieldwork

**B) Recreational services:**

Recreation can be in the form of music, games, parties, TV, libraries etc. These are considered as non monetary benefit that delights the employees. The quality of employee's conditions both working and living affects his mental and physical well being and consequently influences his job satisfaction to some extent. Companies have realized that incorporating flexibility is an essential tool to improve engagement, retention and productivity. Festival celebration among the employees is a common phenomenon. Nowadays birthdays and anniversaries are also a moment of celebration in the stores. Since retail stores are visited usually in the evening or morning hours, the employees spend the afternoons in fun sessions, television watching, internet or computer access, parties,

games, in restrooms and libraries. This provides opportunities to managers and employees to interact and reduce the job stress for some time.

*Big Bazaar* has a library where its employees can spend their leisure time. Retail employee day is celebrated every year on 12 December by them.

### **C) *Facilitative services:***

These include education, training and development, housing, transportation, uniforms etc. A large percentage of the budget of the stores is spent on perquisites like club membership, free well furnished accommodation, conveyance, vacation travel takes care of the pocket of the executives. Businesses are searching for competitive performance accelerators for growth and sustainability. Faced with limited budgets and even leaner staff resources, small companies realize that making the most of in-house talent is critical to executing on strategic goals. Ideally, organizational performance should be connected to individual effort. Every retail store has its own unique uniform that enhances the personality of the employees and it develops a feeling of belongingness too. The customers coming into the stores in spite of the heavy footfall could easily make out whom to contact in case they required any help. Apart from the induction and initial training the stores are very much committed in keeping their employee's knowledge updated.. *KFC* imparts training to its employees weekly. The employees are put on job rotation in order to make them multiskilled. If the managers find their employee to be dedicated and talented they provide sponsorship for employee's higher education too. *Big Bazaar* has its own vocational training centre at Ahmedabad that offers training and development on various issues according to their training calendar. *Mc Donalds* provides food safety training at their stores and also offers free meals to their employees. *Reliance trends* impart leadership skills so that future managers can be prepared from within the stores itself. A few stores offer housing and transportation facilities to their employees. *Subway, KFC and V-Mart* have their own in house magazines published where employees across the globe can share their views and knowledge. Every store is very cautious in providing a healthy and safe working conditions with separate water and sanitation facility for the employees.

### **D) *Corporate Social Services:***

A business is regarded as social institution forming integral part of social systems. An organization expresses its corporate social responsibility to the society by reacting in either or both of the following two ways:

1. The manner in which it carries out its own business activities
2. The welfare activities it takes upon itself as an additional function

CSR is a commitment by the business to contribute towards the economic development



while improving the quality of life of workforce, their families and the local community and society at large. *Woodlands* is associated with Earth Hour, UNICEF, Proplanet. Tanishq conducts gold purity check campaigns at regular intervals. At Udaipur, *Big Bazaar* did its part of social responsibility by cleaning the Fateh Sagar lake in the month of October 2012. Even employees at i are ahead in contributing their part towards eradicating hunger and social upliftment.

## **FINDINGS & SUGGESTIONS**

Welfare is a corporate attitude or commitment reflected in the expressed care for employee at all levels. The term welfare suggests the state of well-being, health, happiness, prosperity and the development of human resources. Situational factors responsible for job satisfaction are incentive systems, the work environment, length of working hours, impartial behavior and social relationship with co-workers, behavior of the supervisor, security, scope for promotion and recognition of merit. The retail stores at Udaipur are providing not only intramural facilities but also extramural facilities. It is stretching its hands to provide amenities that may improve health and living standards of the employees. Performance of employees in any organization depends on the policies, procedures and welfare facilities adopted by the organization. The effective and efficient policies and welfare facilities make the employee to perform the job better, which leads to effectiveness of the organization. Various suggestions for the retail stores can be summarized as follows:

1. The retail stores should provide Transportation facilities to the employees.
2. The stores must arrange different sports activities for the employees and encourage them to participate in it for example Table tennis, yoga, Gymnasium, Swimming pool.
3. Retail stores must provide accommodation facilities or allowances to its employees.
4. The stores must come forward to sponsor the higher education desires of deserving candidates.
5. The stores must take an initiative to conduct corporate social responsibility at the store level.

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