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## STUDY OF STATUTORY LABOUR WELFARE BENEFITS WITH SPECIAL REFERENCE TO PHARMACEUTICAL COMPANIES



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### ABSTRACT

The purpose of welfare activities is to encourage economic development by escalating production and productivity. If we do not narrow ourselves to the legal compulsion (which was enforced to ensure humanitarian work conditions), welfare should also be viewed as the return of workers' loyal services which are provided ungrudgingly and in genuine spirit of co-operation which are carried on by the employers towards the general well-being of the employees. The benefits of welfare are accrued both by employers and workers. Besides wages, ILO, constitution of India, labour laws especially the factories act, 1948 strive to make the

working conditions more humane with a view to make workers not only satisfied but also productive. The paper studies the statutory welfare facilities mainly enumerated under Factories Act. The study was conducted in pharmaceutical companies to know the perception of workers about the statutory welfare measures provided and also to know the impact of gender on perception level. The sample comprised of 94 workers employed with different pharmaceutical companies. These companies had a varying strength of workers and are into manufacturing of various types of end-user drugs and bulk drugs which are further used for production of capsules and vaccines. The results indicated that most of the workers are satisfied with the welfare facilities provided and there is no impact of gender on the perception of workers.

**KEYWORDS :** *Labour, Welfare, Pharmaceutical companies, Gender, Factories Act, 1948.*

### INTRODUCTION

Labour as in economics is the general body of wage earners. It is in this sense, for example, that one speaks of "organized labour." It includes the services of manual labourers, and also covers many other kinds of services as well. It is not synonymous with toil or exertion, and it has only a remote relation to "work done" in the physical or physiological senses. The application of the physical energies of people to the work of production is, of course, an element in labour, but skill and self-direction, within a larger or smaller sphere, are also elements (Britannica encyclopedia, 2014). Section 2(l) of Factories Act defines Worker as a person employed, directly or through any agency,

whether for wages or not in any manufacturing process or in cleaning any part of the machinery or premises used for a manufacturing process in any other kind of work incidental to, or connected with the manufacturing process, or the subject of the manufacturing process. (Mallick, 2009) The amendment by Act 94 of 1976 furthers that if a work in the factory has been given on contract to be executed by the contractor and the contractor in execution of the work employs workmen, such workmen would be workers within the definition of worker under the act (Srivastava, 2000).

The term welfare is derived from the phrase 'welfare' which means "to fare well". (Rawat, 1988). Williams (1976), describes it as "well in its still familiar sense and fare, primarily understood as a journey or arrival but later also as a supply of food". The word welfare has historically been related to happiness and prosperity. Chambers' Twentieth Century Dictionary defines welfare as "state of faring or doing well: freedom from any calamity, enjoyment of health, prosperity (Fine Dictionary, 2013).

N.M. Joshi observed that labour welfare "covers all the efforts which employers make for the benefit of their employees over and above the minimum standards of working conditions laid down by the Factories Act and the provisions of the social legislations providing against accident, old age, unemployment and sickness" (Gupta, 2007).

The purpose of welfare activities is to encourage economic development by escalating production and productivity. If we do not narrow ourselves to the legal compulsion (which was enforced to ensure humanitarian work conditions), welfare should also be viewed as the return of workers' loyal services which are provided ungrudgingly and in genuine spirit of co-operation which are carried on by the employers towards the general well-being of the employees. The benefits of welfare are accrued both by employers and workers.

The present study focuses on labour welfare in pharmaceutical industry. Contribution of pharmaceutical industry can be seen not only towards welfare of humanity but also provides significant socio-economic benefits through creation of jobs, supply chains and community development. (Akhtar, 2013). Indian pharmaceutical industry is highly fragmented and includes small as well as large scale units (CCI, 2014). On a global scale, Indian pharmaceutical industry is ranked third largest in terms of volume and 10th largest in value terms. The country's pharmaceutical industry expanded at a compound annual growth rate (CAGR) of 9.4 per cent in 2013 to reach US\$ 12 billion and is expected to expand at a CAGR of 23.9 per cent to US\$ 55 billion by 2020. (IBEF, 2015). With ample strengths and growing consumer class, the Indian pharmaceutical industry projected to grow multifold and continue to be an attractive investment destination (Narsana and Mukherjee, 2015).

## REVIEW OF LITERATURE

Sen (2000) in his study said that it is not adequate to concentrate only on labour legislation since people do not live and work in a compartmentalized environment. The linkages between economic, political and social actions can be critical to the realization of rights and to the pursuit of the broad objectives of decent work and adequate living for working people.

Devi (2010) did her research on labour welfare facilities in Tamilnadu. She is of opinion that five year plans have improved industrialization in India and hence there is a need for labour welfare because it increases the efficiency of worker, creates the healthy working environment, keeps the workforce stable, satisfied and helps in maintaining industrial peace. It includes all services and amenities conducive for good health and high morale. Legislations like factory act have improved welfare of labour and have attracted more significance to the human side in the industrial economy. The welfare work calls for the change of heart & outlook both on the part of employer and workers.

Parvin & Kabir (2011), tested factors affecting job satisfaction for pharmaceuticals companies.

Based on the results for the standardized values, work conditions, fairness, promotion, and pay, are key factors affecting employees' job satisfaction. Money is a good motivator, actually all employees' work for money, employees need the money, good compensation is key factors in satisfying the employee and a way one can increase the service quality and organizational performance. The factor of work conditions is also proven to have significant influence. The physical design of the place does have certain impacts on job satisfaction. A good work environment and good work conditions can increase employee job satisfaction and the employees will try to give their best which can increase the employee work performance. In the questionnaires several elements have been defined such as cleanliness, lighting, noise, and furniture arrangements. These elements are the determinant of whether it affects employee's satisfaction. The employees also expect that they all receive equal treatment with respect to pay or promotion. If companies create a fair competitive environment, like fair treatment, fair compensation, fair work hours, these will improve employee job attitudes; fairness can also motivate employees to be hard working. It was observed that job security as an aspect of job satisfaction was more important to male employees than to female employees. Further, employees from medium and large organizations, compared with those from small staff-sized organizations, were more likely to cite job security as a very important contributor to their job satisfaction. The results suggest that the factors had satisfactorily explained job satisfaction and that the policy makers and managers should focus on the factors that affect employee job satisfaction, if they want to enhance their businesses.

Swapna and Samuyelu (2011), in their research article Social Security Regarding Employee or Labour Welfare present the outlook that social security, in its broad sense, is envisaged by the constitution of India in its directive principles of state policy. India has also enacted several legislations that provide for some mandatory benefits in respect of certain employments. Such benefits include medical care for sickness, employment injury, maternity and invalidity, supervisors' benefits, and welfare funds or schemes which are applicable mostly to organized sector. The authors studied satisfaction with social security schemes in SCCL through a sample size of 400 workers and found that 39% of respondents are satisfied, 32% of respondents are moderately satisfied, 20% of respondents are highly satisfied and 9% of respondents are dissatisfied. Authors conclude that labor welfare and social security is one of major aspect towards improving the production of the industry, condition of the worker and income of the society.

Review of literature and to the best of the knowledge; no study till date has focused on Pithampur Industrial estate of Madhya Pradesh. The studies done so far have focused on different parts of India but no formal research has been carried on labour welfare at Pithampur. Hence probably this is the first formal attempt in the Pithampur industrial estate. The present study is an attempt to bring in clarity to employers regarding the perception of workers towards the welfare facilities provided and its perceived adequacy. It would also help them identify the gaps in the present system and the measures to improve the same.

### OBJECTIVES OF THE STUDY

To study the perception of workers regarding the statutory welfare benefits provided by pharmaceutical companies of Pithampur.

To study the impact of gender on the perception of workers regarding the statutory welfare measures provided by pharmaceutical companies of Pithampur.

### Hypothesis

$H_{01}$  - There is no significant difference in the perception of males and females towards the welfare

facilities provided.

## RESEARCH METHODOLOGY

Sample size – 94 workers spread across Pithampur industrial estate (M.P.).

Sample characteristics - the sample comprised of 82 (87%) males and 12 (13%) females. Mostly females are seen employed with 'soft work' like textile or pharmaceutical and even in this case also the gender ratio is more inclined towards male. Unnikrishnan (2014), also opined that the Indian pharmaceutical industry employed around 49.5 million people of which only 15% were women.

Tools for data collection - Primary data for the study was collected through questionnaire. The questionnaire was constructed primarily according to welfare measures described in the Factories act, 1948 and labour welfare inventory by Dr. S K Srivastava (2002) was also consulted. After elimination, questions of similar nature were grouped together. The questions were categorized into six facilities, namely washing, shelter or rest room, medical, canteen, labour welfare officer and crèche. The statements in the questionnaire aimed at looking the adequacy of the facility. Secondary data comprised of publications from labour department, Government of India, other national & international agencies engaged with labour, national and international journals, books and other relevant resources.

Tools for Data Analysis - In order to fulfill the objectives and to test the impact of gender on welfare, various statistical tools were employed by the researchers. The tools used were frequency distribution, average and T-test. All these tools were applied through SPSS.

## RESULTS & DISCUSSION

### Perception of workers regarding the statutory welfare benefits -

The analysis done on the basis of broad categories and sub – categories (Table no. 1.1), revealed that on an average 57 workers disagreed (including strongly disagreed) that washing facilities were adequate. 68 workers perceived that labour welfare officer did not adequately carry the welfare work and around 69 workers felt the crèche facility was inadequate. Most of the workers agreed (including strongly agreed) that shelter facility (92), medical facility (91), and canteen facility (75) were adequate.

It can be inferred from the data above that workers perceived half of the facilities to be inadequate and the rest half to be adequate. Multiple reasons could help us in interpreting this result. The very nature of pharmaceutical business requires clean and hygienic environment, so that the drug manufactured is not contaminated. To ensure this almost all pharmaceutical companies require changing the clothes to the company provided uniform that is washed and maintained by the company itself. After wearing this uniform and detoxification, the workers are allowed in the production area. This coupled with medical facility ensures that individual's health and environmental hygiene were also maintained. Murty, Khan and Abhinov (2012), also opined that physical working environment influenced the health of workers to a greater extent. Hygienic environment is an important requisite for maintenance of good health. The term 'hygiene' included the material environment and personal hygiene. The fundamental conditions of a healthy working environment must be maintained in every factory for keeping the workers in good health conditions. Management should provide a conducive and hygienic physical work environment paired with adequate health and medical facility can motivate workers and their productivity can also be increased.

As far as gender based welfare facilities are concerned, pharmaceutical companies employed females but the percentage is more inclined towards male workers. Chaudhuri and Panigrahi (2013) also concluded from their study that only 20 percent females participated in organized manufacturing

sector as workers. Hence it can either be of the case that the requirement of the crèche doesn't arise at the first place (given the threshold number of females) or the facility provided was perceived to be inadequate.

The companies from which the sample was drawn had different workers' strength. Given that most of the welfare facilities as indicated in Factories Act are based on workers' strength and are incremental in nature, therefore the appointment of labour welfare officer was not obligatory or the efforts of welfare officer in carrying out welfare programmes were perceived to be inadequate. Similar logic can be extended to other welfare facilities which are either based on the strength of workforce or were perceptually inadequate.

However, beyond all perceptions, averages and interpretations, company should take care of these facilities. Facilities would call for cost and investment would pay off in the manner when it add to the comfort level of workers and actually bring in welfare because that is what law and companies also indents. In nutshell when companies intend to abide by law they should do it in the manner which workers perceive it to be beneficial to them. Going by Herzberg's two factor classification, welfare facilities would fall under 'hygiene' regime. Hygiene factor are the minimum or floor requirement to maintain satisfaction or avoid dissatisfaction. The degree to which hygiene factors are absent from a job, dissatisfaction will occur. Therefore company should first provide for hygiene factors then motivators (Herzberg, 1959, cited in Ramprasad, 2013).

#### Impact of gender on the perception of workers -

With a male averaging to 4.38 and females 4.42, it can be inferred that females have a better perception of welfare facilities (Table 1.2). Afsar, (2002) in his research found that women workers were more hard-working and sincere than their male counterparts and were considered to be more compliant, loyal and law-abiding in nature than men. They also report significantly higher job satisfaction than men (Clark, 1997). However the result of T – Test (Table 1.3) indicate that value of F (0.064) is not significant at .800. This means that the null hypothesis "There is no difference in the perception of males and females towards the welfare facilities provided" is not rejected. On similar lines Garg and Jain (2013) in their study also reported that there was no significant difference between male & female workers on satisfaction reported through welfare facilities.

#### CONCLUSION

The analysis and result above indicate two important aspects. One, data may not speak for itself it needs comprehension and interpretation as in case of washing facility. Two, most of the workers perceive the facilities to be adequate. However there was less percentage of workers who opined that the facilities were inadequate but nonetheless companies should take care of it as dissatisfaction is contagious. The companies should not only do welfare for the sake of compliance with act but should equally consider how the facilities are perceived by the workers. Facilities call for investment and it would pay off in the manner when it add to the comfort level of workers and actually bring in welfare because that is what law and companies also indents. To sum up, when companies intend to abide by law they should do it in the manner which workers perceive it to be beneficial to them.

Pharmaceutical companies employ female workers. Though the study found no difference between male and females regarding the welfare facilities yet companies should provide gender specific welfare as tendency of job switching is less in females and a little investment would keep them on job and happy as well. Overall, companies should continue with the welfare work and expand it further.

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Appendix – 1  
Table no. – 1.1

Facility \ Response	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<b>Washing Facility</b>					
Facility for washing	51	21	0	13	9
Separate washing facility for male and female workers	51	21	0	15	7
Availability of water	47	25	0	9	13
Place for keeping & drying clothes	4	6	0	28	56
Average	38.25	18.25	0	16.25	21.25
<b>Shelter/Rest room</b>					
Availability of Shelter or rest rooms	1	2	0	52	39
Quality of Shelter or rest rooms	0	3	0	52	39
Sitting Arrangement	1	0	0	44	49
Average	0.67	1.67	0.00	49.33	42.33
<b>Medical Facility</b>					
First – Aid Facility	0	1	0	29	64
Sick room	0	2	0	45	47
Medical officer	1	3	4	40	46
Worker is taken to hospital	0	1	0	29	64
Average	0.25	1.75	1	35.75	55.25
<b>Canteen Facility</b>					
Food / snacks available at concessional rate	13	15	0	30	36
Sitting arrangement in canteen	13	15	0	25	41
Drinking water	0	0	0	17	77
Average	8.67	10.00	0.00	24.00	51.33
<b>Labour Welfare Officer</b>					
Labour welfare officer carries welfare programmes	45	23	3	13	10
<b>Crèche Facility</b>					
Crèche	54	16	2	17	5
Availability of Aya	55	14	7	13	5
Average	54.5	15	4.5	15	5

Source – Author’s own calculation  
Appendix – 2

Table 1.2  
T-Test

Gender	N	Mean	Std. Deviation	Std. Error Mean
Male	82	4.3878	.57999	.06405
Female	12	4.4167	.47641	.13753

Table 1.3

	Levene's Test for Equality of Variances		t	df	Sig. (2-tailed)
	F	Sig.			
Equal variances assumed	.064	.800	-.164	92	.870
Equal variances not assumed			-.190	16.186	.851

Source – Author's own calculation

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