

**LABOUR WELFARE PRACTICES AND JOB SATISFACTION: A STUDY
OF MULTINATIONAL PHARMACEUTICAL COMPANIES IN JAMMU
AND KASHMIR**

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ABSTRACT

Labour welfare measures are an effort towards relieving the industrial workers from want, worry and the adverse effects of industrialization, by improving working and living conditions. The proper administration and implementation of labour welfare facilities plays an important role in fulfilling the economic, social, and psychological needs of employees. In satisfying these needs a favorable attitude towards the job can be developed. Job satisfaction is an attitude, which is the result of many likes and dislikes experienced while working in an organization. The provision of labour welfare facilities is one of the factors instrumental in promoting job satisfaction. The progress of a company and the development of the nation depend to a large extent on the welfare of the workers and their attitude towards work. Thus, labour welfare and job satisfaction assume importance. The focus of the present research is to study the labour welfare facilities and job satisfaction in the pharmaceutical companies in J&K. The study will further investigate the dimensions of labour welfare influencing the level of job satisfaction in these companies. Further the study seeks to examine the influence of gender, age and experience on the level of job satisfaction.

Key Words: Job satisfaction, Labour Welfare, Multinational pharmaceutical companies.

Introduction

The history of the origin of labour welfare activities dates back to the First World War (1914-18). In the beginning labour welfare work was started on a voluntary basis. The economic depression of the 1930's gave a further impetus to the welfare activities. In capitalist economies, both the employers as well as government took keen interest in these programmes, firstly due to prevailing industrial unrest and discontent and secondly on account of moral pressure built up by

the International Labour Organization. The Second World War accelerated the movement. When Robert Owen, Sir Robert Peel, Francis Cabot Lowell, Nathan Appleton, Titus Salt, Bart and Bismark were looking towards the initiation and development of labour welfare in their respective countries, the Indian scene could not remain unaffected (Mustafa, 1990). The Government of India was quite indifferent towards labour welfare till World War II and did very little in this regard. The programme was confined only to holding labour conferences and making recommendations. But during the war period welfare activities were introduced in the enterprises engaged in war production, which were extended to other government and private undertakings. With the dawn of independence welfare measures for the upliftment of the labour class were intensified. The Directive Principles of State Policy in the Constitution of India places a lot of responsibility on the State in respect of labour. The Constitution directs the State to provide work to every citizen who is willing and able to work. Article 42 requires the State to make provision for securing just and humane conditions of work and for\ maternity relief. Article 43 which is described as the *Magna Carta* of the Indian worker, imposes upon the State the obligation, inter alia, to secure, by legal legislation, or economic organization or in any other way, to all workers, - agricultural, industrial or otherwise - work, a living wage, conditions of work ensuring a decent standard of life, full enjoyment of leisure, and social and cultural opportunities. This resulted in the implementation of various labour legislations that would protect the interest of workers (Cherunilam, 2003).

The enactment of the Employee's State Insurance Act (ESI) in 1948 marked the beginning of the era of social insurance of labour in India (Kumar, 2003). Moreover the Government of India after incorporating certain modifications in the existing Factories Act of 1934 enacted the Act under the nomenclature the Factories Act of 1948. Various minimum standards were laid down in the Factories Act (1948). The main objectives of the Act was to regulate working conditions in manufacturing establishments and to ensure adequate health, safety, welfare measures, hours of work, leave with wages, and weekly off-days for workmen employed therein. Consequently various other Acts were implemented by the Government to ensure the welfare of workers such as the Minimum Wages Act (1948), Employees' Provident Fund and Miscellaneous Provisions Act (1952), the recent being the Pension Act (1995).

Importance of Labour Welfare

Labour welfare is an important facet of industrial relations, which gives satisfaction to the workers in a way, which even a good wage cannot. Labour welfare plays a vital role in any industrial society. According to Madhumathi and Desai (2003) welfare does not mean amenities but the right atmosphere where the worker can breathe an air of growth and development and think constructively so as to understand the play and interplay of his subconscious instructs and

conscious emotions. Now, in all countries, welfare work is taken to be an integral part of the industrial management. Measures adopted all over the world for the betterment of the lot of industrial workers are not regarded as the domain of philanthropists and kind — hearted employers, but it has become an industrial tradition and need. For India it is more important to adopt and promote welfare programmes in a very comprehensive manner to fulfill our pledge towards the vast programme of industrialization and social welfare. The lot of the workers is the mirror of the prosperity of a country. If an industrial worker is sick, the industrial unit will be sick. To neglect the labour class is to neglect productivity because ultimately country's welfare lies in their welfare. In India labour welfare measures become all the more important because of the reasons like low level of wages, irregular working hours, inability of trade unions to undertake welfare work, to build up a stable labour force, to create a committed labour force, for creating a genuine welfare state, to create good psychological feelings and to create good moral habits (Khan and Ahmed, 1981).

According to the Labour Investigation Committee (1946), there are three main benefits of labour welfare activities:

1. Housing, canteens, sickness and maternity benefits, provident fund, gratuity, pensions etc make the workers feel that they have a stake in the industry as much as anyone else has.
2. Educational facilities, sports, entertainment, and other co-curricular activities makes the workers feel that the employer is interested in their day-to-day life and therefore, their tendency to grouse and grumble will gradually disappear.
3. Provision of good and clean food in the canteens improves their health, entertainment reduces the incidence of vices, medical aid, and maternity benefits free the workers of worries.

JOB SATISFACTION

The current economic environment has posed increased challenges for business and industry to be competitive, both nationally and internationally, which in turn require these organizations to perform better in terms of productivity, quality, and time and service (Joshi and Sharma, 1997). Forward looking organizations, in such a climate are taking steps to undergo massive cultural change so as to bring about reciprocal changes in their performance. In this context it would be meaningful to identify and delineate the critical factors in the organizational environment that have the most positive impact on the performance of the enterprise. Among various factors, people's attitudes and feelings regarding their jobs and /or job experiences have been found to significantly affect both their personal behaviour as well as job behaviour (Herzberg et.al., 1957;

Locke, 1970; Schwals and Cummings, 1970; Pethy, Gee and Covender, 1984; Jaffaldano and Muchinsky, 1985). Picking up the trail left by Karl Mark's hypothesis of labor's alienation from the output; management practitioners, consultants, researchers and theorists in the West and elsewhere have been concerned with various issues pertaining to the quality of life at work and job satisfaction.

The father of scientific management, Taylor's (1911) approach to job satisfaction is based on the most pragmatic and essentially pessimistic philosophy that man is motivated by money alone. According to Taylor the workers are essentially "stupid and phlegmatic" and that they would be satisfied with work if they get higher economic returns from it. The economic man theory, propounded in the early phase of the industrial revolution believed that man was a lazy person and he disliked work. He is primarily motivated by money (Ali, 1978). Over the years we have moved away from a solely monetary approach to a more humanistic orientation. From a simple explanation based on money to a more realistic but complex approach to job satisfaction, it has come a long way. In the post industrial revolution period, the importance of psychological state and the motivational properties of social relationships on the job became clear. With Mayo's Hawthorne, studies in 1920s and subsequent research during 50s and 60s, the attitudes of organizations towards human resources began to change. After this, satisfaction of different needs, aspirations and capabilities of workers were recognized as assets to industry. This was the beginning of *Human Relations Approach*. It was Hoppock (1935) who brought the term "job satisfaction" into the limelight. He reviewed 32 studies in job satisfaction conducted prior to 1933 and observed that job satisfaction is a combination of psychological, physiological and environmental circumstances that cause a person to say "I am satisfied with my job". Such a description indicates the variety of variables that influence the satisfaction of the individuals but tells us nothing about the nature of job satisfaction.

The works of Maslow, Likert, Herzberg, Mc Gregor, Drucker and Argyris gave further momentum to the *behavioural movement* in the industry. The role of employee motivation, involvement and satisfaction was recognized, and adequate emphasis was given to developing an optimal level of HRD climate in the organization, to achieve employee satisfaction and motivation, which would ultimately contribute towards goal achievement (Mishra et. al., 1999). Further research on job satisfaction resulted in various models presented on job

satisfaction. These models on job satisfaction can be viewed from the perspective of *job content factors* or the *cognitive variables*. Maslow (hierarchy of needs), Herzberg (two factor model) and Alderfer (existence, relatedness and growth needs) models attempted to identify specific *job content factors*, as influencing job satisfaction. The expectancy model by Vroom and the

extension and refinement provided by Poter and Lawler, the equity model by Adams and the attrition model and locus of control by Heider explain the *cognitive variables* influencing job satisfaction.

Literature Review

The labour welfare measures provided in an organization affect the attitudes of employees towards work. Labour welfare facilities satisfy the needs of the employees, which can improve their working life, family life and overall welfare. Various studies have explored the labour welfare facilities provided by organizations and determined its influence on job satisfaction.

One such investigation was carried out by Goyal (1995) who studied the awareness of labour welfare facilities and brought out the relationship between labour welfare facilities and job satisfaction in her work titled *Labour Welfare and Job Satisfaction*. The study analyzed the impact of labour welfare measures on job satisfaction in the textile industries in Punjab, the extent of awareness and implementation of labour welfare measures among workers and the extent to which these measures have been successful to improve the workers' lot. Further the study critically assessed the problems and suggested ways to improve the implementation of labour welfare measures. In her research a comparative study was made between six cotton textile industries in Punjab belonging to the private, public, and co-operative sectors. Based on random sampling, 350 textile workers in these sectors in Punjab formed the sample of the study. The results of the study revealed that majority of textile workers were satisfied with their job. However private sector units have the maximum number of satisfied workers whereas the cooperative sectors have maximum number of workers dissatisfied with their jobs. The study highlighted a positive relationship between the level of satisfaction with the implementation of various labour welfare measures and job satisfaction. It was also revealed that the workers were satisfied with the labour welfare measures such as wages, housing facilities, and retirement benefits like gratuity and provident fund, and medical benefits. The maximum number of workers satisfied with these welfare facilities was from the private sectors. Moreover the percentage of workers who felt the absence of adequate quality of working conditions, and that the supervisors and co-workers did not help them in the hour of need were very low.

The study further revealed that satisfaction with the implementation of the Factories Act (1948) increased job satisfaction among workers. There was a positive correlation between the level of awareness of the Factories Act and the level of job satisfaction but this relationship is not statistically significant. A positive correlation was found between the level of satisfaction in the implementation of the provisions of the Provident Fund and Miscellaneous Provisions Act (1952) and job satisfaction. The same results were found with the Employees State Insurance Act

(1948). Education and job satisfaction were negatively related but the correlation was not statistically significant. A negative correlation existed between status of employment and job satisfaction among the textile workers. 21.42 percent of workers reported that they would not like to continue with their present job. The findings of the study also revealed the percentage of workers in the textile industries studied, who were satisfied with their jobs due to the provision of various statutory labour welfare facilities. Majority of the workers were satisfied with their jobs with respect to retirement benefits like gratuity and provident fund. The number of such satisfied workers was the highest in the private sectors and the minimum in the public sectors. But only a few workers were found to be highly satisfied and highly dissatisfied with their jobs in this regard.

In a research study by Srivastava (2004) titled *Impact of Labour Welfare on Employees Attitudes and Job Satisfaction*, a comparative study was conducted on workers in the private and public sectors of Kanpur city. The researcher attempted to assess the quality of labour welfare activities, measure the degree of job satisfaction of workers provided with labour welfare facilities in private and public sectors and evaluate the attitudes of workers towards management in both the sectors.

Srivastava (2004) thus made an in depth study of the influence of labour welfare facilities on job satisfaction, including its effect on the attitude towards management, the comparative difference in the labour welfare facilities provided between the private and public sectors and the attitudes of workers towards management in the two sectors. The researcher did not probe into the personal factors (gender, age and experience) influencing the level of job satisfaction, the influence of the dimensions of labour welfare facilities on the level of job satisfaction, the statutory and non-statutory labour welfare facilities and its influence on job satisfaction of workers. Further no attempt was made to study the influence of hierarchy on the level of job satisfaction in these industries. The study on labour welfare and job satisfaction was conducted by Agnihotri (2002). This study on *Labour Welfare Activities and Its Impact on Labourer Behaviour* found that job satisfaction and the different dimension of welfare facilities was significantly related.

Objectives and Methodology of the Study

For the purpose of the study the researcher selected four major industrial estates that house a large number of pharmaceutical companies in Jammu and Kashmir. This comprises 27 percent of the pharmaceutical companies established in the four industrial estates selected for the study. On the basis of confidentiality promised to the pharmaceutical companies by the researcher, the study will not mention the names of the companies studied. The universe of the study comprised

of 20,000 employees working in the pharmaceutical companies in Jammu and Kashmir. The population of the study was 841 employees working in the ten selected pharmaceutical companies Jammu and Kashmir. The sample represents 20 percent, of managers and workers in each of the selected pharmaceutical companies in Jammu and Kashmir. The total sample of the study included 201 respondents, which comprises 24 percent of the population of the study. In multinational pharmaceutical companies were 86 respondents. Data was collected from both primary and secondary sources for the purpose of the research. Primary data was collected through field survey using interview schedules and questionnaire method. Secondary data was collected from books, journals, monographs, unpublished thesis, government reports and the Internet.

Overall Discussion

Labour welfare is an important facet of industrial relations, the extra dimension, giving satisfaction to the worker in a way that even a good wage cannot. With the growth of industrialization, mechanization and globalization, it has acquired added importance. The aim of welfare activities is both 'humanitarian' - to enable workers to enjoy a fuller and richer life, and 'economic' - to improve the efficiency of the workers. Labour welfare facilities are a useful adjunct to motivational approach and helps in maintaining positive attitudes towards the job and the organization, once such attitudes have been fostered. Job satisfaction is the general attitude towards one's job and the degree of pleasure derived from it. Job satisfaction, which is an attitude one has towards one's job, is governed to a large extent by perception and expectations of the employees. It is the end result of the degree to which job needs are perceived as being fulfilled by the job. Labour welfare aims at job satisfaction. Providing labour welfare facilities to the work force in industries could satisfy many of their needs. The provision of labour welfare facilities can facilitate job satisfaction, which in turn can help to curb absenteeism, labour turnover, attrition and foster peaceful industrial relations with high labour efficiency, productivity and profits to the enterprise. Satisfaction on the job carries over to the employee's off-the-job hours. Thus labour welfare and job satisfaction are important in terms of both monetary gains and social responsibility. Industries therefore need to provide labour welfare facilities that will not only improve the economic and social conditions of employees but also increase their job satisfaction.

The pharmaceutical industry is the sunrise industry in J&K. It is a multibillion-dollar industry. In J&K it is a fast growing industry with increasing number of domestic and multinational companies established in the State. The incentives, policies and investment environment created by the Government of J&K has played a major role in luring investments from pharmaceutical companies, both Indian and multinational, to the State. The pharmaceuticals industry has emerged

as a major component in the development of the State and has an impressive track record. The industry today is backed with high technical manpower. Since the pharmaceutical industry is emerging as a big player in the industrial set up in Goa, the researcher found it apt to select this sector for the present study. The researcher has made an attempt in this chapter, to study and compare the labour welfare facilities provided and the job satisfaction experienced by employees (managers and workers) in Indian and multinational pharmaceutical companies in J&K.

Studies conducted earlier emphasize that labour welfare has its own prominence in industrial research. Quite a few researchers have shown an interest in studying the nature and types of labour welfare facilities provided in different industries (Moorthy and Narayan, 1970; Rao et.al., 1991; Gani, 1993; Rahman et.al., 1995; Chelliah, 1998; Kumar and Yadav, 2002; Srivastava, 2004; Thomas and Priyadarsini, 2004; Srimannarayana and Srinivas, 2005). However these studies on labour welfare are restricted to Indian industries and no attempt has been made to compare the labour welfare facilities provided by Indian and multinational pharmaceutical companies. From the deliberations in this chapter, it can be summarized that the study drew a comparison between Indian and multinational pharmaceutical companies in J&K on the labour welfare facilities provided and the job satisfaction experienced by the respondents in these companies. The findings in this chapter have led to the following conclusions.

- The labour welfare facilities provided by MPCs is significantly different from those provided by IPCs. Labour welfare facilities offered by MPCs to their employees were significantly superior to those provided to their counterparts in IPCs.
- On all eight dimensions of the LWI there was a significant difference observed between IPCs and MPCs in Goa. The respondents in the MPCs perceived these dimensions to be significantly better provided than perceived by their fellow=mates in IPCs. Thus those working in MPCs identify the various labour welfare facilities offered to them to be much better than that received by their counterparts in IPCs in J&K
- In the case of managers in IPCs and MPCs, a statistically significant difference was found on the labour welfare facilities provided to the managers in these companies. Managers in MPCs perceived their welfare facilities to be significantly better than that perceived by their fellow-beings in IPCs.
- For the workers as well, the findings revealed that there was a statistically significant difference in the labour welfare facilities provided to workers in MPCs in J&K. It was brought to light that workers in MPCs perceived the labour welfare facilities offered to them as far superior than those perceived by the workers in IPCs in J&K.

- Another observation made from the findings was the significant difference in the level of job satisfaction of the respondents in MPCs in J&K. Those working in MPCs were at a significantly higher level of job satisfaction than those in IPCs.
- On all the seven dimensions of the JSS the MPCs sample experienced a significantly higher level of satisfaction than their counterparts in the IPCs.
- The job satisfaction between managers in MPCs in Goa revealed a statistically significant difference. Managers in MPCs experienced a significantly higher level of job satisfaction than managers in IPCs.
- In the case of workers in MPCs in Goa there was a statistically significant difference in the job satisfaction experienced by them. Overall the MPCs workers are significantly more satisfied with their job than their IPCs counterparts.
- In MPCs a majority of the respondents were found to be moderately satisfied with their jobs. Except for a majority of managers in MPCs who experienced a high level of job satisfaction, the rest of managers and workers in these companies showed moderate levels of job satisfaction. Another interesting aspect of job satisfaction in MPCs was that none of the managers and workers in MPCs experienced a low level of job satisfaction, while in IPCs none of the workers felt a high level of job satisfaction, as for managers very few of them showed high levels of job satisfaction.
- The study brought to light the positive significant relationship between labour welfare and job satisfaction in pharmaceutical companies in J&K. An increase in labour welfare is likely to increase the level of job satisfaction of employees in pharmaceutical companies in J&K.

Conclusion

The present research is a comparative study of labour welfare and job satisfaction in MPCs in J&K. The research made an analytical study of the labour welfare facilities provided and the job satisfaction experienced by the respondents in MPCs in J&K. The findings of the present study discussed in the earlier chapters, lead to the following conclusions: The multinational pharmaceutical companies offer superior labour welfare facilities to their employees than those provided in Indian pharmaceutical companies in J&K. Employees working in multinational pharmaceutical companies are highly satisfied with their job compared to those working in Indian pharmaceutical companies in J&K. Labour welfare has a significant positive correlation with job satisfaction. The dimensions of labour welfare especially education/training and others are indicative of influencing the job satisfaction of employees in pharmaceutical companies in

J&K. The statutory labour welfare facilities are a better predictor of job satisfaction in Indian and multinational pharmaceutical companies in J&K. Personal variables like age and experience are significantly correlated with the level of job satisfaction of employees in these pharmaceutical companies but not gender. In IPCs age and experience are significantly correlated with the level of job satisfaction. As age and experience increases, so does the level of job satisfaction of employees. In MPCs no significant correlation was found for age and experience with job satisfaction of employees. Age and experience does not affect job satisfaction. Gender of employees did not significantly influence the job satisfaction of employees in d multinational pharmaceutical companies in J&K.

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