



INTERNATIONAL JOURNAL OF ADVANCE RESEARCH, IDEAS AND INNOVATIONS IN TECHNOLOGY

ISSN: 2454-132X

Impact factor: 4.295

(Volume 5, Issue 4)

Available online at: www.ijariit.com

A study on welfare policies of Amara Raja Power System Limited: A case study in Tirupati

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ABSTRACT

I conducted a Survey Method through Structured Questionnaires in the Employees of ARPSL Tirupati. The convenience sampling procedure is used for the data collection, sampling size is 116 through Personal Interview and Percentage analysis and Chi-square tests are used. Finally, in this paper, I found the result that the Majority of the respondents said that Medical and First aid facilities provided by the Company are Excellent. Canteen facilities are good because the cleanliness maintained, proper storage of raw materials, food served is nutritious quality and quantity of food served is good. Working conditions of the company in respect to Ventilation, Lighting, Temperature, Seating arrangements, cleanliness inside working premises are very good. Employee satisfaction levels on Social security benefits like PF, ESI, Gratuity, SAS and Benevolent Fund schemes provided by the company is good. Transport facilities, Bachelor Hostel facilities, Family quarter's facilities, Recreation facilities provided by the company are good.

Keywords— Safety measures, Security measures, Welfare measures, Performance appraisal, Job description, Job analysis, Job enlargement, job enrichment, Job rotation, Subsidiary given at canteen uniforms, Sunglasses, Crunches, Change room, Quarters facilities, Bonus, Washroom, Transport facility

1. INTRODUCTION

In the late 1980s, the term 'retrenchment' entered the vocabulary of comparative welfare state research (Brown 1988; Mishra 1990). Of course, the word itself was not new, but its interest for welfare state scholars was sparked by the coming into office of Margaret Thatcher in 1979 and of Ronald Reagan in 1981: both willing to radically cut back the welfare state which, in their view, had become a significant *source* of social and economic problems instead of a solution. To the surprise of many observers, it became clear by the end of the decade that the social policy record of Reagan and Thatcher had not lived up to the high expectations. To be sure there had been some severe cutbacks, yet these did not amount to a complete dismantling of the postwar welfare state. This is what led researchers to look at the underlying political dynamics of these attacks on the welfare state. Moreover, it soon became evident that attempts at retrenchment were by no means confined to the English-speaking world. It seems rather be a general recurring theme in the 'post-Golden Age' social policy of the last 30 years. Granted, contemporary welfare state reforms are not exclusively about retrenchment. Some authors have stressed the role of 'new social risks' in stimulating fresh expansionary initiatives (Bonoli 2005; Taylor-Gooby 2004), while others have described current policies more generally as 'welfare state restructuring' (Pierson 2001b: 419–27). Nonetheless, retrenchment remains of particular interest, since it is usually regarded as inherently unpopular and hence difficult to pursue. A large body of literature now exists on the matter of to what extent, why and how welfare state retrenchment is taking place.

2. THE NEW POLITICS OF THE WELFARE STATE

The scholarly debate about the politics of retrenchment intensified in the 1990s, after the publication of Paul Pierson's seminal *dismantling the Welfare State?* (1994) and the subsequent article 'The new politics of the welfare state' (1996). In his book, Pierson compares the attempts of conservative governments in the UK and the USA – two 'most-likely cases' – to cut back entitlements and weaken the political foundations of the welfare state.¹ Both attempts largely failed to meet their own expectations. To explain the apparent lack of wide-ranging retrenchment – in other words, of welfare state 'resilience' – he develops his theory of the 'new politics of the welfare state'. According to Pierson, theories about the 'old politics'² of expansion, including socio-economic functionalism and class-based power resources theory, fail to account for developments after the end of the 'Golden Age'. New factors, namely specific institutional configurations, are much more powerful in explaining current trajectories of reform. This distinction between old and new politics is now widely accepted in the literature – an indication of

Pierson's lasting effect on the debate (Green-Pedersen and Haverland 2002; Kersbergen 2002). Pierson builds his explanation of the welfare state's resilience around two central considerations: the welfare state's enduring popular support and its institutional inertia. On the first count: survey research has shown the persisting popularity of core welfare state benefits and institutions in Western countries. Consequently, most retrenchment initiatives are not only deeply unpopular among electorates (Boeri *et al.* 2001; Taylor-Gooby 2001) but the previous expansion of the welfare state has also produced its own constituency in the form of a number of strong interest groups (e.g. the pensioner lobby) ready to mobilize resistance against any retreat from the status quo (Pierson 1994: 29–30). On the second: 'history matters' for institutional development (cf. Pierson 2004). More specifically, many institutions – particularly deeply entrenched welfare state institutions – are thought to be afflicted with path dependence. Change is therefore likely to be incremental and to take place only *within* existing structural frameworks (see below). These conditions constitute the backdrop for any attempts at downsizing. Now enter the actors: *politicians*– conceived not merely as policy-seekers but more importantly as office-seekers also; and *voters*– who are expected to react more strongly to losses (e.g. benefit cutbacks) than to gains (e.g. lower taxes).³ Add the assumption that, in the case of cutbacks, losses tend to be concentrated on a relatively few – but often well-organized – beneficiaries, whereas gains are likely to be more widely dispersed; and one arrives at a constellation presenting formidable difficulties for the advocates of retrenchment.

How then can retrenchment be feasible at all? Pierson argues that the new context leads politicians to refrain from radical and highly visible cuts, to pursue, instead, 'the politics of blame avoidance' (Pierson 1994; Weaver 1986). He highlights three particular strategies governments use to avoid blame: compensation, obfuscation, and division – not that these may always be available to policy-makers. From his case studies of Britain and the USA Pierson concludes that 'retrenchment advocates were able to successfully pursue strategies of obfuscation, division, and compensation only where *institutional structures* and *existing policy designs* were favorable' (Pierson 1994: 50; emphasis added) If anything clearly follows from Pierson's analysis it is the conclusion that the welfare state is here to stay, at least in the mid-term. Generally, this 'resilience thesis' is now widely acknowledged among welfare state scholars (Palier 2001). Yet, today, after at least one decade of research showing the remarkable resilience of welfare states, the scientific puzzle has gradually shifted from the question as to why welfare states have *not* been dismantled to the question as to why (and how) cutbacks have nonetheless taken place in democratic political systems. Why should office-oriented politicians introduce unpopular cuts? What actors are most prone to shrinking the welfare state? And what conditions would make it easier for them to introduce these kinds of policies? In my view, the debate about the politics of reform has moved on to a point where the distinction between 'new' and 'old' politics now seems overly simplistic. After all, it is possible to combine 'old' and 'new' building blocks (e.g. Kittel and Obinger 2003). And there is surely some leeway between the two ends of the continuum, that is, on the one hand, Gøsta Esping-Andersen's assertion that 'a theory that seeks to explain welfare-state growth should also be able to understand its retrenchment or decline' (1990: 32) and, on the other hand, Paul Pierson's claim that today's welfare state politics are *fundamentally different* from earlier versions of the same.

3. REVIEW OF LITERATURE

The first strand of research on welfare state development after the Golden Age could be termed 'neo-functionalist'. Put briefly, policy changes have to be seen primarily in the light of socio-economic change and – both external and internal – 'problem pressure' (see Schwartz 2001). Political–institutional factors are, if anything, intervening variables rather than driving forces. Probably the most important variant of this school argues that economic globalization leaves only little room for a comprehensive welfare state: [A] Process of deep economic integration among countries will require a change in the role of the state in pursuing social protection. The end process would be a world where industrial countries will have to do less public spending, will reduce the use of tax expenditures for achieving particular social objectives, and will also have to reduce the role of specific socially-directed regulations. (Tanzi 2002: 127) In this vein, retrenchment appears as the only possible solution unless the process of economic integration is reversed. The question, to what extent this is borne out by the facts, has been one of the most contested issues of the last decade in comparative research. The evidence is, at best, mixed. A few studies have demonstrated the negative impact of indicators such as trade openness or capital mobility on social expenditure (e.g. Garrett and Mitchell 2001), but the causal effects are often quite small, as well as highly contingent on the model specification and on exactly how 'globalization' is measured (Swank 2002; Brady *et al.* 2004; Kittel and Winner 2005; Plumper *et al.* 2005). Other authors deny there is any direct damaging impact (Castles 2004) or, on the contrary, find there is even a positive relationship between globalization and the welfare state (Rodrik 1998; Burgoon 2001).⁴ It is, in any case, unclear how far these studies matter for the issue of *retrenchment* since most of them focus on public expenditure levels and/or dynamics instead of policy change (see the discussion of the 'dependent variable problem' below). The same holds true when it comes to the various *domestic* pressures on welfare states (Pierson 2001c: 99–104).

Among the alleged domestic challenges are low economic growth rates, associated with the expansion of the service sector and reduced productivity growth (Pierson 2001c; Iversen 2001). Other factors cited are changing patterns of paid work, shifting family structures and, above all, mass unemployment (Huber and Stephens 2001). Finally, the impact of demographic factors – namely the combined impact of population aging and sub-replacement birth rates – has taken centre stage in the debate about the future of the welfare state (World Bank 1994; Castles 2004, 2005). It is important to note that low economic growth; de-industrialization and so on can have a *positive* impact on social *expenditure*. Their impact on retrenchment is therefore likely to be more indirect – particularly through rising fiscal pressure. Domestic as well as external socio-economic shifts can contribute to a general atmosphere of 'permanent austerity' (Pierson 2001b) which, in turn, can affect welfare states. Yet, how exactly socio-economic variables matter for the timing and extent of cutbacks is still a moot point.

4. EMPLOYEE WELFARE POLICIES

The legislation on Factories first introduced in 1881 as The Indian Factories Act, 1881. The main objective of this legislation is to protect child labour for employing long hours and to protect women from the exploitation of Jobbers and Industrialists. This has

not given much focus on welfare activities. A new comprehensive Factories bill was passed by the Legislature and received the assent on 23rd September 1948. It came into force on 1st April 1948 as The Factories Act, 1948. The object of enacting the Factories Act was to regulate labour and intended for the benefit and welfare of workers. The Act provides that employees should work in healthy and sanitary conditions so far as the manufacturing process will allow and that precautions should be taken for the safety and the prevention of accidents. The Act is a comprehensive piece of legislation covering all aspects relating to factories, including approval, license, and registration of factories, the inspecting authorities under the Act, health, safety, welfare, working hours, employment of adults and young children, annual leave and penalties. Employee welfare is a broad concept referring to a state of living of an individual or a group, in a desirable relationship with the total environment – ecological economic and social. It is needless to say that the welfare facilities extending by organizations will boost the morale of the employee leading to a satisfying work environment resulting to increase of production and achieving organizational objectives. Any organization is bound to comply with the statutory welfare measures enumerated in applicable laws. In the current industrial scenario complying the statutory welfare, provisions are not sufficient. Many employers finding the ways to increase the morale and satisfaction of employees by providing various non-statutory (voluntary) welfare measures viz. extending medical facilities to employees and their families, providing transport facilities, providing accommodation in company’s quarters, establishing co-operative stores, flexi hours, work from home, etc. Many studies organized by various institutions clearly revealed the fact of employee satisfaction, job satisfaction, and highest productivity. Now a day’s mere fulfilment of statutory provisions will meet the bare minimum requirements of employees. In the current Indian industrial scenario, many companies extending the non-statutory welfare facilities to its employees. Few among them are TATAs, Reliance, ITC, Godrej, Adani, Mahindra, PSUs, etc.

5. ORGANIZATION STRUCTURE

5.1 Senior Management Team – Amara Raja Corporate Council

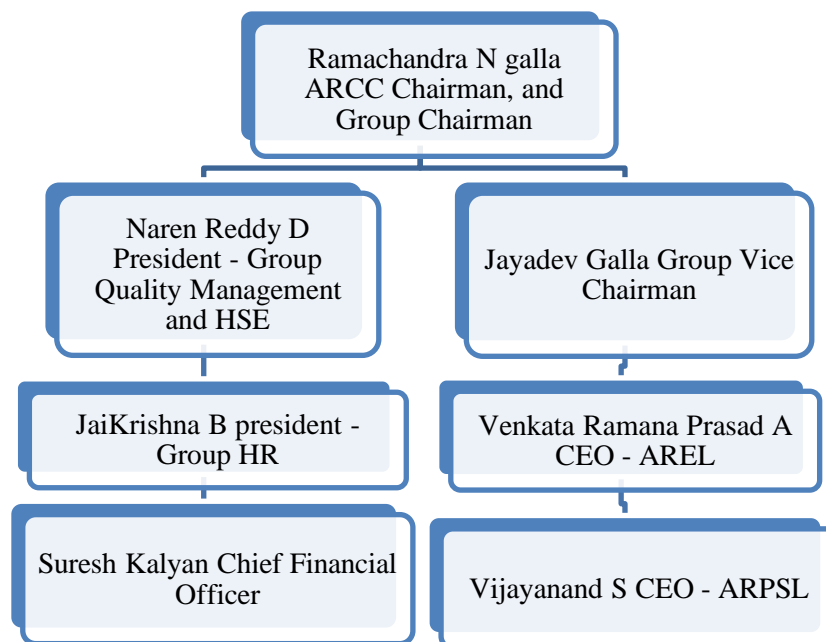


Fig. 1: Organization structure

5.2 SWOT of the Group

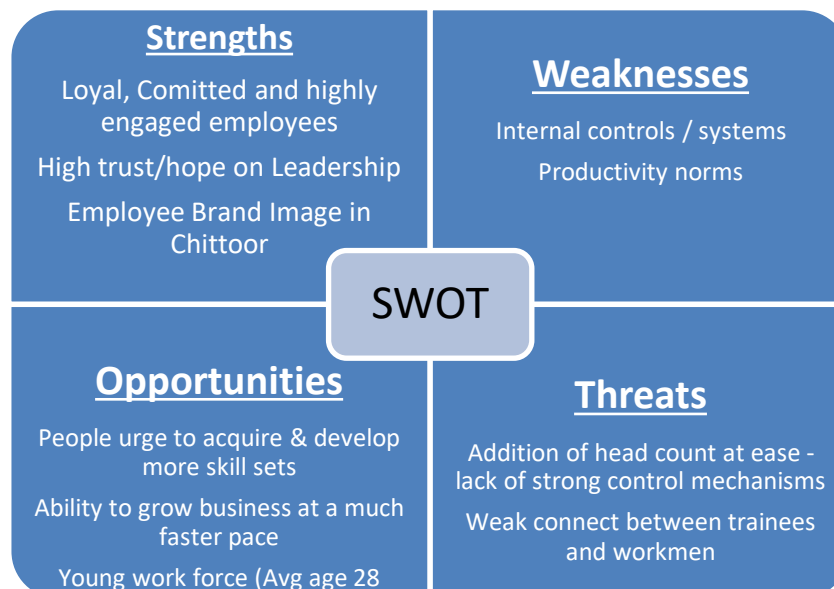


Fig. 2: SWOT of the Group

6. RESEARCH METHODOLOGY

6.1 Data Sources

Secondary data: Secondary is collected from the Website and from the HR Manuals of ARPSL.

Primary data: Primary data is collected from the Employees of ARPSL, Tirupati.

Research Approach: Survey Method

Research Instrument: Structured Questionnaire

6.2 Sampling Plan

Sampling unit: Employees of ARPSL, Tirupati.

Sampling procedure: Convenience sampling

Sampling size: 116

Contact method: Personal Interview

Statistical tool: Percentage analysis and Chi-square test

6.3 Need for the Study

- To know how Welfare policies motivate the employees to perform better.
- To check whether the existing Welfare policies fulfill the needs of the employees.

6.4 Objectives

- To Study the existing Welfare Policies in Amara Raja Power Systems Limited, Tirupati.
- To suggest improvements over existing welfare policies.

6.5 Scope of the Study

To know the welfare policies implementation in the Amara Raja Group in an effective manner. To know whether the employees understand the Welfare policies available to them or not.

6.5 Limitation of the Study

The present research is restricted to the employees who are working in ARPSL - Tirupati only. Respondents might have responded with the actual feelings of facts while giving responses to the questionnaire.

7. DATA ANALYSIS AND INTERPRETATION

7.1 Medical Facilities

Table 1: Medical Facilities

Options	No. of respondents	Percentage
Excellent	54	46
Very Good	30	26
Good	22	19
To be improved	10	9
Total	116	100

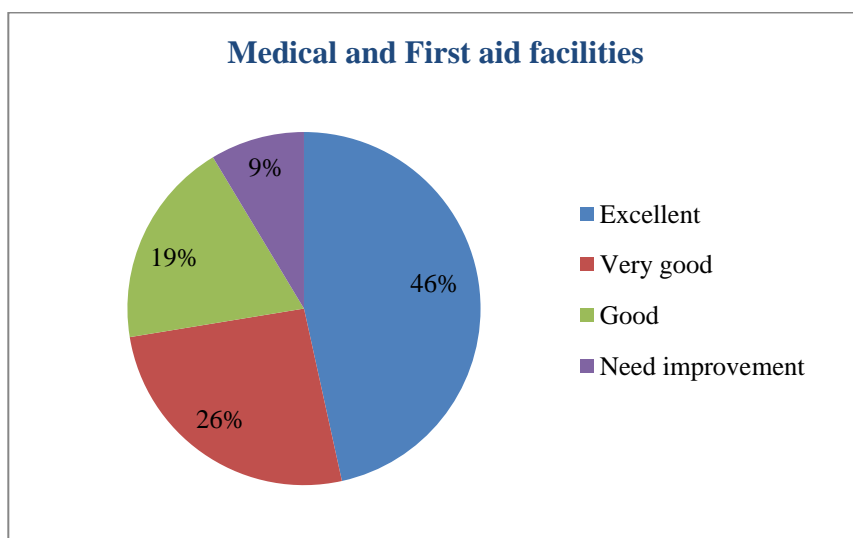


Fig. 3: Medical Facilities

Interpretation: Table 1 states that 46% of the respondents feel that the medical and first aid facilities are excellent because they felt it is very useful and available whenever they required while 26% of respondents feel medical and first aid facilities are very good because treatment is done immediately and another 19% of respondents convey as good and 9% of respondents think medical and first aid facilities should be improved.

7.2 Canteen Facilities

Table 2: Canteen Facilities

Options	No. of respondents	Percentage
Excellent	45	39
Very Good	35	30
Good	26	22
To be improved	10	9
Total	116	100

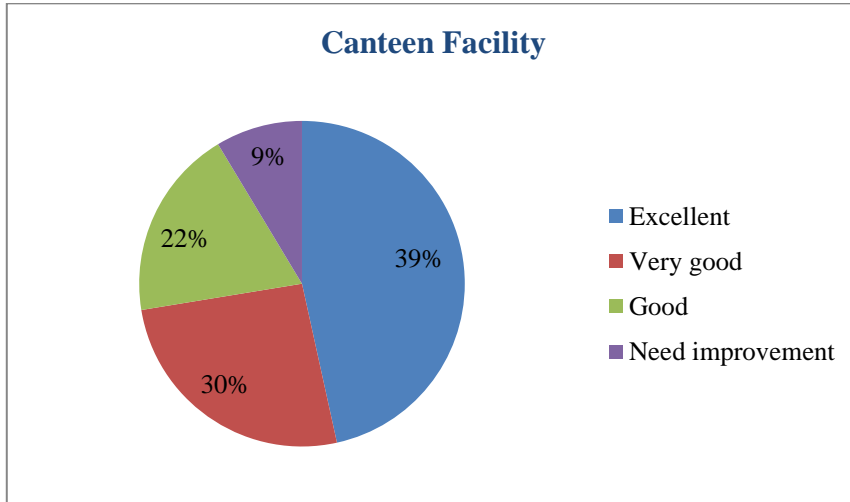


Fig. 4: Canteen Facilities

Interpretation: From the table 2 it can observe that 9% of respondents feel that canteen facilities to be improved because food is not available at all times, while 30% of respondents feel it is very good because food is nutritious and another 22% of respondents convey it is good because the price is affordable, 39% of respondents feel it is excellent because it is tasty and healthy.

7.3 Transport Facility

Table 3: Transport Facility

Options	No. of respondents	Percentage
Excellent	70	60
Very Good	27	23
Good	14	13
To be improved	5	4
Total	116	100

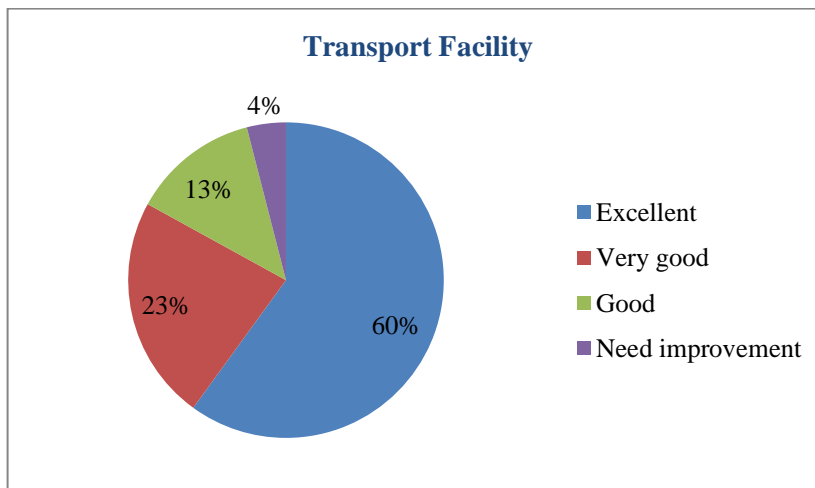


Fig. 5: Transport Facility

Interpretation: From the table 3 it can be observe that 60% of respondents say that the transport and parking facilities are excellent because it is useful and satisfies their need 23% of respondents think it is very good because it is safe, 13% say transport and parking facilities are good because they are comfortable with the facilities provided by the organization whereas 4% feel nothing to be improved.

7.4 Uniform and Safety Shoe

Table 4: Uniform and Safety Shoe

Options	No. of respondents	Percentage
Excellent	56	48
Very Good	33	28
Good	15	13
To be improved	12	10
Total	116	100

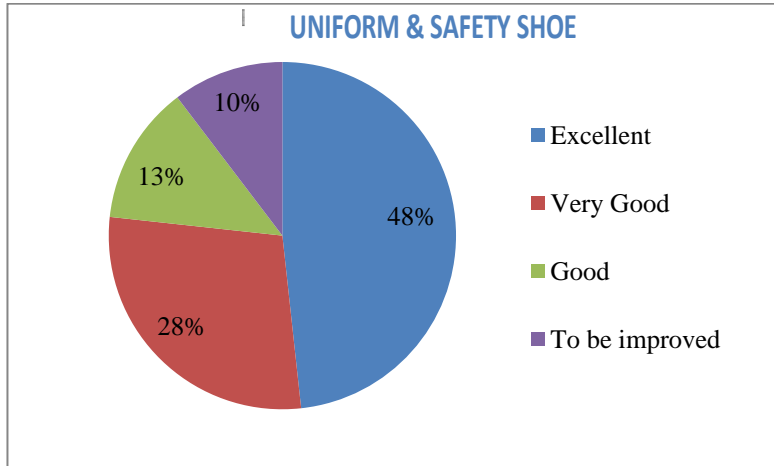


Fig. 6: Uniform and Safety Shoe

Interpretation: From the table 4 it can be observed that 48% of the respondents say that the uniform and safety shoe is Excellent and employees feel happy because dress code is common for all the employees regardless of their position in the organization, which represents equality between them. 28% of respondents say that the uniform and safety shoe is very good because it prevents them from industrial accidents, 13% say it is good and 10% feels it should be improved.

7.5 Drinking Water

Table 5: Drinking Water

Options	No. of respondents	Percentage
Excellent	85	73
Very Good	16	14
Good	10	9
To be improved	5	4
Total	116	100

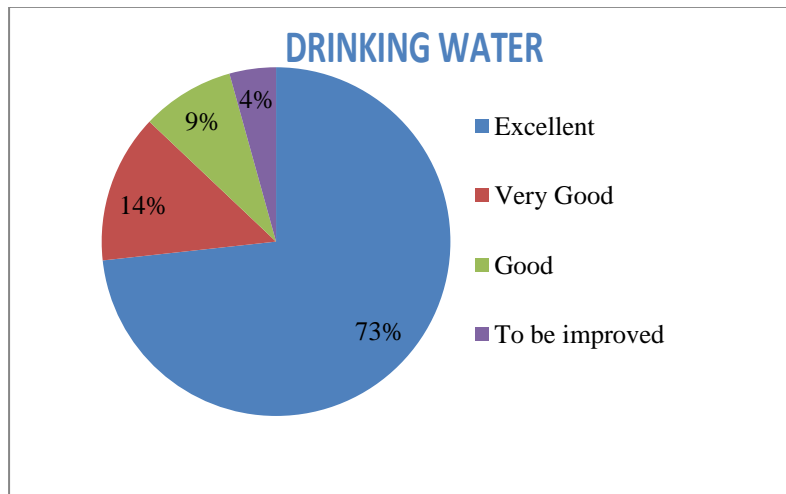


Fig. 7: Drinking Water

Interpretation: From the table 5 it can be observed that 73% of the respondents agree that the company provides sufficient drinking water which is purified thus protects employees from water-borne diseases. It can be inferred that the company makes sure that employees are healthy.

7.6 Quarters

Table 6: Quarters

Options	No. of respondents	Percentage
Excellent	45	39
Very Good	31	27
Good	16	14
To be improved	24	21
Total	116	100

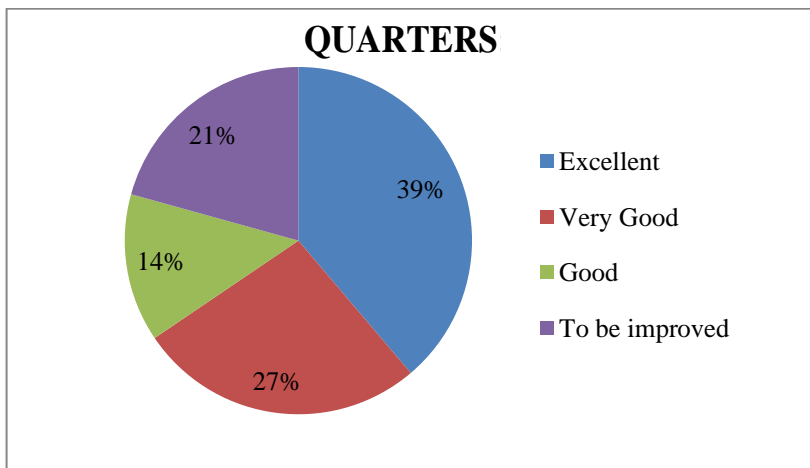


Fig. 8: Quarters

Interpretation: From the table 6 it can observe that 39% of the respondents feel the overall facilities provided by the organization are excellent because water is available at all times, 27% of respondents think very good because it is in a peaceful environment and pollution-free. 14% of them feel good because it is more secured, whereas 21% say they have poor satisfaction towards facilities because they are not aware of all the facilities, it can be inferred that the opinions of the respondents regarding the Quarters facilities are good.

7.7 Working conditions of the company with respect to Ventilation, Lighting, Temperature, Seating arrangement, Spacing of machinery and cleanliness inside working premises.

Table 7: Working conditions of the company

Options	No. of respondents	Percentage
Excellent	55	47
Very Good	32	28
Good	25	22
To be improved	4	3
Total	116	100

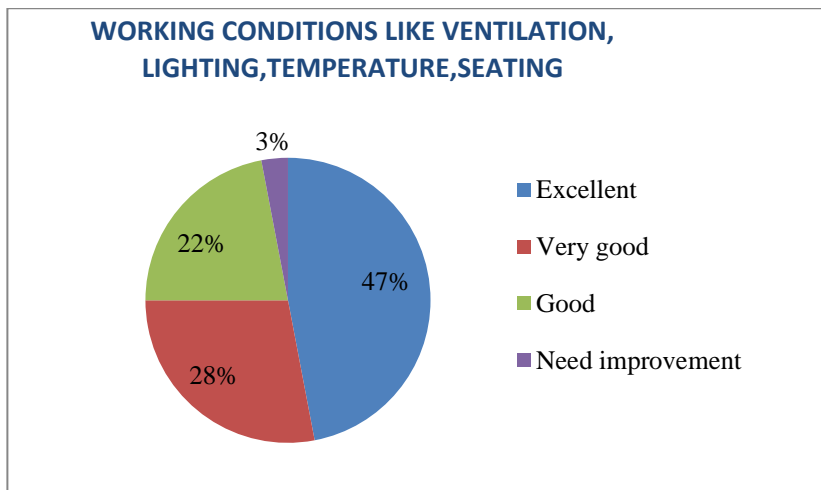


Fig. 9: Working conditions of the company

Interpretation: From table 7 it can observe that 47% of the respondents say that the working conditions are excellent because of the presence of many windows and ventilators. 28% think very well because of the spacing of machinery, seating arrangements, and working conditions are comfortable. It can be inferred that most of the respondents are highly satisfied because of the clean environment.

7.8 Social Security Benefits

Table 8: Social Security Benefits

Options	No. of respondents	Percentage
Excellent	65	56
Very Good	32	28
Good	12	10
To be improved	7	6
Total	116	100

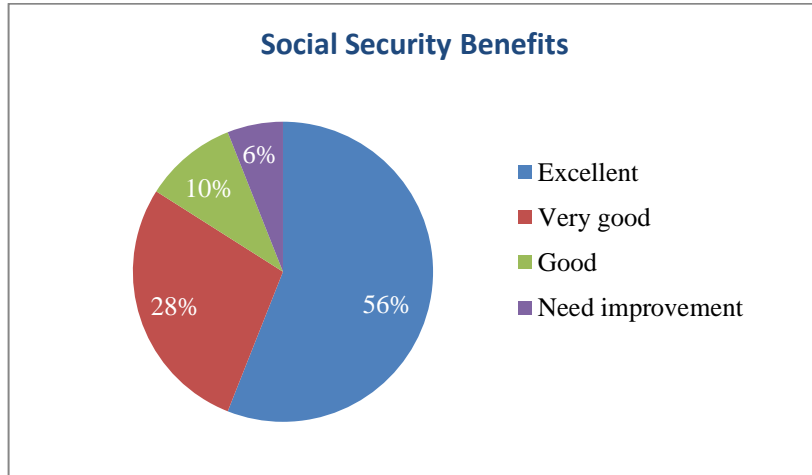


Fig. 10: Social Security Benefits

Interpretation: From the table 8 it can observe that 56% of respondents feel that the social security benefits are excellent because it satisfies their need whenever they required, while 28% of respondents feel very good and another 10% feel good because of these security benefits useful for their families also. 6% say social security benefits provided in the organization to be improved because they are not aware of all the benefits.

7.9 Medical and Hospitalization Policy

Table 9: Medical and Hospitalization Policy

Options	No. of respondents	Percentage
Excellent	65	56
Very Good	27	23
Good	18	16
To be improved	6	5
Total	116	100

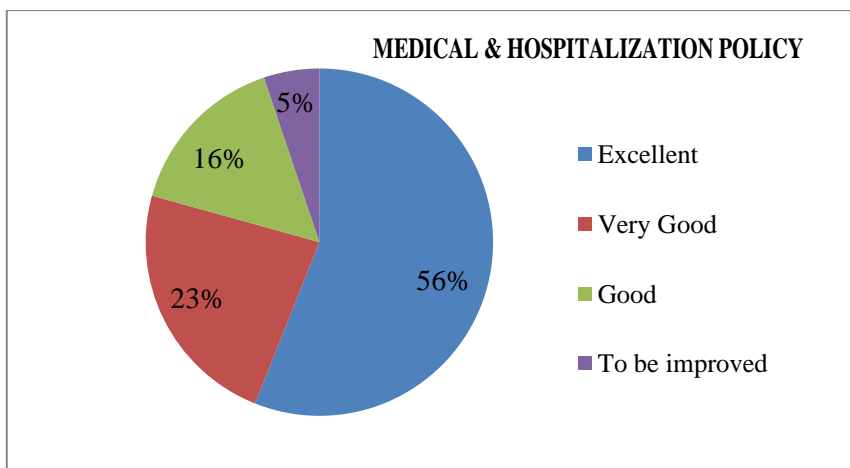


Fig. 11: Medical and Hospitalization Policy

Interpretation: From table 9 it can be observed that 56% of respondents feel that the medical and hospitalization policy are excellent because it is helpful for the employee and their family and 23% and 16% of the respondents feel medical and hospitalization policy facilities are very good and good because it satisfies their need and policy provided by the organization is useful.

8. CHI-SQUARE TEST

H₀: There is no significant difference in the satisfaction levels of male and female towards welfare policies.

Options	Excellent	Very Good	Good	Need Improvement	Total
Male	37	26	14	05	82
Female	15	09	07	03	34
Total	52	35	21	08	116

Observed(O)	Expected(E)	(O-E)	(O-E) ²	(O-E) ² /E
37	36.75	0.25	0.625	0.017
26	24.75	1.25	1.562	0.063
14	14.85	0.85	0.722	0.048
05	05.65	0.65	0.422	0.074
15	15.25	0.25	0.625	0.040
09	10.25	1.25	1.562	0.15
07	06.15	0.85	0.722	0.07
03	02.35	0.65	0.422	0.076
				Σ(O-E) ² /E=0.587

Chi-Square calculated value= 0.587

Level of significance= 5%

Degrees of freedom= (r-1) (c-1) = (2-1) (4-1) = 3

Chi-Square table value= 7.82

Chi-square calculated value (0.587) < Chi-square table value (7.82)

So, we accept the Null Hypothesis (H₀)

Inference: There is no significant difference in the satisfaction levels of male and female towards welfare policies.

9. FINDINGS

- Majority of the respondents said that Medical and First aid facilities provided by the Company are Excellent.
- Canteen facilities are good because the cleanliness maintained, proper storage of raw materials, food served is nutritious quality and quantity of food served is good.
- Working conditions of the company in respect to Ventilation, Lighting, Temperature, Seating arrangements, cleanliness inside working premises are very good.
- Employee satisfaction levels on Social security benefits like PF, ESI, Gratuity, SAS and Benevolent Fund schemes provided by the company is good.
- Transport facilities, Bachelor Hostel facilities, Family quarter's facilities, Recreation facilities provided by the company are good

10. SUGGESTIONS

- Half-yearly health checkups, various health camps, employee counseling, hospitalization facilities should be much more improved by conducting the health camps at least once in a quarter.
- The menu and quality of food in the canteen is prescribed by a nutritionist. As it is in industrial area more pollution will be there, so it is suggested to provide leafy and Vitamin "C" content foods which help in preventing the Lung Problems.
- Currently, the company is giving 75% subsidy on transportation and only nominal charges are collecting. But, the majority of employees felt that it has to be provided free of cost. The company can think of this to increase employee satisfaction.

11. CONCLUSION

- Human Resource plays an important role in any organization; if the employee is happy with the welfare facilities provided by the company then the productivity of that organization can be increased. Based on the study of employee welfare facilities in Amara Raja it is clear that the company is very keen on promoting all the welfare facilities.
- Amara Raja Group is maintaining healthy and safety measures in order to protect their employees who are working in their group by giving proper training and safety devices to protect themselves at the time of any incidents that happen at the time of work.
- Amara Raja Group is promoting good and healthy employee relations by giving importance to its employees' welfare.

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