



Assessing the Effectiveness of Labor Welfare Schemes in Enhancing Organizational Commitment and Encouraging Organizational Citizenship Behavior in India

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DOI: 10.48047/ecb/2023.12.si13.114

Abstract:

Background: Labor welfare schemes play a crucial role in promoting employee well-being and influencing their attitudes and behaviors within organizations. However, limited empirical research has examined the effectiveness of these schemes in the Indian context regarding enhancing organizational commitment and encouraging organizational citizenship behavior.

Objective: This research paper aims to assess the effectiveness of labor welfare schemes in enhancing organizational commitment and encouraging organizational citizenship behavior.

Methods: A cross-sectional survey questionnaire was provided to a representative sample of workers from diverse companies. Organizational commitment, civic behavior, and labor welfare programs are measured in the survey. Regression analysis and structural equation modelling (SEM) were used to assess links and determine how labor welfare programs influenced intended outcomes.

Findings: Organizational commitment, civic behavior, and labor welfare programs were positively correlated in the study. Larger labor assistance systems, in particular, increased employee loyalty and civic involvement. Regression studies found that worker welfare programs increased organizational citizenship and commitment.

Conclusion: This research shows that labor welfare programs promote organizational citizenship and commitment. The results show how vital it is for enterprises to design and sustain effective labor welfare programs to encourage employee loyalty and good behavior.

Keywords: Labor welfare schemes, Organizational Commitment, Organizational Citizenship Behavior

Introduction:

Labor welfare schemes have gained considerable attention as organizations recognize the importance of employee well-being and its impact on organizational outcomes. These schemes encompass various initiatives aimed at improving the working conditions, health and safety, and overall welfare of employees. In the Indian context, labor welfare schemes have been implemented across diverse sectors to address the specific needs of the workforce and comply with legal obligations.

Labor Welfare Schemes:

Labor welfare schemes are initiatives undertaken by governments to ensure the well-being and protection of workers in various sectors. These schemes aim to improve working conditions, provide social security, and enhance the overall quality of life for laborers. In India, several welfare schemes have been implemented to support workers and promote their welfare. Here are some notable schemes:

1. “Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM)”: This is a government scheme aimed at providing a pension to unorganized sector workers. It is designed to ensure financial security for workers in their old age by encouraging them to save for retirement. Under this scheme, workers between the ages of 18 and 40 can voluntarily enroll and contribute a specified amount monthly. The government provides a matching contribution to their pension fund. Upon reaching the age of 60, the enrolled workers receive a monthly pension based on their contribution and the government's contribution.
2. “Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)”: It is an employment generation scheme launched by the government of India. The objective of this scheme is to incentivize employers to create new job opportunities by reimbursing a portion of the employer's contribution to the Employee Provident Fund (EPF) for new employees. The scheme targets employees earning a monthly wage of up to Rs. 15,000 and encourages employers to formalize their workforce while reducing the financial burden of hiring new employees.

3. “Aatmanirbhar Bharat Rojgar Yojana (ABRY)”: This is an employment generation scheme introduced as part of the government's Aatmanirbhar Bharat initiative. The scheme aims to incentivize the creation of new jobs by providing a subsidy to eligible employers for the Employee Provident Fund (EPF) contributions of new employees. Under ABRY, the government pays the employee's and employer's share of EPF contributions (12% each) for a period of two years. This scheme aims to boost employment opportunities and promote economic growth in the country.
4. EPFO - Provisional Monthly Estimate of Payroll: The Provisional Monthly Estimate of Payroll is an initiative by the Employees' Provident Fund Organization (EPFO) to provide timely and accurate estimates of employment and wage data. It helps policymakers, researchers, and analysts to track the employment scenario in the formal sector. EPFO collects data from employers and generates provisional estimates of the number of employees, wages paid, and contribution towards social security schemes. This data enables the government to assess the effectiveness of various labor welfare schemes and formulate appropriate policies.
5. “National Career Service [NCS Portal]”: This Portal is an online platform established by the Ministry of Labor and Employment, Government of India. It aims to provide a variety of employment-related services to job seekers, employers, and career counselors. The portal offers job search facilities, career counseling, vocational guidance, information on skill development programs, and job fairs. It serves as a centralized platform connecting job seekers with employers, facilitating skill development, and promoting a more efficient and transparent labor market in the country.
6. Shram Suvidha Portal: Shram Suvidha Portal is an online platform introduced by the Ministry of Labor and Employment, Government of India. It integrates various labor welfare schemes and services to provide a unified interface for employers to comply with labor laws and regulations. The portal enables employers to register establishments, submit statutory returns, and obtain various licenses and approvals related to labor laws, including the “Employees' Provident Fund (EPF), Employees' State Insurance Corporation (ESIC)”, and labor welfare fund. It simplifies and streamlines the process, ensuring transparency and ease of compliance for employers.

7. **ESIC-SPREE-A (Scheme for Promoting Registration of Employers and Employees):**
ESIC-SPREE-A is a scheme launched by the Employees' State Insurance Corporation (ESIC) to promote the registration of employers and employees under the Employees' State Insurance (ESI) Act. The scheme aims to provide social security benefits to workers in the organized sector by offering medical care, disability benefits, maternity benefits, and more. ESIC-SPREE-A provides incentives to employers for timely registration of employees and ensures compliance with ESI contributions. By encouraging registration, the scheme enhances the welfare of employees and promotes a healthier and more secure work environment.

Organizational Commitment:

Organizational commitment is people's emotional relationship to their company. It encompasses emotional attachment, a sense of belonging, and a willingness to exert effort for the organization's success. Affective commitment involves a strong emotional bond and identification with the organization, continuance commitment is based on perceived costs of leaving, and normative commitment arises from a sense of obligation. Organizational commitment improves work satisfaction, performance, and turnover intentions.

Organizational Citizenship Behavior (OCB):

Organizational citizenship behavior entails voluntary actions that go beyond an employee's formal job requirements, benefiting the organization and its members. These behaviors can be directed towards individuals, including helping, cooperating, and mentoring colleagues, or towards the organization, such as suggesting improvements and participating in optional activities. OCB contributes to a positive work environment, teamwork, innovation, and organizational performance, ultimately enhancing overall organizational success. It is characterized by its discretionary nature, as it is not explicitly mandated or rewarded by the organization.

However, despite the widespread adoption of labor welfare schemes, there is a lack of comprehensive empirical research examining their effectiveness in India. Specifically, the relationship between labor welfare schemes and two important employee outcomes, namely organizational commitment and organizational citizenship behavior, remains understudied.

Organizational citizenship conduct encompasses voluntary acts and contributions beyond work obligations, whereas organizational commitment is employees' connection, loyalty, and identity with their company.

Understanding the impact of labor welfare schemes on organizational commitment and organizational citizenship behavior is crucial for organizations seeking to enhance employee engagement, productivity, and overall organizational performance. By investing in employee well-being and fostering a supportive work environment, firms may inspire workers to act in ways that benefit the company.

This study examines how labor welfare policies in India increase organizational commitment and civic behavior to fill this research vacuum. SEM and regression analysis are used to investigate labor welfare programs, organizational commitment, and organizational citizenship behavior. This work uses these analytical methods to explore the processes and quantify the effects of labor welfare systems on desired outcomes.

This research will provide empirical data on labor welfare programs in India. This study will show firms and politicians how labor welfare systems may improve employee attitudes and actions. This study attempts to establish methods and policies that improve employee well-being, organizational commitment, and organizational citizenship in India's heterogeneous workforce.

Methodology:

It used primary and secondary data. Stratified random sampling gathered primary data. A survey among 120 respondents is conducted through a self-administered questionnaire. The questionnaire contains 17 questions including some demographic questions and was further divided into variables. The responses are collected from respondents through e-mail. The responses were collected and then analyzed using SPSS V27 to find out the required regression and correlational test. The reliability and validity of questionnaire will be calculated using Cronbach's alpha. IBM AMOS V21 was used to do the structure equation modeling and the model was created using it.

In the research, to reveal the impact and relationship of "Labor welfare Schemes on Organizational Commitment and Organizational Citizenship Behavior will be calculated using the regression analysis and Pearson correlation test respectively.

Reliability:

| Case Processing Summary | | |
|-------------------------|-----------------------|------------|
| | | N |
| Cases | Valid | 120 |
| | Excluded ^a | 0 |
| | Total | 120 |
| Reliability Statistics | | |
| Cronbach's Alpha | | N of Items |
| 0.986 | | 17 |

The presented table shows the reliability output of the questionnaire. There was a total of 17 questions and 120 respondents. The value of Cronbach's Alpha is 0.986, which is a very high value, suggesting that the results obtained are reliable and can be used for further studies.

Results:

Demographic:

| Variables | | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------|------------------------|-----------|---------|---------------|--------------------|
| Gender | Male | 69 | 57.5 | 57.5 | 57.5 |
| | Female | 51 | 42.5 | 42.5 | 100.0 |
| Age | 18-25 | 30 | 25.0 | 25.0 | 25.0 |
| | 26-35 | 40 | 33.3 | 33.3 | 58.3 |
| | 36-45 | 20 | 16.7 | 16.7 | 75.0 |
| | 46-55 | 20 | 16.7 | 16.7 | 91.7 |
| | 56 and above | 10 | 8.3 | 8.3 | 100.0 |
| Experience | Less than 1 year | 20 | 16.7 | 16.7 | 16.7 |
| | 1 to 3 years | 40 | 33.3 | 33.3 | 50.0 |
| | 3 to 5 years | 30 | 25.0 | 25.0 | 75.0 |
| | More than 5 years | 30 | 25.0 | 25.0 | 100.0 |
| Industry | Manufacturing | 20 | 16.7 | 16.7 | 16.7 |
| | Information Technology | 10 | 8.3 | 8.3 | 25.0 |

| | | | | | |
|--|--------------|----|------|------|-------|
| | Healthcare | 20 | 16.7 | 16.7 | 41.7 |
| | Retail | 20 | 16.7 | 16.7 | 58.3 |
| | Construction | 30 | 25.0 | 25.0 | 83.3 |
| | Other | 20 | 16.7 | 16.7 | 100.0 |

The data provided presents information about several variables, namely Gender, Age, Experience, and Industry.”

In terms of Gender, the majority of respondents identified as Male, accounting for 57.5% of the sample, while Female respondents constituted 42.5%.

Moving on to Age distribution, the respondents were grouped into different categories. The largest age group was 26-35, representing 33.3% of the respondents. The 18-25 age group accounted for 25.0%, followed by 16.7% each for the 36-45 and 46-55 age groups. Lastly, respondents aged 56 and above comprised 8.3% of the sample.

Regarding Experience, respondents were divided into four categories. The highest proportion of respondents fell into the 1 to 3 years category, making up 33.3% of the sample. The Less than 1 year and More than 5 years categories each accounted for 16.7%, while the 3 to 5 years category constituted 25.0%.

In terms of Industry, the respondents represented various sectors. The Construction industry had the largest representation, with 25.0% of the respondents. Healthcare and Retail industries each constituted 16.7%, while Manufacturing and Other industries accounted for 16.7% as well. “The Information Technology sector had the smallest representation, with 8.3% of the respondents.

Findings:

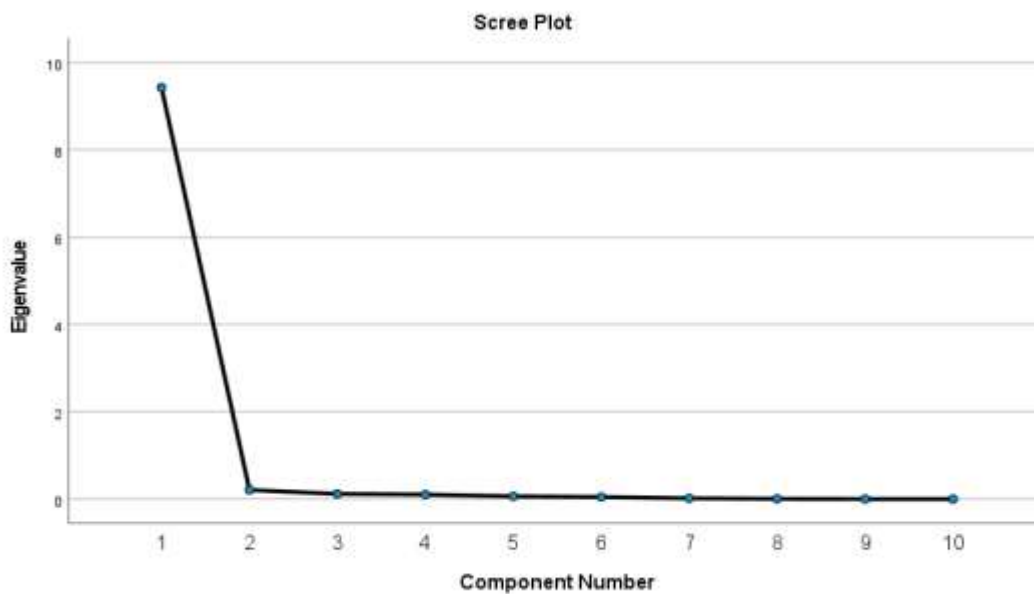
Exploratory Factor Analysis:

| KMO and Bartlett's Test | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | 0.674 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 3755.894 |
| | df | 45 |
| | Sig. | 0.000 |

KMO and Bartlett's Test was applied in which KMO value found is .674 which is more than the 0.6 hence it confirms the validity of the factor analysis and Bartlett's test of sphericity confirms the presence of significant correlations among the variables. This indicates that factor analysis can be applied to explore underlying factors within the data.

| Total Variance Explained | | | | | | |
|-------------------------------------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|
| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| Labor Welfare Scheme | 9.427 | 94.273 | 94.273 | 9.427 | 94.273 | 94.273 |
| PM-SYM | 0.210 | 2.098 | 96.371 | | | |
| PMRPY | 0.119 | 1.190 | 97.560 | | | |
| ABRY | 0.104 | 1.044 | 98.604 | | | |
| EPFO | 0.064 | 0.637 | 99.241 | | | |
| NCS | 0.048 | 0.483 | 99.724 | | | |
| SSP | 0.018 | 0.184 | 99.907 | | | |
| ESIC-SPREE-A | 0.007 | 0.066 | 99.973 | | | |
| Organizational Commitment | 0.002 | 0.024 | 99.997 | | | |
| Organizational Citizenship Behavior | 0.000 | 0.003 | 100.000 | | | |

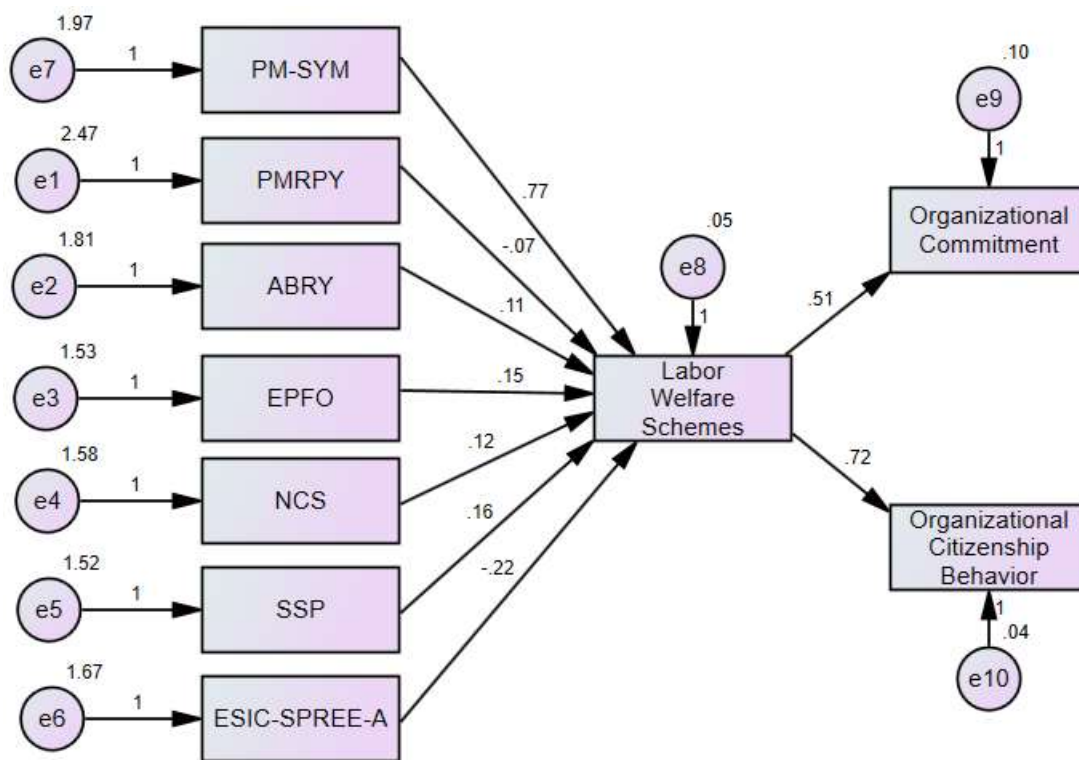
It is found from the table that the above-mentioned factors explain total 100% of the variance in which the first factor individually explains 94.273 % of the variance which basically consists of all the labor welfare schemes included in the study mentioned as from 2nd factor to 8th factor.”



This figure is the graphical representation of the factor values obtained from the table total variance explained.

| Component Matrix ^a | |
|-------------------------------------|-----------|
| Factors | Component |
| Labor Welfare Scheme | 0.985 |
| PM-SYM | 0.984 |
| PMRPY | 0.975 |
| ABRY | 0.960 |
| EPFO | 0.977 |
| NCS | 0.963 |
| SSP | 0.977 |
| ESIC-SPREE-A | 0.975 |
| Organizational Commitment | 0.954 |
| Organizational Citizenship Behavior | 0.958 |

Structure Equation Modeling:



“Regression Analysis:

| Model Summary ^b | | | | | | |
|----------------------------|------------|-------------------|----------|-------------------|----------------------------|-------------------|
| Model | | R | R Square | Adjusted R Square | Std. Error of the Estimate | |
| Regression Model | | .984 ^a | 0.968 | 0.968 | 0.24491 | |
| ANOVA ^a | | | | | | |
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| Regression Analysis | Regression | 215.482 | 2 | 107.741 | 1796.316 | .000 ^b |
| | Residual | 7.018 | 117 | 0.060 | | |
| | Total | 222.500 | 119 | | | |

The regression model summary and ANOVA table provide information about the analysis conducted to assess the impact of labor welfare schemes on organizational commitment and organizational citizenship behavior.

With an R-squared of 0.968, the regression model fits well. Labor welfare programs explain 96.8% of organizational commitment and civic behavior variation.

The ANOVA table demonstrates that the regression analysis is statistically significant ($p < .000$), indicating that labor welfare schemes in the model affect organizational commitment and civic behavior. The regression component contributes 215.482 units to the sum of squares, whereas the residual component contributes 7.018 units. The regression model explains most of the result variable variation, not random error.

Correlation Test:

| Correlations | | |
|-------------------------------------|---------------------|-----------------------|
| | | Labor Welfare Schemes |
| Organizational Commitment | Pearson Correlation | .907** |
| | Sig. (2-tailed) | 0.000 |
| | N | 120 |
| Organizational Citizenship Behavior | Pearson Correlation | .979** |
| | Sig. (2-tailed) | 0.000 |
| | N | 120 |

The table presents correlations between Labor Welfare Schemes, Organizational Commitment, and Organizational Citizenship Behavior. Each correlation coefficient is accompanied by its significance (p-value) and the sample size (N).”

The correlation between Labor Welfare Schemes and Organizational Commitment is .907, indicating a strong positive relationship. The p-value of 0.000 suggests that this correlation is highly significant, meaning it is unlikely to occur by chance. The sample size of 120 indicates the number of cases used to calculate the correlation.

Similarly, the correlation between Labor Welfare Schemes and Organizational Citizenship Behavior is .979, indicating a very strong positive relationship. The p-value of 0.000 indicates

the high significance of this correlation, and the sample size of 120 reflects the number of cases included in the analysis.

Discussion:

According to studies, labor aid schemes greatly impact organizational citizenship and commitment. SEM and regression analysis clearly suggest that labor assistance initiatives increase these employee outcomes. When employees are helped and rewarded by labor assistance programs, organizational commitment increases. This validates previous studies and theories that supportive organizational practices and policies boost employee engagement. Health benefits, childcare, flexible work, and training may increase business loyalty.

Labor welfare affects organizational citizenship. If they think the firm cares for them and provides welfare programs, employees are more likely to do things that benefit the company and their colleagues. This supports the premise that supported employees work more to help the firm flourish. This research reinforces past findings that labor welfare systems, organizational commitment, and civic behavior are positively associated. It strengthens the theory and evidence that labor support programs affect employee behavior. These discoveries affect theory and practice. Labor aid programs improve civic and organizational commitment, according to this study. These findings help companies develop labor welfare programs that boost employee morale.

Companies should implement labor welfare policies that fulfil employees' needs. Welfare measures may create a welcoming workplace that encourages devotion and success. These findings emphasize employee well-being and the relationship between supportive behaviors and performance. This study reveals that labor support programs greatly impact organizational citizenship and commitment. These findings strengthen theoretical knowledge of labor welfare schemes and employee outcomes and provide practical advice for companies seeking to boost employee engagement and workplace behavior.

Conclusion:

This research examined how Indian labor welfare programs boost civic and organizational commitment. Labor welfare programs strongly influence organizational citizenship and commitment. Structural equation modelling and regression demonstrate labor welfare schemes

increase employee outcomes. This study verifies past research and theoretical expectations that supportive organizational practices and policies improve employee commitment and engagement. Labor welfare schemes promote employee loyalty and discretionary activities that benefit the organization and colleagues. These discoveries affect theory and practice. Labor assistance programs alter employee attitudes and behavior, according to study. Organizational citizenship, labor welfare, and commitment are widely known. The findings demonstrate the need of creating and implementing comprehensive labor welfare programs that satisfy employees' needs.

Supportive workplaces boost employee performance; therefore, welfare programs should target them. Well-being and commitment improve employee engagement, productivity, and performance. The findings imply that labor welfare programs may change employee attitudes and behavior and help organizations boost commitment and positivity. Cross-sectional, self-reported data, and India-specific context limit this study. Longitudinal research may evaluate these linkages and labor support strategies across industries and countries. This study examines how labor aid programs impact organizational citizenship and commitment. Companies may benefit from the results.

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