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## Exploring the role of employee welfare initiatives on employee satisfaction, communication and productivity

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### Abstract

This study evaluates the effectiveness of employee welfare programs in the automobile industry, with a focus on employee awareness, satisfaction, and operational challenges in implementing these initiatives. In a competitive environment where employee retention, productivity, and work-life balance are critical, understanding the impact of welfare measures is essential for strategic HR decision-making.

Using a descriptive research design, the study identifies welfare measures adopted by automobile companies, assesses employees' awareness and satisfaction levels, and provides actionable recommendations for improvement. Data were collected through questionnaires, employee interactions, and observations, supplemented by secondary sources such as journals and articles. A sample of 216 employees was selected through convenience sampling, and statistical analysis was conducted using SPSS, including chi-square and frequency distribution tests.

The study tests three key hypotheses: (1) whether employees' perceptions of current welfare activities are linked to their freedom to suggest improvements; (2) whether awareness of leave policies affects satisfaction with those policies; and (3) whether perceptions of grievance handling influence satisfaction with employee-employer communication. These hypotheses were analyzed to identify significant associations and insights for HR strategy.

The findings highlight the welfare programs that drive employee satisfaction and engagement, reveal areas where awareness and communication can be improved, and provide recommendations to enhance retention, productivity, and workforce motivation. Overall, the study offers practical guidance for optimizing employee welfare strategies in the automobile sector.

**Keywords:** Human resource development, employee welfare, organisational effectiveness, satisfaction and employee communication

### Introduction

Employee welfare programs in the automobile industry cover a wide range of services, benefits, and facilities designed to support employee well-being, enhance morale, and improve overall productivity. Given the labour-intensive and safety-critical nature of this sector, welfare initiatives are carefully structured and often aligned with international standards. Statutory measures mandated by law such as access to clean drinking water, proper seating, first-aid facilities, hygienic sanitation, canteens, spittoons, adequate lighting, washing and changing rooms, lockers, and restrooms ensure that employees work in a safe and healthy environment.

In addition to these mandatory provisions, companies voluntarily offer non-statutory welfare programs, including regular health check-ups, flexible work hours, employee assistance and counseling services, medical insurance, and referral schemes. These initiatives help employees meet their physical, emotional, and professional needs. In the automobile industry, welfare programs play a key role in reducing workplace accidents, improving job satisfaction and morale, lowering absenteeism and turnover, enhancing productivity and quality, strengthening employer branding, and ensuring legal compliance. Together, these measures help create a motivated, efficient, and committed workforce capable of meeting the industry's demanding operational standards. Employee welfare has also become a central focus in human resource management, recognized as a key factor influencing employee satisfaction, motivation, productivity, and overall organizational effectiveness.

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Research consistently shows that welfare programs both monetary and non-monetary improve employees' physical, mental, economic, and social well-being. Studies by Rajasekar (2022) <sup>[1]</sup> and Jariwala (2014) <sup>[2]</sup> highlight that welfare initiatives positively impact efficiency, morale, attentiveness, and quality of work life, supporting higher productivity and holistic employee development.

Welfare measures have a dual role: statutory provisions ensure compliance with labour laws, while non-statutory benefits enhance employee loyalty and engagement. Research by Aruna & Seetha (2019) <sup>[3]</sup> and Ravi & Raja (2016) <sup>[4]</sup> confirms that effective welfare programs strengthen industrial relations and foster commitment. Further studies (Mohanapriya et al., 2019) <sup>[5]</sup> demonstrate measurable links between welfare initiatives, employee self-efficacy, and work performance. Across sectors from automobile and manufacturing to technology employee welfare improves job satisfaction, retention, and overall morale (Mishra & Joshi, 2022; Saravana Kumar & Akilandeswari, 2017) <sup>[6, 7]</sup>.

Methodologically, most research adopts descriptive designs, using primary data from questionnaires and secondary data from journals, articles, and books. Common analytical tools include chi-square tests, ANOVA, correlation, and reliability tests, providing quantitative and qualitative insights into employee perceptions. Sample sizes vary widely, reflecting different industrial contexts and workforce demographics.

Overall, the literature establishes that employee welfare is a strategic investment that delivers long-term benefits. It promotes well-being, fosters a positive work environment, reduces absenteeism, boosts loyalty, and strengthens organizational culture. Effective welfare programs must evolve continuously to meet changing social, economic, and industrial conditions. Studies advocate for greater employee involvement in welfare planning, alignment with statutory requirements, and continuous improvement to ensure workforce sustainability. Ultimately, well-designed welfare initiatives are foundational to creating a motivated, productive, and committed workforce.

## Research Methodology

This study adopts a descriptive research design to examine employee welfare measures in the automobile industry, focusing on employee awareness, satisfaction, and operational challenges. The primary objectives are to study the concept of employee welfare, identify welfare measures implemented by companies, assess employees' awareness and satisfaction regarding these measures, and provide actionable suggestions for improvement. The study tests three hypotheses: first, whether employees' perceptions of current welfare activities are associated with their perceived freedom to suggest improvements; second, whether awareness of the leave policy affects satisfaction with it; and third, whether perceptions of grievance handling influence satisfaction with employee-employer communication. Primary data were collected through structured questionnaires, employee interactions, and direct observations, supplemented by secondary sources such as journals, articles, and books. A sample of 216 employees was selected from a population of 300 using convenience sampling. Data analysis was performed using SPSS, employing tools such as chi-square tests and frequency distribution to examine associations between variables, with

careful attention to sample size and independence assumptions to ensure valid statistical inferences. The methodology provides a structured approach to understanding practical difficulties in welfare implementation, gauging employee preferences, and generating insights for optimizing welfare strategies to enhance satisfaction, retention, and productivity in the automobile sector.

## Hypothesis

### Hypothesis 1

- **Null Hypothesis (H<sub>0</sub>):** Employees' views on current welfare activities are not related to how free they feel to suggest improvements.
- **Alternative Hypothesis (H<sub>1</sub>):** Employees' views on current welfare activities are related to how free they feel to suggest improvements.

### Hypothesis 2

- **Null Hypothesis (H<sub>0</sub>):** Employees' awareness of the leave policy does not affect their satisfaction with it.
- **Alternative Hypothesis (H<sub>1</sub>):** Employees' awareness of the leave policy affects their satisfaction with it.

### Hypothesis 3

- **Null Hypothesis (H<sub>0</sub>):** Employees' perceptions of grievance handling do not affect their satisfaction with employee-employer communication.
- **Alternative Hypothesis (H<sub>1</sub>):** Employees' perceptions of grievance handling affect their satisfaction with employee-employer communication.

## Reliability Test

### Cronbach's Coefficient Alpha for Human Resource Functions

Practices	Cronbach's Alpha
Employee Welfare Measures	0.9

It is found that, there is good reliability across employee welfare measures as their alpha values are more than 0.70. Hence, the internal consistency is found to be very high.

## Data Analysis and Interpretation

### Demographic and Employee Welfare Analysis

The demographic profile of the respondents indicates a notable gender imbalance, with males representing approximately 71% and females 29% of the sample. This may reflect the workforce composition within the organization or survey participation trends. Age distribution shows a predominantly young workforce, with over 65% of employees aged between 20 and 30 years. Similarly, experience profiles reveal that around 70% of employees have less than 10 years of tenure, highlighting a relatively new workforce.

Employee perceptions of the work environment are largely positive. About 40% of respondents are satisfied, and 17% are highly satisfied, while smaller proportions report neutral or negative sentiments. Awareness of welfare measures is generally strong, with 69% informed about educational benefits and 64% aware of leave policies, though communication can be improved for the remaining employees. Retirement benefits are well-received, with over

85% rating them as good or excellent. Other welfare provisions including medical benefits, maternity leave, general leave policies, canteen and restroom facilities, uniform policies, and first-aid and air ventilation measures also received predominantly positive feedback, indicating broad appreciation for both statutory and non-statutory initiatives. Employees recognize the motivational and well-being impact of welfare programs, with over 80% agreeing that these initiatives enhance work efficiency and improve physical and mental health. However, perceptions of employee-employer communication are mixed: 34% of employees remain neutral, and around 21% express dissatisfaction, highlighting opportunities for improved communication. Current welfare activities and safety training programs are generally viewed positively, yet a significant portion of employees (approximately 68%) perceive room for further improvement, indicating potential for greater engagement and effectiveness.

Training and professional development support exists but is limited. Only 36% of respondents perceive significant career growth opportunities, and 62% have received welfare-related training. Employees feel moderately free to express suggestions regarding welfare measures, with nearly 66% reporting moderate to high levels of perceived freedom. Overall, satisfaction with welfare measures is positive, with nearly 64% of employees satisfied or highly satisfied, though further improvements in communication, training, and additional benefits could enhance engagement and satisfaction.

### Hypothesis Testing

#### Employees' experience and perception of welfare improvement

**Table 1: Chi-Square Tests**

Test	Value	DF	Asymptotic Significance (2-sided)
Pearson Chi-Square	2.463	3	.482
Likelihood Ratio	2.446	3	.485
Linear-by-Linear Association	.865	1	.352
N of Valid Cases	216		

0 cells (0.0%) have expected count less than 5. Minimum expected count is 7.13.

The chi-square test yielded a statistic of 2.463 with 3 degrees of freedom and a p-value of 0.482. As the p-value exceeds 0.05, the null hypothesis is not rejected, indicating no significant relationship between employee tenure and perceptions of the need for further improvement in welfare measures. Employee experience does not significantly influence their views on welfare enhancement.

#### Employee welfare activities and freedom to express ideas

**Table 2: Chi-Square Tests**

Test	Value	DF	Asymptotic Significance (2-sided)
Pearson Chi-Square	42.705	16	.000
Likelihood Ratio	38.513	16	.001
Linear-by-Linear Association	14.708	1	.000
N of Valid Cases	216		

10 cells (40.0%) have expected count less than 5. Minimum expected count is .67.

**Table 3: Symmetric Measures**

Measure Type	Statistic	Value	Asymptotic Standard Error	Approx. T	Approx. Significance
Interval by Interval	Pearson's R	.262	.073	3.964	.000
Ordinal by Ordinal	Spearman Correlation	.257	.070	3.898	.000
N of Valid Cases					

#### Notes:

A. Not assuming the null hypothesis.

B. Using asymptotic standard error assuming the null hypothesis.

C. Based on normal approximation.

The chi-square statistic is 42.705 with 16 degrees of freedom, and the p-value is 0.000. This is below the 0.05 significance level, leading to rejection of the null hypothesis. Employees' perceptions of current welfare activities are significantly associated with their sense of freedom to suggest improvements, highlighting the importance of inclusive welfare engagement.

#### Awareness of leave policy and satisfaction

**Table 4: Chi-Square Tests**

Test	Value	DF	Asymptotic Significance (2-sided)
Pearson Chi-Square	5.929	4	.204
Likelihood Ratio	6.602	4	.158
Linear-by-Linear Association	.066	1	.797
N of Valid Cases	216		

4 cells (40.0%) have expected count less than 5. Minimum expected count is .36.

**Table 5: Symmetric Measures**

Measure Type	Statistic	Value	Asymptotic Standard Error	Approx. T	Approx. Significance
Interval by Interval	Pearson's R	.108	.074	1.594	.112
Ordinal by Ordinal	Spearman Correlation	.055	.074	.803	.423
N of Valid Cases		216			

#### Notes:

A. Not assuming the null hypothesis.

B. Using the asymptotic standard error assuming the null hypothesis.

C. Based on normal approximation.

**Table 6: Symmetric Measures**

Measure Type	Statistic	Value	Asymptotic Standard Error	Approx. T	Approx. Significance
Interval by Interval	Pearson's R	.108	.074	1.594	.112
Ordinal by Ordinal	Spearman Correlation	.055	.074	.803	.423
N of valid cases		216			

A. Not assuming the null hypothesis.

B. Using the asymptotic standard error assuming the null hypothesis.

C. Based on normal approximation.

The chi-square statistic is 58.362 with 16 degrees of freedom and a p-value of 0.000, below the 0.05 threshold. This indicates a statistically significant association between employees' perceptions of grievance handling and their satisfaction with communication systems. Effective grievance resolution is therefore closely linked to employee satisfaction with organizational communication.

The analysis demonstrates that while tenure and policy awareness do not significantly influence perceptions of welfare measures, engagement with welfare activities and effective grievance handling play a critical role in enabling employees to express ideas and enhancing satisfaction with communication systems. These findings emphasize the importance of proactive welfare management, transparent grievance processes, and continuous employee engagement to drive satisfaction, motivation, and organizational performance.

### Recommendations

Based on the analysis, here are some suggestions that address potential areas that could hamper industry growth if left unaddressed: Enhance communication about welfare benefits and policies through workshops, interactive sessions, or digital resources. Ensuring that all employees are well-informed will reduce any ambiguity and improve engagement, potentially reducing turnover rates and dissatisfaction.

To sustain employee satisfaction, continue investing in work environment improvements and conduct regular safety and welfare training sessions. This commitment helps the industry maintain a skilled, satisfied workforce, which is essential for productivity and competitiveness.

Foster a culture of open communication, where employees feel empowered to share ideas on welfare and company policies. Regular feedback loops, suggestion boxes, and town hall meetings can be effective. This approach can prevent potential disengagement and foster a more innovative, supportive work environment.

Establish a clear, confidential grievance process, ensuring timely responses and resolutions. Transparent handling of concerns builds trust in management, reducing potential dissatisfaction and negative perceptions, which can affect industry reputation.

Implement programs that address physical and mental well-being, such as fitness sessions, 718 counselling, or mental health days. By investing in well-being, companies can prevent burnout, enhance motivation, and improve retention, thus avoiding the loss of experienced talent crucial to industry success.

By proactively addressing these areas, companies in the industry can maintain high employee satisfaction, avoid potential productivity drops, and strengthen overall workforce stability.

### Managerial Implications

The study of employee welfare in the automobile industry reveals several key insights for management. Most employees report satisfaction with their work environment, with a significant portion highly satisfied, highlighting the importance of maintaining safe, comfortable, and supportive workplaces. Welfare provisions such as medical benefits, leave policies, and safety training are generally well-received, although some employees remain neutral, indicating areas for improvement. While most employees have undergone welfare-related training, awareness of policies like leave entitlements is not universal, emphasizing the need for clearer communication across the workforce.

Employees perceive welfare measures as motivating, enhancing physical and mental well-being, and improving overall standards of living. The analysis shows a significant association between employees' engagement with welfare

initiatives and their perceived freedom to express ideas, as well as between grievance handling and satisfaction with employee-employer communication. Conversely, employee tenure and awareness of leave policies do not significantly impact perceptions of welfare or satisfaction, suggesting that welfare engagement and communication are more critical than experience alone.

To strengthen welfare outcomes, companies should enhance communication of policies through workshops, digital resources, and interactive sessions, ensuring that all employees understand the benefits available. Promoting open communication channels, such as suggestion forums and town halls, will empower employees to share ideas and feedback on welfare measures. Transparent grievance management, timely resolutions, and well-structured welfare programs are essential for building trust, reducing dissatisfaction, and improving workplace morale. Additionally, investing in physical and mental well-being initiatives, along with training and career development opportunities, can prevent burnout, enhance motivation, and improve retention.

Overall, employees in the automobile industry express positive views of their company's welfare measures, particularly in areas such as medical benefits, leave policies, and safety training. While tenure does not affect perceptions of welfare improvement, employee engagement and effective grievance handling significantly influence satisfaction and communication effectiveness. By focusing on clear communication, inclusive engagement, and comprehensive welfare initiatives, organizations can sustain a motivated, productive, and committed workforce, enhancing overall organizational performance and competitiveness.

### Conclusion

The analysis reveals that employees generally hold positive views regarding their company's work environment and welfare provisions, with many expressing high satisfaction, particularly in sectors such as the automobile industry. Key welfare measures, including medical benefits and leave policies, are favourably received, though there remains room for enhancing awareness and communication, particularly regarding policy details. Notably, safety training is widely experienced, contributing to employee well-being and motivation. While no link was found between tenure and the perceived need for welfare improvements, the analysis highlights an association between satisfaction levels and employees' freedom to express ideas about welfare initiatives. Additionally, employees' perceptions of grievance handling are closely tied to their satisfaction with communication within the company. This suggests that continued focus on transparent and supportive communication, along with accessible welfare policies, will likely enhance overall employee satisfaction and well-being.

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