

# International Journal of Research in Human Resource Management



E-ISSN: 2663-3361  
P-ISSN: 2663-3213  
IJRHRM 2019; 1(2): 39-42  
Received: 24-05-2019  
Accepted: 28-06-2019

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## A study on social security measures in the textile industry of Andhra Pradesh

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### Abstract

The purpose of this study is to know whether the workers are aware of the provisions of social security benefits and their level of satisfaction towards the social security benefits provided by textile industries in Andhra Pradesh. The outcome of the study may help the administration and policy makers to differentiate the satisfying factors from dissatisfying and to take effective steps to improve the social security benefits in the textile industry.

**Keywords:** social security, measures, textile industry, Andhra Pradesh

### 1. Introduction

#### Concept of social security measures

Social security forms an important part of labour welfare providing the "security" which is of great importance to the worker's and their families well-being. The concept of social security measure is well reflected in the ILO definition. "It can be taken to mean the protection which society provides for its members, through a series of public measures, against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age and death; the provision of medical care, and the provision of subsidies for families with children "

The concept of social security varies from country to country with different political ideologies. In the socialist countries, the avowed goal is complete protection to every citizen from the cradle to the grave. In other nations with less regimented economics, a measure of protection is afforded to all the needy citizens by means of schemes evolved by democratic processes consistent with the resources of the state. The social security (minimum standards) convention (No.102) adopted by the ILO in 1952 defines the nine branches of social security benefit: They are

1. Medical care
2. Sickness benefit
3. Old age benefit
4. Employment injury benefit
5. Family benefit
6. Maternity benefit

#### 2. Statement of the problem

"Law is not an abstract thing, it is a living organism since it is applied on living human beings". Industrialisation has brought with it, huge employment opportunities, mass production, distribution of goods and commodities but at the same time carried with it certain disadvantages to workmen as loss of freedom, unhygienic working conditions, no freedom of contract, the dynamics of market and self interest. Industry demands interaction of people. Industrial relations involves inaction and violent action, conflict and cooperation. Labour management is based on labour policy, laws, rules, regulations, agreements, awards, social sciences, behaviour pattern, sociology, psychology and human approach. Industrial relation is the process by which working people and their organisation interact at the place of work to establish terms and conditions of work. When people sell their services and spend their lives in the premises of the purchaser of the services, a varying amount of dissatisfaction, discontent, industrial unrest likely to occur. Hence the need for employee legislations. The State has enacted many employee legislations to control the industries as to

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safeguard the interest of employees as well to cater to their welfare and security needs. The Employee Legislation, The Labour Legislation or The Industrial Legislation or The Human Resources Legislation, whatever name it may be called refers to the one and the same concept that covers a number of legislations passed by the Parliament to procure for the employees, higher wages, healthy working condition, opportunity to advance, satisfaction at work, avenues for raising industrial dispute and protection against loss of wages, over work and arbitrary treatment. This concept could easily be comprehended when we undertake the study of all the characters who play the roles in an industrial organisation. The main characters are Employer, Employee, the Trade Union and the Government.

Indian Labour generally speaking are exploited to the core. Most of them have migrated from rural areas to the urban areas and they are classified as illiterates, arrogant, undisciplined untrained, unskilled and uncontrollable. This assessment is made on the organised labour which constitutes merely 8 percent of the country's total labour force. The remaining work force falls under the category of unorganised sector who are not fully taken care of. The Indian Employee Legislations were oriented towards safeguarding the interest of employees and protecting them against exploitation. These Legislations are mostly Government controlled under the banner of Labour Commissioner, Labour Officer Conciliation, Inspectorate, Enforcement Officers and other officers. These officers have in the past only tried to shield the employers and the execution of the laws was in fact unfavourable to Employees whose plight presents a pathetic picture.

Reforms in Labour laws is being much talked in recent years. It is being advocated that all talk of liberalization is futile without squarely facing up to the imperative of labour reforms. These are an integral part of the economic reforms process itself. Other efforts at raising the standard of performance on the economic front to world class are apt to stall if those managing enterprises find themselves hamstrung by outdated trade union laws and dilatory methods of adjudication of industrial disputes. The aspects social security benefits have their due prominence in the industrial process and in this context it was proposed to study the aspects under the title "Social Security Measures in the Textile Industry of Andhra Pradesh – A Study

### 3. Need for the study

Industrial progress depends on satisfied labour force and in this connection the importance of welfare and social security measures was accepted long back. Social security concept is basically based on human values, where each citizen has a right to work in a congenial environment with no hazards to his health on reasonable wages and other terms and conditions of employment. The days are over when labour was considered to be a commodity. When a worker joins industry he has to work in an entire strange atmosphere, creating problems of adjustment. Having a satisfied workforce is very much essential for smooth working of every organization<sup>[1]</sup>. So this study is conducted to know whether the workers are aware of the provisions of social security benefits and their level of satisfaction towards the social security benefits provided by textile

industries in Andhra Pradesh. The outcome of the study may help the administration and policy makers to differentiate the satisfying factors from dissatisfying and to take effective steps to improve the social security benefits in the textile industry.

### 4. Past studies

Ahuja (1988)<sup>[2]</sup> in his book, "Personnel Management" emphasised the need for labour welfare and social security in India. He felt that provision of welfare and social security measures makes the employees satisfied with their jobs leading to their improved performance.

Arun Monappa (1990)<sup>[3]</sup> in his book, "Industrial Relations" discussed labour welfare and social security measures in detail. He also explained the various problems faced by the enforcement machinery in the implementation of these welfare and social security measures.

Srivastava (2007)<sup>[4]</sup> in his thesis, "Study of Labour Welfare and Social Security in the Industrial undertakings of RaiBareilli District" discussed comprehensively about the various welfare and social security measures provided by various companies in the district. The study found that a majority of the companies is employee welfare and social security oriented.

Hitesh I. Bhatia (2010)<sup>[5]</sup> in his article, "Social Security for the Most Overlooked Human Resources in India" stated that the formal social security support is available to only a small fraction of India's labour force working in the organised sector. A massive 93 per cent of the labour workforce in the unorganised sector continues to remain uncovered by any social security programs despite its huge contribution to the GDP.

### 5. Objectives of the study

1. To analyze the level of satisfaction of Technical and Non-Technical Cadre's employees on social security benefits in the select units.
2. To study the Employees' length of the service and the opinion on the level of satisfaction towards Social Security Measures.
3. To suggest measures for better implementation of social security provisions in the Textile Industry of Andhra Pradesh.

### 6. Methodology

The present study adopts the Descriptive Research Design. The study uses both primary and secondary data. Primary data was collected through schedule method, Secondary data was collected through company records, journals, books etc., the convenience sampling method was adopted to carryout the research study. The sample size for the study consists 460 (230 Technical/ 230 Non-Technical from 10 textile organizations which are located in Ganapavaram, Chilakaluripet, Guntur District, Andhra Pradesh) employees from the select cotton textile units in Guntur District and they are drawn from all the concerned departments on gender ratio of 50:50. The schedule consists of mostly closed ended questions with 5-point Likert scale i.e. Highly Satisfied, Satisfied, Average, Dissatisfied and Highly Dissatisfied. The statistical tools applied for the study are percentages, mean score, S D and Chi-square test.

**7. Data analysis and interpretation**

**Table 1:** Satisfaction regarding the implementation and compliance of the enactment of Social security measures by the Sample Units

Sl. No.	Particulars	Extremely Satisfied	Frequency Satisfied	Not Satisfied	Mean	SD
1	Workmen's compensation Act, 1923	10	325	76	2.46	0.463
2	Employee's PF Act, 1952	10	274	132	2.66	0.524
3	Payment of Gratuity Act, 1972	10	264	135	2.71	0.569
4	Payment of Bonus Act, 1965	82	190	56	1.96	0.718

Source: Field investigation

Table-1 shows the satisfaction regarding the implementation and compliance of the enactment of social security measures by the sample units. The opinion of the respondents were measured on three point scale with 1 = Extremely Satisfied, 2 = Satisfied, 3 = Not Satisfied.

Among the sample respondents, 325 respondents, are satisfied, 76 respondents are not satisfied with the implementation and compliance of the enactment of Workmen’s Compensation Act 1923 and the mean score is 2.46 for the compliance of the act, which indicates that the opinion towards workmen’s compensation Act is satisfied. 274 respondents are satisfied, 132 respondents are not satisfied with the implementation and compliance of the enactment of Employee’s PF Act, 1952 and mean score is 2.66 for the compliance of the act, which indicates the overall opinion towards Employee’s PF Act, 1952 is

satisfied. 264 respondents are satisfied and 135 respondents are not satisfied with the implementation and compliance of the enactment of payment of gratuity Act, 1972 and the mean score is 2.71 for the compliance of the Act, which indicates the overall opinion towards payment of Gratuity Act, 1972 is satisfied. 190 respondents are satisfied, 82 respondents are extremely satisfied and 56 respondents are not satisfied with the implementation and compliance of the enactment of payment of Bonus Act, 1965, the mean score is 1.96 for the compliance of the Act, which indicates the opinion towards payment of Bonus Act is satisfied. It can be seen that the highest mean score is 2.71 for payment of Gratuity Act, 1972 and the lowest mean score is 1.96 for payment of Bonus Act, 1965. It shows that majority of the respondents are satisfied with social security measures.

**Table 2:** Technical and Non-Technical Cadre’s opinion on the level of satisfaction towards social security measures Using Chi-Square

Sl. No.	Particulars	Cadre	Extremely Satisfied	Frequency Satisfied	Not Satisfied	Chi-Square	P value
1	Workmen's Compensation Act, 1923	Technical	5	157	39	0.247 (df=2)	0.642#
		Non-technical	5	168	37		
2	Employee's PF Act, 1952	Technical	5	125	79	8.624 (df=2)	0.005*
		Non-technical	5	149	53		
3	Payment of Gratuity Act, 1972	Technical	5	109	85	18.276 (df=2)	0.000*
		Non-technical	5	155	50		
4	Payment of Bonus Act, 1965	Technical	55	57	15	28.812 (df=2)	0.000*
		Non-technical	27	103	41		

Source: Field investigation

Note: # = Insignificance; \* = Significance at 5%.

Table-2 shows the technical and non – technical cadre’s opinion on the level of satisfaction towards social security measures. This includes: Workmen’s compensation Act,

1923, Employee’s PF Act, 1952, Payment of Gratuity Act, 1972, Payment of Bonus Act, 1965.

**Table 3:** The employees’ length of service and the opinion on the level of satisfaction towards social security measures Using Chi-Square

Sl. No	Particulars	Length of service	Extremely Satisfied	Frequency Satisfied	Not Satisfied	Chi- Square Value	P value
1	Workmen's compensation Act, 1923	Below 10 years	3	103	3	53.465 (df=4)	0.000*
		10-20 years	3	53	3		
		Above 20years					
2	Employee's PF Act, 1952	Below 10 years	3	103	3	115.458 (df=4)	0.000*
		10-20 years	3	53	3		
		Above 20 years	4	118	126		
3	Payment of Gratuity Act, 1972	Below 10 years	3	103	3	125.618 (df=4)	0.000*
		10-20 years	3	53	3		
		Above 20years					
4	Payment of Bonus Act, 1965	Below 10 years	3	103	3	199.326 (df=4)	0.000*
		10-20 years	3	53	3		
		Above 20					
		years	76	34	50		

Source: Field investigation Note: \* = Significance at 5%.

Table - 3 represents the employees' length of service and the opinion on the level of satisfaction towards social security measures. This includes Workmen's compensation Act, 1923, Employee's PF Act, 1952, Payment of Gratuity Act, 1972, Payment of Bonus Act, 1965.

### 1. Workmen's compensation act, 1923

Table - 3 represents the employees' length of service and the level of satisfaction towards the compliance of Workmen's Compensation Act, 1923. Out of 460 respondents, 103 respondents are satisfied with the service experience of below 10 years; 53 respondents are satisfied with the service experience of 10-20 years; 169 respondents are satisfied and 70 respondents are not satisfied with the service experience of above 20 years towards the compliance of Workmen's Compensation Act, 1923. As per statistical analysis there is a significant difference between the employees' length of service and the opinion on the level of satisfaction towards the compliance of Workmen's compensation Act  $P = 0.000 < 0.05$ .

### 2. Employee's provident fund act, 1952

Table-3 represents the employees' length of service and the level of satisfaction towards the compliance of Employee's Provident Fund Act, 1952. Among the selected respondents, 103 respondents are satisfied with the service experience of below 10 years; 53 respondents are satisfied with the service experience of 10-20 years; 118 respondents are satisfied and 126 respondents are not satisfied with the service experience of above 20 years towards the compliance of Employee's Provident Fund Act, 1952. As per statistical analysis there is a significant difference between the employees' length of service and the opinion on the level of satisfaction towards the compliance of Employee's Provident Fund Act  $P = 0.000 < 0.05$ .

### 3. Payment of gratuity act, 1972

Table-3 reveals the employees' length of service and the level of satisfaction towards the compliance of payment of gratuity act, 1972. Out of selected respondents, 103 respondents are satisfied with the service experience of below 10 years, 53 respondents are satisfied with the service experience of 10-20 years, 129 respondents are not satisfied, and 108 respondents are satisfied with the service experience of above 20 years towards the compliance of payment of gratuity Act 1972. As per statistical analysis there is a significant difference between the employees' length of service and the opinion on the level of satisfaction towards the compliance of Payment of Gratuity Act  $P = 0.000 < 0.05$ .

### 4. Payment of bonus act, 1965

Table-3 depicts the employees' length of service and the level of satisfaction towards the compliance of payment of bonus act. Out of selected respondents, 103 respondents are satisfied with the service experience of below 10 years, 53 respondents are satisfied with the service experience of 10-20 years, 76 respondents are extremely satisfied, 50 respondents are not satisfied, 34 respondents are satisfied with the service experience of above 20 years towards the compliance of payment of bonus Act, 1965.

As per statistical analysis there is a significant difference between the employees' length of service and the opinion on the level of satisfaction towards the compliance of Payment

of Gratuity Act  $P = 0.000 < 0.05$ .

### 8. Conclusion

Social security measures are important personnel and human resource functions in a business. The earlier view of considering labour as nothing more than a factor of production had changed over the years and now welfare for the employees holds a place of importance in the minds of every employer. The effective utilization of other factors of production depends on the efficiency of human factor. The worker spends more than a quarter of his life in his working place. Therefore the worker has every right to demand that the condition under which he works should be reasonable and provides proper safeguards for life and health. The amount of dedication, quality of work, commitment to the organization, morale etc. are all determined by the type and amount of welfare a worker receives. In this study it was found that the employees of the selected units in the textile industry are well aware of the provisions with regard to social security benefits provided by the organizations. It can also be concluded that the satisfactory levels of respondents with regard to social security measures are high.

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