

**Impact of Labour Welfare Measures on the Job
Satisfaction and Attitudes of the Employees:
The Case of Procter & Gamble in Egypt**

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Abstract

Employees spend more than two third of their lives in the organization that they work in. Therefore, the work environment should enable them to fulfill their expectations and to achieve their goals.

The satisfaction of employees is one of the prime focuses of the human resource management as it influences their occupational performance. The employees are considered valuable assets of any organization. Their contentment and wellbeing are important.

The labour welfare is believed to play an essential role in the development of the employees and the whole organization. It is considered a motivational factor for the employees .

To explore the impact of the labour welfare measures on employee attitudes and job satisfaction, this study was conducted using Procter& Gamble Company in Egypt (P&G) as a case study.

Key words: Labour welfare, job satisfaction, attitudes, Procter& Gamble, wellbeing

Introduction

With each day the business world becomes more globalized and competitive. Organizations are trying hard to compete in this business environment in order to be able to remain in business.

Besides the importance of technology, restructuring, innovations and diversification, much of operational results depend on the human factor. As believed by (Randhawa, 2005), no matter how sophisticated the organization's strategy, plan and technology are, the human factor inevitably is the key to success .

(Sridevi, 2006) mentioned that the success of any organization in the long run depends very much on the quality of the human resource. The organizations that were able to succeed in business are the ones that invested in the development of their human resource and the human capital.

When employees are properly taken care of, other resources such as money, material and machines can be used efficiently. Therefore, the labour welfare measures and facilities are of a great importance.

Today's work system as mentioned by (Singh, 1979) has not helped the individuals in gratifying both of their psychological and social needs. It has generated feelings of subordination, dependence and submissiveness. It has also influenced the creativity, innovativeness and the growth process.

Today as by (Ganguli, 1954), many people work because there is no other way to earn a living, not because work offers them any pleasure. This means that most

employees are not satisfied or interested in their jobs and that the jobs failed to arouse their satisfaction.

Organizations are competing today among each other to hire highly skilled and qualified employees. They are rewarding these employees to retain them.

As by (Rai, 2004), incentive schemes are established to improve the performance by fulfilling the needs of the employees. Improvements in the conditions of both the lives and jobs of the employees are essential as it enables the establishment of an efficient and a stable labour force. This is the foundation of labour welfare measures.

Labour welfare measures include monetary and non-monetary rewards that are presented to the employees in order to improve the quality of their lives and the work environment.

Since organizations benefit when the employees job satisfaction increases, it is important to create different kinds of job satisfaction that are not only based on material benefits, but are related to the needs of the human capital.

Labour welfare

The success of any organization depends on the degree of effectively mobilizing human capital and material resources.

Labour is a factor of production and has certain characteristics that set it apart from other material resources. Its physical presence and its attitude are an essential part of the production and productivity in any organization.

The attitude of labour towards the employers influences the performance. Unless the labour force is committed, devoted and enthusiastic, they can't work efficiently.

Since labour occupies such a prominent place, organizations must provide them with a pleasant and comfortable atmosphere and conditions.

The performances of the employees depend on their mental and physical capabilities. These depend on different living and working conditions.

Labour is considered the asset of any organization. Their needs must be satisfied in order to achieve the goals of the organization.

With a high degree of cooperation between the employees and the management, organizations can be effective. This can be done by providing welfare measures and facilities to stimulate the interest of the employees to be committed at work and to produce at their full capacities.

The meaning of labour welfare

Labour welfare refers to different facilities that are provided to the employees inside and outside the work premises. They include rest and recreation facilities, housing, canteens and all other facilities that contribute to the wellbeing of the employees. Welfare measures are for the efficiency and the wellbeing of the employees.

In today's industrialized world, labour welfare is important for both the facets of the human resource and for the labour force.

The activities of labour welfare include all activities that improve the overall wellbeing of the employees, their happiness, health, prosperity and development.

Welfare includes both social and economic aspects. The social aspect of welfare covers the welfare of the employee, his family and his community.

The economic aspect of welfare covers the economic development by increasing the productivity and production,

Welfare is different from one country to another, from one region to another and from one industry to another. It depends on the socio-economic development of the people, their value system and their level of education. Welfare potential change and vary.

The term "welfare" has been defined differently. Some of the definitions are as follows:

"Efforts to make life worth living for workmen."- Oxford Dictionary

Labor welfare means "such services, facilities and amenities, which may be established outside or in the vicinity of undertakings, to enable the persons employed therein to perform their work in healthy and congenial surroundings and to provide them with the amenities conducive to good health and high morale." - **In the Report II of the ILO Asian Regional conference**

Labor welfare is "A state of faring or doing well. Freedom from calamity, enjoyment of health and prosperity" - **Chambers Dictionary**

"Labour welfare means anything done for the comfort and improvement, intellectual and social, of the employees over and above the wages paid which is not a necessity of the Industry." - **Arthur James**

In a wider meaning, it is concerned with adopting measures that promote the social, physical and psychological and the general wellbeing of the employees.

The term welfare suggests the state of wellbeing and implies wholesomeness of the human being. It is a desirable state of existence involving the mental, physical, moral and emotional factor of a person.

Adequate levels of earnings, safe and humanity conditions of work and access to some minimum social security benefits are the major qualitative dimensions of employment which enhances the quality of life of workers and their productivity. Institutional mechanisms exist for ensuring these to workers in the organized sector of the economy. (Sabarirajan et al, 2010).

Labour welfare is for improving the health, safety and general well-being and the efficiency of the workers beyond the minimum standards lay down by labour legislation. (Rama Satyanarayana and Jayaprakash Reddy, 2012).

Importance and benefits of labour welfare:

As mentioned by Madhumathi and Desai (2003) welfare is the right atmosphere where the worker can breathe an air of growth and development and think constructively to understand the play and interplay of his subconscious instructs and conscious emotions.

According to Yesuraja Maria I. Dr & Devi Nandini C., the labour welfare measures are a very important facet of an industry. They provide security to the employee and assist them in guiding their activities and work in the organization. They develop the circumstances in which the employees are working.

Srinivas (2013) stated that the management that proposes good amenities to all the employees in such a way

that makes the employee appears as glad about labour welfare facilities. This upsurges productivity in addition to quality and quantity. When welfare facilities are enhanced, the personnel become happy, the performance of the employee increases. This leads to improving the positive effects of profitability and product of the enterprise.

Labour welfare measures enable the employees to perform their work in a healthy environment that stimulates their high morale and their good health. As a result, their productivity will be higher and profits will increase.

Welfare measures improve the morale of the employees and are beneficial for both the employees and the employers. By increasing the morale of the employees, their efficiency also increases and this increases their productivity.

Welfare measures improve the living and working conditions of both the employees and their families. They maintain a satisfactory attitude for the employees towards their organization and the work environment.

Welfare facilities safeguard the social security of the employees. They also assist in retaining the employees for a long period in the organization.

Since welfare creates the sense of belongingness in the employees, they want to stay for longer term at the same organization. They are committed and loyal to the organization.

By improving the conditions of work and life for the employees, their adaptation to their tasks will increase. They will be well contented and the desire or need to leave the job will lessen. They will be more satisfied with their work.

Welfare keeps the employees inspired and confident. They strengthen their responsibility and their feeling of belonging in the organization.

Labour welfare facilities provide a qualitative work life and environment for the employees. They are offered life insurance, housing and medical facilities. Security against social risk is provided such as maternity, accident, old age, etc.

Both social and economic advantages of labour welfare are important. Providing canteens that offer healthy and balanced diets at convenient rates improve the health of the employees.

By offering medical aid and maternity benefits, the overall health of the employees will be better and their professional efficient contribution will increase.

The psychological health and sentiments of the employees is influenced by the welfare activities. When employees feel that the employers care for their happiness, their psychological health improves.

Labour welfare doesn't only have a beneficial impact on the employees and employers; it also improves the public image and the goodwill of the organization.

When the organization is presented as caring for the wellbeing and happiness of its employees, its image is enhanced. This image will attract employees to join the organization, especially talented and skilled employees.

The scope of labour welfare:

The scope of labour welfare has to be flexible to suit the present conditions of the workers.

Sometimes the scope can be limited and includes only the satisfaction of the basic needs and safety. It is only concerned with the daily problems of the employees and their social relationships at work.

At other times the scope is wider and includes everything from minimum standards of safety and hygiene to other aspects of working life such as measures for the protection of women, social insurance schemes, paid vacations, etc.

The objectivities of labour welfare

Labour welfare policies aim at increasing the living standards of the employees.

They also aim at reducing the labour problems in the organization that can affect the employees that can make them weaker physically and psychologically.

Labour welfare assists in fostering a sense of responsibility in the organization.

One of the objectives of labour welfare is also to retain the employees.

It also aims at creating better attitudes of the employees such as improving their communication and presentation skills. Their overall personality and inter-personal relations also improve.

Principles of labour welfare:

All welfare services should be subject to periodic reviews and evaluation to ensure that they are all effective.

Welfare plans should begin with minimum of financial allotment as not to make the employee feel that these plans are financed at the expense of their low wages.

There should be an open line of communication between the management and the employees regarding the welfare measures.

Management should obtain the views of the employees about these measures. Management should also observe the reactions of the employees to the welfare practices.

Job satisfaction:

Job satisfaction is an emotion that occurs after the employee completes a task.

It differs from self esteem and inspiration. It is an aspect of morale where morale is the basis of happiness and is the employee's mind-set towards his job.

The concept of job satisfaction has gained much importance in modern times and attracted the interest of both the employer and the employee .

The employer is interested in the term as it results in good production that results in more profits.

The employee as mentioned by (Srivastava, 1984) is interested in the concept of job satisfaction as it brings him happiness.

Locke (1976) defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences".

According to Hulin and Judge (2003), job satisfaction includes multidimensional psychological responses to an

individual's job. These personal responses have affective, cognitive and behavioural components.

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).

Dr. Anitha R. believes that the employees are the backbone of every organization. Without employees organizations cannot survive.

Any organizational success and growth depends on the attitudes of its employees .

When employees are satisfied in their jobs, it positively contributes to the job involvement and organizational commitment .

According to (Manickavasagam and Sumathi, 2000), an organization benefits when the involvement and satisfaction of the workers is high.

It is very important that employee satisfaction must be higher in the organization. If employees get the work in the organization in which they got their expertise, job satisfaction can be achieved.

As job satisfaction not only influences the efficiency of the employee but also the job behavior, it is considered one of the important factors.

Job satisfaction is important for achieving happiness and harmony in the life of the employee. Each individual has certain needs and when the job fulfills these needs, the individual becomes satisfied about his job.

When employees are highly satisfied in their jobs, goodwill about the organization is spread. When they are positive about their works they spread favorable words about the company which as mentioned by (Malhotra, Shruti and Sachdeva, 2001) and that reduces absenteeism and turnover.

Employers can predict the behavior of the employees at work by job satisfaction.

It is an indicator for the attitudes and sentiments of the employee towards his job. (Robbins, 1991) believes that a person with a high level of job satisfaction has positive attitudes about his job, while a person who is dissatisfied with his job has negative attitudes about his job.

When work is interesting, the employee is pleased and satisfied. Motivation rises and the employee becomes loyal and committed to the company .

According to Kornhauser (1965) highly satisfied workers have better physical and mental well being. When the employees are satisfied they are the biggest assets for the company and on the contrary when they are dissatisfied they become the company's biggest liabilities .

Case Study

Procter& Gamble in Egypt

Procter & Gamble was founded 180 years ago. It started as a simple soap and candle company.

Today P&G is the world's largest consumer goods company with several trusted brands.

Leadership, innovation and citizenship are the main ideas promoted in the company. These helped the company

to grow into a global company. P&G protects the environment and supports good causes.

In 1986, Procter & Gamble Egypt was established and built its factory in the 6th October Industrial City. Only two brands were produced (Camay and Crest).

The factory had a capital of 12 million Egyptian pounds and a workforce of 50 people.

During 20 years P&G Egypt managed to grow to a 1.25 billion Egyptian pounds investment. The company succeeded in becoming among the country's leading foreign direct investors.

Today Procter & Gamble Egypt manages 14 brands out of the nearly 300 P&G international brands.

In 2000 the company made Egypt the main production center for Ariel for the whole Middle East region.

Procter & Gamble Egypt managed to be the country's biggest exporter of packaged goods.

99% of P&G Egypt workforce is Egyptian. From only 50 employees, the company managed to have more than 700 talented and qualified Egyptian men and women. These are trained to the most advanced methodologies in the world. In addition to these there are more than 8,000 people employed indirectly in P&G Egypt.

The company is always in need of talented Egyptians to contribute to the success of the company. The company believes and trusts in the Egyptian workforce and promotes for their efficiency.

Procter & Gamble Egypt considers its workforce as a valuable asset and makes all efforts to retain them and to attract new talented and qualified individuals.

Labour welfare measures

In 1998, Procter & Gamble discovered an alarming trend from its offices whether in the Middle East, in Europe or in Africa.

Fifty percent of the company's workforce is women. They were concerned about the lack of balance between their professional and personal lives. Long working hours that were tolerated before are not anymore tolerated in the 90s. This became problematic since the employees especially the women began to lose the balance between their personal and their work lives.

Several women quit their jobs as it was impossible for them to continue. This urged Procter & Gamble to launch a program that offers flexible work arrangements. It was a flexibility campaign.

The company wanted to avoid the lack of balance between work/personal lives particularly for women. To the company work/life balance is very important. It wants the employees to enjoy an easier life.

P&G started to focus on gender as a key issue of its enterprise-wide diversity programs.

To meet the needs of its employees, Procter & Gamble launched programs that offered flexible work arrangements.

Work schedules were reduced and work became flexible. The arrangements also include family care leave and personal leave absence.

To P & G, the well-being of the employee is imperative. The company offers training on time and stress

management to its employees to ensure that they take care of themselves.

Procter & Gamble also offers career-growth courses on topics such as business writing. The employees enjoy the flexibility in their work.

Besides flexible working schedules, other arrangements were also introduced such as the ability to work from home, a compressed work week and job sharing.

The company was tracking the progress of the flexibility program to be able to notice any problems that may arise.

Modern working environments are stressful with a rhythm of abnormal tension. Employees are under constant pressure which causes them mental and physical diseases. P&G is committed to create a convenient and an easy work environment.

The P&G employees who were interviewed said that they receive more than a paycheck. In addition to the paycheck, compensation includes benefit programs such as life insurance, medical insurance, retirement plans and other forms that show how employees are recognized in the company.

When it comes to salaries, P&G always review their salary ranges every year by benchmarking with the finest companies that compete with P&G.

The company always ensures that the salaries offered to its employees are competitive.

Besides the basic salary, the company also offers salary increases steadily throughout the career of the employee. This varies according to the performance progression of the employee.

For every employee, the company offers a salary plan that rewards each personal contribution.

P&G offers a discount scheme for its employees. These discounts give the employees great and unbeatable savings at hundreds of retailers. Employees enjoy discounts every time they shop from small retailers or big supermarkets.

Expressing its care for the wellbeing of its employees when they reach the age for retirement, the company offers a pension fund.

When the individual becomes a permanent P&G employee, an account is set up on his behalf. This account is s retirement account.

The company assists its employees through this account by offering flexible and single ways for saving for their retirement. By doing this, the company helps its employees to secure a lifetime pension when they retire.

The medical insurance plan of P&G is presented to all its permanent employees when joining the company. Private medical insurance is offered at advantageous rates.

To show that Procter & Gamble doesn't only care for its employees, but also for their families, the spouse and the children of the employee can also be included in the medical insurance plan.

Procter & Gamble also offers an occupational health service through a team that provides a confidential service and advices the employee on work related health issues.

The aim of this service is to maintain and promote the psychological, physical and social wellbeing of the employees working in the company.

Procter & Gamble shows its employees how much they are appreciated, valued and cared for.

From the first day the individual is hired at P&G he can feel that he works for a company that cares for him.

The structure of the Procter & Gamble Egypt Company in Egypt is very relaxing. Starting from the reception to the offices, the office décor and design is modern.

The cafeteria serves different kinds of fresh and healthy food diet. The items are sold at convenient prices for the employees. The chairs and tables are comfortable so that the employees can enjoy their lunch break.

The office atmosphere is very friendly; colleagues are laughing and enjoying chats with each other during breaks. After enjoying their lunch and their break, employees go back to work fully energized and refreshed. Their production and professional efficiency level increases.

The employees enjoy going to work and go happily to their jobs where they can work in a relaxed and comfortable atmosphere enjoying social events and gatherings.

Procter & Gamble succeeded to promote for its image as a company that cares for the wellbeing and satisfaction of its employees.

Every day more individuals want to join the company to benefit from all what it offers to its employees from welfare measures and benefits.

The attitudes of the employees in Procter & Gamble are very healthy, as the company promotes for values such as respect among all employees. Work relationships are healthy and based on equality.

Procter & Gamble has a management by objective approach. This means that the performance of the employees is not assessed by how much time they spend on their work. It is assessed by the achievement of their goals.

Procter & Gamble strongly believes that the employees can contribute to the business performance when they are able to work in an environment that is stimulating.

The company encourages its employees to recognize any stress signals and assists them in dealing with stress. Sessions are organized with line managers to help the employees to improve the way they deal with stress.

Employees are encouraged to be open and share their problems. This reflects the open culture of P&G.

By focusing on the wellbeing of the employees, the company managed to improve productivity and efficiency.

The engagement of the employees, their sense of responsibility and belongingness increased. Employees feel that they are a part of the company. They feel like they are members of one large family.

The company assists the employees to learn to live well and to be at their best.

It also offers education benefits to its employees aiming at promoting their personal development.

Procter & Gamble offers several training systems and personal development plans that improve their knowledge.

Health and wellness programs that are offered to the employees assist them in managing their health and their family's health. This positively influences the overall long term of the whole business.

Procter & Gamble believes that when people are healthy, they become more productive. They are able to engage in the purpose of the company that is touching and improving.

Conclusion

Money doesn't only matter when individuals are looking for a job. Since individuals spend not less than eight hours and even more per day at work, their job should be enjoyable and fulfilling.

In 2014 as identified by Glassdoor, P&G received a Fortune Top 10 Most Admired Company. The review highlights: "A company which focuses its efforts for its employees' work-life balance". "The courses you take there stay with you even after you leave P&G."

The latest update from Glassdoor (2018) classifies Procter & Gamble as 4 starts out of 5 stars.

The labour welfare measures at Procter & Gamble allow its employees to live a happy and healthy life. The company doesn't only take good care of the employees, but also cares for the members of their families. They enjoy several benefits.

Besides generous parental leave policies, medical care for the spouse and children of the employee, the company supports its employees in finding the right child or elder care.

The welfare measures of Procter & Gamble stimulates the high morale of the employees. They are working in a healthy and safe environment.

The level of job satisfaction of the employees is high which makes the employees maintain a satisfactory attitude towards the company.

The psychological health of the employees is well improved since they feel that their company cares for them.

With the welfare measures and facilities presented by Procter & Gamble to its employees, both work enthusiasm and enthusiasm of the employees increased.

The successful practice of Procter & Gamble shows that organizations should be flexible when adapting to the changes.

The company is a model that other companies should follow in implementing flexible working time. It creates a relaxing working environment for its employees and assists them in their career planning.

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