



EMPLOYEE WELFARE  
THEORIES

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## Religion Theory

- The Religion theory constitute of element such as investment and atonement for welfare of workers.
- Concept of investment says that the benefit of today's work will be reaped tomorrow. It is also widely believed that because of this belief many companies provide facilities such as canteens and crèches to the workers.
- Atonement says that the existing disabilities of an individual are mainly due to sins committed by him earlier part of life. Therefore, the employers provide benefits and facilities to workers to compensate for the sins done by employers in their previous lives.
- Welfare activities are considered to be an effort to appeal to the religious values of the owner of firm by suggesting that welfare act can purify him from his sinful activities of exploitation and profit making. Religious theory demands sharing progress and profit partly with your fellow workers and it says that even God will not forgive too much self-centred and acquisitive act. Therefore sharing wealth and acting for welfare of working class is part of religious duty of every employer.

## Philanthropic Theory

- Philanthropic theory says that a philanthropist is one who loves mankind and work towards that.
- According to philanthropic theory the companies provide good quality working conditions, facilities such as crèches, rest room and canteens etc. to show kindness in order to improve the working condition for workers. The philanthropic theory is very common as social welfare measure rather than in industrial establishment.
- This theory is closely related to religious theory's principle of charity. This theory further emphasises that every member of industrial system should have harmonious relations with the rest of stakeholders. It is a duty and responsibility of the wealthy people to help the underprivileged. Mutual harmony and brotherly relations within the society is important to promote a peaceful and cooperative environment.



### Paternalistic Theory

- Paternalistic theory assumes that the labour is not being able to look after them. Therefore, the employer provides with various benefits and facilities for their well-being.
- As they establish enterprise in trust for the benefit of the employees, this theory is also called trusteeship theory. It takes a paternalistic approach towards industrial production system and proprietorship of resources. According to this theory, owner is not only a trustee but he also looks after the productive activities.
- It is the duty of the owner to share the wealth and use it wisely for the larger interest of workers who equally contributed in production of wealth.
- Thus owner is like a big brother or elderly member and in charge of family for overall welfare of all the workers. Mahatma Gandhi was a strong supporter of the trusteeship theory for labour welfare measures.

### Policing Theory

- According to this theory welfare is a legal or statutory responsibility of the employer.
- Under this theory every employer is compelled to make available minimum comforts to the working class such as minimum rate of wages, minimum safety, and security provisions, promote payment of wages and other benefits. According to this theory, the employers exploit the workers with unjust and unfair tactics.
- Government to take role of policeman and enforces measures in industrial unit or factory or plant for requisite welfare services and provisions for punishment in case of noncompliance. This concept of legislation and its enforcement for compliance is known as the policing theory of labour welfare.

### Placating Theory

- According to this theory management endorse welfare measures not as charity, but as a reward efforts on the part of the worker. It is right of the labour class to organize itself into association or unions, to plan protest activities and force the management to provide more welfare facilities to the workers. Therefore it is evident that stronger the labour class, greater welfare services to conceded for welfare provisions. The industry and employers are worried not by the legislations framed by the State, but by

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the labour union which compels management to placate or satisfy the workers need.

### Efficiency/Functional Theory

Functional theory implies by saying that the facilities and benefits are being provided to worker to make them more efficient and productive. According to functional theory, welfare measures to be provided on the grounds of efficiency and productivity. There is an effort going on to correlate labour welfare facilities and resultant increases in the efficiency of the workers. It is debated that introduction of welfare promoting activities do pay rich dividends in terms of higher productivity. Therefore the theory applies a commercial approach towards labour welfare activities to make it more economically viable.

### Public Relations Theory

According to Public Relations theory, welfare facilities are provided to create goodwill and to generate a good image on the minds of workers and the society. In other words Public Relations theory says that welfare activities are meant to create a good impression on the workers and the public. Good working conditions such as clean and safe premises, decent canteen, crèche and other amenities, creates a pacifying impression on the labour class and the public.

### Social Theory

Social theory implies that an industry establishment is morally bound to provide decent working condition for the employees in addition to improve environment and condition of the society. The social responsibility of an industrial establishment has been acknowledged as great significance at the present time. This theory implies that an industrial establishment is ethically bound to provide the decent conditions for society in addition to enhancing the conditions of its workers.