

A Study on the Impact of Employee Welfare Programs on Employee's Performance in an Oil and Gas Company in Sultanate of Oman

Lamees ALHajri¹

¹Middle East College, Muscat, Oman

ABSTRACT

Employers use Employee welfare programs to supplement the cash rewards, to safeguard the employee from financial risks. For the holistic growth of corporate industrial relations, employee welfare schemes are essential. Examples include retirement plans, child care, elder care, hospitalization programs, social security, vacation, and paid holidays. The purpose of employee welfare schemes is to increase the economic security of the staff members, and improve worker retention across the organization. The main aim of this research is to study the impact of the employee welfare programs on employee performance in an oil and gas company. Limited literature as well as previous research is available on employee welfare and its impact on employee performance. This study will be mainly focused on assessing the significance of employee welfare initiatives and how those initiatives influence employee satisfaction and their motivation which will help in enhancing their overall performance. As the research adopts descriptive design, mixed methodology shall be adopted wherein data shall be collected using questionnaire as well as personal interviews with key informants. As for the primary sources it will be mainly from the interview and questionnaire that will be conducted online and sent through email. The secondary sources will be from relevant journal articles and blogs, websites and so. Convenience sampling technique shall be adopted to identify the respondents. Also, identifying the impact of employee welfare programs or initiatives on employee performance and studying the barriers that might occur within welfare initiatives of the company. The key findings and recommendations are expected to be centered around employee welfare initiatives and programs that enhance the strength of positive correlation between employee welfare and the performance of employees. Non-monetary initiatives are also expected to be identified and highlighted to enhance employee commitment and morale.

Introduction

Most organizations focus on success and sustainability which will be possible through employees, as individuals are known as the most precious assets within any organization since they are the main drivers of success. Taking good care of the employees will ensure that they can contribute towards the achievements and development of the organization. It is crucial for the organization to care for their well-being as it impacts their physical and mental health. It would incorporate the employee's real-life situations and other aspects whether it was inside or outside the work place which will be influencing their living standards and its quality, health, and physical wellness.

Successful HR directors and Talent managers use employee scheme programs to retain their employees for the longest even through challenging economic times as employees seek extra benefits from their bosses which is above just pay raises. For employee welfare, there are two types of schemes one is statutory and the other is non statutory (Matheswaran & Shalini ,2018).

Employee welfare as a term has a tendency to define all the measures that helps improve or enhance employees' condition whether it was work or life related above the pay, they earned from the company. The measures of employee welfare can be in different forms or shapes not just the ones monetary related (Vidihi, 2018).

Having employee welfare programs or initiatives is an essential factor for the organization and its employees as it aids in decreasing employees stress level and fosters a positive work atmosphere where the competency of either the company and employees may bloom (Duncan, 2021).

This study will be evaluating how the employee welfare programs followed in an oil and gas affects the motivation and satisfaction level of the employees and their performance, that's in order to fill in the gaps of the previous researches. For the sake of employees, there shall be employee welfare activities or program. As it initially involves adapting employees' life at home and their job duties to the social and community life. Also, it is nearly impossible for companies to succeed without employee welfare benefits as having healthy and pleased employees will provide a valuable asset in the company.

Statement of Research Problem

People are the most important aspects within companies as they are the main leaders towards organizational success and they should be taken care of. Which is why in order to establish a pleasant and productive work environment, employers should take employee welfare into consideration, as when employees are happy or pleased, they will contribute to the organization's productivity. The key objective of conducting this research is to understand and determine whether the employee welfare programs affects employee's performance and productivity. Also, it aims to assess if the employee's expectation matches the employee welfare schemes or facilities as some employees might not be happy with employee's welfare programs followed within the organization. Moreover, some of companies face challenges when implementing those facilities or programs which is why this study helps assess the challenges faced by the chosen company.

Aims

The main purpose of this research project is determining the impact of employee welfare initiatives that are used by the company on workers performance, alongside its influence on the employee's satisfaction and motivation, even identifying some of the challenges faced within employee welfare programs, and providing suggestions for improvements.

Research Objectives

- 1- To assess the importance of employee welfare initiatives on employee's motivation and satisfaction.
- 2- To identify the impact of employee welfare program on employee's performance and productivity.
- 3- To evaluate the challenges in the successful implementation of employee welfare programs or schemes.
- 4- To provide recommendations to improve the employee welfare program within the company.

Research Questions

- 1- How does the welfare initiatives affect employee's motivation and satisfaction?
- 2-What is the impact of employee welfare programs on employee performance and productivity?
- 3-What are the challenges faced when implementing successful employee welfare programs or schemes?
- 4-What are the recommendations that could be followed to improve the company's employee welfare program?

Scope of the Study

For the scope, targeted sample size for the research, company's location or branch, the study specific focus and certain timeline will be involved. This project emphasizes on employees within an oil and gas company in Oman as the sample size and it aims to determine how effectively does this company treats and takes care of its employees through their latest employee welfare program followed. The topics that will be covered is the impact of employee welfare programs on the performance of employees, its importance towards employee motivation and satisfaction, various barriers that can be encountered within employee welfare programs, and suggestions. An online survey will be sent for primary source of data. To finalize this project, it took around 13 to 14 weeks.

Significance of the Project

As a researcher, this project research conducted will help in improving the writing skills and knowledge regarding employee welfare initiatives. It will help the chosen company in terms of adjusting their shortcomings and enhancing those areas towards a longer sustainability and the study will even be beneficial to the readers. Moreover, it will help the management and human resource department of the chosen company in improving their employee welfare facilities to the better which will increase their productivity, employee engagement, and level of happiness alongside their loyalty towards the company. Also, the organizations image in public and its reputation will improve.

Having employee welfare initiatives are mainly designed to minimize work absences that are caused due to accidents or injuries and generate positive behaviors and lifestyles based on the given facilities that helps to do so. As those employee welfare activities seem to improve employee's life in both personal and professional conditions as they will be much happy and satisfied when better facilities or benefits are being provided by the company like better canteens, sick leaves, special discounts for certain entertainments, medical facilities and so on.

Literature Review

Introduction

Employees seem to be one of the most crucial aspects or resources with organizations or businesses, organizations should be taking good care of them to achieve the highest return on investments (ROI) and fulfill the goals of the organization. To take great care of them, organizations should offer them with a wide range of benefits to sustain them for the longest where having a work environment that is free of stress will create good value towards the business. Also, in today's world, it's nearly impossible to sustain a business without having any employee welfare and wellbeing facilities. (Narayana, 2021).

Concept of Employee Welfare

According to Chadha and Mishra (2021), employee welfare has been defined as the additional facilities or services provided by the company for its workforces, that's to improve their social life and mental and physical health. It usually done on top of the wages paid by the company and it could be any action or measure done for the good of the workforces. As employee welfare attempts to enhance their health, promotes positive and peaceful working atmosphere through taking advantage of the facilities provided.

Additionally, the main intention of employee welfare and the way it operates as it appears that this program aspires to enhance its employees. Chadha and Mishra (2021) stated that employers must set up employee welfare programs or schemes to guarantee employees with a healthy and adequate way of life, improve their happiness level, their work exhaustion, and establishing devoted and productive workforces. It will foster better relations between employer and employees. They have summed up that it's reasonable to claim that employee welfare is the benefits or

facilities provided by companies to its staff on top of salaries and aims to achieve employee satisfaction and develop them. Moreover, employee welfare programs don't only benefit the employees it is even significant towards the company and the society as a whole. For a successful implementation of employee welfare, it should be planned extensively with a good strategy.

Dimensions of EW Schemes

According to Daddie et al. (2018), the welfare schemes or services are considered the physical, social employee well-being whether it was inside or outside of the company and as they're three key types or categories to these services:

a) Economic services

Some of those services are retirement benefits, life insurances, some loan facilities, as those services or facilities are being provided as an additional economic stability which is done usually above the salaries that are being paid to workers. When organizations create a proper pension program, there won't be a lack of satisfaction or dissatisfaction with the economic security provided. Those services are specially created for supporting the workers as they get older.

b) Facilitative services

The facilitative services are the one that is more convenient and done for the comfort of the workers working in the company. These are some of the facilities service that are usually provided by companies, having a lunch area, a cafeteria with good variety of nutritious food and most importantly restrooms. Also, for Muslim people they would need prayer rooms to pray. As without those services it will be hard for employees to perform and it will affect their health as they need to eat meals in between.

c) Recreational services

Usually, the need of the workers or employees needs to be neglected as they appear to behave better when they have a daily routine. Which is why some employers decide upon offering some recreation services. As through contact or the interaction within the recreations events there will be an informal environment created. Like for examples creating indoor activities, open days and so.

Employee Welfare Programs and Employee Performance

According to Ekere and Onuoha (2021), the organizational activities that focus on guaranteeing employee wellbeing and comfort are known as the employee welfare practices. Also, it could be referred to as the social and mental practices a company has implemented to improve its employees. Some of employee welfare benefits will be boosting employee engagement in different companies by which will boost employee motivation and productivity. Moreover, the employee welfare offers workers with some insurance for work assistance in certain atmosphere and protects them from diseases, accidents, and situations of unemployment.

Also, in their report they have found that enhancing employee well-being and employee welfare is considered necessary when it comes to instilling a sense of satisfaction and gratitude within workers, as it helps in increasing their productivity. Therefore, it emerges building an effective and reasonable employee welfare system with the aim of minimizing high number of workers turnover. Based on their study's literature review and findings it was indicated that employee welfare has a beneficial and significant effect upon the productivity of River state of oil and gas companies. (Ekere and Onuoha, 2021).

Employee Welfare Programs and Employee Satisfaction

According to Beloor, et al (2020), providing or offering employee welfare facilities is considered a significant aspect in assuring employees job satisfaction in the apparel and garment industry. As if employees are happy and pleased, they will be staying longer in the company and will be more productive. This study was mainly conducted to determine

the relation between both the employee welfare or wellbeing and its effect on employee satisfaction. Through defining the aim of establishing a standard employee welfare program within the garment business, this research had covered the other matter of guaranteeing job satisfaction across employees within this industry.

The findings highlighted the viewpoints of the employees working in the garment industry about the social services offered and their satisfaction. As per the results, most workers are happy with their current position, and the employee welfare services offered. Also, it appears from the percentages that there is a strong correlation between the employee welfare program or initiatives and the work satisfaction. As for the employees who were satisfied with the facilities provided, they had a high level of work satisfaction. The authors have stated that the employee welfare facilities are strongly linked with the employee work satisfaction.

Employee Welfare Programs and Employee Motivation

According to Nnaeto and Anulika (2018), strategic management is the most efficient means towards the growth and productivity of organizations. It is critical to note that it is also a working strategy for the organization to see the problems of the employees as that of the organization; this will furthermore encourage the employees to commit to the organization. The study is therefore set on investigating the relationship between the motivation and employee performance.

The findings were that, motivation has a positive impact on the workers' performances in the company. As motivation helps reduce the inefficiency. It is important for administration of the company to put suitable measures into place to boost employee motivation as it helps stimulate employees and increase their productivity. Main aim of setting up a company is to employ workers and make them comfortable and effective towards the company's success. Motivating employees is key to getting productive and being a performance stealer. The appreciation appeared in their good performance due to the welfare services provided in the college especially after it was taken over by the federal government of Nigeria.

Barriers Faced in EW Programs

In terms of health, developmental disabilities (IDDs) are at risk for exclusion or rejection from health services. Even though there are government schemes that exist for the welfare of IDD but they are unutilized due to lack of awareness and red-tapes. Non-profit organizations can supply the provision of the government programs. A situation analysis was conducted by the research team on the resource's availability and the probable or potential barriers to access or obtain the social welfare benefits. This process helps in determining the nature and scope of the problem which will help in taking actions during the development of the program. (Reddy et al., 2021).

Overall, most of the families with children suffering with IDD seem to depend highly on the government social welfare schemes. As families of the children with IDD need to register them into special education, daycare centers, and apply for social welfare benefits. However, there are barriers to accessing these benefits in rural India, due to lack of awareness and knowledge, unavailability of those health and welfare services, red-tapes, bureaucratic obstacles, logistic issues, and stigma. To address or solve these problems, there is a need to reinforce families, prepare local officials or leaders, and advocate for social policy change to enable effective execution and modifications in social welfare schemes, such as the national trust schemes.

Summary: Overall, having employee welfare service or facilities will help the employees in improving their lifestyles to the better, whether it was professionally or personally. As having a healthy, stress-free workforce is a key aspect to any organization, thus businesses should recognize this and begin offering some employee welfare services and programs. From the reviewed literatures it appears that there is a positive relation between employee welfare facilities and the employee's performance.

Methods

The methods used within this research project was mixed research approach of both quantitative and qualitative data. As for the primary data, it will be both qualitative from the open-ended questions in the survey and interview, and quantitative as per the closed ended questions in the survey. The secondary resources will be gathered from previous researchers’ journal articles, blogs, reliable case studies or books, and sites that are all relevant to the study which seems to represent the qualitative data. The primary resources will be collected mainly from the questionnaire, it will be sent via email to 40 people working in an oil and gas company to study for the impact of employee welfare programs on employees’ performance, got 35 responses in return and the interview was done for further data collection. For the sampling technique convenience sampling was used and descriptive reasearch design as it best suits this study.

Expected Outcome and Results

As per the reviewed litratures, it showed the significance of having employee welfare programs in orgaznations. As it was found that the having an effective and competitive employee welfare framework will help in reducing or minimizing employee turnover rates in the company. As per Ekere and onuoha (2021), they have found that there is a strong and positive correlation between both the workers welfare practices and the job performance. Due to having effective employee welfare facilities the employee’s morale have increased and led to better performances in the company. Also, through those facilities provided by the company will help employee in feelling some type of security as they woud feel appreciated and it will enhance their motivation and staifaction. Employees will be loyal if they are being provided with extra welfare facilities and the company image will be improved.

Questionnaire Results

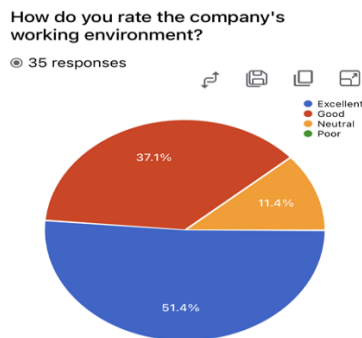


Figure 1.

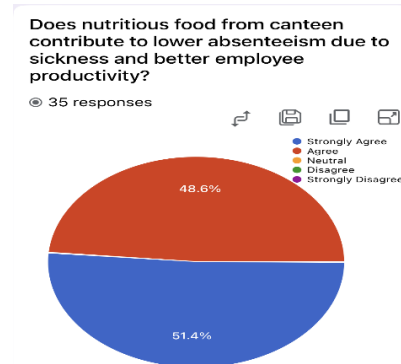


Figure 2.

Figure 1:This figure displays showcases the ratings of the working environment of the company that respondents are working in, 51.4% of the respondents have chosen “Excellent” for the working environment as it was from 18 people, 37.1% of them have chosen “Good” by 13 people, the rest 11.4% of them have chosen “Neutral” as they think it’s neither good or bad, and none of the respondents or participants have chosen “Poor”.

Figure 2:This figure reveals if the nutritious food helps in lowering the absenteeism level and improves employee productivity, as 51.4% of them have chosen “Strongly Agree” which is by 18 respondents, and 48.6% of the respondents have chosen “ Agree” which is from 17 people. However, none of the participnats have chosen Neutral, Dissagree, and Strongly Dissagree.

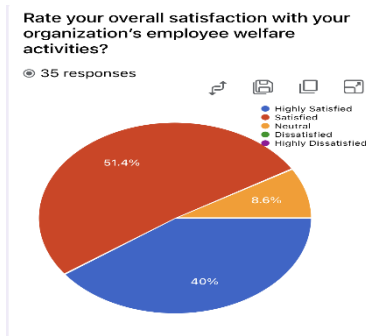


Figure 3.

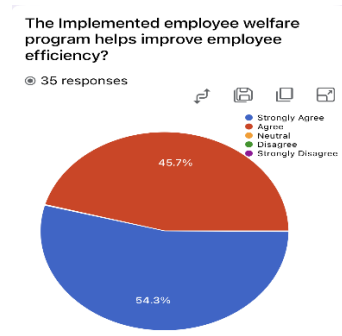


Figure 4.

Figure 3: This figure presents the employees overall satisfaction with the provided employee welfare activities. As 51.4% of them were satisfied, 40% of them were highly satisfied with the facilities, and 8.6% of them were neutral. None of them have chosen dissatisfied and highly dissatisfied.

Figure4: The figure shows the ratings of the respondents regarding if the implemented employee welfare program in the company improves employee’s efficiency As it indicates that, 54.3% of them have strongly agreed which was from 19 of the respondents, the rest 45.7% have just agreed with the fact that employee welfare programs enhances employee’s efficiency which was from 16 people.

Discussion

As employee welfare program is known as the additional facilities that are being provided by companies in order to improve employees’ social lives and improve their mental health as well as their overall physical wellbeing. Those facilities provided could come in different forms as some might think that it has to be monetary based, where it actually could come as other forms like activities and so on. Moreover, employee welfare schemes or facilities are considered important not only to the employees but it’s even important for the company and the society. The key to having employee welfare facilities is that it helps gain employees loyalty and trust in return as they are the most important aspects in the company. Employees are the key factor that leads to success as they are the ones who perform to achieve the organizational goals effectively. Companies should provide those facilities as humans need those to improve their lifestyle both personally and professionally and balance between them.

Conclusion

Overall, the research’s aim intended to determine the effect or the impact of employee welfare program and facilities on the performance of the workers at an oil and gas company. From the results, this research came to an understanding that having employee welfare facilities and improving them is considered essential for creating or instilling some sense of happiness and satisfaction within workers as it will help in motivating them to come to work. As satisfied employees will be motivated to come to work and be productive in the work place.

Limitations

Limitation are the drawbacks that the researchers goes through while doing their research in terms of the design, sampling, and various other aspects. The first limitation was limited number of literatures regarding employee welfare facilities or programs, this led to extensive research for data resources and reading from reliable journal articles.

Moreover, the study will be focused on the impact of employee welfare programs on employee's performance of a single chosen company and its employees due to the limited timeframe to complete the whole project. Another limitation of the study was the challenge involved in getting access to the data of the chosen company as most of this information is confidential. Also, for this topic there were fewer accessible data resources which means that more searches were required to find relevant article

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