



## The business benefits of employee welfare activities

***Sudipta Dev** on why employee welfare initiatives should not be neglected, in particular during the tough times*

Tough times don't last for long, but enduring the same seems almost endless in the process. For the management and employees of organizations who have been struck by the whip of recession, it would still take some time for the ordeal to end. In the meantime, it is the responsibility of the management to ensure that employee welfare initiatives should not be put on the back burner in the name of cutting costs. Being prudent in spending is the key here, with constant communication to ward off adverse rumors and protect employee sentiments.

It is not an easy task however to look beyond the profit margins and focus on employee wellbeing in times of shrinking bottom line, but then that is perhaps the need of the times. There are many organizations however who consider employee welfare as a hygiene issue.



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AVP-People Development and Employee Services, GlobalLogic



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Co-founder & Director, Content Solutions,



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President & Head-Global HR, Nucleus Software

Ravi Verma, President & Head-Global HR, Nucleus Software believes that it needs to be coupled with motivation factor because that is what what brings about employee satisfaction and enhanced productivity. "Profitability of an organization is directly proportionate to productivity of its employees. Therefore, an organization's attempt should be at creating a motivating environment that promotes job satisfaction, thereby developing employees who are motivated, productive and fulfilled," stated Verma.

He clarified that cost cutting measures do not imply employee welfare compromise. It does not mean reducing the facilities provided to employees but eliminating all inefficient and unproductive activities in the organization to reduce wastage, increase productivity and reduce turnaround time in all operations of the organization which automatically results in cost saving.

"Making an effort to earn employee goodwill should never be driven by the current economic scenario, it has to be an ongoing effort all the time. An organization is made up of its people and not the other way round," asserted Verma.

Employee friendly HR policies are key to enhance productivity. "It is also important to maintain a synergy between the employer and the employee. A contented employee is the key to the company's success and in tough times companies should pay extra attention in facilitating quality work environment," stated Praveen Kanipakam, President, Sharp Software Development India.

Acknowledging that it would be too impractical to mention that a company should simply focus on employee welfare even if the profit margins are dipping, Iti Kumar, AVP-People Development and Employee Services, GlobalLogic stated that during tough times, it becomes important for both—the employer as well as the employee to put in their best

efforts to sail through the tough tides.

"The company needs to adopt a balanced approach in such a situation, cutting down on all the benefits is also dangerous and taking no action is also equally dangerous from the sustainability point of view," added Kumar.

## Earning employee goodwill

It is also the time to earn employee goodwill and loyalty, particularly at a time when the rate of attrition is at all time low. "Team spirits and collaboration should be encouraged among employees. Initiatives like celebrating success/achievements in small ways goes a long way in raising the confidence and morale of the team. Also, employee of week/ month should be identified and felicitated," stated Kanipakam.

Even in case a company is forced to take cost cutting measures, it should be taken in a manner that direct impact on employees is kept to a minimum, as during tough times it becomes all the more important to keep sentiments of employees high and nothing should hurt their morale. "Management of companies have to look at multitude of options so that the situation is taken care of without putting undue pressure on the workforce. Companies that resort to direct cost cutting measures directed towards employees will always be at risk of higher attrition, which will hurt the company in the long run," stated Kumar. In her organization, HR which is the custodian of employee events, has worked along with the employee clubs to manage the same company events in lower budgets and in different ways. Money that they would have otherwise spent on lavish events has thus been cut down. Focus has been on frequent but small-scale events that are economical yet add to the fun element.

### **Advantageous for business**

The tough times bring about certain benefits also—in terms of human and as well as system capabilities. "Think tanks of the organization are utilized to the maximum possible efficiency. Members of the organization family realize their true potential and also learn how to put it best possible usage for the organization," pointed out Verma.

This apart, efficiency becomes the driving factor for any organization to survive and hence it is the time to focus on delivering the best by using the existing resources optimally.

Organizations that resort to cost cutting measures directed at employees will lose good talent, besides spoiling their brand image in the market. "Besides, higher attrition may impact the business and clients, which will further have a negative impact on the overall business strategy of the company," added Kumar.

#### **Employee welfare initiatives**

- Refrain from laying off people
- Re-skilling/cross-functional training of employees to keep them engaged
- Counseling on managing their personal financial matters better—a necessity during the tough times
- Celebration of success and achievements to boost employee morale, even if the celebrations are in small scale
- Felicitating the best performers—a fillip to make them continue to excel

## **Long-term perspective**

It is important to have a long-term perspective of things to ensure that good people do not go away when they are needed the most by the organization.

Amit Garg, Co-founder & Director, Content Solutions, Upside Learning Solutions, believes in the need to look beyond short-term profits and ensure employee welfare. "It is also the time to build real loyalty. Organizations which want to do business even after the downturn is over would need to continuously create and maintain the bond between its and the employees' goals and welfare," he asserted. In fact, employees would gladly accept cost cutting measures and would even contribute to it. Albeit, they need to be very clear about strategic importance of the tough measures. They need to be reassured constantly that their welfare is being considered important.

Developing and maintaining the right communication process is integral in these trying times. Any slight negligence or lack of vigilance might result in a situation that might lead to total deterioration of the work culture and employee morale.

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