Practical Model of Motivation & Welfare of third Party Contractual Workers through Application of Maslow’s Need Hierarchy

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ABSTRACT

Contractual workers who work for the contractors and work as third-party workers for the principal employers are the latest trends in the labour market. To cut the labour cost principal employers hire such workers through the contractors with minimal responsibilities towards such workers. Though there are fewer responsibilities of employers towards such workers but ultimately these workers work for the principal employers to accomplish the organizational objectives. Thus there is a need to keep such workers to be motivated as well. The Need Hierarchy motivational theories given by Abraham Maslow can be used to design the motivational programme for the contractual workers.

INTRODUCTION

The concept of labour welfare initiated with the desire for a humanitarian approach to make the life of labors easy and keep them refrain from sufferings which have developed due to the industrialization. Behind humanitarian approach, the thinking was that like employers, employees are a human being as well and have the same basic requirement. Later humanitarian approach converted into a utilitarian philosophy which was considered as motivating force for labour. This approach was based on thinking that if an employer provides facilities to their employees then in return employee will help the employer in achieving the organizational objectives. Lastly, the concept of labour welfare evolved. This philosophy was based on neither humanitarian view nor on utilitarian view. In this approach, the main motive is wellbeing of people who are attached to the employer.

The I.L.O.1 session held at New Delhi in 1947 defined Labour Welfare as “such services, facilities, and amenities, which may be established in or out of undertakings to enable person employed there in to perform their work in healthy surroundings and to provide them with amenities conducive to good health and good morale.

Definitions

N.M. Joshi2 defined that labour welfare covers all the efforts which employers make for the benefit of their employees over and above the minimum standard of working conditions fixed by Factories Act and over and above the provision of social legislation providing against accident, old age, unemployment, and sickness. That means providing facilities which are prescribed by the labour legislation are a compulsion for the employers but providing such facilities without thinking about the labour legislation is the labour welfare.

The Committee on Labour Welfare (1969)3 explained labour welfare as “such services, facilities and amenities like adequate canteens, rest and recreational facilities, sanitary and medical facilities, transportation facilities, accommodation of workers and other services, facilities including social security measures as contribute to improve the conditions under which workers are employed”.

1 International Labour Organization
2 Narayan Malhar Joshi was the general secretary of AITUC from 1925 to 1929 and from 1940 to 1948.
3 The Committee on Labour Welfare: Report, 1969, Volume 1, Authors Indian Committee on Labour Welfare, R. K. Malviya, Contributor Indian Dept. of Labour and Employment, Publisher Manager of Publications, 1970.
A workman shall be deemed to be employed as "contract labour" in or in connection with the work of an establishment when he is hired in or in connection with such work by or through a contractor, with or without the knowledge of the principal employer; “contractor”, in relation to an establishment, means a person who undertakes to produce a given result for the establishment, other than a mere supply of goods of articles of manufacture to such establishment, through contract labour or who supplies contract labour for any work of the establishment and includes a sub-contractor;

APPROACHES OF LABOUR WELFARE

There are three approaches being used by the employers

a. Paternalistic Approach
b. Industrial Efficiency Approach and
c. Social Approach.

These approaches are evolutionary in nature and directly linked with the above-discussed concepts; humanitarian, utilitarian and labour welfare.

a. Paternalistic Approach:

During the evolutionary phase of industrialization, the paternalistic approach of labour welfare was adopted. Employers used to provide such welfare facilities due to humanitarian and religious grounds. Employers used to be in direct contact with the workers and used to understand the impact of stressful conditions in which workers had to work.

b. Industrial Efficiency Approach:

This approach is based on the utilitarian concept of labour welfare where the employer used to think that if they have to keep their workers motivated they should be provided better working conditions and out of return employees will work with full dedication. This is a win-win situation for workers and employers. With the passage of time, the size of organizations became large. Now management was separated from the owners or employers. Hence, employers were no longer able to maintain direct contact with the workers.

c. Social Approach:

As the trend changed in the business environment now focus was changed from increasing the efficiency and productivity towards the promotion of labour welfare solely. In other words, the welfare of workers was the prime focus and increased productivity, the loyalty of workers for the organization manifest automatically. This approach is usually welcomed by the workers and their trade unions.

Maslow’s Need Hierarchy Theory

Motivating employees has been a great challenge for the managers in every organization. Motivation refers to a psychological process which induces someone to do something. Abraham Mallow’s need hierarchy theory is all time accepted theory of motivation. Abraham Maslow was an American psychologist and professor of psychology at various institutes and universities like Alliant International University, Brooklyn College, and Columbia University etc.

Maslow’s said that basic needs lower down in the hierarchy must be satisfied before one can attend to needs higher up in the hierarchy. Maslow used the terms “physiological,” “safety,” “belonging and love,” “esteem,” and “self-actualization” to refer to the pattern through which human motivations commonly move. These needs become important as the personal development progress. Hoffmann (1988) shared it is essential to note that self-actualization is a continual process of becoming rather than a perfect state one reaches of a ‘happy ever after’. Kenrick et al. (2010) discussed that as each person is unique the different drivers

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4 The Contract Labour (Regulation and Abolition) Act, 1970, Sec2 (b)
5 The Contract Labour (Regulation and Abolition) Act, 1970, Sec2 (c)
6 Business Environment means all of the internal and external factors that affect how the company functions including employees, customers, management, supply and demand and business regulations.
7 Needs are more comprehensive and include the desires—both physiological and psychological. Needs are of two types; one are primary needs (Physiological, biological and basic needs to live) another are secondary needs (learned through experience).
8 Dynamic hierarchy of needs of Abraham Maslow referring to Krech, D. Crutchfield, R.S Ballachey (1962)

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Fig. 1: Dynamic hierarchy of needs of Abraham Maslow
motivate a different person. Self-actualization can be achieved through creative & innovative work for some person, philanthropic work & social work for others.

Practical application of need hierarchy theory
As we observed above that how the importance of any need for individual changes as per the progression of personal development. One individual have food to eat, home to live, clothes to protect the body, have no fear of any threat only then he or she thinks about the being socialized with other person living around them, social status and self-esteem. Once individual fulfills all the lower needs in the hierarchy he or she thinks about the reason of his or her existence and develops feeling to do something better for the other people and this phase is called self-actualization.9

Organizations want to see their employees in the phase of self-actualization because this is the phase where employees can innovate something new which will help the organization to have a competitive advantage, and this is that phase where employees think about the organization beyond their personal interest. Thus it’s the responsibility of the organization to satisfy the basic, safety, social, self-esteem needs to bring the employees in the phase of self-actualization.

For the implementation of such practice, employers can categorize and provide welfare facilities which were discussed by ILO and The Committee on Labour Welfare (1969).

a. **Physiological needs**: These needs are considered as the main physical requirements for the survival of human being. These are the needs which are universal needs all around the world. All the humans have a natural instinct to fulfill this need for existence. For example, these needs may be like food, water, sleep, shelter etc. Most of the facilities are available for the regular worker but make the contractual workers as part of the organization, the employer may provide the following facilities:

- separate canteen on subsidized rate
- drinking water facility
- A shelter area for the contractual workers in the case their services are not required for sometimes.

b. **Safety needs or psychological needs**: Once an individual’s physiological needs are relatively fulfilled their safety needs comes on priority now. In an organization, these needs may be like personal safety, job security, health, etc. Most of the organizations are following standards of Organizational Health Safety

![Need Hierarchy Pyramid with the motivational programme for contractual workers](image_url)

9 Self-Actualization is the realization or fulfilment of individual’s talents and potentialities, especially considered as a need present in everyone.
and Security (OHSAS) but only for their regular workers. The contractor never trains their workers for a similar workplace where highly trained regular workers are working. For contractual workers following can be done to satisfy their psychological needs:

- Short period training for Occupational diseases (Organizational health)
- Introductory and essential training of occupational safety (Organizational safety)
- Ensure their enrollment under schemes of Provident fund and ESI (Social Security)
- Ensure payment of wages through banks (financial Safety)

c. **Social Needs:** Once an individual has satisfied physiological needs and safety needs the third level of human needs are seen to be interpersonal and involves a feeling of belongingness. Contract workers usually feel alien at the principal employer’s workplace. To satisfy the social needs of contractual workers employers can provide some facilities like:
  - Recreational activities (Group activities, Games etc.)
  - Local clubs to celebrate festivals

d. **Self-Esteem Needs:** Self-esteem needs are ego needs or status needs. Under these needs, individual may develop the need to feel respected and recognized. Contractual workers always have a need of recognition where they are not the permanent part of the organization. To satisfy such needs employer can provide facilities to contractual workers like:
  - Rewards and recognition for best performers
  - Biometric cards for easy access to the organization
  - Uniform for the workers

e. **Self-actualization:** This need develops once all the lower needs are fulfilled of the employees or any individual. This is the need which employers want to be developed by the people working for the organization. Like regular workers, contractual workers should be motivated to innovate new practices or things which may increase the efficiency and effectiveness of the organization.

**OTHER WELFARE PROGRAMMES FOR WORKERS**

1. Club – for discussion on personal and professional issues
2. Welfare fund for contractual worker
3. Scholarship for children
4. Free medical facilities
5. Quality circle - Reward & recognition schemes
6. Volunteer Blood donation camps

**CONCLUSION**

Contractual workers work as third-party workers are the workplace of the principal employer. These workers are usually treated as outsiders. Most of the facilities like canteen, transportation, medical facilities are not given to such contractual workers. With the low morale, lack of motivation, irregular payment of wages and with the fear of losing jobs these contractual workers cannot actively engage themselves towards the accomplishment of organizational objectives. The needs which were discussed by the Abraham Maslow should be fulfilled to keep the contractual workers motivated, fully engaged remain loyal for the organization. For doing so management can introduce various schemes to provide support to the hired contractual workers at the workplace.

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