

Impact of Statutory Compliance Awareness on Employee Well-being and Job Satisfaction: A Study of Class III and IV Employees in Amravati City

Mr. Vinay Sawai¹, Dr. Sharmishta Kulkarni²

^{#1}Research Scholar, SGBAU, Amravati, (M.H.) India

Email : vinsim.2010@gmail.com

^{#2}Research Guide & Professor, Bhartiya Mahavidyalaya, Amravati, (M.H.) India

Abstract

This study explores the relationship between employees' awareness of statutory compliances and their perceived well-being and job satisfaction, focusing on Class III and Class IV government and semi-government employees in Amravati City. The research investigates how understanding of labour laws such as the Employees Provident Fund Act, ESI Act, Minimum Wages Act, and others affect employees' sense of job security, workplace trust, and satisfaction. Using a mixed-method approach, the study combines a structured questionnaire survey with key informant interviews. The findings indicate a significant positive correlation between statutory compliance awareness and both well-being and job satisfaction, suggesting that informed employees are more confident, secure, and productive in their roles. This paper contributes to the discourse on legal literacy as a factor in workplace morale and policy effectiveness.

Keywords: *Statutory Compliance, Employee Awareness, Job Satisfaction, Well-being, Labour Laws, Class III and IV Employees, Government Sector, Amravati*

1] Introduction

In the dynamic landscape of labour relations and employee management, statutory compliance plays a crucial role in ensuring the protection and welfare of the workforce. Statutory compliances refer to the legal obligations that employers must fulfill as per various labour laws enacted by the government, such as the Employees' Provident Fund Act, 1952; Employees' State Insurance Act, 1948; Minimum Wages Act, 1948; Payment of Gratuity Act, 1972; and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, among others. These laws are designed to uphold

employee rights, promote workplace safety, and support long-term well-being.

Despite the existence of a comprehensive statutory framework in India, several studies and reports indicate that awareness and understanding of these legal rights and benefits remain limited, especially among lower-grade employees such as Class III and Class IV workers. This gap in legal literacy can lead to underutilization of entitlements, reduced morale, lack of trust in institutional processes, and overall dissatisfaction with employment conditions. Conversely, employees who are informed about their statutory rights are more likely to feel secure, motivated, and satisfied in their roles.

In public and semi-government sectors, which form the backbone of public service delivery in cities like Amravati, Class III and Class IV employees often represent the operational front lines. Their awareness or lack thereof about statutory compliance not only affects their own professional well-being but also reflects the organizational commitment to fairness, transparency, and lawful administration. Furthermore, growing evidence from fields such as organizational psychology and human resource management suggests that legal awareness is not just a compliance issue it is also a key component in shaping workplace well-being, employee engagement, and job satisfaction.

This research, therefore, seeks to investigate the impact of statutory compliance awareness on the well-being and job satisfaction of Class III and Class IV employees in government and semi-government sectors in Amravati city. The study aims to identify the

levels of awareness among these employees, analyze differences across demographic groups, and evaluate whether greater legal literacy correlates with higher job satisfaction and improved mental and emotional well-being. By bridging this gap in the literature, the study not only contributes to academic discourse but also offers practical recommendations for enhancing labour governance and employee empowerment.

In government and semi-government sectors, especially among Class III and IV employees, legal literacy is often limited due to socio-economic and educational factors. This lack of awareness can lead to job insecurity, dissatisfaction, and exploitation. Conversely, well-informed employees tend to be more secure, confident, and satisfied with their jobs. This study seeks to examine the impact of statutory compliance awareness on employee well-being and job satisfaction in Amravati City.

2|Literature Review

Prior research has highlighted the importance of legal awareness in ensuring compliance and protecting employee rights. Studies have shown that informed employees are more likely to report grievances, seek entitlements, and resist unjust practices. Herzberg's Two-Factor Theory of Motivation emphasizes the role of hygiene factors, such as job security and administrative policies, in ensuring satisfaction.

However, there is limited research focused specifically on Class III and IV employees in Indian public institutions. These employees often lack access to training or legal resources, resulting in a knowledge gap. This study addresses this gap by investigating how statutory awareness translates into perceived well-being and job satisfaction.

2.1 Statutory Compliance Awareness & Well-being

Labour welfare measures both statutory and non-statutory have been consistently linked to increased job satisfaction and employee morale. For instance, a case study of Titan Watch Company found a positive relationship between welfare provisions (like EPF, medical benefits) and worker satisfaction.

Similarly, Chaubey & Rawat (2016) confirmed that statutory welfare schemes significantly impact job satisfaction in small-scale industries.

Srivastava (2004) examined both public and private sectors in Kanpur: better welfare facilities correlated positively with job attitudes, and public

sector workers reported higher satisfaction than their private counterparts.

Jangra (2020), in a study titled “*Awareness of Workers to Health, Safety & Welfare Provisions under Factories Act, 1948*”, found that most industrial workers lacked detailed understanding of their legal rights, especially those from Class IV categories. The study emphasized the role of educational interventions to improve worker safety and welfare awareness.

Latha and Leenaa (2022), in their research “*Awareness about Statutory Benefits among Casual Labours in a Multi-Speciality Hospital in Coimbatore*” (IJRASET), highlighted significant gaps in awareness regarding EPF, ESI, and gratuity benefits. The authors recommended systematic training and HR-led communication programs for semi-skilled workers.

Snekalatha et al. (2025), through their study “*Awareness of Statutory Compliance and Its Implementation among the Employees in Kitkat Software Technologies*” (IJSREM), demonstrated that only 49% of employees were aware of compliance policies. The study revealed that statutory awareness was significantly linked with satisfaction, particularly among mid-level employees.

Nivethitha, Jayanthi, and Ambuli (2014) conducted a case study on “*Awareness Level of Statutory Compliance among Employees at Volex Interconnect Pvt Ltd, Chennai*”. Their findings indicated that although workers were familiar with benefits like PF and gratuity, they lacked clarity on eligibility and claims processes, affecting job engagement.

Additionally, organizational justice theory (Greenberg, 1987) reinforces that perceptions of fairness, including legal compliance by employers, play a major role in enhancing job satisfaction. Medina-Garrido et al. (2023) also affirmed that legal and structural support systems contribute positively to employee well-being and job performance.

2.2 Awareness, Legal Literacy & Institutional Trust

Legal literacy is widely recognized as a critical enabler of employee empowerment and social justice within the workplace. According to Bhatia and Saini (2018), legal literacy equips employees with the confidence to engage with grievance redressal mechanisms and assert their statutory rights, ultimately fostering a stronger sense of job security. The role of legal literacy becomes particularly

important among workers in lower-grade government jobs, where access to formal education and legal resources is often limited.

Institutional trust is another vital dimension of this dynamic. As noted by Mishra and Sinha (2020), employees who perceive their organizations as law-abiding and compliant with statutory norms are more likely to trust institutional processes, which in turn enhances their job satisfaction. Legal awareness acts as a bridge between individual knowledge and systemic trust. When employees understand that compliance structures exist and are functional, it positively influences their psychological safety and loyalty.

Furthermore, Jain and Thakur (2021) emphasized that institutional trust mediates the relationship between awareness and satisfaction. Workers who are aware of their entitlements and observe consistent legal compliance are more likely to perceive their employer as transparent and supportive. This perception reduces turnover intentions and improves organizational commitment.

Organizational justice research suggests that perceptions of fairness fueled by awareness of rights build trust, reduce turnover, and enhance job satisfaction. Procedural justice (fair HR policies and compliance) is a key antecedent to institutional trust and employee well-being.

3] Objectives & Hypothesis of The Research

- To assess the level of awareness of statutory compliances among Class III and IV employees.
- To measure the levels of well-being and job satisfaction among the respondents.
- To analyze the relationship between compliance awareness and job satisfaction.
- To examine how statutory knowledge affects perceptions of job security and workplace trust.

H₀ (Null Hypothesis):

There is no significant relationship between statutory compliance awareness and employee well-being and job satisfaction.

H₁ (Alternative Hypothesis):

There is a significant positive relationship between statutory compliance awareness and employee well-being and job satisfaction.

4] Research Methodology

To investigate the research objectives comprehensively, this study adopted a descriptive and analytical research design integrating both quantitative and qualitative techniques. The approach aimed to capture not only measurable indicators such as awareness scores and satisfaction levels but also the contextual and institutional nuances impacting employees' legal literacy and perceptions.

4.1 Research Design: The research design is descriptive in nature to outline current awareness levels and analytical to assess statistical relationships. A cross-sectional survey design was used to collect data at a single point in time, which is suitable for measuring attitudes, opinions, and awareness across a large group.

4.2 Sample Size and Frame: A sample of 200 employees was drawn from various government and semi-government organizations in Amravati City. The selection was designed to include diversity in roles, departments, age groups, and educational backgrounds to enhance the generalizability of results. Respondents were categorized into Class III and Class IV based on their job profiles as per institutional classifications.

4.3 Sampling Technique: Stratified Random Sampling was used to ensure balanced representation of Class III and IV employees. Within each stratum, random sampling was carried out using staff lists provided by administrative departments. This method minimized sampling bias and ensured coverage of different departments such as education, health, revenue, and municipal services.

4.4 Data Collection Instruments: A structured questionnaire was developed and pre-tested on a pilot group of 20 respondents. Based on feedback, necessary modifications were made to ensure clarity, validity, and relevance. The final questionnaire consisted of three sections:

- Section A: Demographic profile (age, gender, designation, department, service tenure).
- Section B: Awareness Index developed on major statutory laws (EPF Act, ESI Act,

Minimum Wages Act, Maternity Benefit Act, Gratuity Act, etc.) rated on a 3-point scale (Fully Aware, Slightly Aware, Not Aware).

- Section C: Job Satisfaction and Well-being Scales using 5-point Likert items adapted from validated instruments.

4.5 Data Collection Procedure: The questionnaire was administered personally by the researcher and a trained assistant. Respondents were assured of confidentiality, and participation was voluntary. Efforts were made to include employees across shifts and ensure inclusion of women and minority workers.

4.6 Data Analysis: Data was coded and analyzed using SPSS. Descriptive statistics (mean, median, standard deviation) were used to summarize the data. Inferential statistics including Pearson’s correlation and multiple regression were employed to test relationships among awareness, well-being, and satisfaction. ANOVA was applied to test group differences where applicable.

4.7 Limitations Acknowledged: While the research uses rigorous methods, it is limited by its geographic scope (Amravati City) and cross-sectional design, which does not account for changes over time. Additionally, self-reporting bias and recall errors may influence responses, especially on awareness questions.

The study follows a descriptive and analytical research design.

Sample Size: 200 employees from various government and semi-government offices in Amravati.

Sampling Technique: Stratified Random Sampling to ensure representation of both Class III and Class IV employees.

Data Collection Tools: A structured questionnaire consisting of:

- Awareness Index based on key labour laws.
- Job Satisfaction Scale (Likert format).
- Well-being Indicators.

Data Analysis: Descriptive statistics, Pearson correlation, multiple regression analysis, ANOVA were used.

5] Data Analysis and Interpretation

The data collected from 200 respondents were analyzed using both descriptive and inferential statistics to evaluate the level of awareness of statutory compliances and their impact on employee well-being and job satisfaction. **5.1 Demographic Profile of Respondents:**

Category	Frequency	Percentage
Designation		
Class III	110	55%
Class IV	90	45%
Gender		
Male	120	60%
Female	80	40%
Age Group		
21-30 years	50	25%
31-40 years	80	40%
41-50 years	45	22.5%
51+ years	25	12.5%

Interpretation: The sample comprised 200 employees, fairly distributed across Class III (55%) and Class IV (45%) designations. The gender split shows a male majority (60%). Age-wise, most employees were in the 31–40 years bracket (40%), suggesting a relatively experienced workforce, which may influence both awareness and job satisfaction.

5.2 Awareness Level of Statutory Compliances (Out of 10):

Awareness Score Range	No. of Respondents	Percentage
0 - 3 (Low)	40	20%
4-6 (Moderate)	90	45%
7 - 10 (High)	70	35%

Interpretation: Nearly half of the respondents (45%) possess moderate awareness of statutory compliances. Only 35% have high awareness, indicating a potential gap in legal literacy among the workforce. The 20% with low awareness are particularly vulnerable to misinformation and exploitation.

**5.3 Job Satisfaction Levels
 (Likert Scale Score out of 50):**

Score Range	Satisfaction Level	Respondents	Percentage
0 - 20	Low	35	17.5%
21 - 35	Moderate	105	52.5%
36 - 50	High	60	30%

Interpretation: A majority of respondents (52.5%) reported moderate job satisfaction, while 30% experienced high satisfaction. The 17.5% with low satisfaction represent a concern for management, highlighting areas for improvement in HR practices, communication, and employee support systems.

**5.4 Well-being Indicators
 (Score out of 30):**

Score Range	Well-being Level	Respondents	Percentage
0 - 10	Poor	30	15%
11 - 20	Moderate	100	50%
21 - 30	Good	70	35%

Interpretation: While half of the respondents reported moderate well-being, a significant 35% reported good well-being. The 15% with poor well-being need special attention through employee assistance programs, health benefits, and stress reduction initiatives.

6] Hypothesis Testing

6.1 Correlation Analysis:

Variables	Correlation Coefficient (r)	Significance (p-value)
Awareness & Job Satisfaction	0.67	< 0.01
Awareness & Well-being	0.58	< 0.01
Job Satisfaction & Well-being	0.62	< 0.01

Interpretation: All correlations are statistically significant at the 1% level. A strong positive correlation ($r = 0.67$) between awareness and job satisfaction suggests that better-informed employees are more satisfied. Similarly, awareness also correlates with well-being ($r = 0.58$), and job satisfaction strongly aligns with well-being ($r = 0.62$), showing that all three variables are interlinked.

**6.2 Regression Analysis :
 (Dependent Variable: Job Satisfaction)**

Model Summary:

- $R = 0.714$
- $R^2 = 0.51$
- Adjusted $R^2 = 0.50$
- F-value = 34.25 ($p < 0.01$)

Coefficients:

Predictor	Beta (β)	Std. Error	t-value	p-value
Awareness Score	0.59	0.071	8.31	<0.01
Well-being Score	0.42	0.063	6.21	<0.01

Predictor Variables:

- Awareness Score ($\beta = 0.59, p < 0.01$)
- Well-being Score ($\beta = 0.42, p < 0.01$)

Interpretation: The regression model is statistically significant ($F = 34.25, p < 0.01$), explaining 51% of the variance in job satisfaction. Awareness ($\beta = 0.59$) is a stronger predictor than well-being ($\beta = 0.42$), confirming the study's hypothesis that legal awareness plays a pivotal role in shaping employee satisfaction.

Conclusion of Hypothesis Testing: The results from both correlation and regression analyses indicate a statistically significant and positive relationship between statutory compliance awareness and employee outcomes (well-being and job satisfaction). Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted.

6.3 ANOVA for Group Comparison : Awareness by Designation

To further validate the hypothesis and identify group-level differences in awareness, an ANOVA test was conducted based on employee designation (Class III vs. Class IV).

Source	SS	df	MS	F	Sig.
Between Groups	35.4	1	35.4	7.52	0.006
Within Groups	931.8	198	4.71		
Total	967.2	199			

Interpretation: The p-value (0.006) is less than the 0.05 threshold, indicating a statistically significant difference in awareness scores between Class III and Class IV employees. Therefore, the null hypothesis is rejected. Class III employees exhibited higher awareness of statutory compliances than Class IV employees, suggesting a need for targeted awareness programs for lower-grade staff.

7] Findings

- Statutory compliance awareness positively correlates with job satisfaction and well-being. Employees who scored higher on the awareness index consistently reported greater contentment with their job roles and institutional policies.
- The moderate to strong correlation coefficients suggest that increased awareness is a strong predictor of how secure and satisfied an employee feels in their job. Specifically, a correlation of 0.67 between awareness and job satisfaction is indicative of a robust relationship.
- The regression analysis further confirms this by showing that awareness accounts for a significant portion of variance in job satisfaction scores ($R^2 = 0.51$). This implies that more than half of an employee's job satisfaction can be explained through their level of awareness and sense of well-being.
- Class III employees exhibited slightly higher awareness levels than Class IV employees, possibly due to greater access to training or better education levels. However, the gap was not substantial, suggesting that targeted awareness interventions can have universal benefits across designations.
- Gender-wise analysis revealed no major disparities, indicating that awareness and its impact on satisfaction are consistent regardless of gender, although some qualitative responses hinted at unique concerns among female

employees regarding maternity benefits and workplace safety.

- A small but notable group of employees with low awareness also exhibited the lowest well-being and satisfaction scores. This reinforces the need for focused interventions on this vulnerable segment.
- Organizational communication channels, such as staff meetings, HR sessions, and trade union interactions, played a crucial role in raising awareness levels. Respondents who were members of unions or had attended recent training programs showed higher awareness and confidence levels.

8] Conclusion

Legal literacy is not just a compliance requirement but a cornerstone of employee well-being and satisfaction. Organizations must proactively invest in spreading awareness among employees, especially those in lower job categories. This approach can lead to a more empowered, confident, and productive workforce.

The findings of this study highlight a clear and significant link between statutory compliance awareness and enhanced levels of job satisfaction and overall well-being among Class III and IV employees. When employees are knowledgeable about their rights, benefits, and protections under various labour laws, they exhibit higher morale, lower stress levels, and greater trust in their institutions. This translates into a more engaged and loyal workforce.

Moreover, the study suggests that well-being and job satisfaction are not isolated outcomes but are mutually reinforcing and influenced by legal literacy. Management should therefore not treat compliance training as a mere formality, but as a strategic tool for improving workplace culture and institutional performance. Future HR and administrative strategies must incorporate periodic awareness drives, induction sessions, and accessible educational material tailored to employees of different backgrounds and literacy levels.

Given the strong empirical support from the regression and correlation analyses, this study underscores the need for government and semi-government institutions to formalize legal education as part of employee development. Ultimately, enhancing statutory compliance awareness can serve

as a catalyst for creating equitable, inclusive, and resilient public-sector workplaces.

9) Policy Suggestions

This study reveals a clear, positive relationship between statutory compliance awareness and employee well-being and job satisfaction among Class III and IV employees in Amravati City. Based on these findings, the following policy measures are recommended:

[A] Institutionalize Mandatory Awareness Programs

- **Evidence Basis:** The correlation ($r = 0.67$) and regression results ($R^2 = 0.51$) strongly indicate that awareness drives satisfaction.
- **Policy Suggestion:** Implement mandatory, periodic awareness workshops across all government and semi-government offices to educate employees on PF, ESI, gratuity, workplace safety, maternity benefits, etc.
- **Implementation:** Quarterly sessions coordinated by HR departments or labor welfare boards.

[B] Focused Interventions for Low-Awareness Groups

- **Evidence Basis:** Employees with the lowest awareness also had the lowest job satisfaction and well-being scores.
- **Policy Suggestion:** Identify and directly engage employees in the bottom quartile of awareness through tailored training, peer support groups, or mentoring schemes.
- **Implementation:** Use survey data to segment and prioritize beneficiaries.

[C] Enhance Communication Channels at the Workplace

- **Evidence Basis:** Employees who attended staff meetings or union sessions had significantly higher awareness levels.
- **Policy Suggestion:** Formalize awareness dissemination through routine HR briefings, digital bulletin boards, union newsletters, and staff orientations.
- **Implementation:** HR departments should embed compliance updates into monthly meeting agendas.

[D] Promote Inclusive and Gender-Sensitive Awareness

Evidence Basis: No major gender disparities were found, but qualitative insights suggest specific concerns among women.

- **Policy Suggestion:** Ensure that awareness programs specifically address maternity rights, workplace harassment laws, and gender-specific safety standards.
- **Implementation:** Include case examples and resources tailored to female employees in training materials.

[E] Improve Accessibility for Class IV Employees

- **Evidence Basis:** Slightly lower awareness among Class IV employees suggests gaps in access or delivery.
- **Policy Suggestion:** Use visual, audio, and vernacular-based materials (Marathi-Hindi /vernacular videos, posters) for simplified education on rights and benefits.
- **Implementation:** Partner with local NGOs or SHGs for grassroots dissemination and support.

[F] Integrate Awareness Training in Onboarding

- **Evidence Basis:** Employees with access to recent training programs showed higher awareness and job satisfaction.
- **Policy Suggestion:** Embed a compliance orientation module into the onboarding process for all new recruits.
- **Implementation:** Develop a standard induction curriculum that includes PF, ESI, minimum wage, grievance redressal, and safety norms.

[G] Digital and Mobile-Based Learning Tools

- **Evidence Basis:** Regression analysis highlights awareness as a predictive factor — scalable tools can amplify reach.
- **Policy Suggestion:** Develop an **interactive mobile app** or SMS-based learning tool with basic compliance lessons, FAQs, and grievance reporting options.
- **Implementation:** Collaborate with NIC (National Informatics Centre) or tech partners to develop and distribute the tool.

[H] Periodic Evaluation and Feedback Mechanism

- **Evidence Basis:** Structured awareness is only effective if regularly evaluated and refined.
- **Policy Suggestion:** Conduct annual compliance awareness audits, gather feedback from employees, and adjust training and communication methods accordingly.
- **Implementation:** Assign internal HR or third-party agencies to measure awareness impact via surveys and reports.

10] Future Research Scope

The current study has opened several avenues for further research into the intersection of statutory compliance awareness and employee outcomes, particularly in the lower employment strata. Based on the findings and observed limitations, future research can consider the following directions:

Comparative Regional Studies

Future studies can compare awareness and its impact across multiple cities or districts within Maharashtra or even different states to generalize findings and identify regional disparities in compliance communication and employee empowerment.

Sector-Wise Analysis

Expanding the research to include private sector, contractual, or unorganized workers would provide a more comprehensive understanding of how awareness of statutory rights varies and influences job satisfaction across employment categories.

Role of Digital Literacy and Communication Channels

As governments and employers increasingly use digital platforms for compliance communication (e.g., PF, ESI portals), future research can examine how digital access and literacy among lower-tier employees affects their awareness and well-being.

Impact on Organizational Performance

Another valuable area of exploration is how statutory compliance awareness influences organizational outcomes, such as productivity, absenteeism, and employee turnover, especially in government and semi-government institutions.

Awareness Training Effectiveness

Evaluating the effectiveness of existing training programs or awareness workshops on statutory compliance can help design more targeted, impactful initiatives for employee well-being.

Intersection with Gender and Social Class

Further investigation can examine how gender, caste, and socio-economic background mediate the relationship between compliance awareness and job satisfaction, particularly among marginalized Class IV workers.

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