



A STUDY ON EFFECTIVENESS OF FRINGE BENEFITS ON EMPLOYEE PERFORMANCE IN MANUFACTURING INDUSTRY

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ABSTRACT

The purpose of this study was to determine the effectiveness of fringe benefits on employee performance. A descriptive research design was adopted for this research. The population of the study was employees of manufacturing industry. The researcher used convenient sampling technique to draw a sample size of 160 respondents. The data is collected using structured questionnaire developed by the researcher specifically for this study. A set of descriptive statistics including pie chart and frequency tables were used to present the results of the study. The research result showed that fringe benefits as an incentive significantly affects employees morale, productivity and enhancing employees performance towards organizational tasks. This study helped to know about the effectiveness of fringe benefits that leads to improving employee performance in an organization and relationship between fringe benefits and employee performance. And finally that the future researchers should conduct more study on the issue of effectiveness of fringe benefits on employee performance in order to facilitate of this intricate concept.

KEYWORDS: Employee performance, job satisfaction, compensation, employee motivation.

INTRODUCTION

Fringe benefits are the additional benefits offered to an employee above the stated salary for the performance of a specific service. In the current competitive business environment the organization are facing a lot of challenges and among these issues are getting right employees, retaining them, ensuring their commitment and productivity. In addition today the advantage of human resource is measured to be one among the foremost important advantages of any organization and so as to accumulate the results with the highest efficiency and effectiveness from human resource, motivation of employee is extremely essential. In fact employees will do their work when they feel or hope that their hard work are to be rewarded by their managers.

REVIEWS OF LITERATURE

Oguejiofor, Chinyere J, Umeano Ngozi E (2018) found that retirement benefits unequivocally affected employees responsibility giving more young employees a convincing motivation to proceed working for their boss and urging more seasoned employees to resign on a convenient premise, accordingly inferring that retirement benefits emphatically influence employee performance.

Abdul Hameed, Muhammed Ramzan, Hafiz M.Kashif Zubair, Ghazanfar Ali, Muhammed Arslan (2014) in their research study remuneration is vital for the presentation of the workers. In this manner they are very significant for the company as well. The motivation behind this exploration is to gauge the effect of remuneration on employee performance.

Nkiru Peace Nwakoby, Daniel Chi Jnr. Chukwurah (2020) concluded that remuneration programs like instructive expenses, transport recompense, leave benefits, awards expenses, and so forth, which influences worker fulfilments.

Kratika Sharma, Nitin Jaiswal (2018) established that security benefits added to worker self-advancement consequently reasoning that business security benefits positively affect employees.

OBJECTIVES OF THE STUDY

The primary objective of the study is to identify the effectiveness of fringe benefits on employee performance. The secondary objective of the study is help to highlight the fringe benefits to the employees, to recognize the connection between fringe benefits and employee performance and to explain the impact of fringe benefits on employee performance.

RESEARCH METHODOLOGY

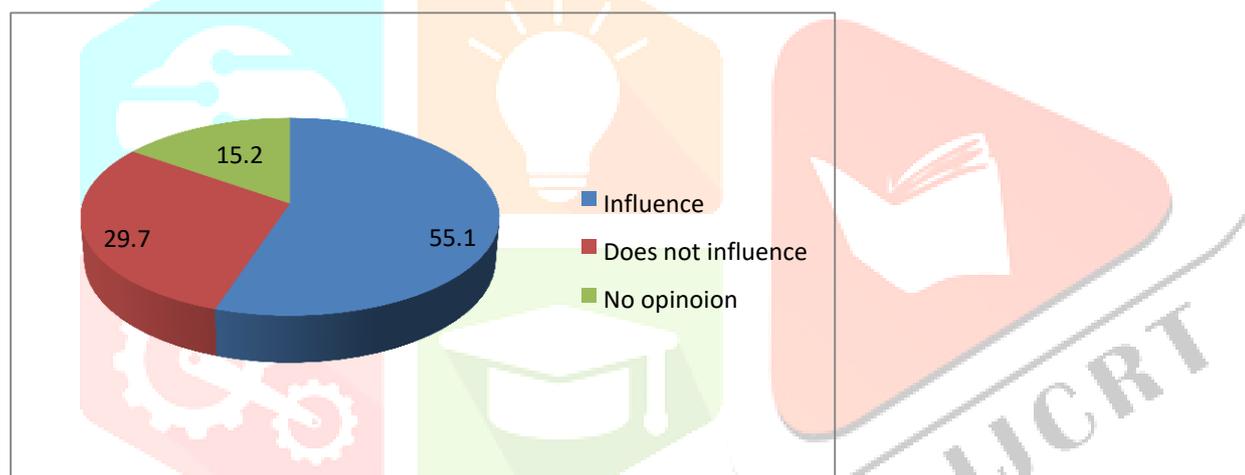
Research methodology is the systematic, theoretical investigation of the strategies applied to a field of study. It includes the hypothetical examination of the research of techniques and standards related with a part of information. Ordinarily, it incorporates ideas like worldview, hypothetical model, phases and quantitative or subjective procedures. The research study adopted descriptive research design and convenience sampling method. A convenience sample is one of the fundamental kinds

of non likelihood examining methods. A convenience sample is comprised of individual who are not difficult to reach. Both primary and secondary data sources are utilized in this research . The data collection was done through questionnaire method. Open ended and close ended type of questionnaire are asked to the respondents. This research study of this paper includes the sample size of 160.

DATA ANALYSIS AND INTERPRETATION

FRINGE BENEFITS INFLUENCE EMPLOYEE PERFORMANCE

SERIAL NO	FRINGE BENEFITS INFLUENCE EMPLOYEE	NO.OF RESPONDENTS	PERCENTAGE
1	Influence	85	55.1
2	Does not influence	46	29.7
3	No opinion	29	15.2
4	TOTAL	160	100

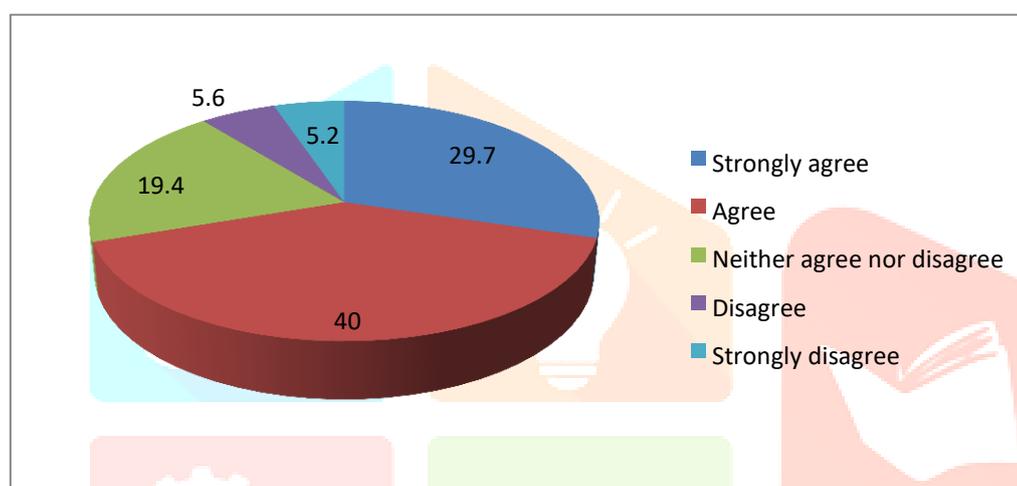


INTERPRETATION

From the above table it is interpreted that 55.1% of employees says influence, 29.7% says does not influence. 15.2% says no opinion.

FRINGE BENEFITS CREATE SOUND INDUSTRIAL RELATION

SERIAL NO	SOUND INDUSTRIAL RELATION	NO.OF RESPONDENTS	PERCENTAGE
1	Strongly agree	46	29.7
2	Agree	59	40
3	Neither agree nor disagree	29	19.4
4	Disagree	9	5.6
5	Strongly disagree	17	5.2
6	TOTAL	160	100

**INTERPRETATION**

From the above table it is interpreted that 29.7% of respondents are says strongly agree.40% of employees says agree.19.4% of employees says neither agree nor disagree.5.6% of employees says disagree.5.2% of respondents says strongly disagree.

RESEARCH HYPOTHESIS ANOVA

Null hypothesis H0: There is no statistically significance difference between monthly income and allocating benefits between levels of employees.

Altenative hypothesis H1:There is statistically significance difference between monthly income and allocating benefits between levels of employees.

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.009	4	.252	.295	.031
Within Groups	133.463	156	.856		
Total	134.472	160			

INTERPRETATION

Significance level is 0.031 which is below 0.05 therefore there is statistically a significant relationship between the monthly income and allocating benefits between level of employees.

CHI-SQUARE TEST

Null hypothesis HO: There is a no association between gender and job satisfaction according to the flow of fringe benefits

Alternative hypothesis HI: There is association between gender and job satisfaction according to the flow of fringe benefits

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.978 ^a	6	.986
Likelihood Ratio	1.332	6	.970
Linear-by-Linear Association	.283	1	.595
N of Valid Cases	161		

INTERPRETATION

Since the p value is higher than 0.05, we accept the alternate hypothesis and reject the null hypothesis. Therefore there is an association between gender and job satisfaction according to the flow of fringe benefits.

Null hypothesis H0: There is no association between marital status and satisfaction of fringe benefits provided by the company.

Alternative hypothesis H1: There is association between marital status and satisfaction of fringe benefits provided by the company.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.756 ^a	3	.033
Likelihood Ratio	9.154	3	.027
Linear-by-Linear Association	.938	1	.333
N of Valid Cases	161		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is .45.

INTERPRETATION

Since the p value is less than 0.05 we accept the null hypothesis and reject the alternative hypothesis. Therefore there is no association between marital status and satisfaction with the fringe benefits provided by the company.

FINDINGS

The analysis of this study is carried out to show the relationship between fringe benefits and employee performance. The findings shows that over 55.1% respondents says does not influence and 15.2% respondents opted no opinion. For fringe benefits create sound industrial relation, 29.7% opted strongly agree,40% respondents opted agree,19.4% respondents are opted neither agree nor disagree,5.6% respondents are opted disagree,5.2% of respondents are opted strongly disagree. Anova and Chi-square tests are carried out for the analysis and the values are shown in the tables. From the anova test result shows that there is statistically a significant relationship between the monthly income and allocating benefits between level of employees. First chi-square test result shows there is an association between gender and job satisfaction according to the flow of fringe benefits. Second chi-square test carried out between marital status and satisfaction with the fringe benefits provided by the company and with the help of the result it is interpreted as we accept the null hypothesis and reject the alternative hypothesis.

CONCLUSION AND RECOMMENDATIONS

Management should consider medical insurance as it has a positive relationship with performance. Management should always reward employees who have stayed beyond the closing time by giving them overtime pay. Annual leave ought to focused on for workers to cause them to revive and perform better. Management should guarantee that benefits are coordinated to employee needs and inclinations. Organization ought to consider offering workers blended monetary and non-monetary advantages to doubly affect their profitability. Based on the research results of the effectiveness of fringe benefits in manufacturing industry it is concluded as follows: The research result showed that fringe benefits as an incentive significantly affects employees morale, productivity and enhancing employees performance towards organizational tasks. This study helped to know about the effectiveness of fringe benefits that leads to improving employee performance in an organization and relationship between fringe benefits and employee performance.

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