



# A Study On Incentives And Fringe Benefits On Bank Employees With Special Reference To Kottayam District

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## ABSTRACT

This study delves into the satisfaction level of employees within public and private sector banks in Kottayam district regarding the incentives and fringe benefits provided by their respective institutions. The research aims to effectively analyze the impact of these incentives and benefits on employee motivation and retention, asserting that employee satisfaction significantly contributes to organizational goals. Employing a descriptive research approach, convenient sampling was utilized.

“The study underscores the pivotal role of incentives and fringe benefits in enhancing individual performance, with employees expressing satisfaction with current schemes”.

**Key words:** Employee satisfaction, Incentives, Fringe benefits, Motivation.

## INTRODUCTION

In the dynamic realm of banking, the welfare and motivation of employees stand a critical pillar for organizational success. Incentives and fringe benefits plays a pivotal role in nurturing employee satisfaction, productivity and overall well-being within the workplace. This study delves into the landscape of incentives and fringe benefits among bank employees, with a focused examination on Kottayam district. By scrutinizing the range of incentives and fringe benefits offered to bank employees in these locales, this study aims to cover valuable insights that can inform strategies for enhancing employee engagement and organizational performance.

Through empirical research and qualitative analysis, this study seeks to evaluate the effectiveness of existing incentive and fringe benefit schemes in Kottayam district. Ultimately, by shedding light on the relationship between incentives, fringe benefits, and employee satisfaction, this study aims to contribute to the broader discourse on human resource management in the banking sector.

## REVIEW OF LITERATURE

1. **Mohammad Faisal Ahammad, Lee sang- Mook (2015):** Focused on “*The impact on incentive scheme and fringe benefit on performance of employees in commercial banks*”. The theoretical model presented in this article shows how ex-ante incentives (incentives base on past performance) and ex-post incentives (incentives based on future performance) after productivity, motivation, and performance of employees. The main results are tested empirically by analyzing real quarterly data of bank employees. Our finding indicates that motivation-enhancing HR practices such as financial incentives significantly influence the productivity and performance of employees.
2. **Adisas Delic (2014):** Focused on “*the impact of monetary and non-monetary incentives on job satisfaction of bank employees*”. The data was collected through direct contact with each respondent their study concluded that monetary factors still have a very strong influence on the overall job satisfaction. Elements such as salary level compared to job complexity, salary compensation across different position and employees, over time compensation, financial support for professional development and pension expectation were the most significant material compensation factors that influence the overall level of employee job satisfaction in the banking sector.
3. **Singh, Mira et al. (1994)** opined that occupational level was found to be an influential factor in job involvement of employees. The results also revealed that work motivation of employees was also influenced by occupational level. Although managers were found to be highly motivated in comparison to supervisors and workers. The other finding was that job involvement and work motivation, both were positively and significantly correlated in the organization.
4. **Worrell, G. Travis (2004)** revealed that 90.6percent of the survey participants were either satisfied or very satisfied with their jobs. Within the 0 scales of the MSQ, overall dissatisfaction was only observed on the school system policies and practices scale. Finally, In comparison to the 1982 and 1992 studies, school psychologists in the current sample are more satisfied with their job security, independence and their opportunities to be creative on the job.

## OBJECTIVES OF THE STUDY

1. To study the relation between incentives and overall satisfaction of bank employees.
2. To study the relation between fringe benefits and overall satisfaction of employees.

## HYPOTHESES OF THE STUDY

### HYPOTHESIS 1

**Ho:** There is no association between incentives and overall satisfaction level of bank employees

**H1:** There is association between incentives and overall satisfaction level of bank employees.

**HYPOTHESIS 2**

**H<sub>0</sub>:** There is no association between fringe benefits and overall satisfaction level of bank employees

**H<sub>1</sub>:** There is an association between fringe benefits and overall satisfaction level of bank employees.

**RESEARCH METHODOLOGY**

The data was collected using an interview schedule for analytical research

Sampling method: convenient sampling

Sample size: 100

Sample area: Kottayam district

Tools used : chi-square test

**RESULTS AND INTERPRETATIONS**

**Table 1**  
**socio-economic background of respondents**

Socio-economic background	Category	Number	Percentage
Gender	Male	60	60
	Female	40	40
Age	Below 30	30	30
	30 - 45	45	45
	45- 60	25	25
Education level	Graduate	72	72
	Post graduate	28	28

The above table shows that the majority of the respondents are male. The majority of people fall in the age group of 30-40. Most of them are graduates and rest of them have post-graduation.

Table 2

## Incentive scheme and overall satisfaction level.

Types of incentive	Highly satisfied	Satisfied	Dissatisfied	Total
Monetary incentive	56	44	0	100
Non-monetary incentive	40	48	12	100
Performance based incentive	36	28	36	100
Other incentive	30	40	30	100
Total	162	160	78	400

$X^2$  test is performed. The hypothesis tested is:

**H<sub>0</sub>:** There is no association between incentives and overall satisfaction level of bank employees.

**H<sub>1</sub>:** There is an association between incentives and overall satisfaction level of bank employees.

Calculated value:56.36

Level of significance: 0.005(5%) Degree of freedom 6

Chi-square value:12.592

Since table value is less than the calculated value, H<sub>0</sub> [null hypothesis] is rejected and accepted the alternative hypothesis. That means there is an association between incentives and overall satisfaction level of bank employees.

Table 3

## Fringe benefits and overall satisfaction level.

Types of fringe benefit	Highly satisfied	Satisfied	Dissatisfied	Total
Sick leave with pay	60	40	0	100
Gratuity	40	48	12	100
Provident fund	20	50	30	100
Insurance benefit	60	32	8	100
Total	180	170	50	400

$X^2$  test is performed. The hypothesis tested is

**Ho:** There is no association between fringe benefits and overall satisfaction level of bank employees.

**H1:** There is an association between fringe benefits and overall satisfaction level of bank employees.

Calculated value:67.86

Level of significance: 0.005(5%) Degree of freedom 6

Chi-square value:12.592

Since table value is less than the calculated value, Ho [null hypothesis] is rejected and accepted the alternative hypothesis. That means there is an association between fringe benefits and overall satisfaction level of bank employees.

### CONCLUSION

In summary, the study conducted on incentives and fringe benefits for bank employees underscores a clear relationship between these factors and employee satisfaction. The majority of employees express satisfaction with the provided incentives, indicating the importance of aligning incentives and fringe benefits packages to foster a positive work environment and retain talented employees.

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