



THE IMPACT OF FRINGE BENEFITS ON EMPLOYEES PERFORMANCE AND DEVELOPMENT IN NIGERIAN BANKING SECTOR

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ABSTRACT

This study will examine the impact of fringe benefits on employees' performance and development in Nigerian Banking Sector. Performance and development is a way of judging past and present productivity of an employee in an organization. Fringe benefits are non-monetary compensation which organisations use as a source of motivation to enhance performance of employees working in the organization. The research will look critically the relationship between fringe benefits and employees' performance and development among Nigerian banks. This will cut across but not limited to annual leave, free health scheme, pension, maternity leave, staff loan and advances etc. The study will focus on Sterling Bank in Lagos state to enable me drive down real challenges. I believe my recommendation will always focus on encouraging management of all banks to compute allocated fringe benefits to their employees across the industry through Banks' Employers Association and harmonised their various fringe benefits policies accordingly.

Keywords: fringe benefits, performance, motivation, employees, bank , staff, compensation.

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Employers always make investments to retain their workers and improve their effectiveness by constantly and consistently measuring performance, employers can ensure that their investment is providing results.

Workers also benefit from performance measurement and appreciate fair productivity assessments. This can only happen when performance is measured consistently across an organization. In doing so, individuals can see how their work compares to that of other workers and industry benchmarks. Employees are not usually too bothered about the manner their pay is calculated in as much as they believe it is a fair return for their contributed efforts and skills and also sufficiently consistent for them to feel they have some security of earning (Root, 2008). Managers and management researchers have long believe that organizational goals are unattainable without the enduring commitment of members of the organizations.

Along with perception, personality, attitudes, and learning, motivation is a very important part of understanding behaviour. Luthan (2008) asserts that motivation should not be thought of as the only explanation of behaviour, since it interacts with and acts in conjunction with other mediating processes and with the environment. Luthan stress that, like other cognitive process, motivation cannot be seen. All that can be seen is behaviour, and this should not be equated with causes of behaviour. While recognizing the central role of motivation, Evans (2008) states that many recent theories of organizational behaviour find it important for the field to reemphasize behaviour. Definitions of motivation abound. One thing these definitions have in common is the inclusion of words such as "desire", "want", "wishes", "aim", "goals", "needs", and "incentives". Luthan (2008) defines motivation as "a process that starts with a physiological deficiency or need that activates behaviour or a drive that is aimed at a goal incentive".

Motivation is a human psychological characteristic that contributes to a person's degree of commitment (Stoke, 1999). It includes the factors that cause, channel, and sustain human behaviour in a particular committed direction. Stoke (in Adeyemo 1999) goes on to say

that there are basic assumptions of motivation practices by managers which must be understood. First, that motivation is commonly assumed to be a good thing. One cannot feel very good about oneself if one is not motivated.

Second, motivation is one of the several factors that go into a person's performance. Factors such as ability, resources, and contributions under which one performs are also important. Third, managers and researches alike assume that motivation is in short supply and in need of periodic replenishment. Fourth, motivation is a tool with which managers can use in organizations. If managers know what drives the people working for them, they can tailor job assignments and rewards to what makes these people "tick". Motivation can also be conceived of as whatever it takes to encourage workers to perform by fulfilling or appealing to their needs. To Olajide (2000), "it is goal-directed, and therefore cannot be outside the goals of any organization whether public, private, or nonprofit". All this brings about the attachment of fringe benefits to the entitlement of the employee especially in a banking sector like Eco Bank Nigeria Plc.

Most organization today compensates their employee using three major reward systems: pay, incentives and benefits. Pay, the most common and gradually accepted of all the reward systems is the basic remuneration employees receive mainly in form of wages or salaries for work done. (Banjoko, 2002). Incentives on the other hand, are energizers or motivators designed to encourage and reimburse employees for effort beyond expectations. While benefits are more or less privileges that employees or group of employees enjoy for being members of the organization (Fashoyin, 2009).

Wright (2000) stated that fringe benefits can be understood from two different perspectives – as equivalent to money wages or as non-pecuniary goods. If fringe benefits are offered instead, this may imply that the prices for fringe benefits are lower than money wages or that they provide the worker with better consumption opportunities. There are several reasons why fringe benefits can be cheaper than wages. For workers and firms, the tax legislation often treats fringe benefits favourable. A wage of 1 pound seldom yields consumption opportunities of 1 pound for the worker and labour costs 1 pound for the employer. Employers may save pay-roll tax, and workers may save earnings tax. In addition, due to market power firms may achieve fringe benefits at favourable prices compared to what is available for workers. Furthermore, in some cases the fringe benefits are produced by the firm itself, and the mark-up saved by avoiding expensive third-party sellers may provide the employers with a significant leverage in providing employees with attractive fringe benefits.

Fringe benefits may also be understood as non-pecuniary goods. Fringe benefits are seldom accepted as a medium of exchange. They are not really used as payment for goods and services. Thus the real value of fringe benefits for both the provider and the recipient can be difficult to surmise. (Rabin, 1998)

Fringe benefits may, however, give the workers strong satisfaction which stands as the effect of it on the employees' performance towards productivity. They may have strong preference and fondness for a particular holiday cottage. An offer of free child care may take care of workers' organizational problems at home. The point is that fringe benefits are singled out from the basic wage, thus workers evaluation is influenced by endowment and framing effects (Rabin, 1998).

Finally, one should note that there are several reasons why the fringe benefits policies of firms have more market power than small firms especially on the banking sector. Organizational sector are more likely to produce items goods that may be considered fringe benefits to workers at Sterling Bank Plc. Firms like Sterling Bank Plc should be more occupied with strategies for recruiting workers and how to retain workers. In addition to basic wages, a substantial portion of the total labour costs in many companies today, are expended on fringe benefits (Ubeku, 2005).

1.2 STATEMENT OF PROBLEM

Despite the fact that there is a wage problem affecting the banking sectors, as well the employees moral (performance) in Nigeria that hold not been taking care of, outside the budget of most banking organization talk less of fringe benefits on the employee' performance. Some organization finds it difficult to pay the employees' due wages, which over the years generated much attention.

Problem of inadequate motivation of employee's crunch still stands as the key factor/determinant in the success or fold-up of the banking organization in Nigeria this is because it affects the performance of the employee's hence; affects productivity, this need to be addressed now. The area of fringe benefit and some other area of effective motivation needed to be looked into.

In lieu of this, the issue of fringe benefits especially had enough roles to play in the motivation of the employees in every organization towards productivity but, most of these banking organizations in Nigeriashy away from all of these hence; affects in the achievement of the organizational set objectives.

1.3 OBJECTIVES OF THE STUDY

The specific objectives of the study are to:

- a. Examine the relationship between annual leave fringe benefit and employee's performance
- b. Define the relationship between maternity leave fringe benefit and employee's performance.
- c. Identify the relationship between health care fringe benefit and employee's performance
- d. Find out the relationship between staff loan fringe benefit and employee's performance
- e. Examine the relationship between pension scheme fringe benefit and employee's performance.

1.4 RESEARCH QUESTIONS

- a. What are the factors that determine the implementation of fringe benefits?
- b. What types of fringe benefits does Sterling Bank Plc use to enhance employees' performance?
- c. What are the effects of fringe benefits on employees' performance in sterling Bank Plc?
- d. What are the identified problems as well as solutions?

1.5 HYPHESIS OF STUDY

1Ho: There is no relationship between fringe benefits and employees performance at Sterling bank Plc.

Hi: There is a relationship between fringe benefits and employees performance at Sterling Bank Plc.

2Ho: Sterling Bank Plc does not encourage fringe benefits as an instrument towards productivity.

Hi: Sterling Bank Plc does encourage fringe benefits as an instrument towards productivity.

1.6 SCOPE OF THE STUDY

This study only examined the effect of fringe benefits on employees' performance in the banking sector. Hence; the relevance of this was evaluated through this research work and with the use of Sterling Bank Plc as the study as well as limited to the study. The study also looks into determining the relevance of fringe benefits to employee performance in Sterling Bank Plc as well as identifying the critical factors that affect the implementation of fringe benefits in the organization.

1.7 SIGNIFICANCE OF STUDY

This research work will show the importance/effect of fringe benefits on employees' performance in the banking sector especially at the Sterling Bank Plc. Emphasis will also be laid on the impact of fringe benefits on employees' morale to boost organizational productivity. This study is very important as it seeks to provide various types of fringe benefits and the guidelines or procedure that would ensure its successful implementation in enhancing employee performance.

It would also give higher-institution student the opportunity to understand and fully comprehend what fringe benefits is all about; the types, the implementation guide and the effect on employee performance.

Finally, this study would serve as an information source for business establishment, government and the general public on what perception they should have about employees in relation to fringe benefits.

1.8 DEFINITION OF TERMS

Allowances: Additional payment made to employees being members of an organization

Compensation: The totality of the reward system of the employees.

Earning: The sum-total of an employee's income

Economic Situation: The current occurrences in the nation's economy.

Employees: The individual(s) or organization(s) that employ the employees.

Incentives: A programme created mainly to motivate workers to increase an improve productivity.

Industrialization: A situation where there is increase in industrial mechanization in a country.

Inflation: An economic situation in which the excess money in circulation and little quantity of goods for consumption.

Management: Authority in of affairs in an organization.

Paternism: The act of playing an elder role.

Pay: Total remuneration package an employee gets at the end of a certain period.

Personnel: The employees engaged in an organization in the various departments.

Productivity: The level of production attained at a particular time.

Remuneration: The totality of the reward system of employees

Unionists: Those who fight for the right of themselves and others.

Working Conditions: The various condition under which employees' carryout their duties.

Working Environment: The environment in which the employees perform their duties.

2.0 LITERATURE REVIEW

Every academic work gains some of its strength from it connection with other related works. The literature review entails the review of all relevant works that have been done by other scholars in the area of inquiry. It also involves the presenting of summaries, indication of sources and a critical assessment of the relevant works by indicating their strengths and weaknesses (Soyombo, 1996). The literature review indicates where this research work fits in the context of the general body of scientific knowledge (Babbie, 2005). The literature review also lays the groundwork for the main study and shows why the main study may have value in the realm of the research enterprise (Babbie, 2005).

According to McCormick and Tifflin (2009), motivation can be either intrinsic or extrinsic. Intrinsic motivation stems from motivations that are inherent in the job itself and which the individual enjoys as a result of successfully completing the task or attaining his goals. While extrinsic motivations are those that are external to the task of the job, such as pay, work condition, fringe benefits, security, promotion, contract of service, the work environment and conditions of work. Such tangible motivations are often determined at the organizational level, and may be largely outside the control of individual managers.

Intrinsic motivation on the other hand are those rewards that can be termed "psychological motivation" and examples are opportunity to use one's ability, a sense of challenge and environment, receiving appreciation, positive recognition, and being treated in a caring and considerate manner. An intrinsically motivated individual, according to Ajila (2007), will be committed to his work to the extent to which the job inherently contains tasks that are rewarding to him or her. And an extrinsically motivated person will be committed to the extent that he can gain or receive external rewards for his or her job. He further suggested that for an individual to be motivated in a work

situation there must be a need, which the individual would have to perceive a possibility of satisfying through some reward. If the reward is intrinsic to the job, such desire or motivation is intrinsic. But, if the reward is described as external to the job, the motivation is described as extrinsic.

Good remuneration has been found over the years to be one of the policies the organization can adopt to increase their workers performance and thereby increase the organizations productivity Dawson (2004). Also, with the present global economic trend, most employers of labour have realized the fact that for their organizations to compete favorably, the performance of their employees goes a long way in determining the success of the organization. On the other hand, performance of employees in any organization is vital not only for the growth of the organization but also for the growth of individual employee.

An organization must know who are its outstanding workers, those who need additional training and those not contributing to the efficiency and welfare of the company or organization. Also, performance on the job can be assessed at all levels of employment such as: personnel decision relating to promotion, job rotation, job enrichments etc. And, in some ways, such assessment is based on objective and systematic criteria, which includes factors relevant to the person's ability to perform on the job. Hence, the overall purpose of performance evaluation is to provide an accurate measure of how well a person is performing the task or job assigned to him or her. And based on this information, decision will be made affecting the future of the individual employee. Therefore, a careful evaluation of an employee's performance can uncover weak-nesses or deficiencies in a specific job skill, knowledge, or areas where motivation is lacking. Once identified, these deficiencies may be remedied through additional training or the provision of the needed rewards.

The view that specific rewards will encourage increases in production has not always been substantiated, even though management has often attempted to spur production by such offerings and has often attributed production increase to them. Throughout the years production has increased for many reasons in addition to the particular motivation and has erroneously over simplified a highly complex phenomenon. Since then psychologists have been especially concerned with understanding an individual through his motives and acquired a body of knowledge in this field that often differs from the layman's knowledge. It is necessary to review briefly, from the psychologist's point of view what is known about motivation at the present time Gbadamosi (2000). In Nigeria, interest in effective use of rewards to influence workers performance to motivate them began in the 1970s. So many people have carried out researches in this area, some of which are (Oloko, 1997) and (Ajila 2007)

The performance of workers has become important due to the increasing concern of human resources and personnel experts about the level of output obtained from workers due to poor remuneration. This attitude is also a social concern and is very important to identify problems that are obtained in industrial settings due to non-challant attitudes of managers to manage their workers by rewarding them well to maximize their productivity. All efforts must be geared towards developing workers interest in their job so as to make them happy in giving their best to their work, this will ensure industrial harmony. In view of this, this study attempts to identify the influence that motivation has on workers performance in order to address problems arising from motivational approaches in organizational settings.

For some reasons most organizations use motivation external to the job in influencing their workers. Vroom (1964) supported the assumption that workers tend to perform more effectively if their wages are related to performance which is not based on personal bias or prejudice, but on objective evaluation of an employee's merit.

Though several techniques of measuring job performance have been developed, in general, the specific technique chosen varies with the type of work Root (2005). All these issues call for research efforts, so as to bring to focus how an appropriate reward package can jeer up or influence workers to develop positive attitude towards their job and thereby increase their productivity.

Possibly the best means of understanding workers motivation is to consider the social meaning of work. In this respect, short-term goals and long-term goals of employees and employers may affect production variously. Accordingly, giving attention to the manner in which rewards given to workers are perceive is preferable to assuming that reward means the same thing to all.

2.1 WHAT IS EMPLOYEE'S PERFORMANCE

Employee Performance Management is a process for establishing a shared workforce understanding about what is to be achieved at an organisation level. It is about aligning the organizational objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results. The emphasis is on improvement, learning and development in order to achieve the overall business strategy and to create a high performance workforce. It is a measure of effectiveness and efficiency of an employee in justifying the pay he receives at the end of every month as agreed in the conditions of service.

Performance appraisal properly describes a process of judging past performance and not measuring that performance against clear and agreed objectives. Performance management shifts the focus away from just an annual event to an ongoing process. Figure 2.1 is a process diagram that provides a graphical view of the major difference between the two processes.

Bernard (2002) looks at workers in an organized endeavour, putting in time and efforts for personal, economic, and non-economic satisfaction.

2.2 MEASUREMENT OF EMPLOYEES' PERFORMANCE

Most organisations have some type of employee appraisal system, and many are experiencing the shortcomings of manual staff evaluation systems. When discussing workforce performance the most commonly asked question is "How does Performance management differ from performance appraisals or staff reviews"? Performance Management is used to ensure that employees' activities and outcomes are congruent with the organisation's objectives and entails specifying those activities and outcomes that will result in the firm successfully implementing the strategy (Noe et al. 2000, p.55). An effective Performance Management process establishes the groundwork for excellence by:

- Linking individual employee objectives with the organisation's mission and strategic plans. The employee has a clear concept on how they contribute to the achievement the overall business objective,
- Focusing on setting clear performance objectives and expectations through the use of results, actions and behaviours,
- Defining clear development plans as part of the process, and
- Conducting regular discussions throughout the performance cycle which include such things as coaching, mentoring, feedback and assessment

Some of the areas where performance can be measured are in the areas of:

- Turnaround time
- Punctuality to work
- Customer Relationship
- Promptness to customer enquiry
- Meeting marketing targets with deadline
- Employee ability to work under little or no supervision

If Performance Management is implemented correctly with specific objectives tied to the strategic and operational plan, organizational performance outcomes will likely increase very quickly. For example, if the CEO asked for a 3% increase in gross margin, this objective would be cascaded down to every department, team and individual who can influence the increase in gross margin. Those who are successful at achieving this objective will get a favourable review, those that could not, will get an unfavourable performance evaluation in the absence of extenuating circumstances. The process of Performance Management therefore drives organizational performance outcomes. Employees that achieve the organizational goals are rewarded with favourable reviews and bonuses in line with the banks policies.

2.3 THE SIGNIFICANCE OF PERFORMANCE MANAGEMENT IN THE BANKING INDUSTRY

Performance Management began around 60 years ago as a source of income justification and was used to determine an employee's wage based on performance. Organizations used Performance Management to drive behaviour from the employees to get specific outcomes. In practice this worked well for certain employees who were solely driven by financial rewards. However, where employees were driven by learning and development of their skills, it failed miserably. The gap between justification of pay and the development of skills and knowledge became a huge problem in the use of Performance Management. This became evident in the late 1980s; the realization that a more comprehensive approach to manage and reward performance was needed. This approach of managing performance was developed in the United Kingdom and the United States much earlier than it was developed in Australia.

In recent decades, however, the process of managing people has become more formalized and specialized. Many of the old performance appraisal methods have been absorbed into the concept of Performance Management, which aims to be a more extensive and comprehensive process of management in recent years are the differentiation of employees or talent management, management by objectives and constant monitoring and review. Its development was accelerated by the following factors:

- The introduction of human resource management as a strategic driver and integrated approach to the management and development of employees; and
- The understanding that the process of Performance Management is something that's completed by line managers throughout the year – it is not a once off annual event coordinated by the personnel department.

In thinking about benefits as part of total compensation package, a basic question arises: why do employers choose to channel a significant portion of their compensation away from cash (wages and salaries) into benefits? Economic theory tells us that people prefer to hold cash over the equivalent in form of specific commodity because the cash can be used to purchase the commodity or something else. Thus, cash is less restrictive. However, several factors have contributed to less emphasis on cash and more on benefit in compensation (Fajana, 2000).

Some of the factors that emphasis organizational benefits according to Fajana (2000) are:

1. Modification of the tax structure in such a way that will make other benefits, such as workers' compensation (for injuries) and unemployment insurance mandatory is a major facilitator of the sustained trend.
2. Wage and price controls instituted during World War II combined with labour market shortages, forced employers to think of new ways to attract and retain employees. Because benefits were not covered by wage controls, employers channeled more resources in this direction. Once institutionalized, such benefits tended to remain even after wage and price controls were lifted.
3. Tax treatment of benefits programmes is often more favourable for employees than the tax treatment of wages and salaries, meaning that any amount spent on benefits has the potential to generate more value for the employees than the same amount spent on wages and salaries.
4. The cost advantage that groups typically realize over individuals. Organisations that represent large groups of employees can purchase insurance (or self insure) at a lower rate because of economics of scale, which spread fixed costs over more employees to reduce the cost per person.
5. The growth of organized labour from the 1930s through the 1950s. this growth was as a result of the Trade Union Ordinance (1938) and the World Wars. Indeed, this trend is sustained in contemporary times as it is estimated that more than a third of Nigerian workers who were engaged in strike actions in the early 1990s did so over issues of benefits.

In some organizations, the management assumes that, if employees are given as many fringe benefits as possible in addition to their wages, the efforts of trade unionist will be neutralized. This is common in organizations where they are afraid of trade unions, because, today, initiative for fringe benefits is generally with the union and they arise as a result of collective agreement (Fajana, 1994).

Banjoko (2002) identified five facts that led to the growth of benefits in Nigerian industries. These factors are:

- I. Governmental influences on the improvement of employees' welfare by putting pressures on the employers.
- II. The power and pressure of labour unions in obtaining many supplementary benefits for their members
- III. The impositions of wage ceilings and restriction on the amount of dividends that could be declared and the freezing of wages and salaries increase.
- IV. The advent of industrialization and more technological breakthrough brought about increased risks relating to employee's safety and health on the job. Besides, the processes of many organizations necessitated continuous working for 24 hours a day (e.g. NEPA, and steel rolling mills and hospital), and a result, the need for shift premium or allowances arose.
- V. The need to make employees more comfortable thus becoming more committed, dedicated and loyal in their attitude towards the organization is also one of the factors that led to the growth of fringe benefits.

2.4 THE CONCEPT OF FRINGE BENEFITS

Employee benefits and (especially in British English) benefits in kind (also called fringe benefits, perquisites, perqs or pecks) are various non-wage compensations provided to employees in addition to their normal wages or salaries. In instances where an employee exchanges (cash) wages for some other form of benefit is generally referred to as a 'salary packaging' or 'salary exchange' arrangement. In most countries, most kinds of employee benefits are taxable to at least some degree.

Examples of these benefits include: housing (employer-provided or employer-paid), group insurance (health, dental, life etc.), disability income protection, retirement benefits, daycare, tuition reimbursement, sick leave, vacation (paid and non-paid), social security, profit sharing, funding of education, and other specialized benefits.

The purpose of employee benefits is to increase the economic security of staff members, and in doing so, improve worker retention across the organization.

The term perqs (also perks) is often used colloquially to refer to those benefits of a more disciplinary nature. Often, perqs are given to employees who are doing notably well and/or have seniority. Common perqs are take-home vehicles, hotel stays, free refreshments, leisure activities on work time (golf, etc.), stationery, allowances for lunch, and—when multiple choices exist—first choice of such things as job assignments and vacation scheduling. They may also be given first chance at job promotions when vacancies exist.

Bernard in Stoner (1995) accords due recognition to the needs of workers saying that "the ultimate test of organizational success is its ability to create values sufficient to compensate for the burden imposed upon resources contributed".

Bernard (2002) looks at workers in an organized endeavour, putting in time and effort for personal, economic and non-economic satisfaction. The question here is what strategies can be used to motivate workers. The following strategies are

2.3.1 Salary, Wages and Conditions of Service

To use salaries as a motivator effectively, personnel managers must consider four major components of a salary structures. These are the job rate, which relates to the importance the organization attaches to each job; payment, which encourages workers or groups by rewarding them according to their performance; personal or special allowances, associated with factors such as scarcity of particular skills or certain categories of information professionals or librarians, or with long service; and fringe benefits such as holidays with pay, pensions, and so on. It is also important to ensure that the prevailing pay in other library or information establishments is taken into consideration in determining the pay structure of their organization. (Olajide, 2000)

2.3.2 Money

Akintoye (2000) asserts that money remains the most significant motivational strategy as far back as 1911, Frederick Taylor and his scientific management associate described money as the most important factor in motivating the industrial workers to achieve greater productivity. Taylor advocated the establishment of incentive wage systems as a means of stimulating workers to higher performance, commitment, and eventually satisfaction. Money possesses significant motivating power in as much as it symbolizes intangible goals like security, power, prestige, and a feeling of accomplishment and success. Katz, in Sinclair (2005) demonstrates the motivational power of money through the process of job choice. He explains that money has the power to attract, retain, and motivate individuals towards higher performance. For instance, if a librarian or information professional has another job offer which has identical job characteristics with his current job, but greater financial reward, that worker would in all probability be motivated to accept the new job offer. Banjoko(1996) states that many managers use money to reward or punish workers. This is done through the process of rewarding employees for higher productivity by instilling fear of loss of job (e.g., premature retirement due to poor performance). The desire to be promoted and earn enhanced pay may also motivate employees.

2.3.4 Staff Training

No matter how automated an organization may be, high productivity depends on the level of motivation and the effectiveness of workforce. Staff training is an indispensable strategy for motivating workers Adalakun (2004). The library organized must have good training programme. This will give the librarian or information professional opportunities for self-improvement and development to meet the challenges and requirements of new equipment and new techniques of performing a task.

2.3.5 Information Availability and Communication

One way managers can stimulate motivation is to give relevant information on their actions on others (Olajide, 2000). To this researcher it seems that there is no known organization in which people do not usually feel there should be improvement in the way department communicate, cooperate, and collaborate with one another.

Information availability brings to bear a powerful peer pressure, where two or more people running together will run faster than when running alone or running without awareness of the pace of the other runners. By sharing information, subordinates compete with one another.

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Studies on work motivation seem to confirm that it improves workers' performance and satisfaction. For example, Brown and Shepherd (1997) examine the characteristics of the work of teacher-librarians in four major categories: knowledge base, technical skills, values, and beliefs. He reports that they will succeed in meeting this challenge only if they are motivated by deeply-held values and beliefs regarding the development of a shared vision. Vinokur, Jayarantne, and Chess (2004) examine agency-influenced work and employment conditions, and assess their impact on social workers' job satisfaction.

Some motivational issues were salary, fringe benefits, job security, physical surroundings, and safety. Certain environmental and motivational factors are predictors of job satisfaction. While Colvin (1998) shows that financial incentives will get people to do more of what they are doing, Silverthorne (2006) investigates motivation and managerial styles in the private and public sector. The results indicate that there is a little difference between the motivational needs of public and private sector employees, Managers, and no managers.

2.5 TYPES OF FRINGE BENEFITS

Apple (2004) identified two types of fringe benefits; direct and indirect. Direct benefits comprise profit sharing, sick pay and pension schemes whose payments are generally made in cash. Indirect benefits are aimed at improving morale and increasing the stability of employment. Examples include free lunch vouchers, sports or welfare amenities, provision of car or mileage allowance, telephone, purchase at a discount, education for children, sports, canteen, social facilities, training and development, etc.

Bottomley (2003) gave six categories of fringe benefits:

- I. **Status Benefits:** These are benefits given to employees who genuinely need those benefits for the performance of their job. For instance, official cars are very suitable in motivating salesmen towards high performance.
- II. **Pension Schemes:** These are designed to provide employees with security by currently building up rights, which will give a guaranteed income to the employee or his dependants on retirement or death.
- III. **Payment for time not worked:** This includes holidays to tourists or recreational centres, sickness leave, maternity leave, public and annual holidays.
- IV. **Health Care and Insurance Scheme:** These include free medical facilities and life assurance.
- V. **Loan, Discount and Bonuses:** Discount on company's products and bonuses through productivity of profit sharing, Christmas or holiday gifts etc.
- VI. Welfare services to employees.

Furthermore, Banjoko (2002), identified four different types of benefits. These are:

- I. **Security Benefits:** These are payments made to workers or their families with a view to providing them with protection against loss of income due to insufficient work, sickness, disability, loss of life or old age.
- II. **Safety and Health Benefits:** Employees are provided relief and protection against accident and unhealthy working conditions. Similarly, the Factories Act of 1948 also requires certain measures of sanitary and safe working condition for employees' safety and health.
- III. **Welfare and Recreational Facilities:** Most organizations provide welfare recreational facilities to their employees with a view to enhancing social interaction and providing an avenue where workers can interact and spend their leisure hours. Such facilities include, staff canteens, housing, staff school, sport centres and other facilities like day-care, picnics, staff bus, etc.
- IV. **Old Age and Retirements Benefits:** The most efficient worker is bound to lose his agility as he becomes old and incapable of doing any work and thereby retires from work. During this period of retirement the old worker needs to be sustained and given a feeling of income security even at old age.

Fajana (2000), in his own viewpoints, identified eight types of benefits: these are:

1. **Extra Payment:** These are holiday premiums, shift allowances, weekend and overtime allowances. Most of these programmes represent a higher rate of hourly rate. For instance, for coming to work on a holiday, a rate 1.25 or 1.5 may be applied rather than the usual 1.00
2. **Payment for Time Not Worked:** this involves the employer paying the employees for time not spent working, thereby receiving no tangible production value in return. As a result, many employers tend to dodge or avoid this type of benefit as it has little or no direct advantage. Possibly for this reason, legal provisions in Nigeria mandate a minimum number of days. As many as 21 days of vocation for junior level employees and 42 days for senior level staffs.

Some examples of paid time off are: paid sick leave, paid religious holiday, call back pay, layoff pay, vacation pay, rest period, lunch period pay etc.

3. **Payments for Employee Security:** These are benefits that enhance the employee's personal and family security with regard to illness, health, accident or life insurance. Some of these services are however required by law, such as compensation for injuries sustained in the cause of working.
4. **Personal Needs:** These are entitlements, which recognize the interface between work and domestic needs or responsibilities. Examples include holidays and other forms of leave, maternity leave, child care, career breaks, retirement counseling, financial counseling, recreational facilities, club membership, company apartments or housing, scholarship for children of staff, etc. These practices help to ease the conflict between work and non-work and also have a spill-over effect on other general corporate concern for human resource.
5. **Payment for Employees Services:** Several corporate bodies have resolved the argument stated by providing basic amenities such as education, transportation, communication, water supply etc directly to their employees and to their host communities. The most popular examples of this type of benefit are free staff bus, and staff school, legal aid, free medical services, etc.
6. **Financial Assistance:** This includes loans, house purchase schemes, relocation assistance and discounts on company goods and services. This arises from the efforts of trade unions that have argued that the peculiar problem of development is enough a strong basis for obtaining some of these special concessions.
7. **Intangible Benefit:** This is also called affliction power base for employees. Several individual employees would prefer to remain in the banks or universities and be referred to as bank employees or university teachers respectively because of the social status or power it connotes, which can of course be converted to economic advantage.
8. **Other benefits:** Other benefits that improve the standard of living of employees are subsidized meals, clothing allowances, refund of telephone costs, mobile phones, credit card facilities and tuition refund in self-development efforts.

2.6 EFFECTS OF COMPENSATION ON EMPLOYEES' PERFORMANCE

Human Resources Management is committed to achieving the organizational goals and objectives process of **employees** through effective personnel policies and programs. Successful performances of the personnel function, a much better bottom line of any organization Fajana (2000). The staff, however, practitioners are challenged today more than at any time in the history of a changing and demanding workforce, has high expectations of the workplace. At the same time, rapidly advancing technologies and external factors change the nature of our jobs. It is therefore critical and difficult a work environment that motivates and satisfies Human Resources received.

Edward (2005) says, "Personnel Management is the planning, organizing, directing and controlling the procurement, development, compensation, integration, maintenance and division of human resources to the end that individual, organizational and societal goals are achieved."

According to Wayne (2003), "The salary, the incentives include direct cash payment, indirect payments in terms of social welfare and productivity, motivate employees to be to higher levels is a key component of the employment relationship. Compensation influence factors by forces as diverse as labour market. Collective bargaining, national laws and top-management philosophy in terms of pay and benefits"

The compensation may be their **employees** are defined as the ratio of offer received for the execution of the works and much kind of benefits and services to organizations.

The compensation is salary, **wage**, salary or wages, where goals to individuals or a group of people in return for labour, services, or organizational unit contribution has an organization, the fulfillment. Wages, cost of living allowance, bonus and other allowance are examples of financial compensation, while good accommodation, children, education, transport facilities, subsidized rations of essential raw materials, etc. under non-monetary compensation. In short, paid wages or salaries paid to workers may be classified a s compensation.

A good compensation package is a good motivator. Therefore, the main responsibility of the HR manager is to ensure that **employees** of the company are well paid.

2.7 EFFECT OF FRINGE BENEFITS ON EMPLOYEES' PERFORMANCE

Chruden and Sherman (1976) opined that before unions achieved their present status, fringe benefits were extended to employees largely as a result of management desire to keep employees satisfied and to counteract the effort of unions in organizing their personnel. Union leaders, however, learned that they could bargain for additional fringe benefits when it was not possible or feasible to ask for substantial wage increase. Therefore, fringe benefits began to be initiated more as a result of collective bargaining or as a result of the need for non-union employers to compete with unionized ones for competent personnel.

Bottomley (1983) identified three impacts of fringe benefits as thus:

- I. Aiding the staffs identification with group results and achievements
- II. Fostering loyalty and a sense of long term commitment to the well being of the organization as well to the employees'
- III. Increasing awareness of the importance of financial success and enhancing the understanding of the relationship between staff costs and profitability

The contribution that fringe benefits can n=make to the effectiveness of an organization will depends upon the extent to which attention has been paid to certain defined objectives of the system. Unless fringe benefits follow company-defined objective closely, sooner or later, such a company might find that the cost of fringe benefits is rivaling that of basic wages (Ubeku, 1975).

Banjoko (2002) identified five impacts of fringe benefits, and they are:

- I. Provision of financial relevant and extra comfort to the workers and thereby motivate them towards higher performance.

- II. Provision of adequate security to the employees against social risks.
- III. Safeguarding the health of employees through provision of necessary medical facilities.
- IV. Enhanced worker's welfare by providing recreational facilities.
- V. Improve employee-employer relations and social interactions among all categories of workers.

2.8 STAGES IN FRINGE BENEFITS

For the past five decades, fringe benefits have been divided into two; "employer contributions for social insurance" and "other labour income". This is referred to public and private fringe benefits, by the United State Department of Commerce. The first concerns the changing distribution of fringes between those sponsored by governmental units (public fringes), and those under the aegis of the private sector (private fringes). While the costs of fringes increased during 1950 – 1999, a decreasing proportion was attributed to public fringes and a growing proportion to private fringe (Yung, 2001).

Also, broad trend pertains to the changing distributions of fringes that provide retirement benefits, primarily deferred compensation (old-age protection) and those that provide benefits only when contingencies such as illness, disability or unemployment occur – current protection (Yung, 2001).

The distinction between these two types of protection is not clear – cut, particularly in the case of social security, but an approximation may be achieved by assigning 80 percent of social security cash benefits to the cost for retirement benefits (including benefits for surviving spouses age 60 and above) and the remaining 20 percent to benefits for persons below retirement age. Thus, old age protection encompasses federal civilian employees' retirement, state and local employees' retirement railroad retirement, private pension and profit sharing plans and the approximately 80 percent of social security cash benefits paid to retirees or to their surviving spouses age 60 and above.

Current protection includes unemployment insurance, workers' compensation; group health and life insurance plus the remaining 20 percent of social security cash benefits (Yung, 2001)

2.9 FUTURE OF ORGANIZATIONS IN FRINGE BENEFITS

It is easy to observe that employee benefits represent a substantial cost to any organization. Yet, they are the vital and most motivating factor of the total compensation package. Although, they are referred to as fringe benefits they have come to be regarded as a crucial part of the workers earnings.

Thus, it requires better management on the part of the organization. This is because they are costly and once they are granted to the workers, they cannot be withdrawn without violent resistance and very dangerous consequences (Banjoko, 2002)

In future, employers will focus on the work and non-work life of employees because both have implications for motivation, retention, productivity and the realization of individual and corporate goals. In particular, in a socio-culturally conscious environment such as in Nigeria, the management of family-work conflicts, grief and crises will be addressed in it deserved magnitude. One of the aftermaths of response by employers by ways of motivating interventions that would indeed assist employees' coping with her grieves. A similar ripple was created in Nigeria in the aftermath of February 2002 bomb blast in Lagos that claimed thousands of lives (Fajana, 200).

Geroge (1998) asserted that human resources executives must often address situations that involve helping employees in crisis. Human resources executives can help workers handle family illness, domestic violence, grief, substance abuse and other personal violence.

While aiding workers in crisis represents one of human resources most rewarding experience, it also brings challenges. Most human resources managers have a background in counseling that helps them to handle crises, but many are unprepared for the emotional intensity associated with such events (Fajana, 2000).

Employers should be prepared to help their workers handle death and grief, through adequate motivation. This is due to the fact that grief can reduce employees' energy and productivity, cause them to lose motivation and even affect their ability to think clearly (Sunoo and Solomon, 1996).

Fajana (2000) concluded that ignoring employees' grief might lead to serious and expensive problems in the workplace. Unresolved grief can result in alcoholism, fatigue, forgetfulness and lack of concentration. Workers may have a difficult time performing their normal assignments. It is however important that human resource professional know how to handle workers' personal tragedies.

2.10 BENEFITS OF FRINGE BENEFIT

The fringe benefit schemes alleged relationship develop a healthy climate for **employers and employees** to reduce excessive turnover and feeling of individual security against dangers and problems of life with a view to possibly **Strengthen employee loyalty** to the company and improving productivity.

Chandra (2003) clearly describes fringe benefits available to **employees** provided by employers to their under the law or on a voluntary basis. The social services under the Act works, planned in 1948, in the banking sector include canteen, shelter, nursery, or storage lockers, lounge area, bath and laundry facilities and appointment of officials, etc. other welfare benefits Festival includes year-end profit participation, attendance and performance bonuses, protective equipment, free delivery of aid concessional rates. Social security system provides benefits such as provident fund, **employees'** state insurance (ESI) scheme, retrenchment compensation for work injuries and occupational disease compensation, maternity, gratuity, pension, dependant allowance and contribution to pension and gratuity entitlements.

In addition, other facilities enjoyed by the workers include medical and health care, restaurants, cooperative societies and consumer markets, company housing, house rent allowance. Leisure and culture, clubs, cash benefits some employers also offer education, transport and transport equipment paid.

RESEARCH METHODOLOGY

3.0 INTRODUCTION

This chapter is concerned with research design, population of the study, the sample procedure and sample method, the research instrument, procedure for data collection and data analysis.

3.1 RESEARCH DESIGN

Research design is the researcher's plan of action whose objective is to minimize possible errors by increasing the reliability and validity of the study. For this study, the research design is the non-experimental design since the study only hopes to give a descriptive analysis of the effects of fringe benefits on employees' performance in an organization. The research work made use of survey design; survey research focuses on the population under study. This method involves direct meeting with staff of the Bank to get information about fringe benefits in the organization.

3.2 LOCATION OF THE STUDY

Sterling Bank Plc, head office is on 20 Marina Street, Marina Lagos. The bank was licensed as Nigeria's first merchant bank in 1969. In January 2006, as part of the consolidation of Nigerian banking industry, NAL Bank completed a merger with four other Nigerian Banks namely Magnum Trust Bank, NBM Bank, Trust Bank of Africa and Indo-Nigeria Merchant Bank (INMB) and adopted Sterling Bank name. The merged entities were successfully integrated and have operated as a consolidated group ever since. In mid-2011, Sterling Bank Plc acquired the franchise of the erstwhile Equitorial Trust Bank.

3.3 SAMPLING PROCEDURE AND SAMPLING METHOD

A sample size of one hundred (100) respondents was drawn from the population. It was drawn by simple random sampling techniques to allow for every member of population to be included. A total of 40 management staff, 30 junior staff, 20 outsourced staff and 10 contract staff were administered the questionnaire.

3.4 RESEARCH INSTRUMENT

The instrument used for collection of data is a 5-point Likert scale structured questionnaire containing strongly agree, agree, undecided, disagree as well strongly disagree. The questionnaire is divided into two section A & B. Section A focuses on personal data of the respondents, while section B consist of statements relating to the variable under study. The research instrument used for the study was administered to one hundred questionnaires.

3.5 METHOD OF DATA COLLECTION

The questionnaires were shared among the top management, middle management as well as the junior staff. That is the questionnaire are been stratified. The questionnaires administered to the respondents are also the relevant ones to the organization.

3.6 METHOD OF DATA ANALYSIS

Data used for research study were analyzed using descriptive statistics. The formulated hypotheses were tested using SPSS to analyze the hypothesis.

4.0 DATA ANALYSIS AND PRESENTATION OF RESULT

This segment outlines the analysis of data collected from the respondents through questionnaires. The information given by the respondents were analyzed by SPSS.

4.1 ANALYSIS

A total of One hundred (100) copies of questionnaires were administered but ninety (90) copies were properly filled and returned. The breakdown is tabulated below:

Table 4.1: INSTRUMENT OF THE STUDY

Return of outcome	Questionnaire	Percentage (%)
Properly completed	90	90%
Badly completed	2	2%
Not returned	8	8%
Total	100	100%

Source: Field survey October, 2019

This signifies that about 90% success (rate of response) with respect to the total questionnaires distributed and 10% failure was experienced as a result of uncompleted and unreturned questionnaires.

Table 4.2: Gender's Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	54	60.0	60.0	60.0
Female	36	40.0	40.0	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

From the Table 4.2 shows gender of the respondents that part in the research. (60%) of the respondents were male while (40%) of the respondents were female. This shows that majority of the respondents in this research work were male.

Table 4.3: Martial status of the respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	33	36.7	36.7	36.7
Married	47	52.2	52.2	88.9
Divorced	4	4.4	4.4	93.3
Widowed	6	6.7	6.7	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

From Table 4.3 on the marital status of respondents, 52.2% of the respondents were married, 36.7% were single, 6.7% were widowed and 4.4% were divorced. From this analysis it shows that majority participated in this research work were married.

Table 4.4: Academic Qualification of the Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SSCE	12	13.3	13.3	13.3
ND/NCE	22	24.4	24.4	37.8
HND/B.Sc	40	44.4	44.4	82.2
M.Sc/MBA	12	13.3	13.3	95.6
Others	4	4.4	4.4	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.4 shows academic qualification of the respondents. 44.4% of the respondents were HND/B.Sc holders, 24.4% were ND/NCE holders, 13.3% had SSCE and lower educational qualification. Hence; most of the respondents had HND/B.Sc educational qualification.

Table 4.5: Age of Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 20yrs	9	10.0	10.0	10.0
21-30yrs	25	27.8	27.8	37.3
31-40yrs	34	37.8	37.8	75.6
Above 40 yrs	22	24.4	24.4	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.5 indicates the age of the respondents in this project 37.8% of the respondents were between age of 31-40yrs, 27.8% were between age of 21-30yrs, 24.4% were above 40yrs while 10% of the respondents were less than 20yrs. Therefore majority of the respondents in this project were between ages of 31-40yrs.

Table 4.5: Years of Working Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 5yrs	45	50.0	50.0	50.0
6-10yrs	30	33.3	33.3	83.3
11-15yrs	9	10.0	10.0	93.3
Above 15yrs	6	6.7	6.7	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

From table 4.6 on the length of service/working experience of the respondents, 50% of the respondents had working experience of less than 5 years, 33.3% between 6-10years, 10.0% of the respondents are having their working experience between 11-15years and 6.7% had a working experience of above 15years. The majority of respondents in this table have their working experience below 5years.

Table 4.7: Departmental Distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Human Resources Management	14	15.6	15.6	15.6
Production	27	30.0	30.0	45.6
Marketing/Sales	32	35.6	35.6	81.1
Account & Finance	17	18.9	18.9	
Total	90	100.0	100.0	100.0

Source: Field work, 2019.

Table 4.7 shows the departments of the respondents 35.6% of the respondents were in marketing/sales department, 30% were in production department, 18.9% were in accounting & Finance department and 15.6% were in human resources management. The analysis of the result shows that most of the participants involved were in marketing/sales department.

Table 4.8: Job Position of the Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Manager	17	18.9	18.9	18.9
Supervisor	32	35.6	35.6	54.4
Junior Staff	41	45.6	45.6	100.0
Total	90	100.0	100.0	

Source: Field work, 2012.

The table 4.8 shows job position of the respondents 45.6% were junior staff, 35.6% were supervisors and (18.9%) were managers. Therefore most of the respondents involved in this research work were junior staff.

Table 4.9: Productivity is a function of adequate salary

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	39	43.3	43.3	43.3
Agree	50	55.6	55.6	98.9
Undecided	1	1.1	1.1	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.9, shows that 98.9% of the respondents agreed that productivity is a function of adequate salary in Sterling bank Plc, while 1.1% of the respondents were undecided about the statement

Table 4.10: My Remuneration is a Motivating Factor for My Efficiency

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	43	47.8	47.8	47.8
Agree	45	50.0	50.0	97.8
Undecided	1	1.1	1.1	98.9
Strongly disagree	1	1.1	1.1	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.10 shows that 97.8% of the respondents agreed that their remuneration is a motivating factor for their efficiency while 1.1% each of the respondents disagreed and undecided.

Table 4.11: Employee's performance in enhanced through provision of free health care Fringe benefits are determined and laid out in the contract of employment by the company

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	43	47.8	47.8	47.8
Agree	43	47.8	47.8	95.6
Undecided	1	1.1	1.1	96.7
Disagree	2	2.2	2.2	98.9
Strongly disagree	1	1.1	1.1	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.11, shows that 95.6% of the respondents agreed and strongly agreed that their performance is enhanced through the provision of free health care for them and their families, 3.3% disagreed and strongly disagreed while 1.1% of the respondent were undecided.

Table 4.12: Provision of Pension Scheme Creates a Sense of Belonging for a Secured Future in My Organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	28	31.1	31.1	31.1
Agree	32	35.6	35.6	66.7
Undecided	18	20.0	20.0	86.7
Disagree	11	12.2	12.2	98.9
Strongly disagree	1	1.1	1.1	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.12 reveals that 66.7% of the respondents agreed and strongly agreed that provision of pension scheme creates a sense of belonging for them for a secured

Future in the organization, 13.3% disagreed and strongly disagreed and 20% were undecided. Thus most respondents agreed.

Table 4.13: Provision of annual leave benefit plays a significant role in employee's performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	40	44.4	44.4	44.4
Agree	30	33.3	33.3	77.8
Undecided	5	5.6	5.6	83.3
Disagree	15	16.7	16.7	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.13, shows that 77.7% of the respondents agreed and strongly agreed that provision of annual leave benefit plays a significant role in their performance 16.7% disagreed and 5.6% undecided. Hence; most respondents agreed.

Table 4.14: My organization encourages may be granting examination leave

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	26	28.9	28.9	28.9
Agree	37	41.1	41.1	70.0
Undecided	15	16.7	16.7	86.7
Disagree	10	11.1	11.1	97.8
Strongly disagree	2	2.2	2.2	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.14, shows that 70% of the respondents agreed and strongly agreed that the company allows them to upgrade themselves by granting examination leave 13.3%

of the respondents disagree and strongly disagreed and 16.7% of the respondents undecided. Therefore most respondents agreed.

Table 4.15: Access to loan and advance is a necessarily tool in wining employee's commitment

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	31	34.4	34.4	34.4
Agree	30	33.3	33.3	67.8
Undecided	16	17.8	17.8	85.6
Disagree	11	12.2	12.2	97.8
Strongly disagree	2	2.2	2.2	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.15 shows that 67.7% of the respondents agree and strongly agree that the bank grants loan and advances, 14.2% disagreed and strongly disagreed while 17.8% were undecided. Thus; most respondents agreed.

Table 4.16: The provision of allowance/bonuses facilitate employee's performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	47	52.2	52.2	52.2
Agree	41	45.6	45.6	97.8
Undecided	1	1.1	1.1	98.9
Disagree	1	1.1	1.1	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.16 shows that 97.8% of the respondents agreed and strongly agreed that provision allowances and bonus facilitate employee's performance, while 1.1% disagreed and undecided. Therefore, majority of the respondents agreed.

Table 4.17: Fringe benefits encourage workers to improve their level of productivity

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	47	52.2	52.2	52.2
Agree	41	45.6	45.6	97.8
Undecided	1	1.1	1.1	98.9
Total	90	100.0	100.0	100.0

Source: Field work, 2019.

Table 4.17 shows that about 97.8% of the respondents agreed and strongly agreed that fringe benefits encourage workers to improve their level of productivity while 2% of the respondents' undecided with the statement. This means that majority of the respondents agreed with the statement.

Table 4.18: I get loan and advances when I need them in my organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	40	44.4	44.4	44.4
Agree	35	38.9	38.9	83.3
Undecided	5	5.6	5.6	88.9
Disagree	8	8.9	8.9	97.8
Strongly disagree	2	2.2	2.2	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.18 shows that 83.3% of the respondents agreed and strongly agreed that loans are made available when employees request for such in the bank while 11.1% disagreed and strongly disagreed while 5% of the respondents undecided. This implies that most of the respondents agreed.

Table 4.19: I perform excellently when I resume from maternity leave because it is a benefit joy

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	47	52.2	52.2	52.2
Agree	42	46.7	46.7	98.9
Undecided	1	1.1	1.1	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.19 shows that 98.9% of the respondents agreed and strongly agreed that most women are very active when they resume from maternity leave while 1.1% undecided with the statement. True, most of the respondents agreed.

Table 4.20: Fringe benefit increase workers commitment to the organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	44	48.9	48.9	48.9
Agree	42	46.7	46.7	95.6
Undecided	2	2.2	2.2	97.8
Disagree	2	2.2	2.2	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.20 shows that 95.6% of the respondents agreed and strongly agreed that fringe benefits increase workers commitment to the organization while 2.2% each of the respondents disagreed and undecided. Hence; majority of the respondents agreed.

Table 4.21: My organization grants me benefits for housing scheme which gives me a sense of belonging

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	42	46.7	46.7	46.7
Agree	43	47.8	47.8	94.4
Undecided	5	5.6	5.6	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.21 shows 94.5% of the respondents agreed that fringe benefits increases expenditure of the company while 5.6% of the respondents undecided.

Table 4.22: I feel motivated when I am appraised on my job performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	39	43.3	43.3	43.3
Agree	40	44.4	44.4	87.8
Undecided	10	11.1	11.1	98.9
Disagree	1	1.1	1.1	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.22 shows that 87.7% of the respondents agreed and strongly agreed that they have the zeal to work better when they are appraised for a job well done, 1.1% disagreed and 11.1% of the respondent undecided with the statement. This implies that majority of the respondents agreed with the notion.

Table 4.23: My willingness to discharge my responsibilities is increased through accurate performance appraisal

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	28	31.1	31.1	31.1
Agree	42	46.7	46.7	77.8
Undecided	11	12.2	12.2	90.0
Disagree	7	7.8	7.8	97.8
Strongly disagree	2	2.2	2.2	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.23 shows that 77.8% of the respondents agreed and strongly agreed that their willingness to discharge their responsibilities is increased through accurate performance appraisal, 10% disagreed and strongly disagreed while 12.2% were undecided with the statement.

Table 4.24: Employees performance appraisal creates an atmosphere for employees to work at optimal capacity

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	21	23.3	23.3	23.3
Agree	35	38.9	38.9	62.2
Undecided	22	24.4	24.4	86.7
Disagree	11	12.2	12.2	98.9
Strongly disagree	1	1.1	1.1	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.24 shows that 62.2% of respondents agreed and strongly agreed that performance appraisal creates an atmosphere to work at optimal capacity 13.3% disagreed and strongly disagreed while 24.4% were undecided with the statement.

Table 4.25: Fringe benefits is made forceful based on the standard operating in the industry

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	10	11.1	11.1	11.1
Agree	23	25.6	25.6	36.7
Undecided	30	33.3	33.3	70.0

Disagree	23	25.6	25.6	95.6
Strongly disagree	4	4.4	4.4	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.25 shows that 36.7% of the respondents agreed and strongly agreed that fringe benefits is made forceful based on the standard operating in the industry 30% disagreed and strongly disagreed while 33.3% of the respondent undecided this implies that most of the respondents did not support the argument.

Table 4.26: Employees performance is facilitated through adequate and periodic training

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	9	10.0	10.0	10.0
Agree	25	27.8	27.8	37.8
Undecided	25	27.8	27.8	65.6
Disagree	25	27.8	27.8	93.3
Strongly disagree	6	6.7	6.7	100.0
Total	90	100.0	100.0	

Source: Field work, 2019.

Table 4.26 shows that 37.8% of the respondents agreed and strongly agreed that the organization does periodic and adequate training for them 34.5% disagreed and strongly disagreed while 27.8% were undecided. This also revealed that most of the respondents did not support the statement.

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATION

This chapter presents the summarized findings of the study, the conclusion reached at the end of the work and some recommendations made by the researcher.

5.1 SUMMARY OF FINDINGS

The study attempted to investigate the effect of fringe benefits on employees' performance in banking sector with particular focus on Sterling Bank Plc. The findings summarized here are the results obtained from the field research carried out by administering questionnaires to the staff of Sterling Bank Plc.

The study revealed that there are two kinds of fringe benefits in use at Sterling Bank Plc. namely; *financial* and *non-financial* fringe benefits. Both kinds of fringe benefits are laid out in employees' contract of employment. The types of financial fringe benefits in place at Sterling Bank Plc. include; medical insurance, 13th month's salary, vehicle maintenance and bonuses. The non-financial benefits include; sick leaves, compassionate leave, examination leave, monthly detergent for uniform and annual rice allocation.

Factors determining fringe benefits include; revenue generated by the firm, staff performance, prevailing economic conditions, and national minimum wage regulations, operating standard of the particular industry and the kind of fringe benefit implemented by other competing firms. On this issue, the Human Resource Manager of Sterling Bank Plc in the event of favourable economic changes is empowered to recommend an upward review of employee fringe benefits. It was also discovered that Government's role affect level of fringe benefits by making provision of fringe benefits mandatory through the formulation of economic policies and regulations, this they do in order to prevent industry disharmony.

Furthermore, findings indicated that the provision of fringe benefits boosts the morale of the staff, encourage workers to improve their level of productivity in an organization and creates a deeper sense of commitment or affinity in the staff that prevents them from leaving the organization to other competitors.

5.2 CONCLUSIONS

Going by the summary of findings above, the following conclusions can be deduced;

1. There is a positive relationship between fringe benefits and employee performance at Sterling Bank Plc Limited by boosting their morale and loyalty to the firm. According to Dawson (2004), "good remuneration has been found over the years to be one of the policies organization can adopt to increase their workers performance and thereby increasing the organizations productivity."
2. The fringe benefits at Sterling Bank Plc are determined by many critical factors including income, level of staff contribution, economic situation, industry standard, competitor's types of benefits and government regulations. This confirms the stance of Banjoko regarding the cost associated with fringe benefits.
"it is easy to observe that employee benefits represent a substantial cost to any organization. Yet, they are the vital and most motivating factor of the total compensation package. Although, they are referred to as fringe benefits they have come to be regarded as a crucial part of the workers earning.
Thus, it requires better management on the part of the organization. This is because they are costly and once they are granted to the workers, they cannot be withdrawn without violent resistance and very dangerous consequence" (Banjoko, 2002).

3. Fringe benefits increase the take home pay of workers and as a result increase their commitment to the organization. According to Roots (1998), "Pay is the biggest reason why people change their jobs and as a result of this, organizations need to motivate their workers towards productivity."

5.3 RECOMMENDATIONS

At the end of this study, the following recommendations were made:

1. The management of Sterling Bank Plc. should strive to team up with the managers of other competing firms through trade associations or employers' associations in order to harmonize the various fringe benefits policies in place in their respective organizations such that there's an existence of a uniform fringe staff migration within the same industry and will further enhance the commitment to their respective organizations.
2. The management of Sterling bank Plc. should adopt a proactive approach to the adjustment of fringe benefits in accordance to the prevailing economic conditions at every given point in time. This will ensure the interest of the workers are well covered and will discourage workers from engaging in any form of industrial conflict through the union as a result of management's unfair implementation of fringe benefits.
3. The management of Sterling Bank Plc. should adopt an innovative approach to the provision of fringe benefits for their high performing employees. Such innovative approach can be the provision of fringe benefits in the form of employee training and development abroad. This will not only improve the productivity of such an employee, but will also ensure the retention of such an employee for a reasonably long period of time which will be legally documented and signed prior to the implementation of the innovative fringe benefit.
4. The management of Sterling Bank plc. can lower the total operating expenses associated with the provision of fringe benefits to their employees with a given period by offering financial fringe benefits in the form of stock options. This will ensure that less liquid cash is spent and a sense of ownership is created in the employees which will in turn boost their overall performance.

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