

Fringe Benefits Effects on Employee Productivity in the Public Sector Tamilnadu Water Supply and Drainage Board Namakkal

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Abstract: The research purpose is to determine the study of the fringe benefits important of employees. Fringe benefits are additions to compensation that companies give their employees. This research project is on Fringe Benefits and Employees productivity in public sector. This research work is generally about the Benefits and Employees productivity Public Sector. The project has undertook the general introduction into the research work led to the review of various literature that relates to the major variables involved in the research work especially employees productivity. The purpose of employee benefits is to increase the economic security of staff members, and in doing so, improve worker retention across the organization. As such, it is one component of reward management. In any case, employers use fringe benefits to help them recruit, motivate, and keep high-quality people. According to Mathis and John (2003), productivity is a measure of the quantity and quality of work done, considering the cost of the resources used. The more productive an organization, the better its competitive advantage, because the costs to produce its goods and services are lower. Employee benefits in Canada usually refer to employer sponsored life, disability, health, and dental plans. Employee benefits in the United States include relocation assistance; medical, prescription, vision and dental plans; health and dependent care flexible spending accounts; retirement benefit plans (pension, 401(k), 403(b)). fringe benefits refers to the regular review of an employee's job performance and overall contribution to a company. The objective is to know the effect of fringe benefits on employee motivation. The reveals that fringe benefits lead to improved employees' performance. This results from increased productivity in the organization. The majorities of the employees are motivated of the organization through feedback and increased productivity.

Keyword: Fringe benefits, Employee productivity, Employee motivation, Employee performance.

INTRODUCTION

Fringe benefits are additions to compensation that companies give their employees. Some fringe benefits are given universally to all employees of a company while others may be offered only to those at executive levels. Some benefits are awarded to compensate employees for costs related to their work while others are geared to general job satisfaction. The purpose of employee benefits is to increase the economic security of staff members, and in doing so, improve worker retention across the organization. As such, it is one component of reward management. In any case, employers use fringe benefits to help them recruit, motivate, and keep high-quality people. The Bureau of Labor Statistics, like the International Accounting Standards Board, defines employee benefits as forms of indirect expenses. Managers tend to view compensation and benefits in terms of their ability to attract and retain employees, as well as in terms of their ability to motivate them. Any fringe benefit not named above, or any of the benefits named above which does not conform to IRS rules for exemption, is taxable. In addition, workers commonly receive such benefits and holiday with pay, low cost meals, and low rent housing etc.

REVIEW OF LITERATURE

Jones and George (2006), needs-based motivation theory is based on the understanding that motivation stems from an individual's desire to fulfill or achieve a need. Human beings are motivated by unsatisfied needs, and certain lower needs must be satisfied before higher needs can be satisfied.

In general terms, motivation can be defined as the desire to achieve a goal, combined with the energy, determination and opportunity to achieve it. The basic premise of the need theory is that people are motivated to obtain outcomes at work that will satisfy their needs. It complements the expectancy theory by exploring the depth at which outcomes motivate people to contribute valuable inputs to a job and perform at high levels. A manager must determine what needs the person is trying to satisfy at work and ensure that the person receives outcomes that help to satisfy those needs when the person performs at a high level and helps the organization achieve its goals. This research will concentrate on the basis of this theory. The most basic human needs, represented by food, water, shelter and safety, are considered essential for human existence. Higher-order needs are those associated with social activities, esteem building, and self-actualization or constant self-improvement. Elaborating further on this theory, Whittington and Evans (2005) stated that "each of these needs operates at all times, although one deficient set dominates the individual at any one time and circumstance" (p.114). The motivation experienced by humans to fulfill these needs is either derived from internal or external factors. People who experience internal motivation are influenced by factors that cause a sense of accomplishment and pleasure, while externally motivated people are commonly influenced by factors controlled by others, such as money and praise (Dec, 1985). Maslow's hierarchy of need theory is commonly displayed in a pyramid fashion, with the basic needs at the bottom and the higher needs at the top.

Muhammad Wasim Bhatti (2008), through his study designed an Imperative Motivational Factor Framework (IMFF) to identify the core motivational factors of employees. The design narrowed down the factors that could motivate the employees and identified that perquisites and health/life insurance benefits as the most influencing motivational factor for the employees.

Laikun Kong (2008), employee benefits included child care, retirement plan, social security, paid holidays, etc. The study investigated whether the fringe benefits to be made mandatory or not among the employees of food manufacturing factories. The study concluded that employers should not only provide mandatory benefits, but also improve fringe benefits that would increase the productivity.

Jooyoung Kwak (2009), through his study examined the effectiveness of fringe benefits in the compensation package and analyzed if the fringe benefits had any positive association with the performance level of the employees in a Korean firm. On analysis, it was found that employees welcomed the fringe benefits which included retirement benefits the most.

Said Kingir and Muammer Mesci (2010) on their study found social facilities like housing, transportation, medical benefits, etc., as the most influencing factors of motivation on the performance level of the employees. The study on the employees working in 20 five star hotels in Mugla city, Turkey, found that employees gave more importance and preference to material rewards rather than non-material rewards.

Nadia Sajjad Hafiza (2011) on her study examined the effect of intrinsic rewards like empowerment, challenging work, appreciation and extrinsic rewards like pay, fringe benefits, bonus and promotion on employee motivation. The study proved that the employees valued the extrinsic rewards mainly the fringe benefits the most.

Waqas Khan (2012), on his study focused on the effects of different components of motivation on employees. According to the study, the compensation was divided into three basic components, namely fixed pay, flexible pay and benefits. On analysis, it was found that the valance benefit component of compensation which includes vacations, severance pay, medical insurance, retirement benefits etc., had more effect on employee motivation.

Robbins (2003) defined attitudes as evaluative statements and they can be either favorable or unfavorable concerning objects, people, or events. Therefore they reflect how one feels about something. The favorable statements may provide positive effects regarding the concerned object, person or event whereas unfavorable statement may provide negative effects. An attitude is a positive or negative feeling or mental state of readiness, learned and organized through experience that exerts specific influence on a person's response to people, objects and situations. This definition of attitude has certain implications for managers. First, attitudes are learned. Second, attitudes define one's predispositions toward given aspects of the world. Third, attitudes provide emotional basis of one's interpersonal relations and identification with others. And fourth, attitudes are organized and are closed to the core of personality. Some attitudes are persistent and enduring; yet, like each of the psychological variables, attitudes are subject to change the early family experiences help to shape the attitudes of individuals. The attitudes of young children usually correspond to those of their parents. As children reach their teen years they begin to be more strongly influenced by peers.

FRINGE BENEFITS

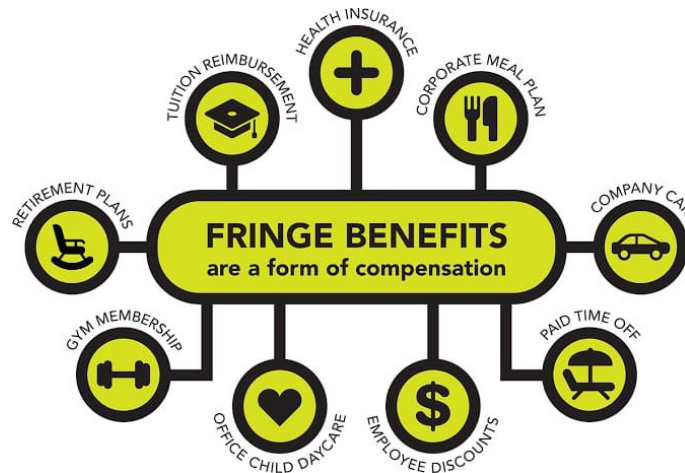
Definition: Fringe benefits are the additional benefits offered to an employee, above the stated salary for the performance of a specific service. Some fringe benefits such as social security and health insurance are required by law, while others are voluntarily provided by the employer. According to the Internal Revenue Service the fringe benefits definition is "a form of pay for the performance of services." These are benefits that employers offer outside of and in addition to your salary. Common fringe benefits include health insurance, life insurance, tuition assistance, childcare reimbursement, cafeteria subsidies, below-market loans, employee discounts, employee stock options, and personal use of a company-owned vehicle. Uncommon fringe benefits may fit the company profile. Pet Smart and Dogtopia both operate pet-friendly workplaces. Ben&Jerry's reward its workers with free ice cream. Patagonia's headquarters features extensive volleyball courts and yoga classes.

Valuing Fringe Benefits

Any fringe benefit not named above, or any of the benefits named above which does not conform to IRS rules for exemption, is taxable. Those rules are complex too. For example, working condition benefits are taxable to the extent that they are for personal use. For example, if an employee is given a laptop, the taxable income would be the percentage of the laptop's fair market value that is devoted to personal use. If 80% of its use is personal, the taxable income is 80% of the value of the computer. In general, fringe benefits are valued at fair market value. This is the amount the employee would pay for the same benefit at retail. (For related reading, see "What are Some Examples of Common Fringe Benefits?")

Special Considerations

By default, fringe benefits are taxable unless they are specifically exempted. Recipients of taxable fringe benefits are required to include the fair market value of the benefit in their taxable income for the year. The Internal Revenue Service (IRS) maintains a list called the Tax Guide to Fringe Benefits. As of 2019, the list of fringe benefits excluded from income taxes includes: accident and health benefits, achievement awards, adoption assistance, athletic facilities, commuting benefits, de minimize (minimal) benefits, dependent care assistance, educational assistance, employee discounts, employee stock options, employer-provided cell phones, group-term life insurance, coverage health savings accounts, lodgings, on business premises, meals, no-additional-cost, services retirement planning services, tuition reduction, working conditions benefits. This chapter discusses the background information on fringe benefits and presents the statement of the problem from which the objectives of the study and research questions are derived. The chapter then explains the significance, scope and limitations of the study.



HUMAN RESOURCE DEPARTMENT

Company target is to place the right person to right job, to evaluate efficiently our human resources, to contribute to training and development, to increase loyalty and pave the way to career opportunities. Equal opportunity policy we treat everybody equally regardless of religion, language, race, gender, age, ethnicity distinction. By providing equal opportunities to all candidates in our recruitment process, we aim to employ the right person for the right job.

Recruitment Policy: The recruitment policy is to provide equal opportunities to candidates and allow and process of the company and their process of the opportunity to accurate way to employee. Human resource management is very useful in this company of the organization.

Training and Development Policy: Education is an important element in the development of our employees and our company; we continuously invest in our human resources. Our education policy, our employees, is to support training needs to enable them to continue their task with high motivation and performance. With this approach personal development training and job.

SCOPE OF THE STUDY

The present research study has a very wide scope. It covers aspects which is useful several ways

- The study was specific to the State Department of Tamilnadu Water Supply Drainage Board, under the Ministry of Environment, Water and Natural Resources and which has a total of 89 middle level and lower level staff of various cadres.
- The number was reflective of the entire public service ministries located in Tamilnadu.
- The study was intended to cover some of major areas of development and administration of fringe benefit scheme.
- This study helps to make a managerial decision to the sector.

OBJECTIVES OF THE STUDY

i) General Objective

The General objective of the research was to assess fringe benefit effects on employee productivity in the Public Sector, a case of State Department of Tamilnadu Water Supply and Drainage Board.

ii) Specific Objective

- To determine whether employment security benefits have an effect on employee productivity in the public sector.
- To find out whether health protection benefits have an effect on employee productivity in the public sector.
- To examine whether retirement benefits have an effect on employee productivity in the public sector.
- To assess whether recognition does enhance employee productivity in the public sector.

RESEARCH METHODOLOGY

Introduction

This chapter describes the methodology that was used by the researcher to carry out the study. It presents the research design, the study location and target population, the sample size and selection method, data collection and analysis procedures.

Research Design

The study adopted a descriptive survey design. A descriptive study is concerned with determining the frequency with which something occurs or the relationship between variables Bryman & Bell (2003). Thus, this approach was appropriate for this study, since the researcher intended to collect detailed information through descriptions and was useful for identifying variables and hypothetical constructs. This method provided descriptions of the variables in order to answer the research questions in the study. Survey design also allows comparisons between respondents giving the right perspective on their opinion towards the fringe benefits effects on productivity. The choice of this technique was guided by the fact that the case study aims at generating findings, which would facilitate a general, understanding and interpretation of the problem.

Target Population

This study was carried out at the State Department of Water, where the total population is 89. In order to capture a balanced report the research concentrated on the middle level and lower level staff comprising Engineers, Hydrologists, Geologists, and Inspectors Water.

Sample and Sample Techniques

Defines sampling as the process of selecting a number of individuals for a study in such a way that the individuals selected represent the large group from which they were selected. In regard to this definition and for purposes of this study, a sample was selected from a population of eighty nine (89) technical staff from the State Department of TWAD. The researcher used stratified random sampling method of data collection since it is an unbiased sampling method of grouping heterogeneous populations into homogenous subsets then making a selection within the individual subset to ensure representativeness.

Data Collection Instruments and Procedure

The researcher used questionnaires to collect the data. Besides that, she consulted secondary sources of literature for comparison. Primary data was gathered directly from respondents by use of questionnaires. According to Neches (2004), there are many methods of data collection and therefore a choice of a tool and instrument depends mainly on the attributes of the subjects, research topic, problem question, objectives, design, expected data and results. The research instrument was organized based on the objectives of the study. The questionnaire consisted of six parts: Part A which sought for personal details from the respondents and the organization and Part B, C, D, E and F, which sought for specific information related to the areas under study as brought out in the conceptual framework. The questionnaires were dropped to respondents and picked at a central point, acceptable and convenient to all parties. The questionnaires had both open-ended questions (where respondents were freely allowed to answer the questions in their own words) and closed-ended questions (where the respondents were provided with a range of alternatives from which to choose).

Data Analysis and Presentation. After collecting data from the respondents, the researcher started the process of data analysis by editing it and coding it along the main thematic areas to identify inconsistencies and establish uniformity. Data was compiled to facilitate entry of the responses into the computer. The process of analysis then proceeded whereby frequencies, percentages and charts were generated using a statistical package for social sciences (SPSS) and excel spreadsheets for quantitative data. Quantitative analysis was carried out on those aspects of the study that are quantifiable. This comprised the use of statistics and statistical analysis techniques rather than the use of verbal materials, mainly applied in social sciences. It mainly includes the information obtained from closed-ended questions in the questionnaire. This was followed by a presentation of the quantitative findings in form of tables and percentages to enable easy interpretation by the readers accompanied by the requisite explanations and narrations. Feedback from the open-ended questions of the study was qualitatively analyzed. The key aim of qualitative analysis is to provide or avail from the study, a complete, detailed description of the variables under study, as perceived by the study subjects. Qualitative data was coded along some common thematic areas, based on the frequency of the responses on issues under investigation.

The analysis was mainly based on the commonly recurring themes which were carried out through narrative and descriptive analysis. In addition, the study was conducted by use of multiple regression analysis. The regression equation was:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Whereby

Y = The dependent variable (Employee Productivity),

X1= Employment Security Benefits,

X2= Health Protection Benefits,

X3= Retirement Benefits and

X4= Personnel Recognition Benefits,

while β_1 , β_2 , β_3 and β_4 are coefficients of determination and ε is the error term.

This generated quantitative reports through tabulations, percentages, and measures of central tendency.

DATA ANALYSIS AND INTERPRETATION

TABLE-I: GENDER CLASIFICATION

S No	Variables	No.of.respondents	Percentage
1	Male	72	80%
2	Female	17	20%
	Total	89	100%

From the table it is found that gender details of the respondents, out of 89 respondents, 80% of the respondents are male and 20% of the respondent's female. Majority of the respondents are Male categories 80%.

GRAPH-I: GENDER OF THE RESPONDENTS

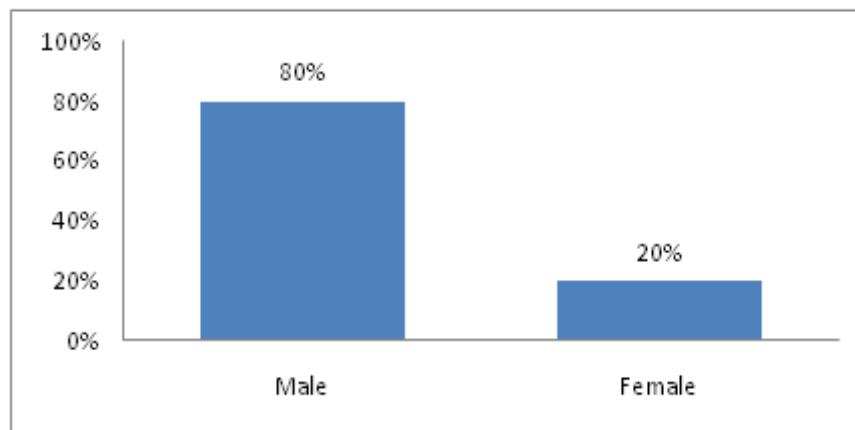


CHART-I: MONTHLY INCOME OF THE RESPONDENTS

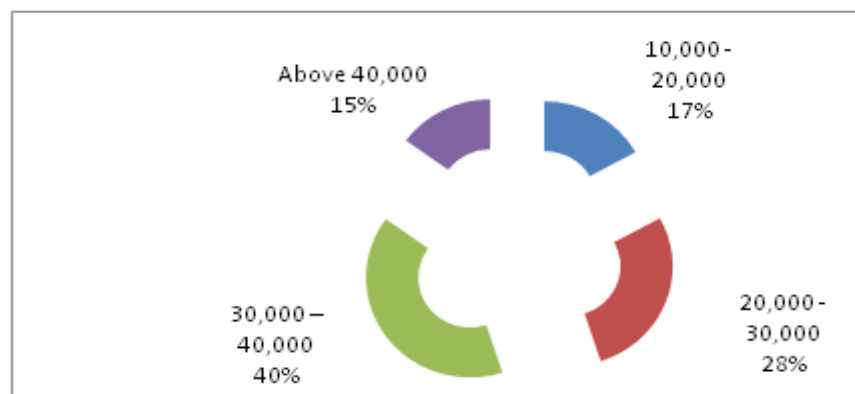
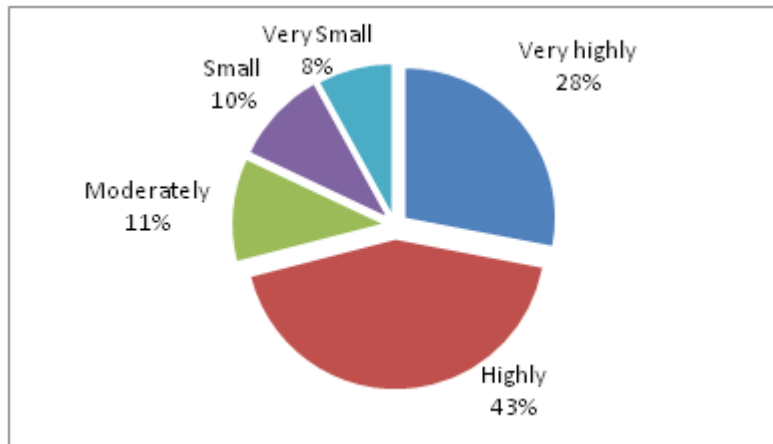


TABLE-2: FRINGE BENEFITS IMPORTANT OF THE RESPONDENTS

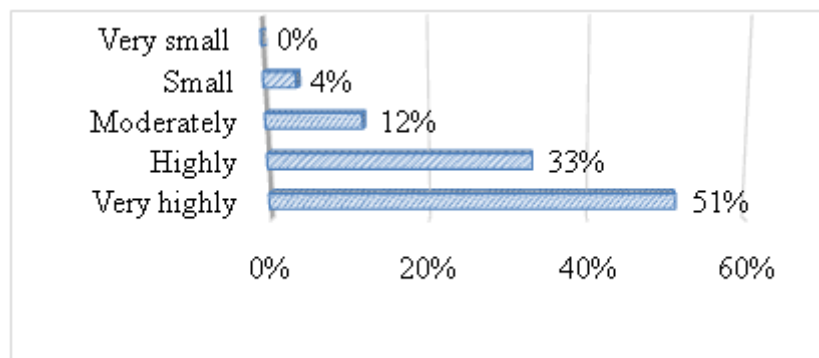
S No	Variables	No. of respondents	Percentage
1	Yes	58	65%
2	No	31	35%
	Total	89	100%

From the above table it is found that Opinion to consider fringe benefits important details of the respondents, out of the 89 respondents, 65% of the respondents are yes and 35% of the respondents are No. Majority of the respondents are Yes 65%

CHART-2: EXTENT TO WHICH FRINGE BENEFITS POSITIVELY AFFECT EMPLOYEE PRODUCTIVITY



GRAPH-2: EXTENT TO WHICH OCCUPATIONAL HEALTH AND SAFETY AND MEDICAL INSURANCE CONTRIBUTE TO EMPLOYEE PRODUCTIVITY



SUGGESTION

- The study recommends the government should continue providing security benefits to all civil servants, as it will positively influence employee productivity and raise overall performance in the public sector.
- The study recommends that the government should continue providing health protection benefits to its employees since it will help them create a sense of loyalty and encourage their productivity in the public sector.
- The study continues to recommend that the government should review the current retirement package since a good retirement package will attract and retain employees in the public sector and also improve their productivity.
- The study recommends that public organizations need to improvise employee recognition program for jobs well done, this will motivate employees thus enhancing employee productivity in the public sector.

CONCLUSION

The research purpose is to determine the study of the fringe benefits important of employees. Fringe benefits are additions to compensation that companies give their employees. This research project is on Fringe Benefits and Employees productivity in public sector. This research work is generally about the Benefits and Employees productivity Public Sector. The project has undertaken the general introduction into the research work led to the review of various literature that relates to the major variables involved in the research work especially employees productivity. The purpose of employee benefits is to increase the economic security of staff.

This study helps to acquire a very good knowledge about TAMILNADU WATER SUPPLY AND DRAINAGE BOARD and Fringe benefits effects on employee productivity. The government is continuously on the alert of the working environment of the employee satisfy them in their job. It is clearly found that the management is doing maximum favorable employees. Fringe benefits provide feedback information's about the level of achievement and behavior of subordinates, rectifying performance deficiencies and to set new standards of work, if necessary. It also identifies individuals with high potential who can be groomed for higher positions. It evaluating the effectiveness of devices used for the selection and classification of employees in this company.

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