

A Study on The Role of Fringe Benefits on Employees Job Satisfaction

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ABSTRACT

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

KEYWORDS: Job satisfaction, compensation, Health and Safety, Other benefits.

1.INTRODUCTION

Fringe benefits are wide range of benefits and services that employees receive as an integral part of their total compensation package. Fringe benefits refer to the remuneration provided by the employer to the individual employee or a pool of employees as a part of the organizational membership. Fringe benefits are paid to all the employees (unlike incentives which are paid only to the extra ordinary performers) based on their membership in the organization. Fringe benefits are indirect compensation because they are extended as a condition for employment and are not directly related with the performance. Fringe benefits make the major of company's compensation package. It is expressed that those companies which provides attractive compensation and benefits packages are a way forward from their competitors in the domain of recruiting talented workforce and retaining them in the long run.

OBJECTIVES OF THE STUDY

- To measure the perception of employees towards Fringe Benefits.
- To examine the effect of perception towards Fringe Benefits on employees job satisfaction.

2. REVIEW OF LITERATURE

R.Saranya (2017) in his study found that Fringe benefits make up a significant portion of compensation packages paid to employees, but their impact on worker job satisfaction has yet to be given much attention. Fringe benefits can affect job satisfaction in opposing ways. Fringe benefits are generally less taxed than wages; they can be purchased at less cost through an employer than if bought on the market. Fringe benefits are often desirable pieces of compensation packages and so increase job satisfaction. Although the pooled cross-section estimation offers more compelling results, unobservable characteristics not measured and therefore not included in the cross-section estimation can bias the estimated impact of fringe benefits on job satisfaction. Moreover, fringe benefits may be simultaneously determined with job satisfaction. If fringe benefits are indeed endogenous, then their estimated impact on job satisfaction will be biased. To further investigate the proposition that fringe benefits are significant determinants of job satisfaction. The results suggest there is no significant difference between the preferences for fringe benefits between males and females.

Ngatia (2015) conducted research on fringe benefits and their impact on employee's job satisfaction and concluded that useful reward package has a major impact on the employee's job satisfaction and performance. When employers give more attention to non-financial reward tools such as work-life balance, career advancement, educational benefits the employee may recognize the organization as helpful and supporting.

Nsour (2012) investigated the incentives approach and the level of job satisfaction in Jordanian Universities. Descriptive analysis was used to analyze the data and five Universities were selected for this study. The results showed the significance relationship between moral incentives and learning and growth in Jordanian Universities and also there is a high level of employee satisfaction. Internal business process is ranked in the second place followed by learning and Growth.

Artz(2010) who conducted research on the relationship among fringe benefits and employee's job satisfaction and revealed the result that fringe benefits were significant positive factor of job satisfaction. The employee security contributes most to the employee satisfaction in comparison with the other types of fringe benefits.

Steyn (2010) Fringe benefits make the major of company's compensation package. It is expressed that those companies which provides attractive compensation and benefits packages are a way forward from their competitors in the domain of recruiting talented workforce and retaining them in the long run. The prime advantage of the fringe benefits is encouragement and motivation of workers for an increased level of output and the higher coherence.

3. RESEARCH METHODOLOGY

It is the specific procedures or techniques used to identify, select, process, and analysis information about a topic. It is a way of explaining how a researcher intends to carry out their research. It's a logical, systematic plan to resolve a research problem. A methodology details a researcher's approach to the research to ensure reliable, valid results that address their aims and objectives. Methodology is the study

of research methods, "a contextual framework for research, a coherent and logic scheme based on views, beliefs, and values that guides the choices researchers.

RESEARCH DESIGN

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. It is simply a structural framework of various research methods as well as techniques that are utilized by a researcher. The research design helps a researcher to pursue their journey into the unknown but with a systematic approach by their side.

DESCRIPTIVE RESEARCH DESIGN

It is a type of Research Design that aims to obtain information to systematically describe a phenomenon, population. A Descriptive Research Design can use a wide variety of Research methods to investigate one variable. In this Study "Descriptive Research Design" is used.

4. DATA ANALYSIS AND INTERPRETATION

ONE WAY ANOVA

The one-way analysis of variance (ANOVA) is used to determine whether there are any statistically significant differences between the means of three or more independent (unrelated) groups. Let us look into the one-way Anova formula: $F = \text{MSB}/\text{MSW}$ In this formula, F = coefficient of Anova , MSB = Mean sum of squares between the groups , MSW = Mean sum of squares within groups. The test formulates a null hypothesis and an alternative hypothesis. The null hypothesis states that all population means are equal, whereas the alternative hypothesis states that at least one population mean will vary from others.

TABLE: 1 SHOWING ONE WAY ANOVA ANALYSIS

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.456	4	1.364	2.045	.091
Within Groups	103.387	155	.667		
Total	108.844	159			

INFERENCE

From the above table, it is inferred that there the significant value $P=.091$ which is less than 0.05, so we rejected null hypothesis and therefore there is a significant difference between Rewards and recognition programs and job satisfaction.

PEARSON CORRELATION

The bivariate Pearson Correlation produces a sample correlation coefficient, r , which measures the strength and direction of linear relationships between pairs of continuous variables. By extension, the Pearson Correlation evaluates whether there is statistical evidence for a linear relationship among the same pairs of variables in the population represented by a population correlation coefficient, ρ ('rho'). Karl Pearson's method is popularly known as Pearson's coefficient of correlation. It is denoted by the symbol 'r'.

$$\Sigma XY$$

Formula for Karl Pearson's coefficient r =

$$\frac{\Sigma XY}{\sqrt{(\Sigma x^2 * \Sigma y^2)}}$$

TABLE: 2 SHOWING CORRELATION ANALYSIS

Correlations			
		Q9	Q18
Q9	Pearson Correlation	1	.254**
	Sig. (2-tailed)		.001
	N	160	160
Q18	Pearson Correlation	.254**	1
	Sig. (2-tailed)	.001	
	N	160	160

INFERENCE

From the above table, it is inferred that there the significant value P= .254 which is less than 0.05, so we rejected null hypothesis and therefore there is a significant difference between employee job satisfaction and retirement benefits.

CHI SQUARE

It is one of the simplest and most widely used non-parametric tests, in statistical work. The quantity describes the magnitude of discrepancy between theory and observation. (i.e.. with the help of X² test we can know whether a discrepancy between theory and observation can be attributed to chance or whether it results from the inadequacy of the theory to fit the observed facts. The formula for computing chi-square is as follows,

$$X = \Sigma (OE)/E.$$

TABLE: 3 SHOWING CHI SQUARE ANALYSIS

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.159 ^a	4	.003
Likelihood Ratio	17.047	4	.002
Linear-by-Linear Association	2.331	1	.127
N of Valid Cases	160		

a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 3.26.

INFERENCE

From the above table, it is inferred that there the significant value P=.003 which is less than 0.05, so we rejected null hypothesis and therefore there is a significant association between employee job satisfaction and Educational Assistance policy.

5. FINDINGS

- It is inferred that there the significant value $P=.091$ which is less than 0.05, so we rejected null hypothesis and therefore there is a significant difference between Rewards and recognition programs and job satisfaction.
- It is inferred that there the significant value $P= -.254$ which is less than 0.05, so we rejected null hypothesis and therefore there is a significant difference between employee job satisfaction and retirement benefits.
- It is inferred that there the significant value $P=.003$ which is less than 0.05, so we rejected null hypothesis and therefore there is a significant association between employee job satisfaction and Educational Assistance policy.

6. CONCLUSION

I can honestly say that my time spent interning with Hindustan Unilever Limited is the best. Not only did I gain practical skills I also had the opportunity to meet my fantastic people. I felt like I was able to continue to the company by assisting and working on projects. My project at Hindustan Unilever Limited was a valuable experience that provided me with practical exposure to the industry. I gained valuable skills in human resource analysis, training program and team collaboration. This study analysis the relationship of Fringe Benefits and Employee Job Satisfaction, along with its key dimensions, Compensation, Health Protection Benefits, Overtime, Recreation Leaves, Medical Expenses and Retirement Benefits. The results and interpretation of this research shows and confirms that a relationship exists between fringe and employees job satisfaction. Overall, My project at Hindustan Unilever Limited has been a success, and make connections that will help me to move forward in my career.

7. REFERENCE

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