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## Promoting fringe benefits as motivational strategy and staff productivity in Nigerian Universities

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### Abstract

The trust of this paper is to unravel fringe benefits as a tool of motivation and staff productivity in educational zones. To fulfill the objective of this investigation, a single research query was posed, also a null hypothesis was generated. The study employed a survey research design, selecting a sample of 792 respondents from a population of 8,112 administrative staff through random sampling. Stratified random sampling was utilized in the selection process. Data collection relied on questionnaires as the primary instrument, which underwent face validation. The instruments' reliability was assessed using Cronbach-alpha reliability method, along with statistical analyses like Pearson product-moment correlation and multiple regression. The hypothesis was subjected to testing at 0.05 level of significance with relative degrees of freedom. The results of the findings revealed that, inclusiveness of fringe benefits in a place of work significantly relate to staff' productivity. Based on the findings of the study, it was recommended among others that management of all educational zones should ensure that both administrative and academic staff should be motivated by paying their fringe benefit as at when due to enhance productivity and work relief.

**Keywords:** Fringe benefits, Motivation, Productivity

### Introduction

Meeting the productivity mandate involves impacting requisite skills, knowledge, and attitude, to enable workers to realize their potential and

become disciplined. In numerous instances, individuals with high motivation have attained success even in the absence of well-defined plans or efficient organizational structures. Moreover, the higher the motivation level of subordinates, the

less control is needed to ensure the execution of tasks. Motivation is a set of processes concerned with a kind of force that energizes behavior and directs it towards achieving some specific goals. (Edoho & Arikpo 2019), assert motivation as one of the several factors that go into a person's performance such as ability, resources, fringe benefits and conditions under what excite a staff to be more accessible in her place of work.

Low productivity in the tertiary institution has been a major concern to the management of tertiary institutions and this is always blamed on the workers who seemingly lack commitment and dedication to their primary assignment. Despite effort by the government to maintain educational standard in higher institutions, the goal is yet to be achieved and it is obvious, that when skills are acquired and applied appropriately, policy makers and other beneficiaries will have confidence in the outcome to solve problems. The expectation of every employer is to have a workforce of high performing individuals so as to meet their organizational goals concerning productivity.

This is because many organizations specialize in the production of certain products and services and they depend on their employees who are a major factor of the production process forgetting that Meeting the productivity mandate involves impacting requisite skills, knowledge, and attitude, to enable workers to realize their potential and become disciplined. Edoho, Arikpo & Olabisi (2022).

On the other hand, workers under the umbrella of labor unions accuse the management of insensitivity towards their welfare and ineffective or non-deployment of effective motivational strategies towards boosting workers' commitment. This blame trade goes back and forth, generating all kinds of industrial disharmonies and conflicts in tertiary institutions as witnessed by incessant strike. To curb this trend, there is need for

management to pay their workers their fringe benefits. Edoho, Bella & Violet (2020).

The dependence of organizations on their employees' job productivity levels is because of the fact that, the net job performance of the employees decides the organization's productivity level and its competitiveness with other organizations that specialized in rendering similar products and services. Some employers in the pursuit of achieving higher productivity, organizations may inadvertently burden employees with excessive workloads to meet deadlines. This can have psychological and physical repercussions on employees, leading to outcomes contrary to the organizations intended goals. In simple terms, worker productivity is gauged by both the quantity and quality of work accomplished considering the cost of the resource it took to do the work as stated by Kartzell, and Yanalorich (2000).

It is concerned with the overall effectiveness and efficiency of getting things done and the extent of satisfaction and respect by their management which gives a view of how an organization is performing. Poor motivation arises when employees of labor refuses to comply with Nigeria Labour Congress (NLC) sub section 6. Government and nongovernmental organization have formulated several policies concerning worker's welfare. Worker productivity demands high level of commitment which brings about high increased level of motivation among workers. Even though some levels of motivation in one's life can be a source of positive motivation to succeed, it can energize one psychologically and physically to learn new skills for positive productivity. Due to financial challenges many workers' convert leave into money in order to meet with every day challenges.

According to Patra and Bartaki (2009), productivity could be attained using the following; Leadership

Commitment, Reward and positive reinforcement to drive success, Invest on in-service training, and staff promotion, fringe benefits. Hence, there is a pressing requirement for ongoing shifts in management strategies and administration. The heightened expectations on employees to excel have introduced significant pressure. Employees are anticipated to provide world-class service without a proportional increase in resources and training. Those who fall short face the threat of dismissal and other punitive measures, a situation exacerbated by the current high unemployment rates in Nigeria., many employees are under pressure and even those employed by higher institutions are being poached by the university (Adediwura & Abraham 2012).

The term "motivation" originates from the Latin word "Movere," meaning "to move." Kreitner (2016) defines motivation as the psychological process that imbues behavior with purpose and direction. It involves processes that stimulate, guide, and sustain voluntary, goal-directed actions. A motive serves as the reason behind an action. Ubom (2013) emphasizes that motivation is influenced by factors shaping people's behavior. Effective motivation strategies aim to enhance organizational members' contributions toward achieving objectives. This involves managing reward systems, especially financial incentives. It also encompasses processes fostering positive attitudes, such as job design, participation, joint objective setting, career development, and other factors addressing individual needs for personal fulfillment and significance (Armstrong, 2006).

The absence of fringe benefits in an organization can have adverse psychological and physical effects, as individuals struggle to cope with demands. Owan (2011) highlights that motivational factors extend beyond work-related stress, encompassing personal aspects like relationships and leisure time utilization. Coping with low income is linked to individuals' abilities to manage

various aspects of their lives. Work-related low productivity may result from oppressive work environments and structural issues (Abraham, 2016).

### Statement of the problem

Productivity of workers' in tertiary institutions' has been perceived to be very low when compared to productivity of other workers outside the educational sectors. This alarming situation has created a lot of setback in the growth and development of education which has led to retrogression. This could be as a result of inability to implement and pay workers welfare at as when due. Owing to lack of compliance by the federal government, two of the universities unions (NASU) nonacademic staff union of university and (SSANU) senior staff association of Nigeria union of research university had to go on strike every now and then, over unpaid academic end allowance which is perceived to be the main motivator in the organizations.

The issues of workers' motivational factors have assumed alarming proportion in most organizations today because they have resort to irregular salaries, lack of promotion, lack of training and highhanded policies. Most organizations do not treat workers benefits fairly even with the labor law act of conditions of services, and refusal to comply has affected workers' productivity and has also lead to poor commitment of workers', poor delivery services. Employees can never be satisfied in their job if motivational factors are not considered and since individual concerned is on how to discover ways to increase your income and experience favorable employment conditions, even as numerous employers aim to reduce expenses to achieve notable profits by the end of the fiscal period.

## Study objective

The study aims to examine the relationship between regular payment of fringe benefits and workers' productivity in tertiary institutions in Cross River State since it is held that motivation has the resultant effect of reducing productivity.

Specifically, the study seeks to;

1. Assess the extent to which regular payment of fringe benefits relate to workers' productivity in tertiary institutions in Cross River State.

## Research question

To guide the study, the following research questions are posed:

1. To what extent does promoting fringe benefits relate to workers' productivity in tertiary institutions in Cross River State?

## Formulation of hypothesis

The study formulates the following hypothesis to guide its direction.

1. There is an absence of a significant correlation between fringe benefits and workers' productivity in tertiary institutions.

## Assumptions of the study

The assumptions underlying the study include:

1. That motivation strategies are measurable.
2. The variables of the study are normally distributed

## Review of related literature

Payment of fringe benefits and workers' productivity

When-ever fringe benefits is mention, it gladdens the mind of employees because it is a valuable form of compensation. Fringe benefits simple

refers to the extra benefits that is provided by employers to employee in addition to normal compensation paid in terms of ages or salary. Upon initial evaluation, sought-after job features like fringe benefits ought to enhance job appeal productivity and also job satisfaction as it acts as substitutes for wages.

Fringe benefits in every tertiary institution or establishment are those additional compensations that institutions provide to its workforce. As per Mathias and Jackson (2013), fringe benefits constitute indirect forms of compensation granted to an individual employee or a cohort of employees as a component of organizational affiliation, including the following: job promotion which is the employee advancement towards a greater responsibility and associated higher/extra financial income. Car loan which can ease workers' movement to work on time, cash rewards/bonuses as at when due upon their struggle to meet deadlines, leave grants to ease off some stressful moments, housing allowance, bonuses, prizes/ awards. Some fringe benefits are given universally to all employees while others can be offered only to those at executive levels.

Some benefits aim to compensate employees for work-related aspects, while others are designed to enhance overall job productivity. In essence, fringe benefits focus on preserving or elevating employees' quality of life, offering a level of protection and financial security for both workers and their families. According to Mathis and Jackson (2003), employers offering an appealing benefits package gain an advantage in attracting and retaining qualified employees, making them less inclined to seek employment elsewhere. Common examples include retirement or pension plans, medical and dental insurance, education reimbursement, time off, paid vacation, car loans, and housing loans.

Most organizational fringe compensation programs primarily seek to attract, retain, and motivate competent employees. According to Bernadin (2007), tangible rewards such as pay, incentives, and benefits play a crucial role in staff retention and maintaining competitive compensation practices. Simultaneously, employers strive to cut costs to achieve significant profits by the end of the accounting period. While fringe benefits were once mere tokens from organizations, they have evolved into powerful motivators and tools for rewarding competence, performance, and improving organizational work conditions to enhance productivity. Various benefits serve the common purpose of motivating, compensating, and creating a more favorable work or personal environment for the beneficiaries.

Coming from Millea (2006), fringe benefits are leave grants, bonuses, prizes or awards. Bonuses are mere reward offered by organization during the end of the year, awards here usually given to the best worker of the year, while leave grant is that interesting one that employees look out for since it is expected to be paid even before a staff leaves after approval, because it is this money that worker is expected to use during his vacation. According to Bratton and Gold (2009), fringe benefits refer to the component of the overall reward package given to employees in addition to salary arrangements. The primary aim of most organizational fringe compensation programs is to entice, retain, and motivate competent employees. In 2016, the Labor Statistics reported that benefits constituted 30% of total compensation for civilian workers, with Social Security and Medical care accounting for 27% of all benefit compensation. The majority (73%) of benefit compensation includes paid leave, insurance plans, and retirement and savings plans. Offering fringe benefits plays a crucial role in attracting and retaining employees, especially in the face of economic challenges, employee will always think of medical bills, house

rent and meal allowances on his list of priority while negotiating his wage. (Sajuyigbe, Bosede & Adeyemi 2013),

According to Taylor (2000) where he remunerated to different people on financial incentives such as;

1. Fringe benefits are typically provided to all employees (in contrast to incentives, which are reserved for outstanding performers) based on their affiliation with the organization.
2. Fringe benefits constitute indirect compensation as they are offered as a condition of employment and are not directly tied to individual performance.
3. Fringe benefits may be statutory or voluntary and help raise the living standards of the employees.
4. It creates and improve sound industrial relations as well as boost employee's morale.
5. It also inspires employees by recognizing and addressing their unmet needs, offering a high-quality work environment and work-life experience.
6. It offers employees protection from social risks such as benefits for old age and maternity.
7. It offers protection from accidents and safeguards the well-being of employees (Uzma, 2015).

A study title Impact of fringe benefits on the productivity of public sector employees: A case study of the State Department of Water. This research employed a descriptive survey design to assess the occurrence frequency and variable relationships. Conducted at the State Department of Water with a total population of 189, the study targeted 58 employees (30% of the population) through simple random sampling. Data collection involved questionnaires, supplemented by consultation of secondary sources and literature. Quantitative data analysis utilized Statistical



Package for Social Sciences (SPSS) and Excel spreadsheets. Presentation of findings utilized tables and percentages for reader-friendly interpretation, accompanied by necessary explanations and narratives. Results indicated that security benefits, including meal, transport, and housing allowances, positively influenced employee productivity.

Ubom (2013) conducted a research on staff motivation and administration staff productivity in tertiary institution in Akwa Ibom state. A sample of 500 staff were randomly selected for study. The result of the analysis using Pearson Product Moment correlation coefficient reveals that amongst other variable, there is a significant relationship between regular of staff fringe benefit and staff productive in tertiary institution. These was recommended amongst others that Government and Private firms should pay staff salaries, wages, all allowances and many other entitlements when dues. This will provide a spur or zeal in the staff for enhanced performance.

In a study by Ekpenyong (2016), the focus was on exploring the variables affecting staff motivation and administrative effectiveness at the College of Education, Afaha Nsit in Akwa Ibom State. The study involved 200 administrative staff, and it formulated four hypotheses related to key variables: conditions of service, teachers' working environment, regular payment of staff fringe benefits, and teacher job performance. Analysis of the collected data utilized independent t-tests. The findings indicated a significant impact, particularly in the context of regular payment of staff fringe benefit salaries on staff administrative effectiveness.

### Research methodology

Research design, population, sample, sampling techniques.

The research design adopted for this study is survey design. The choice of this design is occasioned by the fact that it involves the collection of data that describes an existing phenomenon accurately and it is possible to discover the relative incidence as well as distribution of variables (Isangedighi, A.J.2012).

The study includes a population of 8,112 individuals from the six tertiary institutions in Cross River State. These include Federal College of Education, Obudu (North); Cross River University of Technology, Calabar (south), School of Nursing and Midwifery, Itighidi (central), College of Health Technology, Calabar, College of Education Akamkpa, University of Calabar, Calabar (South).

The study's sample comprises 811 staff members distributed across the six educational zones in Cross River State which was randomly selected for the study with approximately 10% to ensure adequate representation of workers. This study adopted multi-stage sampling approach which comprised stratified, random and purposive sampling techniques on the basis of institutions, educational zones.

### Data Collection Procedure:

The researcher distributed questionnaires to respondents in each selected area, providing information about the purpose and emphasizing the importance of providing objective and honest responses. Respondents were assured of the confidentiality of the information, which would solely be used for research purposes. The researcher, assisted by two research assistants, personally administered and collected the questionnaires. Out of the 811 questionnaires distributed, precisely 792 were successfully completed and returned from the sampled tertiary institutions.

## Presentation of result

In this section hypothesis is re-stated, tested at 0.05 level of significance and the result of data analysis carried out to test it is presented.

### Hypothesis one

Fringe benefit has no significant relationship with workers' productivity. In this hypothesis, Fringe benefits serve as the independent variable, and workers' productivity is the dependent variable. To examine this hypothesis, a correlation between fringe benefits and workers' productivity was conducted through Pearson product-moment correlation analysis. The outcomes of this analysis are outlined in Table 1.

The analysis results in Table 1 indicate that the computed r-value of 0.414 is statistically significant at a 0.05 level of significance, with 790 degrees of freedom. Consequently, the null hypothesis, asserting no significant relationship between fringe benefits and workers' productivity, is rejected. This outcome suggests a meaningful positive correlation between fringe benefits and workers' productivity. The positive r-value suggests that increased fringe benefits correspond to higher workers' productivity, while lower fringe benefits are associated with reduced productivity.

Variables	$\sum x$ $\sum y$	$\sum x^2$ $\sum y^2$	$\sum xy$	r-cal
Fringe benefits	14,379	186,349		
workers' productivity.	24,625	442,072	511,441	0.444*

\* Significant at 0.05, critical value = 0.062, degree of freedom = 790

## Findings Discussion

The examination of the hypothesis indicated a noteworthy correlation between fringe benefits and staff productivity. This outcome aligns with Millea's (2006) perspective, defining fringe benefits as encompassing leave grants, bonuses, prizes, or awards. Bonuses are mere reward offered by organization during the end of the year, awards here usually given to the best worker of the year, while leave grant is that interesting one that employees look out for since it is expected to be paid even before a staff leaves after approval, because it is this money that worker is expected to use during his vacation. In the research conducted by Bratton and Gold (2009), fringe benefits are defined as the component of the overall reward package offered to employees beyond their regular pay. The primary objective of most organizational fringe compensation programs is to attract, retain, and motivate qualified and competent employees. According to Labor Statistics, benefits constituted 30% of total compensation for all civilian workers in 2016, with Social Security and Medical care accounting for 27% of this benefit compensation. The majority (73%) of benefit compensation includes paid leave, insurance plans, and retirement and savings plans. The provision of fringe benefits plays a crucial role in both attracting and retaining employees, especially in the face of economic challenges, employee will always think of medical bills, house rent and meal allowances on his list of priority while negotiating his wage. (Sajuyigbe, Bosede & Adeyemi 2013),

### Study Overview:

The primary aim of this investigation was to explore the correlation between promoting fringe benefits and the productivity of workers in tertiary institutions in Cross River State, Nigeria. To fulfill

this objective, the study formulated the following null hypothesis as a guide.

1. There is no significant correlation between the promotion of fringe benefits and the productivity of junior administrative workers. The literature review focused on the variable under examination. The study employed a survey research design since the researcher lacked direct control over the independent variables, which were not manipulated. A sample of 792 respondents was randomly chosen using the stratified random sampling technique. Data collection primarily relied on a questionnaire, subjected to face validation by experts in Environmental Education and measurement and evaluation from the Faculty of Education, University of Calabar. The reliability of the instrument was assessed using the Cronbach alpha reliability method.

The study employed Pearson product-moment correlation analysis as the statistical method to assess the hypothesis. This statistical approach was chosen based on the characteristics of the study variables. Hypotheses were tested at a 0.05 significance level with appropriate degrees of freedom. The findings indicated a significant association between fringe benefits and workers' productivity. Based on the findings of the study it was recommended among others that Government and Private firms should apply all motivational strategies listed above dutifully as these will spur staff for better performance.

## Conclusion

The study revealed that fringe benefits being one of the motivational techniques is significantly related to productivity of workers' in tertiary institutions in Cross River State.

## Recommendations

Based on the findings of the study, the following recommendations were made:

1. Obviously, management of educational sector can develop a software programme that can update and disburse workers allowances at point of application. Organization be it private or public should formulate and execute policies rules, actions that are legal backup for employees since staff welfare cannot be looked away.
2. Taxable fringe benefits that are usually paid by the government can be streamline into employee's annual package. Management of tertiary institution should ensure regular promotion of deserving staff, payment of promotion arrears/wages, payment of leave benefits, and career development to their workers to ensure workers retention.
3. Universities panel should make effort of investigating if lecturers' allowances are paid. Fringe benefits in Nigerian universities can be in form of research grant, transport allowance, examination supervision / teaching practice allowance. These allowances should be paid regularly to spur lecturers in their commitment to duties.

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