

## EMPLOYEE ATTITUDES TOWARDS FRINGE BENEFITS WITH SPECIAL REFERENCE TO MANUFACTURING COMPANIES IN CHENNAI

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### **ABSTRACT**

The study addresses the impact that fringe benefits have on the levels of job satisfaction and engagement of the employees working in manufacturing sector. The remuneration of employees differs from country to country within the organization and this can lead to confrontations when employees compare remuneration packages amongst one another. To determine the appropriate compensation for the value of the work becomes even more difficult when dealing with Chennai based manufacturing organization. This matter becomes even more complicated when an organization's boundaries stretch across district in Tamilnadu. The study aims to compare job satisfaction and engagement working in Chennai Manufacturing Organization. Survey research design was used with a specifically developed Questionnaire as the data gathering instrument. The participants represent the total of all employees of

Chennai Manufacturing organization. Statistical tools used are Chi- square, Karl Pearson's correlation coefficient, One sample run test. From analysis it is found that Fringe benefits are essential part of labor welfare hence is very important to run the company successfully so the company should follow the welfare activities regularly to improve the labor satisfaction in their working environment.

**Keywords: Fringe Benefits, Job satisfaction, Compensation, Employee attitudes**

### **INTRODUCTION**

The term Fringe benefits refer to various extra benefits provided to the employees, in addition to the compensation paid in the form of wage or salary. It is also defined as those benefits which are provided by an employer to or for the benefit of an employee and which are not in the form of wages, salaries and time-related payments.

Different terms are used to denote fringe benefits. They are welfare measures, social charges, social security measures, supplements, sub-wages, employee benefits etc. The term fringe benefits covers bonus, social security measures, retirement benefits like provident fund, gratuity, pension, workmen compensation, housing, medical, canteen, co-operative credit, consumer stores, educational facilities, recreational facilities, financial advice and so on. Thus, fringe benefits cover a number of employee services and facilities provided by an employer to his employees and in some cases to their family members also. Welfare of employee and his family members is an effective advertising and also a method of buying the gratitude and loyalty of employees.

### **Need for Extending Fringe Benefits**

During the World War II certain non-monetary benefits were extended to employees as means of neutralizing the effect of inflationary conditions. These benefits which include housing, health, education, recreation, credit, canteen etc. have been increased from time to time as a result of the demands and pressures from trade unions. It has been recognized that

these benefits help employees in meeting some of their life contingencies and to meet the social obligation of employers.

#### **1 Employee Demands:**

Employees demand more and varied types of fringe benefits rather than pay hike because of reduction in tax burden on the part of employees and in view of the galloping price index and cost of living.

#### **2 Trade Union Demands:**

Trade Unions compete with each other for getting more and a new variety of fringe benefits to their members such as life insurance, beauty clinics. If one union succeeds in getting one benefit, the other union persuades management to provide a new model fringe. Thus, the competition among trade unions within an organization results in more and varied benefits.

#### **3 Employer Preference:**

Employers prefer fringe benefits to pay-hike, as fringe benefits motivate the employees for better contribution to the organization. It improves morale and works as an effective advertisement.

#### **4 As a Social Security:**

Social security is a security that society

furnishes through appropriate organization against certain risks to which its members are exposed. These risks are contingencies of life accidents and occupational diseases. Employer has to provide various benefits like safety measures, compensation in case of involvement of workers in accidents, medical facilities etc with a view to provide security to his employees against various contingencies.

## **5 To Improve Human Relations:**

Human relations are maintained when the employees are satisfied economically, social and psychologically. Fringe benefits satisfy the worker economic, social and psychological needs. Consumer stores, Credit facilities, Canteen, Recreational facilities etc satisfy workers social needs, whereas retirement benefits satisfy some of the psychological problems about the post-retirement life. However, most of the benefits minimize economic problems of the employee. Thus, fringe benefits improve human relations.

## **TYPES OF FRINGE BENEFITS**

Organizations provide a variety of fringe benefits. The fringe benefits are classified under four heads as given here under:

1. For Employment Security: Benefits under this head include unemployment, insurance, technological adjustment pay, leave travel pay, overtime pay, level for negotiation, leave for maternity, leave for grievances, holidays, cost of living bonus, call-back pay, lay-off, retiring rooms, jobs to the sons/daughters of the employees and the like.

2. For Health Protection: Benefits under this head include accident insurance, disability insurance, health insurance, hospitalization, life insurance, medical care, sick benefits, sick leave, etc.

3. For Old Age and Retirement: Benefits under this category include: deferred income plans, pension, gratuity, provident fund, old age assistance, old age counseling, and medical benefits for retired employees, traveling concession to retired employees, jobs to sons/daughters of the deceased employee and the like.

4. For Personnel Identification, Participation and Stimulation: This category covers the following benefits: anniversary awards, attendance bonus, canteen, cooperative credit societies, educational facilities, beauty parlor services, housing, income tax aid, counseling, quality bonus, recreational

programs, stress counseling, safety measures etc.

**The fringe benefits are categorized as follows:**

- a) Payment for Time Not worked: Benefits under this category include: sick leave with pay, vacation pay, paid rest and relief time, paid lunch periods, grievance time, bargaining time, travel time etc.
- b) Extra Pay for time Worked: This category covers the benefits such as: premium pay, incentive bonus, shift premium, old age insurance, profit sharing, unemployment compensation, Christmas bonus, Deewali or Pooja bonus, food cost subsidy, housing subsidy, recreation.

**OBJECTIVES OF THE STUDY**

- To identify the problem area of the labour welfare in manufacturing companies in Chennai.
- To analysis the level of the problem that can be adopted to solve or reduce.

- To study how the Organisation identifies and satisfy the employees needs.
- To study how to build motivation of employee through providing fringe benefits.
- To study the employee's security and benefits provided based on various legislations relating to fringe benefits in Chennai based manufacturing organisation.

**DESIGN/METHODOLOGY/APPROACH**

The research design used in this study is descriptive in nature as the research describes the characteristics of certain groups and determines whether certain variables are associated. The sampling technique adopted for this study is Convenience sampling. The sample size taken for this study is 120 to study the employee attitude towards fringe benefits at manufacturing companies at Chennai. The researcher adopted tools for analysis are Chi Square Analysis, Karl Pearson's correlation coefficient, One sample run test.

**FINDINGS**

According to the analysis it is found that

fringe benefits differ according to their grades & designation. Fringe benefits plays as a motivational factor. From Chi-Square analysis it is found that there is a vital relation between the employee age & awareness & unawareness towards fringe benefits. Correlation analysis it is found that the relationship between loan benefits and level of employee satisfaction towards credit loan provided by organization is positive. In One sample run test it is found that fringe benefits act as motivational factor for the employees which Occurring at Randomly. The employees are provided with various social security benefits.

## CONCLUSIONS

The study concludes that, the fringe benefits in “Bharat Electronics Ltd” are highly effective. This study highlighted so many factors which will help to create the motivation & job satisfaction among the labor force. The company is having good welfare activities and the labors are satisfied with their benefit schemes provided by the management. It is helpful for the growth of the company to improve its productivity.

Labor welfare awareness meetings and presentation must carry out periodically, this in turn helps to improve the labor

satisfaction and the will show in the improvements of productivity. Fringe benefits are essential part of labor welfare hence is very important to run the company successfully so the company should follow the welfare activities regularly to improve the labor satisfaction in their working environment.

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