

## EVALUATION OF FRINGE BENEFITS IMPLEMENTATION ON EMPLOYEE PERFORMANCE IN SELECTED POLYTECHNICS IN SOUTH EAST NIGERIA (2010-2020)

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### ABSTRACT

The study examined the implementation of fringe benefits and how it affects employees' job performance. The major objective of this study is to evaluate, the effects of fringe benefits implementation on employees' performance in selected Polytechnics in South East Nigeria. The specific objectives are to determine if medical and health services implementation in selected South East Polytechnics has improved employee performance; to evaluate the extent the administration of meal subsidy has improved staff performance in selected polytechnics in South East Nigeria; and to ascertain whether the implementation of transportation benefits has improved staff performance in selected Polytechnics in South East Nigeria. The theoretical framework for the study was anchored on Adams J. Stacey's Equity theory propounded in 1963. The major findings revealed that, employers must consistently motivate her employees with fringe benefits that focuses on medical and health care needs to keep them fit for higher performance. That the provision of meal subsidy is vital towards the enhancement of employees' job performance and provision of transportation benefits facilitates employees' early resumption to work. The study recommends amongst others that Polytechnics, particularly those in South Eastern Nigeria, should try and implement quality medical and health services to its employee and family; the government, both at the federal and state levels should try and re- introduce the implementation of meal subsidy and transportation benefits. The study concluded that fringe benefits are generally instruments of motivation and its proper implementation affects employee job performance positively.

**Keywords:** Fringe benefits, Employee performance and Polytechnic

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### INTRODUCTION

Working with a specific group of people to achieve a goal can be one of the most difficult challenges facing an organization generally and the polytechnic system in particular, as individual input is essential in the realization of set goals and objectives. A fringe benefit

is a way of boosting employees' morale to help achieve organizational goals.

The colonial and post-colonial history of Nigeria has been characterized by employer/ employee conflict at different points due to neglect of fringe benefits and resultant negative effects on employee performance.

Belcher cited in Onwubiko (2018) says that “A Fringe is a catchword attributed to the Regional Director of the War Labour Board (USA) during World War II. The idea caught on and is now widely used in spite of its limited value in describing the present practice.”

In the United Kingdom (UK), fringe benefits emerged as the byproduct of Industrial Revolution. In member countries of the International Labour Organization (ILO), the Philadelphia Declaration influenced, the origin of these benefits. Due to the nature of fringe benefits, different countries added different items as fringe benefits package. In the Indian context, the Employers' Federation of India in 1968 got an approval to include payments for non-working times, profits and bonus, legally sanctioned payments on social security schemes, workmen's compensation, and the contributions made by the employers under such voluntary schemes as care for the post-retirement, medical, educational, cultural, and recreational needs of workmen. The term also includes the monetary equivalent of free electricity, water, fuel, etc. which are provided for workers, and subsidized housing and related services.

Fringe benefits refer to those benefits and services that are extended by the employers to the employees over and above their wages and salaries, such as housing facilities, transportation facilities, subsidized meals, medical care, paid holidays, insurance cover etc. The success or survival of any organization is determined to an extent on the way employees are compensated. Employees are provided with various types of benefits and services by the organization that are not linked to employees' performance but are provided to different classes of employees either as a matter of statutory requirement or on voluntary basis or a combination of both. Such benefits are called by various names such as 'fringe benefits', 'employee welfare', 'wage supplements', 'sub-wages', 'supplementary compensation', 'social security', etc. However, the term fringe benefit is more common in practice. Some of the items are covered by statutory provisions while many others are provided voluntarily.

According to the International Encyclopedia of the Social Sciences, the term “fringe benefits” embraces a variety of employees' benefits by employers supplementing the workers' basic wage or salary. The provision and implementation of fringe benefits are quite important in retaining the employees at the same

time in decreasing and keeping turnover and absenteeism low. Employee benefits are available to all employees based on their affiliation in the organization.

The purpose of these benefits schemes is to retain people in the organization and encourage them to greater performances. It fosters loyalty and acts as a security base for the employees. There is no generally acceptable definition of fringe benefit, for there is no agreement among experts on its exact meaning. According to Esiagu (2019) fringe benefits comprises of a number of benefits such as paid vacation, pension, health insurance plans, etc. which usually add up to something more than a “fringe,” and is sometimes applied to a practice that may constitute a benefit for employees.

Though these benefits are known as fringes, they are not merely so but are a substantial part of the expenditure incurred on wage and salary administration. They are better known today as 'Benefits and Services' rather than as 'Fringe Benefits' but can be used interchangeably. Fringe benefits comprise of every reward, payment or benefit other than the basic salary of a worker which may be paid in financial or non-financial form. Fringe benefits are offered to employees at the discretion of the management. The purpose of fringe benefits is to increase the economic security of employees and in doing so, improve workers' retention such as retirement benefits, transportation allowance, salary advance, performance awards and prizes, subsidized meal, sabbatical leave, excess work load allowance, group insurance, health and medical benefits, overtime, annual holiday/vacation, Christmas bonus, maternity leave, etc.

The concept of fringe benefits provided to employees has grown very intensively that benefits borne by the organization has a positive impact on employee performance and therefore employees work in a positive environment with a relaxed mind. Fringe benefits refer to the remuneration provided by the employer to the individual employee or a pool of employees as being part of the organizational membership. Fringe benefits are paid to all the employees, not like incentives which are paid only for extra ordinary performance in the organization. Fringe benefits forms the major part of organisations compensation package. It is expressed that those

organisations which provide attractive compensation and benefit packages always have the opportunity of recruiting and retaining a talented workforce. The major advantage of the fringe benefits is encouragement and motivation of employees for an increased level of productivity and higher consistency (Ofor-Douglas, 2019).

The pay alone does not attract employees to remain in an organization, fringe benefits also influences them (Chukwuma, 2020).

Ohiri (2016) defined performance as the undertaking of complex series of actions that integrate skills and knowledge to produce a valuable result. From this definition, employee performance can be defined as an activity engaged by the employee to produce a viable or valuable outcome.

Employee performance was viewed by Onwubiko (2018) as the undertaking of complex series of actions that integrate the skills and knowledge of the employee(s) to produce a valuable result. It can also be seen as the quality and quantity of employee's output, presence at work, accommodative and helpful nature and timeliness of output which can be measured in terms of productivity.

The implementation of fringe benefits in the selected polytechnics depends on the availability of resources as well as the tradition of the institutions. Most fringe benefits are provided entirely at the employer's discretion and vary from one polytechnic to another. The administration of fringe benefits in South East Polytechnics differs according to employment hierarchy and positions. Fringe benefits are very important to both the employer and employee. To the employer, it is expected to induce the employees to improve their performance and to the employees, these benefits represent some extra right. This discovery has led many employers of labour to ensure the introduction of well packaged fringe benefits to motivate employees.

Fringe benefits provided in the selected polytechnics have boosted employees job performance in the areas of research and publications due to the provision of the Research Grant allowances. There has been a remarkable improvement in the quality of teaching and learning, which is reflected on improved grades of student. It has also affected the quality of graduates produced in the selected Polytechnics. Polytechnic

employees are now, visibly online, due to approval of internet allowance in some of the selected Federal Polytechnics.

Ugochukwu (2018) noted that after the assumption of office of President Buhari in 2015, some of the fringe benefits provided in the Conditions of Service of Federal Polytechnics were scrapped and declared as illegal.

This paper views fringe benefits as provision of additional monetary and non-monetary incentives by the Polytechnic Management to employees in the selected South East Polytechnic.

According to empirical research, it has been observed that adequately implemented fringe benefits remain one of the effective ways used by employers in attracting, retaining and motivating employees in the organization, for improved job performance. The reason is that many employees are mainly concerned with their daily bread as a result of the high inflation rate as well as the prevailing economic situation in Nigeria. An attractive and adequately implemented fringe benefit will help to augment the rising needs of employees, especially now that employees see their salaries as an absolute ridicule. It will also help to create a cordial employer–employee relationship. Fringe benefits ensure there are no brain drains through labour turn over and absenteeism. Provision of fringe benefits generally discourages labour unrest, gives employees a sense of belonging, and that enhances employees' performance.

The implementation of fringe benefits in the South East Polytechnics has been measured using the following indices of performance earlier mentioned; the quality of teaching, publications/creative outputs, quality of graduates produced over the years, online presence and visibility of employees etc. The employees will easily achieve the above mentioned indices, once they are happy with the fringe benefits provided and their method of implementation.

#### **STATEMENT OF THE PROBLEM**

The importance of fringe benefits in employee performance cannot be over-emphasized. A well-motivated workforce is a great asset to any organization. The tendency that the employees would put in their best in their work and take certain risks for the growth of the organization is high. Any

organization irrespective of size, that wishes to have improved employee performance, must ensure that the fringe benefits provided are well implemented. An organization that does not provide and implement a functional medical/health services will likely experience employees absence from work, on the ground that he/she went to seek medical attention outside the school premises. The same thing goes for inadequate implementation of transportation benefits, which sometimes forms the employees' reason for lateness to work. In this work, the problem the researcher wished to solve has direct bearing with the implementation of fringe benefits such as medical sciences, meal subsidy and transportation benefits and the effect it has on employees performance in selected South East Polytechnics which can be measured using some parametric indices such as; the quality of graduates from the polytechnics are the mirror through which the world view the polytechnics. Quality of teaching and research going on in the institutions can be measured, using the publications of research works from the Polytechnics in high impact journals and the quantum of societal problems solved through the research outcome from the Polytechnics.

It seems that the ease of access to administrative services provided goes to tell how fast a student/staff in the Polytechnic sector access administrative services. Online presence/ visibility status of selected South East Polytechnics speaks for the institution.

The researcher having observed the relationship between medical services, meal subsidy, transportation benefits and employee performance shows that while employers are striving to cut costs so as to make impressive profit at the end of the accounting period, employees are concerned about how to earn more pay and enjoy attractive conditions of service and available fringe benefits such as housing, transport, medical allowances, retirement benefits, Christmas bonus, performance awards and prizes, research grants, examination supervision allowance, overtime allowances etc in addition to the salaries.

#### **OBJECTIVES OF THE STUDY**

The main objective of this study is to evaluate the effects of fringe benefits implementations on employees 'performance in selected polytechnics in South East Nigeria.

The specific objectives are:

1. To determine if medical /health services implementation in selected South East Polytechnics improves employee performance.
2. To evaluate the extent, the administration of meal subsidy has improved staff performance in selected South East Polytechnics in Nigeria.
3. To ascertain whether the implementation of transportation benefits has also improved staff performance in selected Polytechnics in South East Nigeria.

#### **LITERATURE/THEORETICAL CONCEPT**

The term fringe benefits refer to the benefits given to employees in addition to their salary or wages. Sometimes the benefits are given as a condition of service or provided as voluntary benefits to employees. Fringe benefits constitutes of several compensation package. According to International Labour Organization (ILO) Publication (1956) in a study titled "International Comparison of Real Wages", fringe benefits has been defined as "wages often augmented by special cash benefits, by the provision of medical or other services, or by payments in kind that free part of the wage for expenditure or other goods and services. The definition of "fringe benefits" by ILO reveals that the benefits, which include the total wages, are known as fringe benefit. ILO equally states that benefits that not related to the employment should not be seen or treated as fringe benefits, even though they augment the employees' total income.

Concept of fringe benefits is extremely broad, as it includes all benefits and payments apart from basic salary of an employee, even though varies from one country to the other. The absence of fringe benefits generates dissatisfaction, uproar and discontentment among the employees that may lead to industrial action.

#### **Concept of Employee Performance:**

Employee performance is also known as job performance. According to the behavioural approach in management, employee performance is the quantity or quality of something produced or services provided by someone at work. Employee performance is the result of employee work through a



management process or an organization as a whole whose work results can show the evidence and can be measured.

Rubindra & Lalatendu (2017) in their research used performance indicators consisting of task performance, adaptive performance and contextual performance. Employee performance consists of indicators of quality of work, quantity of work, job knowledge, cooperative, dependability, initiative, personal qualities.

According to Mangkunegara & Miftahuddin, (2016) employee performance indicators consist of absency, target of work, responsibility, initiative, teamwork. Employee performance is influenced by many factors either from internal self-employees, internal organization, or from external factors organization.

Concept of the Polytechnic:

Polytechnic is used here generically, to refer to non-university tertiary technical education training institution comprising of Polytechnics, Colleges of Science and Technology and Institute of Science and Technology, offering a wide variety of technological, science and business oriented educational training leading to the award of ND, HND and Post-HND in Nigeria.

### **Theoretical Framework**

The theoretical framework adopted for this study is the Equity theory postulated by Adams, J. Stacey an American Psychologist in 1963. Equity theory is about the balance between the effort an employee puts into their work (input) and the result they get in return (output). The structure of the equity theory in an organization is based on the ratio of inputs to outcomes. Inputs are the rewards an individual receives for the performance while the value of the outcomes is determined by the recipient. The equity theory is centered on the principle that peoples' action and motivations are guided by fairness and that discrepancies in this fairness in the workplace will spur them to redress it.

The basic assumptions of the equity theory can be summarized as follows;

Employees expect a fair return for what they contribute to their jobs, a concept known as "equity norm". Employees determine what their equitable

return should be after comparing their inputs and outcomes with those of their colleagues which is referred to asocial comparison.

Employees who perceive themselves as being in an inequitable situation will seek to reduce the inequality either by distorting inputs or outputs in their minds or by directly altering inputs or outputs or even leaving the organization.

People compare what they benefit or are being paid for their input with what others put in and earn in the same job situation. When they feel or observe inequality, unfairness, being cheated, tension develops within the individual. This people can respond by appropriately adjusting their behavior. In human resources this can manifest in form of protest, strike, slowing down pace of work, short time of work, spending unnecessary time outside the job, pretending to be working yet not working. Extreme cases lead to absenteeism, poor quality of work etc.

An employee, who perceives he has no fringe benefits, may try to reduce inequality exerting less effort. Equity theory has begun to explain the importance of fringe benefits on employee performance. The theory provides managers insight into the relationship between rewards and employee efforts. The major cause (motive) leading to job performance and satisfaction is the degree of inequity or equity the employee perceives at the work place. An employee perceives equity by calculating the ratio of his input to the outcome of his reference person or persons. If inequity is perceived, tension sets in. A person perceives inequity if he or she is under-rewarded, there is also inequity when one is over-paid. The relevance of this theory to the study is that when people feel there are inequitable rewards they may be dissatisfied, reduce the quantity and quality of output, or leave the organization since few people have the power to increase their output. If people received the rewards as equitable, they probably will continue at the same level of output. If people think that fringe benefits are greater than what is considered equitable they will be a remarkable improvement in employees' performance.

### **Effects of Fringe Benefits Scheme to Employees and Management**

According to Ajaekemo (2003) cited in Chijioke and Chinedu (2015) noted that a good and well

implemented fringe benefit scheme will make the employees feel more important, give him a sense of achievement, and make more use of his abilities. The employee becomes satisfied from the job itself which gives the employee a sense of belonging and pride in the organization.

Fringe benefits that are well administered to employees in an organization tend to reduce some of their worries and anxieties and make them to accept or participate actively in achieving the organizational goals through excellent performance. It equally helps the employee to settle for one job and make a career out of it. He looks forward to a comfortable retirement and good insurance. He would not do anything that will jeopardize his chances of benefitting from fringe benefits packages from the organization.

To the organization on the other hand a good and adequately implemented fringe benefit scheme can result to good public relations to the organization, especially when significant part of the employees problems have been solved through the fringe benefits administered.

Otuu (2007) in Esiagu (2019) observed and stated that in every organization that has an adequate and well implemented fringe benefits in place, will always attract competent and hardworking applicants that will be happy and proud to perform their duties. Whenever and where ever there is a good and stable working environment, there is usually improved and stable working relationship among employees.

#### **Effects of Medical and Health Services on Employee Performance**

Health we all know is wealth and healthy employees are great assets to the organization and the Polytechnic sector in particular. A healthy workforce is vital for the realization of organizational goals, as such the importance of a healthy employee cannot be over emphasized.

The provision and administration of medical and health services will make employees healthier and happier and from research and evidence will greatly improve employee's performance. Existing studies has shown that employees provided with medical and health services are less absent at work, since their health and that of their family members has already

been taken care of. On the other hand, when an organization and its management do not offer adequate medical and health services to her employees, it may lead to premature death. Sick employees have also been proved not to be innovative and creative at work, inaccurate and not always energetic, which will always result to low performance.

It is for the above reasons that President Olusegun's led administration of the Federal Republic of Nigeria in 2005 introduced the National Health Insurance Scheme (NHIS) (Agba, 2010). The aim is to assist employees and members of their immediate family. The enrollment by the NHIS entitles the employee, a spouse and four children below eighteen (18) years of age to access Medicare from their registered health providers. The medical and services benefits which is implemented through the platform of the NHIS has the following effect on the organization. It saves the financial cost of medical bills on the treatment of employees and family members. It eliminates and reduces absentees and provides comprehensive health care at an affordable cost.

#### **Effects of Meal Subsidy on Employees Performance**

Food plays a very vital role in our lives and provision of free meal or the subsidizing of meals by employees of labour will help organizations to attract and retain talented and valuable employees. Majority of employers offer their employees a variety of additional benefits in addition to their salaries, and meal subsidization is one of them (Horton, 2020). Provision of subsidized meals by employers at work is cost effective, brings employees together and helps in employee retention, which serves as a means of motivating and controlling young employees, as loosing unhappy employees will affect the organization negatively.

#### **Effects of Transportation Benefits on Employee Performance**

Employers who grant transportation benefits for her employees enjoys several benefits as it also helps in attracting and retaining competent employees for an organization. It also helps employees to be punctual to work and the same time expand the working hours in an organization, since employees will not be in a haste to leave their offices. The impact of transportation benefits on employee performance is also highlighted

in other studies conducted by Osoro (2016), Njoku and Kalu (2015). From the study conducted by Musau, Namusonge, Makokha, Ngeno (2017) it was observed that transportation benefits have a positive and significant effect on organizational performance of textile manufacturing firms in Kenya.

Ajakemo & Aroh (2003) are of the view that transportation benefit program can be implemented by the organization through subsidizing the cost of transportation for her employees. The provision of means of transportation by the employers will help increase employees morale, job satisfaction, minimize stress, and improve employee's performance.

### **Fringe Benefits and Employee Performance**

Fringe benefits play a very vital role to organizational improved performance. According to Schein (2009) in Oguejiofor & Umeano (2018) when employees are recruited, selected, trained and assigned responsibilities, Management must focus on creating enabling environment which motivates employees for higher level of performance over a long period of time. This makes it possible for employers to meet some of their important needs through the provision of incentives not stated in the appointment letters.

Employee performance represents the contribution that individuals make to the organization that employed them. Fringe benefits play significant roles in determining employees job satisfaction. Fringe benefits make up a significant portion of compensation packages paid to an employee. A fringe benefit plays significant roles in employee job satisfaction. However, job satisfaction results in excellent employee performance.

Fringe benefits and employee performance are very important to Management. The slang "nothing goes for nothing" best describes the position of Management in relationship with fringe benefits. We can then ask, what are the immediate returns of these visible benefits to the employer? Although the returns may not be immediate or apparent, but when an employee's child is sick and without any money to take the dependent to the hospital, the employee even when physically present at work will be absent minded. It will be worthy to note that an absent minded employee will put up a very low performance at work. If, however, the employer has provided a

hospital to take care of the employee and his dependents, the sick dependent can be cured, once the employee hands over the patient to the clinic, he will be psychologically fit to discharge his daily duties. That is why the medical benefits and services in our Polytechnics is being handled by National Health Insurance Scheme (NHIS) where employees are expected to pay only 10% of their medical bills. These goes, not only for medical care but also for subsidized meals, transportation, research allowance, overtime allowance, responsibility and acting allowances and others too numerous to mention. These benefits fulfill additional needs of the employee which his wages and salary cannot satisfy.

Organizational performance which is determined by the employee performance is an evaluation of the individual's own values and beliefs and those of the organization. Organization performance is characterized as employee's willingness to contribute to organizational goals. Management in every organization needs to have a clear benefit plan which will help the achievement of organizational goals. Such a plan will include how the organization will provide and implement employees' benefits satisfactorily. To achieve these, employees and management need to carefully consider and select the fringe benefits that will be acceptable and appreciated by employees. The fringe benefit provided must be subject to modification to suit the changing and prevailing economic situations in the society. The employers should use multiple channels of communication to inform their employees about the available benefits and how to access them. Employers should occasionally carry out a survey using questionnaire and interview methods to find out the fringe benefits that are provided in other organizations and how they are being implemented. Factors for Effective Implementation of Fringe Benefits

The implementation of fringe benefits is influenced by several factors, ranging from the organization's policy on implementation of fringe benefits, availability of resources to be used on implementation, need for effective communication on benefits and government policy on employee benefits. Below we are going to explain each of the factors identified above.

### **Organization's Policy on Implementation of**

**Fringe Benefits:** The organization gives an outline that guides the provision and implementation of fringe benefits. The policy which specifies the type of fringe benefits to be provided also provides guidelines on how it is to be implemented. A good policy must ensure that fringe benefits are aligned with organizational aims and objectives, as well as employer and employee's needs, (Dessler 1996 in Kimanzi 2017).

**Availability of Resources:** According to Armstrong (2010) in Kimanzi (2017), significant amount of financial and human resources is required for effective implementation of fringe benefits. Without financial resources the implementation of fringe benefits will remain an impossible task. When fringe benefits are well implemented employees show great respect, commitment and competence towards job performance (Esiagu, 2019).

**Need for Effective Communication on Fringe Benefits:** proper and timely communication ensures transparency and accountability towards the implementation of fringe benefits in an organization. There is every need for employers of labour to communicate to employees and their representatives the laid down policy on the implementation of fringe benefits. This will enable them understand everything as well as the value attached to the welfare packages (Onwubiko, 2018).

**Government Policy on Employee Benefits:** According to Nzuve (2010) in Odeku & Odeku (2015) the government can legislate using the National Assembly to enforce the implementation of fringe benefits. The Kenya government through the Act of Parliament and legislation made it compulsory for employees to receive certain benefits annually as from employers.

Finally, fringe benefit scheme should be implemented in a way that employees takes pride in them, as pride helps in boosting employees performance and loyalty.

#### **Implementation and Administration of Fringe Benefits Scheme**

In a survey of over thirty-six thousand (36,000) employees using fifteen organizations, was conducted by Harrington. In his findings, he observed that 30 percent of the employees surveyed indicate that they do not understand the effect of fringe

benefits provided by their organizations. That is to say that when employees do not understand a particular fringe benefit provided by the organizations, there is every tendency that it will not be appreciated or reciprocated. Harrington further stated that when employees are not appreciative of the fringe benefits package administered, management will be under pressure to reverse the benefits as fast as possible.

Ugoh (2006) cited Jewett (2016) and noted that management in some organizations often neglects to communicate its employees on the various fringe benefits available to them. He further stated that it is the responsibility of management to adequately inform its employees the available fringe benefits and the category of employees eligible to benefit from such package.

Ejiofor (1986) in his own contribution opined that many employees are not usually aware of the existence of fringe benefits scheme and by the time they will be aware will be when Management will be threatening to withdraw such benefits or when such employees must have left the organization. He concluded that an average employee cannot be motivated by a fringe benefits that he is not aware of its existence.

#### **Reasons Why Fringe Benefits Fail to Motivate Employees**

A lot of factors are responsible why fringe benefits that are implemented in organizations do not encourage employees in their job performance. Some of the factors identified in this study will be discussed below:

First and foremost is that all fringe benefits to be implemented in the organization must be attractive to all employees. Anytime the fringe benefits provided ceases to be attractive or not valued at all by some employees, job performance will be adversely affected. A good example is how worthless a study leave will be to a clerical officer in the Polytechnic system that is already sixty years and above, since he has less than five years before retirement.

Ejiofor stated that another important factor why fringe benefits fail to motivate employee job performance is due to the reason that many fringe benefits packages are non-discriminatory, in the sense that Management does not discriminate between the



hardworking and non- hardworking employees during administration and implementation of fringe benefits. This practice actually destroys the employee's performance potential.

Another reason why fringe benefits fail to motivate employees in their job performance is that these benefits are equitably dispensed between senior and junior staff which will eventually turn out to be depressant rather than a stimulant.

In as much as employees are not competing with her management, yet employees will always react whenever they perceive a wide gap between their entitlement and benefits, and that of Management. This usually discourages and lowers employee's performance. Employees at the same time will equally compare their benefits and entitlements with what their colleagues and counterparts receive in similar organizations. For instance, employees in state owned polytechnics will always compare their benefits and entitlements with that of their colleagues and counterparts in the federal polytechnics or other state polytechnics.

Ozor (2017) stated that Management of the various South East Polytechnics has observed that it is in their best interest to implement a worthwhile and satisfactory fringe benefit package, as it helps in boosting employees' performance. A well implemented fringe benefits scheme will enhance a cordial Labour- Management relation and which will equally reduce union agitations and negotiations. Fringe benefits that are adequately implemented will help attract and retain competent and satisfied employees in the organization. He equally observed that Employee satisfaction relates negatively with high rate of Labour-Management disputes, sluggishness, labour turnover and high rate of absenteeism and corruption.

According to Amah, Nwuche, & Chukwuigwe (2013) fringe benefits are implemented for a number of reasons which includes among others;

- To reward and promote employee loyalty to the organization
- To increase the remuneration package
- To make the remuneration package more attractive and competitive enough to attract, and retain competent employees
- To provide for the employees personal

welfare, which employees cannot provide for themselves

- To provide employees remuneration that is not heavily taxed.

### **Major Types of Fringe Benefits Implemented in Nigerian Polytechnics**

There are varieties of fringe benefits implemented by Management of the Polytechnics in South Eastern Nigeria. According to the Federal Polytechnic Staff Manual (1986) some of the fringe benefits implemented in the Polytechnics include; duty tour allowance, transport allowance, kilometer allowance, housing allowance, relocation allowance, hotel accommodation allowance, estacode allowance, disengagement allowance, research grant/ allowance, responsibility allowance, examination supervision allowance, acting allowance, overtime allowance, medical benefits, retirement benefits (pension and gratuity), hazard allowance, staff loan scheme, salary advance, performing awards and prizes, payment of subscription to professional bodies, annual leave grant/allowance, research leave, sabbatical leave, leave of absence, maternity leave, paternity Leave, sick leave, casual leave, study leave with pay and without pay etc.

### **METHODOLOGY**

The Research design used in this study is qualitative and quantitative design methods. The study area for this research is the selected Polytechnics in the South East Nigeria. The use of questionnaire shall be employed to gather necessary and relevant data from the respondents. The method will be used in order to ensure that results are visible and bias free. The population of the study comprises of academic and non-academic staff in the selected polytechnics in South East Nigeria. The population is generated from two federal polytechnics and two state polytechnics in South East Nigeria. The selected Polytechnics include Akanu Ibiam Federal Polytechnic Unwana Afikpo, Federal Polytechnic Nekede Owerri, Abia State Polytechnic Aba and Imo State Polytechnic Omuma. A total of 400 questionnaires was administered to the respondents made up of academic and non-academic staff of the selected polytechnics. Simple random sampling method was used while Bowley's proportion allocation formula used to determine the proportional representation of the study area. The instrument for data collection consists of questionnaire from respondents and other official

documents, including published and unpublished materials.

Data was analyzed through the use of tables and simple percentage

**TABLE 1 SUMMARY OF EMPIRICAL REVIEW**

S/N	AUTHOR(S)	TITLE	FINDINGS	RECOMMENDATIONS
1.	Olatunji, Olufemi & Omotayo (2021).	Effects of Fringe Benefits on Employees Productivity Selected Food and Beverages Production Companies in Ogun State, Nigeria.	The findings established that employees are committed to their work without compromise in whatever form with appropriate fringe benefits which lead to job commitment and eventual facilitation of productivity.	Management should bear in mind the status of individual employees when providing fringe benefits; that promotion of employees should cut across board in order to motivate all categories of employees.
2.	Zirra, Mambula & Anyatonwu (2019).	Impact of Fringe Benefits on Employee Performance; A study of NASCO Group Jos, Plateau State.	The findings from the study showed that health protection benefits have a positive and significant impact on the performance of employees of NASCO group.	The study recommends that there is need for NASCO group to continue the provision of health benefits to its employees since it helps to boost employees job performance; Management of NASCO group should review the current retirement benefits for its employees since a good retirement package will attract and retain employees and equally improve their performance

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| 3. | Asumah, Kuranchie & Mensah (2019). | Can Welfare Management affect Teachers' Performance? Evidence from Ghana.                                   | The findings from the study revealed that timely provision of fringe benefits such as accommodation allowance, transport allowance, vehicle maintenance allowance, meals at work hours, end of the year welfare package, gratuity and pension (retirement) plan, health insurance, etc. enhances teachers' job performance. | It recommends that the Ghana authority in charge of teachers' welfare should strive to provide the already identified benefits that will positively affect teachers' performance. |
| 4. | Nisar & Siddiqui (2019).           | A Survey of the Role of Fringe Benefits in Employee Satisfaction- An Analysis of Organizations in Pakistan. | The findings from the study showed positive and significant relationship of recreation leaves and health protection benefits on job satisfaction whereas in case of flexible working hours, the relationship seems to be insignificant.   | The study recommends that organizations should always have a policy about flexible working arrangements so that the employees will be willing to work for a long time devotedly.  |
| 5. | Chukwuma & Kifordu (2018).         | The Significance of Fringe Benefits on Employee's Morale and Productivity in Oil Companies using Shell      | Findings observed that fringe benefits significantly affect employee morale   | The study recommends that the formulation of definite policies and practices concerning   |

6.	Olumide (2015).	Fringe Benefits Administration and Employees Commitment in Lagos State Civil Service.	The study clearly shows that there is positive significant relationship between the provision of medical services and civil servants commitment to the service of the State.	The study recommends that management need to review their fringe benefits packages periodically in order to encourage employees to be more committed to their employment.
7.	Kamau (2011).	Effects of Fringe Benefits on Employee Productivity in the Public Sector.	The study reveals that security benefits such as meal, transport and accommodation allowances contributed positively to employee's productivity.	It recommends that the government should continue providing security benefits to all civil servants, as it positively influence employees overall performance.

Table 1 above showed some of the empirical reviewed for the purpose of this study.

To support the empirical work reviewed, Ofor-Douglas (2019) found that as a way of motivation, employee-management relationship can contribute to the progress of the organization. Where there is no such relationship, the university system may be characterized by chaotic elements and can bring about low productivity. Akinfolarin and Ehinola (2014) revealed that encouragement for creativity and innovation, appreciation on genuine effort, award with impressive titles and achievements enhance the performance of university lecturers. Moses and Thomas (2019) also established the nexus between motivation and job performance. They discovered that remuneration significantly influences employees' attitude that ultimately influences their performance which also improves organizational performance. The implication of the foregoing is that where motivation especially fringe benefits have not been accorded the desired attention indicators of performance decline and vice versa.

In conclusion fringe benefits generally are instruments of motivation. Employees who work in organizations are motivated through provision and implementation of certain benefits such as medical and health services, meal subsidy, transport benefits among others in order to boost their morale towards higher job performance of assigned responsibilities and by extension, the overall goals and objectives of the organization. In the Polytechnic sector, provision and implementation of fringe benefits has become a major challenge, which seems to hamper performance of workers. An employee who is not handsomely rewarded through motivation hardly commit his/herself towards the accomplishment of assigned duties and this will likely lead to low performance and truncates all efforts targeted at overall performance. The study became imperative against the backdrop of negligence towards employees' welfare packages especially in the public sector organizations with its attendant consequences on job performance.

The findings of the study revealed that there is a significant positive relationship between fringe



benefits such as medical/health services, meal subsidy and transportation benefits on job performance. Fringe benefits contributed significantly to higher employee job performance in the study area. However, administration of fringe benefits is still not adequate and regular in the study area, hence; there is need for improvement.

From the findings and conclusion reached, it was recommended amongst others that Polytechnics, particularly those in South Eastern Nigeria, should try and implement quality medical and health care services to its employee and family; that the government, at all levels and Polytechnics Management, should try and re-introduce the implementation of meal subsidy as it will encourage employees' performance and accomplishments; there should be an upward review of transportation benefits, since it has the capacity to attract and retain employees and Management should strive to properly implement the fringe benefits already provided.

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