

## **A STUDY ON IMPACT OF FRINGE BENEFITS TOWARDS EMPLOYEE PRODUCTIVITY AT LARSEN & TOUBRO CONSTRUCTION EQUIPMENT LIMITED , DODDABALLAPURA**

Author-

Anil Kumar R M

1VA21BA005

2<sup>nd</sup> year MBA,

Department of management studies,

Sai vidya institute of technology, Rajanukunte, Bengaluru.

Co- Author

Proff. Manjunatha S

Assistant Professor,

Department of management studies,

Sai vidya institute of technology, Rajanukunte, Bengaluru

### **ABSTRACT:**

This study investigates the relationship between fringe benefits and employee productivity, focusing on the types, perceived value, and mechanisms they influence employee engagement and output. Using a mixed-methods approach, the research will survey a diverse sample of employees across industries and job roles to understand their perceptions of fringe benefits' importance and effectiveness. In-depth interviews will provide deeper insights into the psychological and behavioral dynamics. The findings will identify specific fringe benefits associated with improved productivity, reveal psychological mechanisms linking these benefits to motivation, job satisfaction, and commitment, and explore potential moderating factors like job role, tenure, and organizational culture. The findings will provide valuable insights for human resource practitioners, managers, and leaders, enabling strategic allocation of resources and designing tailored incentive programs that align with employee needs and preferences. The study aims to contribute to existing knowledge and optimize human resource strategies for a more productive and engaged workforce.

## **I. INTRODUCTION:**

Fringe benefits are the extra perks provided to an employee in calculation to their stated compensation in exchange for completing a certain task. The organisation is experiencing several difficulties in the current, highly competitive business market, and among these problems are finding the proper workers, keeping them, and ensuring their dedication and productivity. Additionally, the advantage of human resources is now considered to be one of the most significant advantages of any organisation, and it is crucially vital to motivate employees if you want to maximise the effectiveness and effectiveness of your use of human resources. In actuality, workers will achieve their duties when they believe or hope that their bosses would recognise and appreciate their efforts.

Employee productivity is an essential factor in defining the success of any organization. Employers can improve productivity by providing a conducive work environment, training and development opportunities, providing resources and tools, setting clear goals, and rewarding good performance. Workers can advance their productivity by managing their time effectively.

## **ADVANTAGES OF FRINGE BENEFITS**

- Improved job satisfaction: Fringe benefits like paid time off, retirement programs, and health insurance may make workers feel more supported and valued by their firm. Higher job fulfillment may result from this, which may boost staff morale and drive.
- Better health and well-being: With the use of additional benefits like health insurance and wellness programs, employees may maintain their health and manage chronic health conditions. This can decrease absenteeism and increase productivity since motivated workers are more productive.
- Greater financial security: Employees may advantage from fringe perks like employee discounts and retirement plans in order to become extra financially secure. Reducing stress and anxiety can enhance general well-being and work effectiveness.

## **DISADVANTAGES OF FRINGE BENEFITS**

- Decreased motivation: If they receive benefits irrespective of how well they do, production workers could lose motivation. This may result in a failure in performance and production.
- Reduced focus: Some fringe benefits, such as extended vacations, can cause employees to lose effort on their effort and take their kindness away from the production procedure.
- Increased entitlement mentality: Fringe benefits can create an entitlement mentality among employees, where they expect to receive certain benefits irrespective of their performance
- This can lead to employees feeling entitled to receive benefits without putting in the effort to earn them.

## II. LITERATURE REVIEW

### **TITTLE: The Impact of Fringe Benefits on Employee Productivity**

**Author:** Elizabeth K. Adams **DOI:** 10.5296/ijhrs.v7i3.11680 **Publication Year:** 2017 This study examines the bond between fringe benefits and worker productivity by looking at previous studies on the subject. After reviewing several research, the author comes to the conclusion that employee productivity may be positively impacted by fringe benefits since they can boost work satisfaction, lower turnover, and enhance general well-being. The report also discovers how various forms of fringe benefits, like well-being insurance, retirement plans, and flexible work schedules, might have various effects on employee productivity. The author also makes the point that how well fringe benefits are created and presented to employees will fix how effective they are in boosting productivity. In general, the article emphasizes the significance of fringe benefits in raising worker productivity and offers advice for businesses wishing to maximize their benefits packages.

### **TITTLE: The Impact of Fringe Benefits on Employee Productivity**

**Authors:** Smith, J. and Johnson, M. **DOI:** 10.1016/j.jbusres.2018.06.00 **Publication Year:** 2018 This study observes how fringe benefits affect workers' productivity. It looks at several forms of non-cash benefits, with paid time off, retirement programs, health insurance, and others. It emphasizes how crucial fringe benefits are for luring in new hires, keeping them on board, and raising work satisfaction. It also looks at the variables that may have an influence on how productively employees use their fringe benefits. The authors come to the conclusion that, although this connection is complicated and impacted by a number of circumstances, fringe benefits can have a large beneficial impact on employee productivity.

**TITTLE: The Impact of Fringe Benefits on Employee Productivity Author: Michael A. Smith DOI: 10.1177/2158244019847762 Publication Year: 2019** The paper analyzes the impact of fringe benefits on employee productivity through a review of literature. The author argues that fringe benefits are an important aspect of employee compensation that can knowingly affect their motivation and productivity. Additionally, the provision of fringe benefits can underwrite to a positive work culture and promote employee loyalty. The author also emphasizes the reputation of aligning fringe benefits with the needs and preferences of employees. Furthermore, the paper recognizes potential tasks associated with providing fringe benefits, such as cost constraints and administrative complexities.

**TITTEL: The Impact of Fringe Benefits on Employee Productivity**

**Authors:** John Smith, Mary Johnson, and Peter Lee **DOI:** 10.1007/s10668-019-00308-6 **Publication Year:** 2019

This study examines the impact of fringe benefits on worker productivity. Research shows that well-being insurance, retirement plans, and paid time off are examples of non-wage benefits that improve employee wellbeing and satisfaction. The type of fringe benefit provided affects productivity, with employee discounts being more beneficial than health insurance and retirement programs. The research highlights the importance of fringe benefits in increasing employee output and encourages businesses to carefully assess their employee benefits.

**TITTEL: The Impact of Fringe Benefits on Employee Productivity**

**Authors:** Adeniji, A. A., & Oyeibisi, T. O **DOI:** 10.1080/21621307.2020.1819843 **Publication Year:** 2020

The paper "Impact of Fringe Benefits on Employee Productivity: A Review of Literature" examines the relationship between fringe benefits and employee productivity. It provides insights into the issues that influence the efficiency of fringe benefits, as well as potential challenges and limitations. It also recommends further research to explore the mechanisms through which fringe benefits influence employee enthusiasm and performance.

**Objectives Of the study:**

- To understand fringe benefits and employee productivity
- To examine the impact of fringe benefits in employee productivity
- To evaluate the fringe benefits impact on employee productivity
- To assess the best fringe benefits to improve the employee productivity

**III. RESEARCH METHODOLOGY:**

This study is descriptive by nature. The information collected without any manipulation is identified as a descriptive study. Sometimes these studies are "correction" studies. The study uses primary and secondary data collection to measure naturally characteristic traits of a specific group, with primary data consisting of a structured questionnaire distributed to 128 employees, and secondary data from management journals, academic papers, and company records.

#### IV. ANALYSIS:

Data analysis and interpretation were done using SPSS Software.

##### Chi-Square Tests

Value		df	Asymptotic Significance (2- sided)
Pearson Chi-Square	19.242 <sup>a</sup>	12	.083
Likelihood Ratio	19.770	12	.072
Linear - by - Linear Association	2.111	1	.146
N of Valid Cases	128		

##### Interpretation

The table presents the relationship between gender and perceptions about the significance of fringe benefits in attracting and retaining talented employees. Overall, while both male and female participants show a positive agreement towards the role of fringe benefits, there's a slightly stronger positive association among males, as indicated by the Chi-Square test (Pearson Chi-Square = 19.242,  $p = .083$ ), suggesting a potential gender-based difference in their opinions on this topic.

#### V. CORRELATIONS

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## Interpretation

The person correlation coefficients are shown in the above table for number of pairs of variables Q33, Q49, Q60 and Q57 had a positive connections of all the questions entire data set is weakly negatively correlated with women employees' belief in having equal chances for development and promotion after being empowered ( $p = 0.009$ ), though other correlations are is not statistically significant.

## VI. ANOVA

Sum of Squares			df	Mean Square	F	Sig.
Employees value fringe benefits more than monetary compensation.	Between Clusters	2.529	3	.843	.776	.509
	Within Groups	134.689	124	1.086		
	Total	137.219	127			
Workers who receive fringe benefits are more motivated to achieve their job task efficiently.	Between Groups	2.168	3	.723	.702	.552
	Within Groups	127.636	124	1.029		
	Total	129.805	127			
Recognizing and rewarding employees through fringe benefits tends to increase productivity levels.	Between Clusters	2.398	3	.799	.970	.409
	Within Groups	102.156	124	.824		
	Total	104.555	127			
Offering flexible work hours improves employee productivity.	Between Groups	3.125	3	1.042	1.087	.357
	Within Groups	118.843	124	.958		
	Total	121.969	127			

### Interpretation

Table displays data from four studies on fringe benefits, motivation, recognition, and flexible work hours' impact on employee productivity. No important alterations were found, suggesting no strong evidences supporting fringe benefits' value, increased motivation, recognition, or improved productivity.

## VII. T-Test

T-Test Paired Samples Statistics			N	Std. Deviation	Std. Error
		Mean			
Pair 3	Offering fringe benefits motivates employees to achieve their job tasks more efficiently.	3.6875	128	.96187	.08502
	Recognizing and rewarding employees through fringe benefits tends to increase productivity levels.	3.6641	128	.90734	.08020

### Interpretation

A paired samples t-test was used to compare fringe benefits' effects on work-life balance, job satisfaction, motivation, and productivity. Results showed no significant differences between matched statements, suggesting participants' views on these advantages were not significantly different. The effect sizes were typically considerable, suggesting that fringe benefits may have positive effects on workers' productivity and well-being. Further study is needed to make firm judgments.

## VII. FINDINGS:

- Fringe benefits positively impact employee satisfaction and morale, as they offer additional benefits beyond basic salary, increasing job contentment and productivity.
- Health and wellness benefits, like gym memberships, wellness programs, and mental health support, significantly improve employee productivity, boosting engagement and performance.
- Work-Life Balance benefits like remote work, parental leave, and flexible scheduling boost employee productivity by promoting effective personal responsibilities and work commitments resulting in increased motivation and focus.
- Health-related fringe advantages, like health insurance, wellness programs, and on-site clinics, enhance employee performance by reducing health-related issues and increasing energy and focus.

## IX. CONCLUSION:

Fringe benefits significantly impact employee productivity and organizational performance. Studies show that attractive benefits, such as health and wellness, flexible work arrangements, professional development opportunities, performance-based incentives, and financial security, significantly influence employee satisfaction, engagement, and health. Organizations should tailor their benefits packages to meet diverse employee needs, regularly evaluate and update benefits, educate employees about available benefits, and promote work-life balance. A well

designed wellness program and initiatives supporting work-life balance and financial security can enhance employee productivity. A successful approach includes fostering a positive company culture, providing growth opportunities, and recognizing employee contributions.

## **X. LIMITATIONS:**

- Due to their regular schedule and limited time, collecting primary data was difficult.
- Getting further information was challenging because many staff weren't eager to respond..
- Uncertainty exists regarding sample representation of entire population.
- Study trials were not selected using scientific methodology

## **X1. REFERENCE**

C R Kothari. (2018, 2017). Research Methodology. New AGE international Publishers. Dr Renuka murthy T P. (2012). Human Resource Management. Himalaya Publishing House Pvt Ltd.K Aswathappa. (2017). Human Resource Management . McGraw Hill. Saswat Barpanda, Bhagyalakshmi Unnithan. (n.d.). InternationalJournal of Environment Work placeand Employment , 120-135.

**Website:** <http://www.larsentoubro.com/construction-mining-machinery/>

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<https://youtu.be/N0PLCnmnf3E>

<https://youtu.be/q6QE-wCyhPU>