The Significance of Fringe Benefits on Employee Morale and Productivity

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Abstract
The paper considered the significance of fringe benefits on employee morale and productivity in oil companies using Shell Petroleum and Development Company Warri in Southern Nigeria. The objective of this study was to find out the significance of fringe benefits on employee morale and staff productivity. Three hypotheses were tested based on the direction and collection of data from various respondents through administered questionnaires and direct interviews. A total of fifty (50) questionnaires were distributed to the categories of staff in the company. Chi-square test was used to test the hypotheses and the results was significantly accepted. Findings revealed that fringe benefit as an incentive, significantly affects employees morale and productivity. As such it should be enhanced. We concluded that fringe benefits play a vital role in the level of employees’ morale and productivity of companies. Also recommendation on increase in the various forms of fringe benefits in private and public companies was made. Bearing in mind “that those who promote these benefits will have increased ability in return and those who distant themselves will fail... That is what is called being a leader and responsive teacher of successful men” Hsun (1960).

Keywords: Significance, Fringe benefits, Employee, Morale and Productivity

JEL Classification: J24, J28, J53

Introduction
According to Mathis and Jackson (2003), fringe benefits are forms of indirect compensation given to an employee or group of employees as a part of organizational membership. Ajiola (2006) define them as that part of the total reward package provided to employees in addition to base or performance pay. Fringe benefits focus on maintaining (or improving) the quality of life for employees and providing a level of protection and financial security for workers and for their family members. Like base pay plans, the major objective for most organizational fringe compensation programs is to attract, retain and motivate

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qualified, competent employees (Bernardin, 2007). Mathis and Jackson (2003) continue to state that an employer that provides a more attractive benefits package often enjoys an advantage over other employers in hiring and retaining qualified employees when the competing firms offered similar base pay. In fact, such benefits may create “golden handcuffs,” making employees more reticent to move to other employers. Some common examples are; retirement or pension plans, medical and dental insurance, education reimbursement, time off, paid vacation and use of company car.

Productivity is a relationship between outputs and inputs. It rises when an increase in output occurs with a less than proportionate increase in inputs, or when the same output is produced with fewer inputs (ILO, 2005). Productivity can also be considered in monetary terms. If the price received for an output rises with no increase in the cost of inputs, this is also seen as an increase in productivity. Productivity improvements can also be understood at different levels.

The productivity of individuals may be reflected in employment rates, wage rates, stability of employment, job satisfaction or employability across jobs or industries. Productivity of enterprises, in addition to output per worker, may be measured in terms of market share and export performance. The benefits to societies from higher individual and enterprise productivity may be evident in increased competitiveness and employment or in a shift of employment from low to higher productivity sectors.

Numerous surveys and experience of HR professionals have shown that while employees are concerned about how to earn more pay and enjoy attractive conditions of service, employers on the other hand would be striving to cut costs so as to post impressive profit at the end of the accounting period (Milkovitch and Newman, 2004). Meanwhile, studies have shown that provision of motivators has been resulting in employees' increased interest in the job, enthusiasm and increased productivity at work and absence of motivators has been the other way round (Mathis and John, 2003). Research into employee benefits and organizational commitment is becoming more important because some researchers have examined the relationship between them (Dale, 2009) and also the relationship between employee benefits, motivation and productivity (Hong, et al., 1995). There is however, still some debate over fringe benefits on whether they facilitate in employee productivity leading to organizational performance and do benefits impact on an organizations “ability to attract, retain and motivate employees leading to productivity and improved organizations” performance (Milkovitch and Newman, 2004). Given the absence of empirical evidence on the relationship between employee benefits and productivity and the escalating cost of benefits, it is clear that there is a research gap and that further research needs to be
carried out, in order to find out whether fringe benefits really do have any effect on the productivity of employees in Oil firms.

From the argument so far, it could be deduced that lack of fair and equitable distribution of fringe benefits to all categories of staff (labour) irrespective of status, constitute a problem to the individual, the firm, the society and the country at large.

The researcher therefore, intends to examine fringe benefits in relation to employees’ morale on productivity and explore possible means of spreading such benefits to all categories of workers (labour) in organisation.

**Hypotheses**

(i) There is a significant relationship between fringe benefits, employee morale and productivity.

(ii) There is an association between fringe benefits and welfare matters.

(iii) Supplementary compensation has effect on employee’s motivation towards productivity.

**Objectives**

i. To determine the significance of fringe benefits on employee morale and staff productivity

ii. To examine the association between fringe benefits and welfare matters

iii. To evaluate the effect of Supplementary compensation on employee’s motivation towards productivity

**Literature Review**

**Fringe Benefits and Staff Productivity**

The private enterprise is in business to make profit and will do everything possible to remove obstacles that will remove profit. The slang “nothing goes for nothing” is more appropriate to the position of the management. Drucker (1995) posited that financial rewards... are not major sources of positive motivation in the modern industrial society, even though discontent with them inhibits performance. This is largely due to the fact that, the extent to which a fitting reaches its full potential and the extent to which it expands its potential depends on productivity through performance.

Moreover, productivity is closely associated with the real income of workers and their standard of living; as wage increase and lower prices of products can result from a rising level of productivity.
The modern concept of productivity is not really understood in many cultures of the world. Many persons perceive productivity as simply more output, without any thought of input cost. Although local citizen are able to talk about productivity in an intelligent way it is still not sufficiently ingrained into their habits to be reflected in their day-to-day work. There is therefore need to relate not only wages but also fringe benefits to the ideal of productivity which includes quality of output as well as quantity.

**Fringe Benefit and Staff Welfare Matters**

As managers began to study the morale of their employees, they soon recognized that although a complaint employee did not talk back to his boss, but lie certainly “thought back”. The employee inside was a seething mass of insecurity, frustration and aggressions towards his boss since he could not vent these feelings directly, sometimes he gets home and vent then on his wife, family and neighbours so the community did not gain much out of this relationship either.

It seems rather obvious to progressive employees that there ought to be some way to develop employee satisfaction and adjustment during production as may believe that such approach might cause more productivity if the employees’ insecurities frustrations and aggressions could be dispelled.

Fringe benefits, incentives and welfare facilities represent additional sum to the worker. We can then ask, what is the immediate return of these visible benefits to the employer? Although the returns may not be immediate or apparent, but when a worker’s wife or child is sick and he has no means curing such a dependent, though he may be physically present at work, he is absent-minded, and unable to produce at his best. If however, the employer has provided a hospital in that work environment, such a sick dependent can be cured, once the worker hands over the patient to the clinic, the psychological burden will be removed. He can then concentrate fully on his day’s routine. This goes, not only for medical care but also for transportation, subsidized meals, private counseling, food and fuel vouchers etc. as they fulfill additional needs of the worker which his wage or salary cannot satisfy.

**Fringe Benefit and Technical Skill Development**

Enhancing the quality of human resource capital through comprehensive and progressive re-engineering process in addition to system re-engineering, holds the key to effective re-position of any company to meet the challenges of the 21st century.

Neil (2000) argued that the need to align workers skills with the changing trends in global dynamics is a necessary condition for their development. As the bed rock
of labour force and the water shed for the training of our future leaders, it is of
paramount importance that these workers who are potential future leaders are
adequately equipped with the necessary skills, knowledge and mental maneuvers
with which to accomplish the ever increasing demands and complexities of
industrialization.

Theoretical framework

Need Theory

There are various motivational theories but this paper will be anchored on the
Need Theory which is based on expected satisfaction of a level of need. Accord-
ing to Jones and George (2006), needs-based motivation theory is based on
the understanding that motivation stems from an individual's desire to fulfill or
achieve a need. Human beings are motivated by unsatisfied needs, and certain
lower needs must be satisfied before higher needs can be satisfied. In general
terms, motivation can be defined as the desire to achieve a goal, combined with
the energy, determination and opportunity to achieve it. The basic premise of the
need theory is that people are motivated to obtain outcomes at work that will
satisfy their needs. It complements the expectancy theory by exploring the depth
at which outcomes motivate people to contribute valuable inputs to a job and
perform at high levels. A manager must determine what needs the person is trying
to satisfy at work and ensure that the person receives outcomes that help to satisfy
those needs when the person performs at a high level and helps the organization
achieve its goals.

Employee Productivity

Millea (2002) reports empirical evidence about the bi-directional relationship
between employee's benefits and productivity, in particular considering the nature
of the benefits setting process in different countries. The empirical evidence
of this paper as well as that of a more in-depth study for selected Germany
manufacturing concerns (Millea, 2006) can be interpreted in the light of efficiency
wages, i.e. explaining productivity as resulting from particular wage levels, for
given characteristics of the labour market e.g. the total level of unemployment.
Leaders should try to increase the belief that good performance will result in
valued rewards. Ways of doing so include: measure job performance accurately;
describe clearly the rewards that will result from successful performance; describe
how the employee's rewards were based on past performance; provide examples
of other employees whose good performance has resulted in higher rewards
Summary and Gaps to be filled by the Study

From the above literature review it is clear that fringe benefits represent a double edged sword. On one side, employers know that in order to attract, retain and motivate employees with the necessary capabilities and in order to enhance their productivity they must offer appropriate benefits. On the other side, they know the importance of controlling or even cutting costs. Benefits comprise a significant part of the total compensation package offered to employees. Total compensation includes money paid directly (such as wages and salaries) and money paid indirectly (such as benefits). But, given the absence of empirical evidence on the relationship between employee morale, benefits and productivity, and the escalating cost of benefits, it is clear that there is a research gap and that further research needs to be carried out, in order to ascertain this relationship.

Methodology

This is a survey research work. The population for the study includes all category (Management, Senior and Junior) staff in Shell Petroleum Development Company Warri. The total population was 2000 and the researcher has decided to use a sample of the mentioned population on a ratio of 1.40 basis. This decision to select and study a portion or sub-set of the population is because; it may not be possible and feasible to study every member of the population. Especially considering time, resources and size of the population. A pilot study using two each from the various strata of the employee in the company was used to determine internal consistency. The Pearson Product Moment Correlation Co-efficient was used determine the reliability co-efficient. Likert scale was used by the researcher in order to elicit responses in accordance with the kind of variable(s) presented for such response. Each of the variables were scored accordingly and their frequency cum percentage obtained in their raw form in terms of the biography of personal data of the respondents while the raw scores obtained in terms of the questions raised in relation to the problem. Hypotheses of the study was further transformed into chi-square values for the analysis of the data collected.

Testing Of Hypotheses

Hypothesis One

The first hypothesis for this study states that: “There is a significant relationship between fringe benefits and workers’ productivity”. To test the above hypothesis, responses from 50 respondents were analyzed and the theoretical frequencies of these responses were considered in form of a cross tabulation of such responses,
using the Chi-square statistical method. Besides it is imperative to bear in mind here, the two types of hypothesis namely:

1. The Null Hypothesis denoted by \( H_0 \) and
2. The Alternate Hypothesis denoted by \( H_1 \)

Each representing below.

\( H_0 = \) There is no significant relationship between fringe benefits and staff productivity.

\( H_1 = \) There is a significant relationship between fringe benefits and staff productivity

**Rule for Research Hypothesis**

As a guide to the rule of accepting or rejecting research hypothesis, the following research hypothesis rule should also be noted.

(a) Where the null hypothesis \((H_0)\) is found to be true, the null hypothesis should be upheld and the alternate hypothesis rejected.

(b) Where the null \((H_0)\) hypothesis is found to be false, you reject the null hypothesis and uphold the alternate hypothesis \((H_1)\).

**Decision Rule for Statistical Analysis**

If found that computed Chi-square \((X^2)\) is greater \(>\) than the table Chi-square, we reject the null hypothesis of correlation and accept the alternate hypothesis of correlation between variable \(<\) vice versa.

**Table 1**

**Responses of 50 Randomly Sampled Workers Over 10 Statements**

**Relating to Hypothesis One Earlier Stated**

<table>
<thead>
<tr>
<th>S/N</th>
<th>STATEMENT</th>
<th>RESPONSE FREQUENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SA</td>
</tr>
<tr>
<td>1.</td>
<td>Cash bonuses serve as the best incentive towards enhanced productivity</td>
<td>17</td>
</tr>
<tr>
<td>2.</td>
<td>Employers who provide and ensure better living conditions for employees expect in return maximum productivity</td>
<td>37</td>
</tr>
<tr>
<td>3.</td>
<td>Housing allowances enhances higher productivity amongst employees in</td>
<td>25</td>
</tr>
</tbody>
</table>
RESPONSE FREQUENCY

<table>
<thead>
<tr>
<th>S/N</th>
<th>STATEMENT</th>
<th>SA</th>
<th>A</th>
<th>UD</th>
<th>D</th>
<th>SD</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>There is little or no evidence that overtime pay serve to motivate workers to higher productivity</td>
<td>4</td>
<td>14</td>
<td>1</td>
<td>23</td>
<td>8</td>
<td>50</td>
</tr>
<tr>
<td>5</td>
<td>Health schemes encourage a very high level of productivity</td>
<td>26</td>
<td>23</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>6</td>
<td>Pension plan organized by employers encourages workers as regards production at maximum capacity</td>
<td>15</td>
<td>20</td>
<td>1</td>
<td>13</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>7</td>
<td>Varying benefit schemes effectively improves works morale and attitude to work</td>
<td>14</td>
<td>36</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>8</td>
<td>Additional (Extra) pay for extra work hours is the best way to get more output from worker</td>
<td>15</td>
<td>26</td>
<td>2</td>
<td>7</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>9</td>
<td>A companies efficiency in operation is evaluated by output per man</td>
<td>19</td>
<td>24</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>50</td>
</tr>
<tr>
<td>10</td>
<td>Motor vehicle allowance activates workers ability skills quality and development</td>
<td>16</td>
<td>24</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td><strong>Total Observed Frequency</strong></td>
<td>188</td>
<td>222</td>
<td>13</td>
<td>16</td>
<td>16</td>
<td>500</td>
</tr>
</tbody>
</table>

Source: Fieldwork Analysis

NOTE KEY

SA = Strongly Agree,     UD = Undecided,
SD = Strongly Disagree   A = Agree
D = Disagree

In order to get the Chi-square (X²) values, a resultant table from table 1 is presented below:

<table>
<thead>
<tr>
<th>DEGREE OF AGREEMENT</th>
<th>DISAGREEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA</td>
<td>A</td>
</tr>
<tr>
<td>OBSERVED FREQUENCY</td>
<td>188</td>
</tr>
<tr>
<td>EXPECTED FREQUENCY</td>
<td>100</td>
</tr>
</tbody>
</table>

(See Appendix II)
Chi-square ($X^2$) as applied to one sample variable is given by

$$X^2 = \sum \frac{(f_o - f_e)^2}{f_e}$$

Where $f_o = \text{observed frequency}$

$f_e = \text{expected frequency}$

The observed frequency ($f_o$) is derived from the basis of categorization as shown in table 4.8 while the Expected frequency ($f_e$) is given by:

$$f_e = \frac{\text{Total Frequency}}{\text{Number of Categories}}$$

An application of all the above, as presented in appendix II, shows the following result for hypothesis one:

Calculated = 384.7

Table $X^2_{0.05} = 9.49$ Cell Value (See Abridged Statistical Table) Table Value of $X^2$

Obviously, the calculated Chi-square ($X^2$) of 384.7 is far greater than the critical value of 9.49 by 375.2 at 0.05 alpha or significant level for the degree of freedom 4.

Therefore, the researcher rejects the null hypotheses, accepting the alternate hypothesis with a conclusion that there is a significant relationship between fringe benefits and staff productivity.

**Hypothesis Two**

The second hypothesis for this study states that:

“There is an association between fringe benefits and welfare matters”.

Responses of 50 Randomly Sampled Selected Workers Over 5 Statements relating To Hypothesis Two. Table 2
<table>
<thead>
<tr>
<th>S/N</th>
<th>STATEMENT</th>
<th>RESPONSE</th>
<th>FREQUENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Effective welfare packages create room for job commitment and satisfaction.</td>
<td>SA 28</td>
<td>A 22</td>
</tr>
<tr>
<td>2.</td>
<td>Canteen services is a form of the general welfare of workers that aids increase in general productivity.</td>
<td>SA 27</td>
<td>A 14</td>
</tr>
<tr>
<td>3.</td>
<td>A better mood placement of a staff bothers on good welfare.</td>
<td>SA 19</td>
<td>A 31</td>
</tr>
<tr>
<td>4.</td>
<td>Educational schemes and programmes, assistance to staffs and their children improves their morale.</td>
<td>SA 26</td>
<td>A 24</td>
</tr>
<tr>
<td>5.</td>
<td>Sound welfare schemes in companies are effective services geared towards improving staff attitude to work.</td>
<td>SA 22</td>
<td>A 26</td>
</tr>
<tr>
<td></td>
<td>TOTAL OBSERVED FREQUENCY</td>
<td>SA 122</td>
<td>A 117</td>
</tr>
</tbody>
</table>

Source: fieldwork analysis

**Further Analysis Table**

<table>
<thead>
<tr>
<th></th>
<th>DEGREE OF AGREEMENT</th>
<th>DISAGREEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SA A UD D SD TOTAL</td>
<td></td>
</tr>
<tr>
<td>OBSERVED FREQUENCY</td>
<td>122 117 0 6 5 250</td>
<td></td>
</tr>
<tr>
<td>EXPECTED FREQUENCY</td>
<td>50 50 50 50 50 250</td>
<td></td>
</tr>
</tbody>
</table>

Calculated $X^2 = 322.68$ (See appendix III)

Table $X^2_{0.05} = 9.49$ Cell Value [See Abridged Statistical Table]

Table Value of $X^2$

The above findings again indicate that the calculated $X^2$ is greater than the critical value of 9.49 by 313.19 at 0.05 significant level for the degree of
The researcher therefore rejects the null hypothesis and accept the alternate hypothesis including that there is a relationship between fringe benefits and welfare matters.

**Hypothesis Three**

The third hypothesis for this study states that: “Supplementary compensation has effect on the motivation”. Responses of 50 randomly sampled workers over 3 Statements relating to hypothesis three.

<table>
<thead>
<tr>
<th>S/N</th>
<th>STATEMENT</th>
<th>RESPONSE FREQUENCY</th>
<th>DEGREE</th>
<th>DISAGREEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>SA</td>
<td>A</td>
<td>UD</td>
</tr>
<tr>
<td>1.</td>
<td>Recognition given to workers input by employers makes employees put in more of their best.</td>
<td>30</td>
<td>.20</td>
<td>0</td>
</tr>
<tr>
<td>2.</td>
<td>Most overtime payments motivates workers towards higher productivity.</td>
<td>9</td>
<td>31</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>Inadequate and in appropriate staff development programme is a demotivating situation that has adverse negative effect on productivity.</td>
<td>27</td>
<td>23</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>TOTAL OBSERVED FREQUENCY</td>
<td>66</td>
<td>74</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: field work analysis

<table>
<thead>
<tr>
<th>OF AGREEMENT</th>
<th>DEGREE</th>
<th>DISAGREEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SA</td>
<td>A</td>
</tr>
<tr>
<td>OBSERVED FREQUENCY</td>
<td>122</td>
<td>117</td>
</tr>
<tr>
<td>EXPECTED FREQUENCY</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

Calculated \( \chi^2 \) = 179.3

Table \( \chi^2 \) 0.05 = 9.49 Cell Value (See Abridged Statistical Table Value of \( \chi^2 \))

With a calculated Chi-square (\( \chi^2 \)) of 179.3 which is greater than theoretical or table values of 9.49 by 169.81 at 0.05 significant level for the degree of freedom 4 as shown above, the null hypothesis is rejected and the alternate hypothesis
accepted and have the researcher concludes that supplementary compensation has effect on staff motivation

**Discussion of Research Findings**

The aim of this study was to investigate whether a significant relationship exist between fringe benefits as a form of motivation on employees morale and productivity. The findings of the study showed a significant effect of various forms of fringe benefits on productivity (See table 4.8), as the Chi-square ($X^2$) of 384.7 was higher than the table or critical values of 9.49 by 375.3 at 0.05 significant level for the degree of freedom 4, the researcher accepted the hypothesis that there is a significant relationship between fringe benefits and still productive in companies. This has made the views of Neil (2000) and Oley (1996) that there is little or no evidence that tremendous variety of supplementary pay plans often termed fringe benefits, serves as a motivants towards higher productivity of employee. While on the other hand, the fringe here gives credence to the views of Ejiogu (2003), Oshomole (2000). Further, the study examined the association between fringe benefits and welfare matters. As established scientifically in the findings of the study in Table 4.2 it showed that there is a relationship between fringe benefits and welfare matters. The hypothesis leading to this conclusion was accepted, as the calculated Chi-square ($X^2$) of 322.68 was also more than the critical value of 9.49 by 313.09 at 0.05 significant level for the degree of freedom 4. This therefore support the views of Valerie and Smith (1999) and Brown (1996) that the enterprise or company multiplies itself into a set of other activities and provisions so that members might live better within its context. More so, these activities and provisions entails welfare programmes.

Similarly, the study investigated whether supplementary compensation has effect on staff motivation. The findings in this dimension, judging from the result in Tables 4.3; wherein the calculated Chi-square ($X^2$) of 179.3 was greater than the critical value of 9.49 by 169.8 at 0.05 significant levels for the degree of freedom 4, the researcher accepted the alternate hypothesis that supplementary compensation has effect on staff motivation. It again falls in line with the views Marwa (2007) who all believe that inadequate residential quarters, cars..., in appropriate staff development programmes and reduction or non-availability of other fringe benefits are demoralizing situations that have adverse effects on staff productivity. This is true, in that supplementary compensation (fringe benefit) acts as a strong motivators which further energizes the staff(s) into higher productivity. Special credence to the view of Marwa was considered who emphasized that it is imperative for staff to be motivated through home rehabilitation, loans and other stimulating facilities that can guarantee higher productivity.
The growth of knowledge from more to more making human life enriched makes this research highly significant. Thus, the significant relationship, association and effect of fringe benefits upon staff productivity should be a major source of concern to firms whether private or public, government and the society in its entirely because all the stake holders stands to benefit the dividends of motivation at any given point in time.

Conclusion
The study however, showed a significant effect of fringe benefits on staff productivity: As a close examination of the various benefit schemes embarked upon by Shell which is still been practiced such as canteen services, education scheme, car loan or allowance, home ownership plan, end of year and other bonuses showed that the company has a good condition of service as attested to, by the respondents to the questionnaire for this study.

In conclusion, the findings of the study reveal that:

1. There is a strong relationship between fringe benefits and staff productivity as cash bonuses served as the best incentive towards productivity especially when such bonuses were made subject to performance.
2. An association also exist between fringe benefits and welfare matters as respondents for instance, admitted that canteen services Saves stress and time that one would go through looking for lunch outside, enhancing good health tor job performance and as such, it is seen as an effective welfare weapon for higher productivity.
3. Supplementary pay is not only of significant benefit to the individual staff(s) but also to management, the firm, other corporate bodies, government and the society at large at large
4. Fringe benefits has effects on workers motivation as end of year and other bonuses for instance are said to increase employment stability and highly motivates workers towards higher productivity.
5. Inspite of the provision of most of these benefits by management, a large portion of workers often tagged “contract staff” who constitute bulk of those in the production lick! do not enjoy these fringe benefits
6. Although most of these fringe benefits are provided, indicating that the conditions of service of the oil industry is good, much still need to be done as desired by management to attain a better and greater height in terms of both provisions and administration of fringe benefits, so that it can cover all cadre and categories of workers, not considering salary level, pay roll or contract level of staff, senior staff etc may he a strong case in boosting staff productivity.
Implication of the Study

Since this study is carried out to ascertain the relationship that exist between fringe benefits on employees morale and productivity, it implies that its findings would be of valued benefit to national and multinational oil companies in Nigeria, the individual staff, government and the society at large as it will give them a vivid insight into the pros, and cons of increasing productivity through fringe benefits implementation.

Recommendations

The formulation of definite policies and practice concerning fringe’ benefits by management should be considered as a portion of the total wage cost in companies.

Outside wage which cannot alone boost staff moral and relieve them of their worries, other incentives should be given to all categories and cadre of staff.

The discrepancy between salaries employees and wage earners, payroll staff and contract staff etc. should be removed as all categories of workers are as valuable all over in any given company.

Those categories of workers often tagged “contract staff” should be extensively incorporated into the scheme of, things in companies conditions of service. Equity and fairness in distribution of fringe benefits to all categories of staff should be practiced’ irrespective of level of staff. As it will be a sine-quo-non of higher productivity.

Expeditious treatment of staff reasonable demand by management necessary. They should not be seen only as scientific tools that can be manipulated for achieving corporate goals (increase in output and profit maximization at the minimum cost possible) with little or no provision made for them.

Management by objective above all, should be practiced. All groups should have the opportunity of participative management in the formulation and implementation at practice of policies that has to do with fringe benefits. This will go a long way to articulating the actual need of staffs and also enhance organizational or industrial democracy for the benefit of all stakeholders at large.
References


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