
Impact of Benefits Provided by Organisation on Employee Motivation

Kallavi Srikanth Harshitha,

BBA Final Year Student, CHRIST (Deemed to be University) Bengaluru, India

Dr. Balu L

Assistant Professor, Department of Management Studies, CHRIST (Deemed to be University), Bengaluru, India

ABSTRACT: *This paper focuses on establishing the impact of benefits which are provided by organisations on creating motivation amongst the employees. It further throws light on drawing conclusions concerned with the involvement of demographic factors (age, gender, length of service) in relationship with motivation within the employees. The main objective of this paper is to analyse if there exists a relationship between the benefits provided by organisations and employee motivation. Also, it focuses on particular benefits which may have impact on the overall motivation. A benefit provided by the organisation in which the survey has been done is divided into three categories namely general benefits, work life balance benefits and personal benefits. This research has been done in an organisation which is a part of the computer aided engineering sector in Bengaluru, Karnataka. 150 questionnaires were sent for which 101 employees responded. This research analyses its data using correlation, regression and one way anova. The results stated that there is a significant impact of benefits provided by organisations on employee motivation, there exists no relationship between the demographic variables and motivation and also that all the three categories of benefits have an impact on overall motivation amongst the employees.*

KEY WORDS: *Benefits – work life balance, general, personal, motivation – extrinsic motivation.*

INTRODUCTION: Benefits refer to elements which help in gaining profit or create an advantage. Benefits given to employees in the organisations are also universally recognised as fringe benefits are a part of the relationship between an employee and an employer, which acts as an indirect form of compensation provided to the employees by their respective organisations. In order to keep in pace with the current dynamic environment, employers must provide incentives other than just the regular pay. People who are looking for a job also look for benefits attached to the compensation package. As a matter of fact, employees have lately been used to the idea of benefits provided by organisations and have cultivated expectations about it from the organisation they are working for. Benefits are provided by organisations all around the globe and it has become a necessity in order to attract the best talent as well. Each country may have its own needs in order to provide for benefits and hence the kinds of benefits provided along with the extent to which it is provided depends from country to country. On a general note, companies that belong to the countries which are industrialized mainly in Europe and North America provide their employees with the most suitable and acceptable benefit packages. In some of the industrialised regions also, the benefits provided may vary to a great extent. Whereas, in most of the company's existing in the European countries, do not offer benefits for their employees for the sole reason that it is provided by the government there. A few examples of benefits provided by organisations include holidays, leaves for sickness, family days, bonus, increments, team outings etc.

Motivation is the element which acts as a reason for behaving in a certain way. This usually concerns every aspect of life from motivation to walk as a toddler to motivation to walk as an aged person. Motivation is also a very important aspect in the business world. In order to compete with the dynamic world, every organisation must have highly motivated workforce. Motivated workforce means better productivity and performance. From very long time, tangible rewards has played a role in being a very common way of

motivation and it also rewards excellent performance. Later it was also debated in order to conclude as to how employees also demand and expect some other ways to be stimulated and motivated enough to work. People are more looking forward to higher drives than just having few reasons for motivation such as external rewards and they also try to avoid punishments. Analysing the factors which actually leads to motivation amongst employees in order to perform better and increase productivity will help organisations to become more efficient with their output. The top management who usually designs certain tasks for their subordinates must be able to analyse the factors which influences their employees in order to gain motivation. They must be able to state the ways in which their employees are motivated to work everyday and must be able to assist each other in their tasks. The tasks or jobs given to them must be made interesting and challenging so it created a sense of motivation to complete the tasks within the stipulated time. The major concern here is what actually motivates an individual to work in life and if the top management need to be more dynamic and upgrade their knowledge as to how they can motivate their workforce.

REVIEW OF LITERATURE: Lin (2007) emphasises on the fact that all kinds of motivation leads to successful knowledge sharing. The results show that motivation factors like benefits, enjoyment as well as self efficacy in order to helping others was closely linked to knowledge in terms of sharing attitudes and intentions. They state the importance of sharing knowledge in an organisation and how it plays a role in achieving goals (individual and organisational). Extrinsic motivation which are rewards has proved to significantly affect the participation amongst. This can include public praise or monetary benefits. Willingness to create a positive mood has been strongly associated with intrinsic motivation, which results in the in learning and inclination in order to participate in some voluntary sharing of knowledge. In this research a number of hypotheses has been tested by collecting data through questionnaires. According to this research, employees with strong knowledge sharing intentions had also positive attitudes towards sharing knowledge kind of behaviours. But, the study proves that the expected organisational rewards have not significantly in any way influenced employee attitudes and intentions towards sharing of knowledge.

Dulebohn, Molloy, Pichler & Murray (2009) revealed that, employee benefits act as the primary source of concern of executives as well as employees. The main objective of this research includes mainly figure out the core topics under benefits and under each topic to find out the limitations for future research to be conducted. The level of benefit has been identified by using Dreher et al (1988). It talks about various aspects such as satisfaction with the benefits package etc. They say that compensation or benefits given by organisations plays an advantage for attracting and retaining the best talent available as such benefits are an important resource for them. This also saves cost for the employees as well as a threat to costing for the employers. Providing employee benefits acts as a major step in Human Resource Management. The main topics covered in this study are, the concerns of employer sponsored benefits, satisfaction with benefits, pensions, work family benefits as well as health care. The benefits given by organisation may vary from each other as some may be mandatory to provide while some remain at the discrete of the employers or the management. They in turn expect certain behaviours from their employees.

Stringer, Didham & Theivananthampillai (2007) reveals that Intrinsic motivation is positively impacting the pay and also satisfaction with the jobs, while on the other hand, extrinsic motivation has been negatively impacting satisfaction with their jobs, and not really impacting satisfaction regarding pay. The main objective of this paper was to find out more on relationships between extrinsic and intrinsic motivation, pay and job satisfaction. This survey was done in seven stores in about two regions and the people participated on the basis of being accessible and if they were available at the time of the research being done. The data collected was a quantitative one and they also has permission in order to use the archival documents which mainly consisted of bonuses, structure of the program and also included some open ended questions from employees. A total of 91 responses were collected which accounts to 17 percent response rate. The instruments used in this research included Minnesota Satisfaction Questionnaire which was used to measure job satisfaction which was the Weiss et al (1967) followed by Vroom's (1964) model which was by Nadler and Lawler (1977) (work motivation both intrinsic and extrinsic) and also the pay satisfaction questionnaire.

This paper tries to find the link between motivation along with job satisfaction, motivation and satisfaction in terms of pay. Results were found that there is no correlation comparing satisfaction in terms of pay and extrinsic motivation. Satisfaction with pay and intrinsic motivation shows a positive impact with satisfaction with jobs, while on the other hand, extrinsic motivation shows a negative impact on job satisfaction. The pair of positivity for intrinsic motivation where as a negative sign for extrinsic motivation along with satisfaction with the jobs in correlation and the regression analyses also states that extrinsic as well as intrinsic motivation are not really additive in order to leading to satisfaction of job.

Tremblay, Blanchard, Taylor, Pelletier & Villeneuve (2009) published a paper explaining motivation at workplace and the type of motivation that exists. It involves the concept of self determination theory which mainly focuses on the nature of motivation. It is also said that self determination also leads to positive consequences and amotivation leads to negative consequences. The exact purpose regarding the research is mainly to test applicability of WEIMS in different work conditions. They use tools like factor analysis. They developed the 18 item WEIMS. The scale which was used in the study was Likert scale ranging from 1 to 5. This type of research used the multidimensional approach to motivation. Sample of six hundred were considered from the regular military force in Canada which was mainly done using a random stratified sampling procedure. Confirmatory factor analysis was used which depicted a satisfactory fit. Mainly three studies were conducted in this research. Regression analysis was use which showed that WEIMS has construct, content and criterion for the organisational environment. The results ultimately showed the applicability and validity of the WEIMS tool.

Hammermann&Mohnen(2013) talks about benefit and their effects on employee's satisfaction. Some of the reasons to provide benefits maybe cost efficiency concerns and the purpose to signal good working conditions and the aim to ease employees' effort costs. They also try to find out how such tangible benefits or monetary benefits given to the employees by their employer's plays a role in performance of the employees who receive them as well as their motivation levels and how they differ. It can also act as a key to find out how benefits can be given according to the performance of the employee. The paper also tries to analyse the effects of these benefits to the employees and say that profit are more suitable as rewards for extraordinary performance or in relation to employee's status. The results drawn from this paper would be that small firms provide fewer benefits and also some of the differences in distributing benefits also vary according to gender, marital status and risk aversion and also employees who are highly educated and have more work load and managers representing the firms receive greater benefits.

OBJECTIVES:

- To determine whether benefits provided by organisations have an impact on employee motivation.
- To analyse if there exists a significant difference in motivation based on demographic variables.
- To analyse if benefits focused on work life balance has a significant impact on overall employee motivation
- To analyse if benefits that are general has a significant impact on overall employee motivation
- To analyse if benefits focused on personal life has a significant impact on employee motivation

HYPOTHESIS: H1: Benefits provided by organisation has a significant impact on employee motivation

H2: There is a significant difference between employee motivation based on demographic variables

H3: Benefits focused on work life balance has a significant impact on overall employee motivation

H4: Benefits that are general has a significant impact on overall employee motivation

H5: Benefits focused on personal life has a significant impact on employee motivation

RESEARCH METHODOLOGY: The population considered includes the employees working for the organisation. Hundred and one (101) employees out of one hundred and fifty (150) have responded to this

survey. This company consisted of more number of males working as compared to the females and hence more number of responses are from the males comparatively. Also the age group of people were highly concentrated to the middle aged followed by the beginners and then the older employees. The samples have been drawn using non probability sampling which is convenience sampling. The method used is survey method. The tool used for data collection is questionnaire. The questionnaire consisted of 20 questions over all which has basically been divided into three categories of benefits provided by organisation and then comparisons have also been made in terms of overall motivation. The three categories of benefits are general, work life balance and personal benefits. The scale which has been used for this survey also considers the self determination theory and has used the scale called WEIMS (work extrinsic and intrinsic motivation scale). The participants were asked to rate the options using the likert scale that ranges starting from one upto seven. The statistical tools used for analysis is SPSS and results are drawn by using pie charts, graphs, correlation and one way ANNOVA.

RESULTS:

Correlations

		general	WLB	Personal	Overall
general	Pearson Correlation	1	.561**	.545**	.797**
	Sig. (2-tailed)		.000	.000	.000
	N	100	100	100	100
WLB	Pearson Correlation	.561**	1	.561**	.910**
	Sig. (2-tailed)	.000		.000	.000
	N	100	100	100	100
Personal	Pearson Correlation	.545**	.561**	1	.761**
	Sig. (2-tailed)	.000	.000		.000
	N	100	100	100	100
Overall	Pearson Correlation	.797**	.910**	.761**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	100	100	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

From the above table it can be observed that, there exists a positive correlation of 0.561 between general and work life balance as motivation. In the same way, personal benefits isalso positively correlated in terms of general benefits which accounts to 0.545 while the overall is 0.797. Also since the values are above 0.5, it can be said that there is a positive moderate uphill relationship between all. Also there is a significant positive correlation between all the variables. The strongest that can be observed is between overall benefits and work life balance benefits. The highest observed is 0.761 while the lowest is 0.545.

The following table represents anova

ANOVA

Overall

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.395	2	.697	1.310	.275
Within Groups	51.652	97	.532		
Total	53.047	99			

In the table given above, the significance value amounts to 0.275 which is greater than the value being 0.05. This means that we accept null hypothesis which concludes that there is no significant difference between the overall motivation in comparison with the demographic variable being age.

Hypothesis results

H1 states that benefits provided by organisation have an impact on employee motivation. According to the results of correlation and regression we can see that benefits provided by the organisation have a significant impact on employee motivation.

H2 states that there is a significant difference between employee motivation based on demographic variables. One-way ANOVA tests show the significance level of each demographic variable with employee motivation. All the tables suggest that there is no significant difference in employee motivation based on demographic variables. Significance score was more than 0.05%, therefore we accept null hypothesis which suggests that there is no significant difference.

H3 states that benefits focused on work life balance have a significant impact on overall employee motivation. According to the correlation calculations done in this study, it is clear that work life balance benefits has a major impact on the overall motivation amongst the employees and also records the highest correlation in comparison to the other categories of benefits. Therefore benefits focused on work life balance have a significant impact on the overall motivation.

H4 states that benefits that are general has a significant impact on overall employee motivation. As per the correlation analysis table, it can be concluded that general benefits have a significant impact on overall employee motivation as it shows a positive correlation and takes form of next in line after the work life balance benefits in terms of motivation created amongst them.

H5 states that benefits focused on personal life has a significant impact on employee motivation. According to the correlation analysis table in this study, it shows that the personal benefits have a significant impact on employee motivation as it shows a positive correlation and it also shows that amongst the three categories, personal life benefits create the least motivation amongst employees.

RECOMMENDATIONS:

Industry: Motivation is a factor which needs to be given importance amongst all the employees working in organisations. In order to enhance this, organisations need to inculcate practices which enhance employee motivation. Since the study proves that benefits have an impact on employee motivation, all the organisations working under every industry must try for the betterment of benefits provided by them to ensure a motivated workforce. Motivated workforce may result in better productivity amongst the employees.

Academia: Further studies maybe conducted in order to find out other motivating factors for the employees in the organisations. Later on, variables like productivity, performance, satisfaction etc can be connected with the benefits which are provided by organisations.

CONCLUSION: We can conclude that, benefits provided by organisations have an impact on the employee motivation as per the relationships established in the correlation tables. It also indicates the extent of impact of each type of benefit on the motivation factor. Another dimension involved considering the demographic variables which do not show any impact on overall motivation amongst the employees. And finally it talks about the three categories of benefits being general, personal and work life balance impacting the overall motivation. This being the evidence, organisation may work on making their compensation packages more attractive by providing the right kind of benefits to the right extent.

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