Research Paper | **Management**

Impact Assessment of Employee Benefits in Work Motivation: A Path to Higher Productivity in India

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ABSTRACT

The issues of employee benefits consistently appears in both academic and practitioner literature as a problem for compensation management. Attempts to address this problem have often adopted the motion of antecedents to enhanced motivation and productivity in India. Within this, however, the link between what needs to be achieved and how employees in India can he utilized to deliver appropriate outcomes remains unclear. Analysis of this gap yields a number of research prepositions which require investigation if such knowledge will motivate employers to design appropriate benefits for their employees. The prime objective of the paper is to assess the impact, which employee benefits have on productivity in Gujarat State Teaching Commission in India. Data for the investigation were gathered by means of a survey questionnaire, consisting of construct design to ascertain the effectiveness of employee benefits in work motivation and productivity in India. The responses of the respondents from Gujarat State Teaching Service Commission in India were analysed with simple percentage analysis and further analysed by Structural Equation Modelling (SEM) to examine statistically the employee benefits on the motivation and productivity of workers. The results indicate that appropriate adjustments of employee benefits can have a significant impact on the motivation and productivity of employees in India. The results also indicate high level of technical inefficiency from employees due to poor employee benefits, which is inequitable to employees' effort in India.

KEYWORDS : Employee, Service Commission, Effectiveness, Motivation

INTRODUCTION

There is no doubt that motivation is the crux for good performance, but there is no clear-cut answer to the question of how to motivate. Employee benefit is essential for the development of corporate industrial relations. According to Herzberg's (1968) two factor theory (motivation and hygiene), an employee benefit programme is a necessary and sufficient working condition. The hygiene factor will affect employee's work motivation and thus productivity. In the stimulus-response behaviors, employees' work -motivation, seen as the response, can be analyzed from absence rate, quit rate, leave rate, and get to-work speed and so on. Productivity can be analyzed from quality and quantity of products.

In addition, Vroom (1964) maintained in his expectation theory that everyone works in expectation of some rewards (both spiritual and material), and welfare is one of them.

OBJECTIVES OF THE PAPER

The main objective of the study is to examine the impact which employee benefits have on productivity in ministries such as teaching service commission. Other objectives of the study are as follows:

- To examine a linkage between human behavior and motivation
- To determine whether there is need for material and non-material compensation for workers
- To suggest motivation package necessary to provide a drive towards the attainment of the organization objective as opposed to those of individuals.

Highlight the importance of civil servants in the productivity process and how to mobilize them to perform more effectively through adequate compensation.

THEORETICAL FRAMEWORK

Motivation is a general term applying to the entire class of drives, desires, needs wishes, and similar forces. To say that managers motivate their subordinates is to say that they do these things, which they hope will satisfy these drives and induce the subordinates to act in a desired manner. Motivation essentially refers to the forces of psychological processes which make an individual to behave in a certain way towards the achievements of a particular goal motivation can also be said to be the willingness to expand energy.

PRODUCTIVITY CONCEPT

Productivity is surprisingly difficult to define and measure, however productivity is a measure of the output of goods and services relative to the input of labour, material and equipment. I his simply means getting more output of what is put in. This does not mean increasing, production through addition of resources, such as time, money, etc. Rather, it refers to doing it better with what you have. In today's world, productivity means using less or fewer people, less time, less space and fewer resources.

EMPLOYEE MOTIVATION

Extrinsic motivation in an organization is achieved by linking employees. Monetary motives to the goals of the organization in the literature and in popular imagination and ideal compensation links pay to individual performance. 'The most important criterion then of course is that the employee's contributions to the organizations are measurable with some degree of accuracy, (Pearce 1996). Intrinsic motivation works through immediate need satisfaction. An activity is valued for its own sake and appears to be self-sustained (Dcci and Ryan 1985. Trey 1971), following Deci (1971) "one is said to be intrinsically motivated to perform an activity when one receives no apparent reward except the activities itself. The ideal incentive system for intrinsic motivation consists in the work contents itself.

EMPLOYEE BENEFITS

The growth of employee benefits has been rampant, particularly since World War II, and apparently no end is in sight. It will be recalled that the period of the 1920s, labeled the "era of paternalism", saw a widespread adoption of such benefits as organization housing and organization stores. The paternalistic approach fell into disrepute, supposedly as a result of the employees' desire for "industrial adulthood.

METHODOLOGY

The method of data collection employed for this investigation is primary and secondary data collection method. The primary data collection took the form of administration of questionnaires and personal interview with stall of teaching service commission. The questionnaires were structured to ensure accuracy and speedy response to questions that arc close-ended and open-ended. The major secondary data for this study were collected through intensive documentary research of relevant publication of the Gujarat State Teaching Service Commission.

All the valid data collected were analysed with the use of SPSS. The responses of the respondents from Gujarat State Teaching Service

Commission in India were initially analysed with simple percentage analysis. Structural Equation Modelling (SEM) was also used to examine statistically the employee benefits on the motivation and productivity of workers. The simple random sampling was used to have a fair representation of the population that is every member of the organization has an equal chance of being selected as part of the sampling. 200 respondents were randomly selected to be sample for this current investigation.

RESEARCH HYPOTHESES

Kuranga (1998), defines hypothesis as a statement or claim about the state of nature statistical hypothesis testing is concerned with the parameter of distributions.

- H_1: Increase in employee benefit will not motivate workers and increase the level of productivity
- H_2: Range of benefits giving by the commission is not satisfactory to its employees.
- H_3: Increase in financial package will not motivate staff and increase the level of commitment.
- H_4: Staff is not motivated to increase productivity by other forms of compensation package offer by the commission.
- H_5: Provision of good conducive working environment will not motivate staff and productivity.

DATA ANALYSIS AND DISCUSSION

The section of the paper dwells on the presentation and analysis of the responses received form the respondents through the administration of questionnaires. The responses to the research questions are presented in various tables and grouped on the basis of simple percentages. Comparisons and deductions are then made from the answers obtained and then inferences are drawn. A total of 200 questionnaires were administered but 152 valid responses were received and analyzed by the SPSS - Statistical Package for Social Sciences.

TEST AND ANALYSIS OF HYPOTHESES

The analysis and testing of the formulated hypotheses was based on Structural F.quation Modelling (SUM) to examine statistically the employee benefits on the motivation and productivity of workers. Procedurally, it helps to find the "best fitting" model by the first stage, establishing the "best fitting" measurement model, which then enters the second stage of testing the hypothesis structural model. The measurement model (or confirmatory factor model) specifies the relationships of the observed indicators to their posited underlying factors, while the structural model specifies the causal relationships among the latent variables as posited by the underlying theories (Segars and Grover. 1993). For computing the measurement and structural equations. 1 1SRFT (Linear Structural Relationships),

Table 2: Goodness-of-fit indices for the prior and revised measurement models

Measurement	Chi-square	df	X^2 /df	AGFI	RMSR	NNFI	CFI
Model	(x^2)						
A priori	172 (p=0.01)	69	2.11	0.49	0.087	.71	0.89
Revised	152 (P=0.13)	52	1.32	0.78	0.069	0.81	0.92
Recommended value for good fit	P > 0.05	-	⊂2.9	>0.79	⊂0.10	>0.98	>0.89

Source: SPSS result output

Notes: AGFI = Adjusted goodness of fit index, RMSR = root mean square residual, NNFI = Non - normed fit index, CFI = Comparative fit index.

Table 3: Goodness- of - fit indices for individual variables in the revised measurement model

Measurement Model	Chi-square (x^2)	df	AGFI	RMSR	NNFI	CFI
Conducive working	0.16 (P= 0.84)	2	1.00	0.008	1.00	1.00
Increase other forms of compensation package	2.1 4 (P=0.l 6)	2	0.83	0.031	0.92	1.00
Increase financial benefit	0.10(P=0.95)	2	0.92	0.002	0.99	1.00
Range of benefit is satisfactorily	0.33 (P= 0.73)	2	1 .00	0.003	1.00	1.00
Increase employee benefit	0.42 (P= 0.81)	2	0.94	0.009	0.99	

Source: SPSS result output

Table 4: Correlations among latent variable

Variable	Likert Scale	Mean	M/L	SI)	1	2	3	4	5
Increase employee benefit Range of benefit is	5 points	2.68	0.61	0.62	(0.89)				
satisfactorily	5 points	3.84	0.72	0.69	0.327*	(0.72)			
Increase financial benefit Increase other forms	5 points	3.42	0.64	0.73	0.499*	0.149	0.79		
of compensation package Conducive working	5 points	3.51	0.72	0.61	0.589*	0.082	0.532*	(0.78)	
environment	5 points	3.41	0.64	0.95	0.4 11	0.077	0.071	0.534*	(0.65*

Source: SPSS result output

Note: numbers in parentheses on diagonal are coefficient alphas: n=152. M\L ratios make the comparison of variable meaningful. The higher (he ratio's value, the more the respondents agreed on the extent of the variable's existence: P < 0.0! (two tailed).

The table *2* above shows the goodness-of-fit indices for this priori measurement model or the so-called "combined" measurement model. These indices suggested a moderate fit of the measurement model to the data collected from the staff of Gujarat State Teaching Service Commission, IIndia. As shown in linear structural relationship (LISRKAL) output, some indicators had very large positive standardised residuals.

The results of the hypotheses structural model are shown in table 4.21. The strength of the relationships among the constructs was presented by their coefficients.

Table 5: Goodness-of-fit indices for hypothesized structural model

Measurement Model	Chi-square	df	X2 /df	AGFI	RMSR	NNFI	CFI
Structural model	1 52.4 P-0.13	52	1.32	0.78	0.069	0.81	0.92
Recommended value for good fit	P > 0.05	--	⊂2.9	>0.79	⊂ 0.10	>0.98	>0.89

Source: SPSS result output

Comparing the increase in employee benefits and the range of benefits provided by the teaching service commission. It shows (hat serious attention must be given to these areas because they are not significantly related to the performance (0.89 and 0.72).

SUMMARY AND CONCLUSION

This research work has been undertaken in order to ascertain (he effectiveness of employee benefits in work motivation and productivity using Gujarat State Teaching Service Commission, India as a case study. The aim of this study, which is based on the effectiveness of employee benefits, is too important in any place of work to be neglected to the status of operator or tactical planning. Employee benefit is concerned with employee survival and long-term prosperity of the employee in the work place.

One of the concern about employee benefit, as compensation management is the ability of organization to put into practice (he policies devised in its name. This is not to claim that other aspects of compensation management are problem-free. One might safely postulate that employees might prefer increased financial incentives as they would require more money to buy the same quantity of goods they bought few yeas ago. Beside it is equally important to have proper understanding of employee benefit to be applied to enhance productivity.

An assessment of the various theories of motivation clearly shows that more than anything else they relate back to the concept of need. Henceforth, the teaching service commission must tailor is employee benefit according to the needs of its staff. In many work places, motivation still constitutes a great problem because it is very difficulty to achieve. The main issues in motivating employees in the work place can be seen in the complex nature of motivation being an inner drive. Henceforth, Gujarat state leaching service commission can best create favorable environment for an effective implementation of workable employee benefit.

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