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A STUDY ON FRINGE BENEFITS PROVIDED BY  
SALEM CO-OPERATIVE SUGAR MILL LIMITED, NAMAKKAL



J. Senthil Velmurugan  
Assistant Professor, Periyar Institute of Management Studies,  
Periyar University, Salem

### Short Profile

J. Senthil Velmurugan is working as an Assistant Professor at Department of Periyar Institute of Management Studies in Periyar University, Salem. He has completed M.B.A., M.Com., P.G.D.C.A., Ph.D.

### Co-Author Details :

K. Jayapriya  
M. Phil. Research Scholar, Periyar Institute of Management Studies, Periyar University, Salem.



#### ABSTRACT:

The topic of the paper is "Fringe Benefits" and its Impact on 'Employee behavior', It brings out the behavioral aspect of the employees working in "Salem Co-operative Sugar Mill Ltd, Namakkal". The main objective of the study is to find the overall performance of the Employees. The research design I used in this study is descriptive research design. Data from 80 people collected

as population study, Data was collected by survey method through structured questionnaire and secondary data from the company records and through questionnaire and secondary data from the company records and through internet.

The purpose of the survey process is to provide a more accurate assessment of the existing culture from the employee's point of view and also to assess their behaviors with respect to that of the existing culture.

The culture of an organization consists of the values and beliefs of the people in an organization. The organizational culture usually has values and beliefs that support the organizational goals. Organizational culture has an impact on employee's satisfaction.

The analysis was done through simple percentage method. From the analysis it was found that the employees of "Salem Co-operative Sugar Mill Ltd, Namakkal" were much satisfied with their interpersonal relationships, co-ordination and integration between various departments of the organizations, and also the rewards & incentives given by their management. But the management has to provide more practical sessions in training programs to improve their performance in their respective fields. Such training programs will help them to enhance their knowledge in the respective fields.

#### KEYWORDS

*Fringe Benefits, Salem Co-operative Sugar Mill Ltd, Namakkal.*

## 1. INTRODUCTION OF THE STUDY

“Fringe benefits include payments for non-working time, profit and bonus, legally sanctioned payments on social security schemes, workmen’s compensation, welfare use, and the contribution made by employee under such voluntary schemes as cater for the post – retirement Medical, educational cultural and recreational needs of workman. The form also includes the monetary equivalent of free lighting, water, fuel etc., which are provided for workers and subsidized housing and related services.

Fringe benefit is primarily a means in the direction of ensuring, maintaining and increasing the income of the employees. It is a benefit, which is of value to them and their families in so far as it materially increases their retirement.

### OBJECTIVES OF FRINGE BENEFITS

- To keep in line with the prevailing practice of offering benefits and services, which are, give by similar concerns.
- To recruit and retain the but personnel
- To provide for the needs of employees and protect them against hazards of life, particularly those which an individual cannot himself provides.
- To increase and improve employee morals and create a helpful and positive attitude on the part of worker towards their employees.
- To make the organisation a dominant influence in the lives of its employees with a view to gaining their loyalty and co-operation, encouraging them to greater productive efforts.
- To improve and furnish the organizational image in the eyes of the public with a view to improving it marked position and bringing about product acceptance by it.
- To recognize the official trade union’s bargaining strength for a strong trade union generally constrains an employees to adopt a sound benefits and service programme for his employee.

### Fringe Benefits Satisfy 3 Goals

#### 1) Social Goal

In the words of the Philadelphia charter 1944” Labour is not a commodity. It is entitled to a fair deal as an active participant in any programmes of economic development and social reconstruction. “All workers should be given a living wage, conditions of works on Ensuring decent standard of life and fuller enjoyment to ensure social and cultural opportunities.

#### 2) Human Relation Goal

The management through motivation tries to develop and maintain “Human relations” is “ Mutual interest, individual differences, motivation and human dignity.

#### 3) Macro – Economic Goal

For growth and stability in the economy of a country. Fringe benefits do provide protection, during periods of contingencies of life, for training and development of the employee and for good

working conditions and assistance to supplement their main income, opportunities for social interaction through cultural recreational facilities etc.,

## TYPES OF FRINGE BENEFITS

Fringe benefits have been clarified as from the standpoint of account it is clarified in to 3 categories.

- 1.As payment for time the job embracing over time payment
- 2.Payment for time not on the job involving paid holidays, vacations, sick leave
- 3.Payment for varied benefits such as insurance, pension, meals, Bonuses etc.'

### Fringe Benefits are also Categorized as legally required benefits include

- a)Social security and medical care
- b)Unemployment compensation and workmen's compensation.
- c)Voluntary fringe benefits, which are provided, either unilaterally

### By the company or because of union mgt bargaining includes

- a)Insurance premiums and death benefits,
- b)Paid variation
- c)Payment for holidays not worked
- d)Pension plan premiums and allied programme
- e)Payment for holiday not worked on the job. Such as for rest, lunch, paid sick leave, payment for jury duty, festival or other special bonuses, service award and suggestion awards,
- f)Profit sharing payments free meals, employee education refunds, discount on goods and services of the company separation pay and allied items.

## FRINGE BENEFITS PROVIDED BY THE COMPANY

Medical Facilities, Housing, Free Electricity, Night shift Allowance, Employees Games and Recreation, Tours, Running schools and Polytechnic, Uniform, Stitching Charge, Foot Wear, etc.

## 2. STATEMENT OF THE PROBLEM

Now a days there is not properly issue among the employees due to medical aids in the case of emergency, canteen facilities, promotion, insurance, wage fixation etc... which in turn create fringe benefits problems for the employees. Due to lack of fringe benefits activities in manufacturing industries there is a lots of problem inside the organization i.e. absenteeism, mental disorders, low productivity etc... so fringe benefits has to be maintained properly with implementation of new strategies. Here the researcher is interested to know how the Fringe Benefits provided to the employees in "Salem Cooperative Sugar Mills Ltd in Mohanur" affects their productivity; hence the study is taken by the researcher.

### 3. OBJECTIVES

- 1.To find out the employees attitude towards the prevailing fringe benefits provided by the company.
- 2.To analyses the industrial relationship existing between the management and the employees of the company.

### 4. REVIEW OF LITERATURE

Youndt, M.A., Snell, S.A., Dean, J.W., & Lepak, D.P. (1996), Fringe Benefits activities in an industrialized society has far reaching impact not only on the work force but also all the facets of human resources. Fringe Benefits includes all such activities, which not only secures existential necessities but also ensures improvement in spiritual and emotional quotient. It comprises of short term and long terms goal toward building a humane society.

Ichniowski, C., Shaw, K., & Prennushi, G. (1997), 'Ancient Indialt connotes a condition of well being, happiness satisfaction, conservation and development of human resources. Labour is an important segment in of a general community. The term applied to fringe benefits, therefore, refers to adoption of measures, which run at promoting the physical, psychological, and general well being of the working population.

### 5. RESEARCH METHODOLOGY

<b>Research Design</b>	Descriptive Research
<b>Sample Design:</b>	
<b>Sampling Frame</b>	Employees who are working in Salem Co-Operative Sugar Mill Limited, Namakkal.
<b>Sampling Unit</b>	Employees from different age groups, gender, locations, income levels, educational backgrounds in the organization.
<b>Sampling Size</b>	80 Customers
<b>Sampling Method</b>	<b>Simple Random Sampling was employed</b>
<b>Data Collection Methods:</b>	
<b>Primary Data</b>	<b>Survey Method</b> (The complete schedule is standardized and formalized)
<b>Secondary data</b>	Data were gathered from respondents and journals and from previous work related to the banking sector.

### 6. ANALYSIS AND DISCUSSION

**TABLE 1**  
**LABOURS OPINION ABOUT WAGE FIXATION**

<b>Factors</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Highly Satisfied	2	0.25
Satisfied	2	5
DisSatisfied	19	23.75
Highly DisSatisfied	57	71.25
<b>Total</b>	<b>80</b>	<b>100</b>

### Inference

The above table clearly shows that more than 70% of the respondents said that wage fixation was highly dissatisfied 23.75% of them were dissatisfied and remaining 5.25% was said that wage fixation was satisfied and highly satisfied.

**TABLE – 2**  
**LABOURS OPINION ABOUT CANTEEN FACILITIES**

<b>Factors</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Excellent	2	2.5
Good	2	2.5
Satisfied	-	0
Poor	34	42.5
Very poor	42	52.5
<b>Total</b>	<b>80</b>	<b>100</b>

### Inference

The above table clearly shows that 52.5% of the respondents are not satisfied with canteen facilities and 42.5% were said that it is poor and remaining 2.5% said that it is excellent and good.

**TABLE – 13**  
**LABOURS OPINION ABOUT UNIFORMS**

<b>Factors</b>	<b>No. Of Respondents</b>	<b>Percentage</b>
Satisfied	76	95
Dissatisfied	4	5
<b>Total</b>	<b>80</b>	<b>100</b>

### Inference

The above table shows that 95% of the respondents as satisfied with uniforms provided, remaining 5% were dissatisfied.

**TABLE – 4**  
**LABOURS OPINION ABOUT LOANS AND ADVANCE DURING EMERGENCY**

<b>Factors</b>	<b>No. Of Respondents</b>	<b>Percentage</b>
Satisfied	17	21.25
Dissatisfied	63	78.78
<b>Total</b>	<b>80</b>	<b>100</b>

Inference

The above table show that 78.78% of the respondents as not satisfied with loans and advance provided by them, remaining 21.25% were satisfied.

TABLE – 5  
LABOURS OPINION ABOUT EDUCATIONAL ALLOWANCE

Factors	No. Of Respondents	Percentage
Eligible	51	63.75
Not Eligible	29	36.25
<b>Total</b>	<b>80</b>	<b>100</b>

Inference

The above table clearly shows that 63.75% of the respondents were said that they are provided by children's educational allowance and 36.25% said that they are not provided.

TABLE –6  
LABOURS OPINION ABOUT GROUP INSURANCE FACILITIES

Factors	No. Of Respondents	Percentage
Good	80	100
Bad	-	-
<b>Total</b>	<b>80</b>	<b>100</b>

Inference

The above table shows clearly that 100% of the respondents as satisfied with group insurance policy and that are provided by the company.

7.1. FINDINGS

- ⤴ Age fixation most of the employees are not satisfied and rated poor.
- ⤴ Residential quarter are available really half of the employee and it is noted that provision of quarters are only to senior employee putting 15 year of service.
- ⤴ During emergency medical aid is provided for most of the employees.
- ⤴ Group insurance scheme is available in the company and covered a life of all employees.
- ⤴ It is very sorry to note that the company is running a canteen with poor quality and some times with poor quality and some times very poor quality of food stuff.
- ⤴ It is found that allowance for children education an being provided for eligible employees.
- ⤴ Promotion to higher status is considered by counting the experience is the particular trade and some time very rarely higher education place a part.



- ✦ It is found out that the co-operative store is functioning effectively and satisfying all the employees of the organisation.
- ✦ The uniform supplied by the company to the employees are also satisfying most of the employees.
- ✦ Loan and advances not properly paid to the employees and rules and regulation on this category are not followed clearly.

## 7.2. SUGGESTION AND RECOMMENDATION

- ✦ It is strongly recommended that the company should take immediate step in constructing wage fixation in comparison with all other competition of the same industries.
- ✦ It is suggested that the company should construct more number of quarters in apartment system to provide residence to all employees so that the morale will get improved.
- ✦ Medical aid is an important factor for human being whether he is new employee or serviced employee. Therefore it's suggested that the management should not show partiality in giving medical aid to their employee.
- ✦ It is strongly recommended that the company should remodel the canteen and try to make available the food stuffs with good quality and reasonable price.
- ✦ Though promotion is given on the basis of the number of years of services, it is advisable to maintain the morale of the employees, the modern technique such as performance appraisal, training and development as also should be used in considering promotion.
- ✦ It is suggested to relax the norms regarding loans and advance payable to employees during emergency.
- ✦ Nowadays relaxation and recreation are important factors for hard working employee. After a continuous hard work in the factory throughout the year the employee may like to go for with their family member for week or ten days. It is suggested that the company may consider ten days leave with full pay and some allowances for tour.
- ✦ It is suggested that the company may give advance for purchasing a vehicle especially two wheeler to employees. It is very hard to know a family without a wheeler in these days.

## 7.3. CONCLUSION

In general the opinion about the company is not providing required fringe benefits to their employees. Fringe benefits are very strong motivation and by various studies conducted by India, the companies, which are reputed, are allowing lot of fringe benefits to their employees. Therefore it is hoped that the company may implement some of the suggestion and recommendation made by this study report and much towards a reputation.

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