



Public Service Employee Incentives and Fringe Benefits in Cross River State Civil Service

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Abstract

The paper examined public service employee incentives and fringe benefits in Cross River State civil service. In organization, whether private or public concern, it is agreed that the contribution of employee to organization's productivity often result additional reward as different from the statutory salary and wages. The study is an empirical work, with survey design method. Method of data collection is primary and secondary data. Primary data are generated from interview and secondary data from relevant documents and employee pay roll. The population of the study consists of the senior and junior staff of Cross River state civil service. The researchers employed purposive sampling to draw 121 staff from the ministry of education, Health and local government. A total sample of 20 staff were drawn from each of the ministry. Abraham Maslow's theory of needs was used to corroborate the research work. Findings of the study revealed that poor fringe benefits and incentive in Cross-River state civil service, especially in the medical, holiday bonus and conference allowances are not adequately provided to the employees. This has affected the performance and efficiency in the employees' service delivery. We therefore, recommend that the state government should improve on fringe benefits and incentives to employees of the state civil service to enhance employees' job satisfaction and performance.

Keywords: Public, Service, Employee, Incentives, Fringe Benefits, Civil Service

Introduction

In economic and human Resource management, the reward for labour of an employee is the salary or wages paid to a worker. Before an employee is engaged in any organization the condition of service will be clearly stated for the employees, if such condition of service is not satisfactory to the employee, he or she may or, may not accept the employment base on what is statutory what labour law or act defined for an acceptable salary of the employees. Upon this, the contribution of the employee to the organization productivity, if it beat the imagination of the organization whether in public or private, such employee received an additional reward, which is different from the statutory salary. Ubeku (1971) described such additional rewards as incentive and fringe benefits. Staff does not work outside the scope and mission or vision and goal of the organization whether in both public and private organizations. Sometime, group task is performed, and when maximum result or goals are achieved, they are collectively rewarded. Incentive is described as wage or payment plans which lie directly or indirectly to productivity standard. Fringe benefits are

extra income, additional working motivational rewards that is required on extra working hours or efforts by an employee. Although the return from them may not be readily apparent to the employers, such benefits often satisfy employee needs and wants that are not satisfied by wages, thus have considerable value in promoting employee morale. In human resource concept such benefits are used to explain employee motivation, in both task of fringe benefits, and incentive.

Most workforce are not committed to their job performance, according to Oguejiofor, Chinyere, Umeano (2018), it underscores that retirement benefits is another key determinant that give more moral to employee. And be motivated for better job performance. Also, Nkim, Daniel & Chukuma (2020) underpin that remuneration programs which influence worker fulfillment are transport compensation, leave benefit award expenses, health care benefits, work shop and seminar training are the keys factors for fringe benefits. Sarma & Sairal (2018) assert that as employees work in the public sector, incentives and fringe benefits need to be reviewed empirically to ascertain its effects on workers.

Statement of the Problem

Employee motivation is one of the key factors that can lead organization or establishment to competitive advantage and others. In public administration, need base employee motivation models are developed in the management of public sectors to keep and improve the wants of employee. One key problem in public service especially the civil service in Nigeria and specifically Cross River State is condition of their job and the reward attached to the job. Most employees do not receive incentives, and fringe benefits, hardly received Christmas and holiday bonus, extra-payment apart from their salaries that is statutory. Workers' fringe benefits like transportation allowance, medical allowance, meal and food allowance, holiday's bonus, recreational activities, training development allowance, rents may not be visible in public sector in Nigeria especially the Cross River civil service. However, it is notable that the incentives and fringe benefits problems in public sector may affect the performance of workers creating more lukewarm attitudes toward their job, which may affect the effective service delivery. The following research question is adopted from the above statement of problem.

1. Does lack of fringe benefits undermine employees' performance in Cross River State civil service?
2. Does incentive packages and programmes enhance job satisfaction in Cross-River State civil service?

Objectives of the Study

The paper had some specific objectives as follows:

1. Find out whether fringe benefits and incentives have influence on employee performance in Cross-River state civil service.
2. To investigate the effect of fringe benefits and incentives on employee job satisfaction in Cross-River State civil service.

Review of Literature

Concept of compensations and fringe benefits for employees in recent times continue to spread rapidly over the years beyond just issues of remuneration. Organizations have subscribed to ensuring benefits that impart positively on employee performance and enabling employees work in a positive environment with a relaxed mind. The idea of remuneration seeks to emphasize on all kinds of financial and non-financial tangible benefits that employees tend to receive as part of their employment commitment (Preeti & Deeksha, 2021). Preeti and her colleague noted that there are two major compensation types:

- i. Monetary benefits that are provided in the form of cash for the hours of work done by the employees.
- ii. Non-monetary benefits which include non-cash benefits such as medical insurance policy, group life insurance, health benefits, flexible working schedules, leaves and the likes.

Therefore, fringe benefits entail employee benefit programme that has to do with medical insurance services, leave allowances, flexible working hours, good environment and such other conditions that could induce performance from the employees.

According to Addul, Muhammed, Kashif, Ali & Arsian (2014) in their empirical study, they had it that remuneration is vital for the presentation of works. In this way incentives, fringe benefits, and such other work bonuses are key determinants of the workers' interests and zeal in the work situation. They believe that if such benefits are not provided to hired workforce of a given sector there will always be problem of mobility of labour in such organization that may result production inefficiency.

Nkiru, Daniel & Chukukah (2020) underscored that fringe benefits programmes like interactive expenses, transport, recompense, leave benefits awards expenses in private and multinational organization are the prominent reasons why workers in such organization cannot search for different jobs, when they have such opportunities. Saranya and John (2021) assert that incentive and benefits influence employee performance in any organization. They argued that in spite of the beauty of the working environment, without incentive and fringe benefits to induce motivation of the staff, improvement in employee performance may not be adequately enhanced.

They also posit that, while assessing employees through performance appraisal, the organization should also consider the need for incentives and fringe benefits to the workers. Akpan (2020) examine the effect of fringe benefits on employees' performance, and

development in Nigerian private working sector, with focus on major banks. He discoursed that fringe benefits are used in most banks than any other private financial organizations, the types of financial fringe benefits include medical insurance 13th month is salary, vehicle maintenance bonuses. Financial benefits for sick leave, examination leaves and monthly detergents for uniform are some of the factors that sustain the staff of a firm and enhances their performance.

Nwagbala (2018) conducted an empirical study on employee reward and job performance in Anambra state. The study discovered that there is weak commitment to job performance when there exist poor benefits and rewards for workers, and there is strong influence of employee loyalty and work performance in organization if there is fringe benefits and rewards.

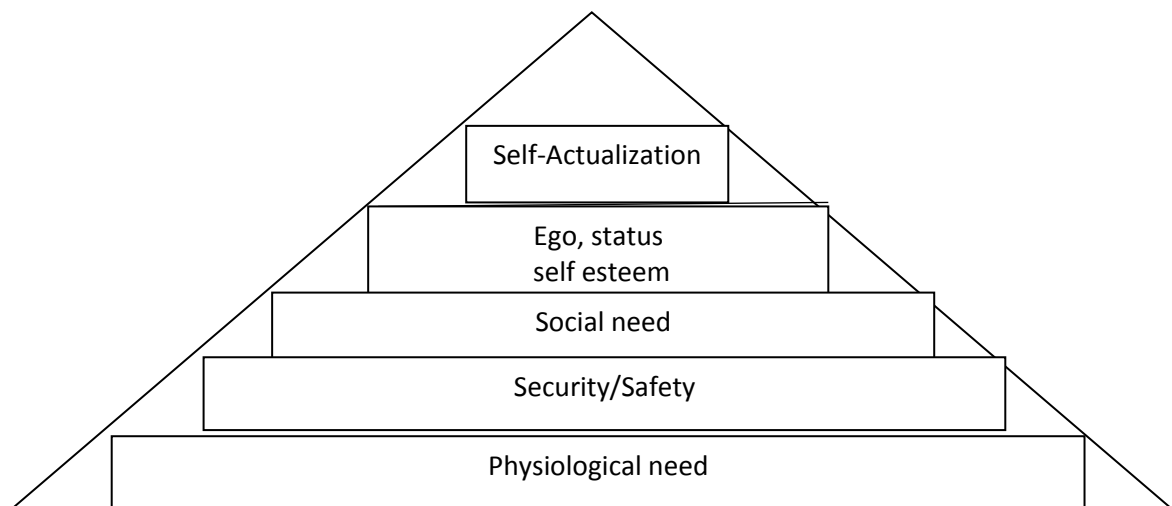
Chukuma & Kifordu (2018) underpin that extra-pay to employee in oil firm like shell petroleum is essential tool that keeps the employee in such organization and, without such benefits the employee grows interest of a search for another job

Nwagbala (2018) conducted an empirical study and employee performance of commercial banks in Anambra State of Nigeria, and the medical allowance, has relationship with the performance of Commercial Bank workers in Anambra state to a very tough extent. Thus, the benefits should be considered by every employer of labour in both private and public sector for maximum productivities. Addeh (2002) underpinned that inadequate fringe benefits, poor pay and hostile work environment have cause some workers in banking industry to leave and find greener pastures in other organizations and industries. Erin (2010) asserts, productivities in private and public sectors can be achieved through adequate application of fringe benefits and incentive to the employees. International labour organization (2015) said that the productivity of individual maybe reflected in employment notes, and that consistent wages and stability of incentive brings job satisfaction. Saranya (2017) in his study found that incentive and fringe benefits make up a significant portion of compensation pack paid to employees but their impact on worker job satisfaction has to be given much attention especilly in public sector.

Management fringe benefits can affect job satisfaction in opposing ways. Fringe benefits are seemingly important to workers as much as the wages. Thus, benefits are pieces of compensation packages provided for workers

Theoretical Consideration

The theory adapted in the study is Abraham Maslow's theory of needs. Maslow adapted this Psychological motivational theory to give details reasons why people work and, why people maintained their jobs. Maslow classified human needs into physiological, safety and security needs, social ego needs, status and esteem needs and self-actualization. However, the pyramid of Maslow theory is as below:



Pyramid of Maslow's Hierarchy of need.

The physiological needs there refer to the recurring needs which people have to drink, eat, and sleep, to be safe and to reproduce. A larger percentage of workers in public sector could not meet up with these physiological needs satisfactorily, especially in Africa where there is poor pay for workers, lack of fringe benefits and incentives. It is thus notable that safety or security needs of a worker cannot satisfy his physiological needs. Safety and security is needs that reduce uncertainties associated with basic physiological need satisfaction. These needs would be reflected in the workers attitude toward the safety of his work and job security. Social needs, as they are so called reflects main social nature, the need for the friendship and the company of others. Esteem or Ego needs, which implies people have self-respect and respect of others, and needs associated with feelings of self-confidence status and prestige. Self-actualization is the final and highest class of needs in Maslow hierarchy of needs. It may as well be the weakest since other needs must be relatively well satisfied before this self-actualization.

Self-actualization refers to the individual need to realize his full potential. This means that the self-actualized person is someone who strive not just to be good at something but to be as good as he is capable of being at the apex of career or endeavor. In self-actualization, the worker took the job to be a serious business, and the job became part and parcel of his life time.

The Tenets of the Theory to the Study

Maslow's theory of hierarchy of needs as psychological motivational theory has the following to the study. Physiological needs, such as health, food, drinks, and cloths can be achieved by the workers in any public sectors through fringe benefits and incentive given to the workers. The inability of a worker to meet with his physiological needs in public sector is partly because of poor fringe benefits and incentives.

Fringe benefits are like bonus, extra pay; holidays allowance in public sector that enhances the worker to achieve his social needs. In addition, the safety and securities needs of the workers can be realized, if bonus, medical and conferences allowance are given to the worker, which will equally change the worker's attitude toward the work or job. The desire for some workers to continue in the work process for longer time is determined by his income, which he will use to achieve his social needs. In addition, the special care given to workers, in organizations through fringe benefits for transport promotes the morale of the workers. Benefits and incentive are the key determined factors that can make the workers to achieve all the hierarchy of needs as deposited by the America's Scholar, Maslow.

It is worth noting that careful implementation of fringe benefits and incentives will enhance employee job satisfaction. Job satisfaction can be mentioned as an essential part of discipline, self-esteem, and employee performance. The job satisfaction of the employees is important to increase organizational efficiency and decrease employee turnover rates.

Methodology

The study is descriptive survey research. The researchers adopt survey design to ensure firsthand understanding of trends of fringe benefits and incentives in the Cross-River state civil service. The area of the study is Cross River State civil service; the population of the study constitutes staff of the ministry of education, health and local government. The senior and junior staffs of the above ministry with salaries grade level 8, 12, and 16 were utilized for the study. The sample of one hundred and twenty-one (121) was drawn from the three ministries. The researchers engage twenty (20) staff from each of the ministry of education, health and local government for interview. However, through careful interview with the employees the researchers were able to gather necessary data for the study.

The method of data collection is primary and secondary data generated using interview with the staff. While secondary data are obtained from the necessary documents and staff payroll, using employees pay slips to find the real benefits for the workers and the state civil service.

Data Presentation and Analysis

Set of staff from the ministry of education and health and local government were interviewed on fringe benefits and incentive in the state, in January 2025. Their responses are as follows:

Ho. Medical allowance as fringe benefits has influence on employee performance in public civil service.

Fringe Benefits and Incentive

FRINGE BENEFITS	INTERVIEW	INTERVIEW EXCERPT
Medical benefits	You enjoy free medical services by your employer.	Health insurance policy was introduced to us, but we pay high bills for medical services in all of the government hospitals.
Bonus	State government usually pays bonus for the extra or overtime.	We have not received any extra payment for overtime services since the existence in the service for the past 15 years.
Workshop and conference allowance.	Do you often attend workshop and conference and such allowances are paid to you regularly	Yes, workshop and conference are organized for the works but, sometime we are paid for the allowances and sometimes we do not receive the benefits.

Source: Interview 2025

The table below shows some of the fringe benefits of the workers in selected two ministries

S/N	FRINGE BENEFITS/ GRADE LEVEL 08 & 10 OF OFFICERS	AMOUNT
1	Rent	121459.28
2	Transport	3,912.70
3	Utility	533.55
4	Meal Subsidy	889.25
5	Leave Grant	2.491.86

Cross River State Government Pay Advice for the Month of May 2022

S/N	FRINGE BENEFITS	AMOUNT
1	Rent	36451.56
2	Transport	14134.57
3	Utility	1548.84
4	Meal Subsidy	2873.66
5	Leave Grant	
6	Entertainment	778.81
7	Domestic Servants	145132.27

The table above shows the fringe benefits and incentive that are captured for civil servants in Cross River state. There is an indication that employees of grade level of 08 and below has low incentive, and as compared to senior staff. The result of the above data, indicate that, the benefits of the civil servants in the state is poor as compared to the market economy.

Discussion of Findings

The study is able to reveal that, states in Nigeria like Cross River State, do not consider adequate Medical Incentives and fringe benefits for their workers, and payment for overtime, massive contribution to the achievement of the goal of public service are not considered by the government. This has created situation where commitments of public servants becomes so much weakening. The study further underscored that, work scope, conferences are organized for workers, but allowances for such are not regularly paid. Civil servants have high expectations to enjoy benefits like health insurance in order to alleviate payment of high medical bills, even in government hospitals.

The government has not failed totally, because some benefits like rent, transport, utility, meal, subsidy, entertainment for senior staff and domestic staff are given to the workers in the civil services. However, most of junior staff complains of situation where their benefits have not adequately reached them.

The interview conducted as reflected in the above table shows medical benefits, Bonus, Workshop and Conferences allowances are not always paid to workers in the Cross-River State civil service. That is to say the rate of government 's commitment to enhancing workers' performance through consistent incentives and fringe benefits is low and needs to be improved.

Recommendations

- This study noted that Cross-River State civil servants suffer payment of high medical bills even in government hospitals. Thus, we recommend the inclusion of the state's employees in a substantial health insurance. The essence is that civil servants will enjoy some discounts in payment of medical bills enabling them save reasonable portion of their salary for sustaining other activities relating to their welfare.
- There was another observation of overtime services in the Cross-River State civil service. In which case, to encourage and motivate employees for better commitment and satisfaction in their work in the service, the government should put in modalities for rewarding employees who would stay beyond normal working hours in the office. This is because, acknowledging such labour will energize employees' commitment to the state civil service.
- The state government should improve on her commitment to workshops and conferences by ensuring regular payment of such allowances to staff. This is because employees are motivated to attend conferences and workshops for job training if benefits are paid to them. Where employees know there benefits and such benefits are not regularly paid, employees would simply be discouraged to put more will in learning and work itself.

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