



Effect of welfare package on workers performance in the federal Inland Revenue service, Abuja

Abdulkadir Ibrahim¹, Usman Bappi²

¹⁻² Department of Public Administration Faculty of Arts and Social Sciences Gombe State University, Nigeria

Abstract

The objective of this paper is to examine the effect of welfare package on the performance of workers of the Federal Inland Revenue Service (FIRS). Relevant data were collected from both primary and secondary sources of data. A survey method was used for this study. To obtain a more intense data, a quantitative research method was adopted. The questionnaire was designed and distributed randomly to a sample size of 232 which was populated for the Headquarters. Eighty-six percent (86%) of the respondents responded to the questionnaire and a simple percentage technique was used to analyse the data obtained. The result showed that both monetary and non-monetary welfare package were used in FIRS. Among the major findings of the study was that welfare packages exist in Federal Inland Revenue Service (FIRS) and the employees attested to its importance. The research therefore recommended that the implemented welfare packages should be reviewed from time to time so as to accommodate new ideas and innovation. Housing and Transport allowance and other entitlements should be paid without unnecessary delays.

Keywords: Effect, welfare, workers, performance

1.1 Introduction

The management of staff welfare has become a popular occurrence of the personnel policy of organization. The scheme includes benefits which are not necessarily monetary, which results as a relationship between employer and employees, to complement wages/salaries occasionally which are most times geared towards the improvement of employees performance and increase in productivity of an organization. The structure is significant to both the organization and employees. It is expected that good staff welfare structure will encourage the employees to improve their general attitude towards jobs specified and the organization at large. But for the employees, benefits symbolize bonus such as added income, job security, and desirable working environments. In public organizations, such as, the Federal Inland Revenue Service (FIRS), employers see staff welfare services as the ability to raise obligation and co-operation of subordinates to give more to the accomplishment of organizational goals and objectives, this finding has led employers to introduce enhanced welfare package services, with the genuine belief that good welfare package will encourage staff to work harder as a result of improving general staff morale. The condition remains relatively same but variance in methods of payment and obvious change is stressed, the assessment of staff welfare scheme is defined as "something of value apart from the agreed regular monetary payment of salaries and wages given to staff" this will be used as the working definition for this study. Staff welfare exists in all culture and organization and that existed at all times. They take different shapes and practices that attract different individuals, in respect of their employees need, they are called "welfare services" "welfare benefits employees" "income" or "simply supplementary, compensation or "pay and non-wage remuneration. As non-taxable income and expenses, they are also

called "indirect compensation and non-tax benefit.. They used to be tiny bits and pieces that sometimes fill from the high tables of paternalistic employer." It ought to be noted that for the company to attain its objective the welfare service must be satisfactory, competitive and tailored in the direction of the real need of staff, a staff is conventional influenced by the nature, quality and quality of welfare services obtainable since they compare goods and services with close substitutes. Welfare schemes are incentives given in cash or kind intended at getting the best out of employee's i.e. optimum performance. Numerous reasons have been given by individuals; different individuals have permitted diverse potentials, training, skills and receptive ability to change, employee's attitude and behavior is subjective by remuneration and incentives such as prestige, special allowance and retirement benefits, situations and working environment affect productivity, if incentives are appropriately managed, employees will be captivated and productive in performing their duties."

1.2 Statement of the Problem

It is fundamentally unrealistic to assume that people would continue to find satisfaction in co-operating in organization's affairs, if no interest is shown in their individual needs and problems. In spite of the gains that have been attained in guaranteeing adequate benefit among employees around the world, the existing programmes meant for compensation have been unsuccessful to entice, hold and encourage employees since individual employee did not partake in planning and designing of incentives before its implementation. Welfare packages at the Federal Inland Revenue Service consist of allowance, direct financial benefit e.g. pension, illness/health/life insurance, allowance (clothing, housing, etc.) subsidies, leave grant, study

leave grant accommodation/transportation, scholarship, work environment/condition, recreational facilities, job security, career/professional development/training opportunities.” Due to the fact that such welfare packages exist, it is believed that employee’s performance will improve with the incentives available in the FIRS welfare package. There is the need to ascertain as fact whether performance is substantially related to the welfare packages employees enjoyed. The study is to evaluate the effect of the welfare package of workers in relations to their performance being one of the public organizations with special incentives.

1.3 Research Questions

1. What kinds of welfare package exist in the Federal Inland Revenue Service?
2. Is the welfare package being fully implemented in the Federal Inland Revenue Services?
3. Has the implementation of the package affected workers performance at Federal Inland Revenue Service?

1.4 Objectives of the Study

The main objective of the paper is to find out the effect of welfare package on workers performance in the Federal Inland Revenue Service Abuja. The specific objectives are to:

1. to examine the kind of welfare package that exists in the Federal Inland Revenue Service (FIRS).”
2. to examine the extent of the implementation of welfare package at the Federal Inland Revenue Service (FIRS)”
3. to examine the level effects of the package on staff performance at Federal Inland Revenue Service (FIRS)”

2. Literature review

2.1. Conceptual framework on welfare package

Adequate welfare package has been established to be among methods organizations use to encourage and rise employees efforts. “There are numerous research in the literature, which scrutinize monetary and non-monetary welfare as well as its implication on organizational variables, (Scheepers 2009). Welfare package has become part of numerous” organizations remuneration and reward performance by employees who accomplish more task than anticipated (Schiller 1996). Welfare bundles are monetary or non-monetary rewards presented to employees to oblige them to apply extra effort into any task, (National Commission on Productivity and Work Quality, 1975). Welfare is a force that motivate employees to act in certain ways and at any given time and day. They might choose to work as hard as possible in a job; to work just hard enough to evade a reprimand, or to do as little as possible. (Griffin 2002).”For the meantime, welfare is intended” to get the all-out performance from employees and help maintain the most productive input amongst them (Arnold 2013).”“Organizations can ponder on a variety of means to compensate employees for work performance, but an organization must consider using the finest employee welfare bundle to acquire the anticipated results.” A Welfare package gives an employee the drive as well as motivation and performance improvement. It has unlimited benefits and high likelihoods to motivate workers in proving their services (Condly *et al.* 2003). “High performance may be determined by workers employees’ ability to work and therefore employees that are not well rewarded produce less” (Koontz

1984), Luthans (1998) divided this welfare package to financial and non-financial benefit. Employees can be intrinsically/extrinsically motivated. Intrinsic motivation is an inward drive coming from within the person which makes him to work effectively and efficiently toward the realization of organizational productivity (Ryan & Deci, 2000).” It arises from natural psychological needs, such as” needs for competence and autonomy (Deci & Ryan, 1985) (Kasser & Ryan 1996).”“They are connected to job related and social incentives such as opportunity to use one’s ability, interesting work, recognition of a good performance, development opportunities, a sense of challenge and achievement, participation in decision making, and being treated in a caring and thoughtful manner etc.”“On the other hand, extrinsic motivation occurs if behavior to perform and attain externally administered incentives is activated.” Extrinsic motivation is related to “tangible” incentives such as wages and salaries, fringe benefits, cash bonuses, security, promotion, wall plaques, free dinner or movie tickets etc. (Pattanayak, 2005) identifies “intrinsic and extrinsic incentives as the two important tools in ensuring motivation, commitment and satisfaction of employees in the world of work. It is, therefore, possible to state that non-monetary incentives as a motivational tool address both intrinsic and extrinsic motivation concepts, while monetary incentives may only be classified as a factor leading to extrinsic motivation;” therefore, “for employees to remain efficient and highly productive, and competitive, management need to understand why individuals and group behave the way they do, so that they can be satisfied, happy and highly productive (Oyedijo, 1995)””

2.1.2. Staff Welfare

Staff welfare has been seen by many notable researchers such as, Armstrong & Mudis (1980) who defined it as “item in the total package offered to staff over and above salary, which increases their wealth or well-being at some cost to the employer. In the words of Yoder Ethel,” “it is a wide variety of services provided by companies for staff families, but Nwachukwu (1984)”“from his own perspective sees it as “additional entitlements given to staff by management to supplement their wages”.” Naylor and Torrington (1987) “views it as “as something of value, apart from agreed regular monetary payment of salaries and wages given by an employer to a staff.” Staff welfare has been commonly referred to as staff benefits or services. This distinction here is that benefits are where direct monetary reward accrued to the individual worker e.g. pension leave pay and salary advance, while service involve no direct and unidentifiable monetary benefits e.g staff club recreation facilities, arrangement of reception hall and Christmas parties, fringe benefits.” Omale (2006) citing Flippo says: In the broadest sense, such as “fringes” can be construed to include; all expenditures design to benefit employees over and above regular based pay and direct variables compensation related to output. Omale (2006) in Flippo says further that the benefit of fringe benefits is to retain the employees in the organization on long term basis and that there is little or no evidence that it serves to motivate employees to higher productivity. As mentioned earlier, staff welfare exists in all cultures, even during slavery and in all organizations and had existed at different shapes and forms and attracts different names, it is in the recognition of their workers need fulfilment functions that they are called welfare benefits, welfare services, employee

income, supplementary benefits, supplementary compensation or pay, and expenses, they are beginning to be indirect compensation and non-tax benefits.”

2.1.3 The Role Staff Welfare

Welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages, welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration, the welfare measures need not be in monetary terms only but in any kind/forms, employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families, labor welfare entails all those activities of employer which are directed towards providing the employees with certain facilities and services in addition to wages or salaries.” Welfare measures can be summarized as follows:”

Ryan & Deci They provide better physical and mental health to workers and thus promote a healthy work environment”

1. Facilities like housing schemes, medical benefits, and education and recreation facilities for workers’ families help in raising their standards of living, this makes workers to pay more attention towards work and thus increases their productivity.
2. Employers get stable labor force by providing welfare facilities. Workers take active interest in their jobs and work with a feeling of involvement and participation.”
3. Employee welfare measures increase the productivity of organization and promote healthy industrial relations thereby maintaining industrial peace.”
4. The social evils prevalent among the labors such as substance abuse, etc. are reduced to a greater extent by the welfare policies.”

2.1.4 Staff Welfare at Federal Inland Revenue

The researcher describes the word ‘Motivational incentives’ as a reward system, financial or non-financial which is offered to employees in order to motivate them to work according to the organization’s set goals and to surpass expectation positively, it also helps to drive performance and increase productivity, Incentives have played a massive role to every organization that adopted its usage, it serves as a motivational tool for the employees towards achieving swift and excellent results.”

It increases morale of the worker to be more efficient, effective, result-oriented and passionate to deliver expectation and possibly away from expectations in every given task.”

Purpose for motivational incentives at FIRS;

1. To increase productivity.”
2. To drive or arouse a stimulus to work.”
3. To enhance commitment in work performance.”
4. To psychologically satisfy a person, this leads to job satisfaction.”
5. To shape the behavior or outlook of subordinates towards work.”
6. To inculcate zeal and enthusiasm towards work.
7. To get the maximum of their capabilities, so that they are exploited and utilized maximally (Management study guide 2013).

Listed above explains the reason why Staff welfare should be considered at workplace and how its usage can affect the performance at FIRS. An incentive is seen as a means of encouragement from an employer to the employee.”

Some of the Welfare package as contained in the Consolidated Service Scheme (CSS) in FIRS includes the following:” Salaries, wages, and allowances, etc.

2.1.5 Employee Performance

Performance is usually defined as the extent to which an organizational member contributes to achieving the goals of the organization. Employees are a primary source of competitive advantage in service-oriented organizations (Luthans and Stajkovic, 1999; Pfeffer, 1994). In addition, a commitment performance approach views employees as resources or assets, and values their voice. Employee performance plays an important role for organizational performance. Employee performance is originally what an employee does or does not do. Performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work, co-operativeness (Güngör, 2011). Macky and Johnson pointed that improved individual employee performance could improve organizational performance as well. From Deadrick and Gardner's (1997) points, employee performance could be defined as the record of outcomes achieved, for each job function, during a specified period of time.

2.2 Theoretical Framework

The concept of staff welfare has been influenced by many disciplines. However, for the purpose of this study, the Adams Equity theory has been used as the theoretical framework in explaining welfare package and workers performance in Federal Inland revenue Service (FIRS).

2.2.1 Equity Theory of Motivation

This research adopted equity theory for its theoretical analysis.“In 1963, John Stacey Adams, a workplace and behavioral psychologist, developed what is today known as "Adam's Equity Theory" this theory holds that employees become de-motivated when they perceive t he existence of unfair treatment in the workplace, Adams based his equity theory on elements of Maslow's Hierarchy of Needs and Herzberg's Two Factor Theory.”” Equity Theory holds that worker motivation is influenced by employees' perception of the existence of fair treatment in the workplace, this typically consists of such factors as fairness in the selection of employees, evaluation of performance and distribution of rewards and compensation.”“The use of equity theory in the workplace allows managers to examine worker relationships and manage employees in a fair and equitable manner that encourages performance and improve productivity.”” Equity theory argues that individuals who perceive themselves as either under-rewarded will experience distress, and that this distress leads to efforts to restore equity within the relationship, it focuses on determining whether the distribution of resources is fair to both relational partners equity is measured by comparing the ratios of contributions and benefits of each person within the relationship, partners do not have to receive equal benefits (such as receiving the same amount of love, care, and financial security) or make

equal contributions (such as investing the same amount of effort, time, and financial resources), as long as the ratio between these benefits and contributions is similar, much like other prevalent theories of motivation, such as Maslow’s hierarchy of needs, equity theory acknowledges that subtle and variable individual factors affect each person’s assessment and perception of their relationship with their relational partners (Guerrero, 2007), according to Adams (1965) ^[1], anger is induced by underpayment, inequity and guilt is induced with overpayment equity (Spector, 2008), payment whether hourly wage or salary, is the main concern and therefore the cause of equity or inequity in most cases.” In any position, an employee wants to feel that their contributions and work performance are being rewarded with pay. If an employee feels underpaid then it will result in the employee feeling hostile towards the organization and perhaps their co-workers, which may result in the employee not performing well at work anymore. It is the subtle variables that also play an important role in the feeling of equity. Just the idea of recognition for the job performance and the mere act of thanking the employee will cause a feeling of satisfaction and therefore help the employee feel worthwhile and have better outcomes.” The equity theory states that there is a direct relationship between how an employee thinks he is treated, and how motivated that employee is to work. For example, the most motivated employee would also think he is treated well and respected.”

4. Data Presentation and analysis

4.1 Data Presentation Research Question One: What kind of welfare package is there in Federal Inland Revenue Service?

Table 1: Respondents distribution on present of welfare package in Federal Inland Revenue Service

Variables	Frequency	Percentage (%)
Housing/Transport	46	23.1
Study leave grant	48	24.1
Clothing	40	20.1
Work environment	35	17.6
Creational facilities	30	15.1
Total	199	100

Sources: Field survey, 2019.

The respondents were asked on the presence of welfare package in their organization, the data obtained from the respondents revealed that 46 respondents representing (23.1%) of the respondents attested that welfare packages existed in Federal Inland Revenue Service (FIRS) but on monetary/financial packages in Housing/Transport allowance, while 48 representing (24.1%) said on Study leave grant, 40 respondents representing (20.1%) said on clothing while 35 respondents representing (17.6%) of the respondents also attested that welfare package in present but in non-monetary/financial package in work environment and 30 respondents representing (15.1%) also attested to creational facilities, thus we can say that FIRS has welfare package but mostly on monetary packages as can be seen in the table above.

4.1.2. Research Question Two: Is welfare package being fully implemented in FIRS?

In FIRS, welfare packages are implemented based on the laid down organizational policy whereby the management pay due

2.2.2 Basic Assumptions of Equity Theory

The basic assumptions of this theory can be summarized as follows:

1. Employees expect a fair return for what they contribute to their jobs, a concept referred to as the “equity norm”.
2. Employees determine what their equitable return should be after comparing their inputs and outcomes with those of their co-workers. This concept is referred to as “social comparison.”
3. Employees who perceive themselves as being in an inequitable situation will seek to reduce the inequity either by distorting inputs and/or outcomes in their own minds (“cognitive distortion”), by directly altering inputs and/or outputs, or by leaving the organization (Carrell and Dittrich, 1978).”

3. Methodology

The paper adopted quantitative method where the data were generated from both primary and secondary sources. There are 552 staffs in the headquarters of FIRS, Abuja and all of them constitute the population of the study. Taro Yamane formula was used to arrived at the sample of 232. Simple random sampling technique was adopted to select the respondents that can supply the information needed for the study.

attention to the stipulations and condition for meeting such the policy by employees. Thus when an employee defaults he/she will not be rewarded as stipulated else some are demoted and punished, hence the implementation of the welfare package in FIRS follows due and condition of service and employee’s performance in attaining the organizational objectives.

The respondents were asked to state the condition of the implementation of welfare package in FIRS, thus, the data obtained revealed the following

Table 2: Implementation of welfare package in Firs

Variables	Frequency	Percentage (%)
Good	61	30.7
Fair	105	52.8
Failed	33	16.6
Total	199	100

Sources: Field survey, 2019.

The respondents were asked on the implementation of welfare package in the service, the data obtained from the respondents revealed that 61 respondents representing (30.7%) of the respondents said the implementation of welfare packages in FIRS is good while 105 respondents representing (52.8%) of the respondents said the implementation is faire and 33 respondents representing (16.6%) of the respondents said the implementation is politicized thus it is failed, this is represented in the table above. The table below revealed the medium through which FIRS workers receive welfare package

Table 4: Is the welfare packages being fully implemented

Variables	Frequency	Percentage (%)
Yes	132	66.3
No	43	21.6
Undecided	24	12.1
Total	199	100

Sources: Field survey, 2019.

The respondents were asked if the welfare package available in FIRS was adequate. The data obtained revealed that 132 respondents representing (66.3%) of the respondents agreed that the welfare package available at FIRS was adequately implemented while 43 respondents representing (21.6%) of the respondents disagreed that it was not adequately implemented and 24 respondents representing (12.1%) of the respondents were undecided as regard the question.

4.2. Discussion of Findings

1. The paper revealed that there are welfare packages in Federal Inland Revenue Service and that workers favoured the welfare measures inside the workplace (monetary than the non-monetary) packages such as study leave, gratuity and pension, financial grants, training and development among others.
2. The study revealed that welfare packages is been implemented in Federal Inland Revenue Service (FIRS) though fairly and that individual received their welfare package as against other medium, thus showing the monetary package as well favoured by the workers of FIRS.
3. The study also revealed that the implemented welfare packages affect the workers performance at Federal Inland Revenue Service (FIRS) and enhance efficiency as attested by the management staff.

5. Conclusion and Recommendations

The importance of welfare package in improving workers performance in Federal Inland Revenue Service cannot be over emphasized, especially when it comes to issue of enhancing FIRS performance. Based on the findings from the data collected and analyzed, the study concluded that there are welfare packages in Federal Inland Revenue Services and that workers favoured the welfare measures inside the workplace (monetary than the non-monetary) packages such as study leave, gratuity and pension, financial grants, training and development among others. The paper recommended that motivation of Federal Inland Revenue Service workers should begin with a complete welfare package as contained in the organization staff regulations and condition of service.”“Consideration should also be taken as regards to the operating or existing scheme of service for the organization as

well as other provisions made from time to time, within the organization.”The implemented welfare packages should be review from time to time so as to accommodate new ideas and innovation. Housing and Transport allowance and other entitlements should be paid without unnecessary delays so as to enhance workers performance in the FIRS.

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