

EFFECT OF FRINGE BENEFITS ON EMPLOYEE PERFORMANCE IN MINING COMPANIES IN EBONYI STATE.

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Abstract

This paper examined the effect of fringe benefits on employee performance in mining companies in Ebonyi State. The objectives of the study were to examine the influence of hazard allowance and willingness to be deployed to risky sites, to determine the extent to which health insurance housing benefits affect employee performance in mining companies in Ebonyi State. The population of the study were 1212 mining workers in 25 mining companies registered in Ebonyi State Ministry of Commerce and Industry, Abakaliki. The cross-sectional survey design was adopted in this study. The Taro Yamani (1964) formula for sample size determination was used to draw a sample size of 345 employees from a population of 1212 workers of the companies working in the 25 mining companies operating in Ebonyi State. A validated questionnaire with a co-efficient reliability of 0.75 formed the instrument of the study while the hypotheses was tested using the Pearson moment correlation technique at 0.05 level of significance. Findings indicate that payments of hazard allowance motivate mining workers, adoption and payment of health benefits to mining workers boost their morale at work and the provision of housing benefits encourages optimum performance of mining workers in Ebonyi State. The implications of the findings is that timely payment of fringe benefits to mining workers encourages improved performance at work. Based on the findings, it was recommended that government of Ebonyi State should closely ensure that mining workers are paid their hazard allowance as at when due, mining companies should ensure prompt payment of health benefits and provides houses for them since it has been linked to improved performance.

Keywords: Fringe Benefits, Mining, Mining Sector, Employees, Employees Performance

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Fringe benefits are the rewards aside salaries, given to employees in return for the services they render to an organization. It is a deliberate plan to reduce the challenges encountered by employees in the course of performing assigned task. It could also be in the financial or non-financial benefits. Financial benefits includes hazard allowance, payment for overtime, pension scheme, insurance, health allowance and wardrobe allowances (Gibson, 2021). Non –financial benefits include free housing scheme, provision of free transportation and company sponsored trainings. Rajah (2020) explains that fringe benefits attract, assists retention and motivation of employees.

In Nigeria, fringe benefits existed since the 19th century when piece-work systems (reward based on output levels) were first implemented (Agwu, 2021). Furthermore, the first statute in Nigeria on workmen’s compensation was enacted in 1942 following the English statute of 1925. This first Act in Nigeria was repealed by Workmen’s Compensation Act 1987. This was because, the first Act in Nigeria suffered many criticisms. One of the major criticisms of the first Act was that it restricted the categories of workmen to those whose earnings do not exceed N1,600 per annum. Therefore, a non-manual worker earning more than N1,600 per annum was unable to claim compensation under the first Act. The Act was under severe criticisms on account that it was outdated and irrelevant to modern industrial needs.

ECA mandates the injured employee to inform the employer, in a prescribed form of any injury sustained within 14 days of such injury. By section 5(1) of the ECA, the employer in turn, is expected to report to the nearest office of the National Council for Occupational Safety and Health within 7 days of receiving information about the injury. Following this report, the injured employee must file a claim for compensation by completing an application form prescribed by the NSITF (Seidu, 2020). The NSITF Management Board then considers the claim and where it finds merit in the claim, compensates the injured employee based on the scale of compensation set out in Part IV and schedules of the ECA.

Fringe benefits and all regulatory framework guiding its payment is equally applied to the mining sector. It is well documented that working in the mining industry is a high-risk endeavour. Accidents and fatalities are, sadly, not uncommon. Over a span of five years beginning in 2007 to 2008 and ending in 2011 to 2012, there were 36 mining industry fatalities across the world (Obejeme, 2022). At a fatality rate of 3.84 deaths for every 100,000 workers, this makes the mining industry’s fatality rate a worrying 70% above the national average for any other occupation. Mining activities is risky and health challenging. The onus is on employers to make sure all preventive measures are taken, for instance by ensuring that all employees are given the proper protective hearing equipment such as earplugs as well as adequate training to ensure they know how best to protect themselves. (Suleiman. 2019). Prevention can include supplying workers with protective equipment such as masks. While the mining industry can be exciting and rewarding, its occupational hazards are many and can be fatal. All risks need to be identified by employers, who should then ensure that safety programmes including components such as safety equipment and organisation of work can be implemented.

In Ebonyi State, there are about 25 Private Mining Companies registered with the State as at 2020 (Ebonyi State Ministry of Commerce and Industry, 2022).some of these sites are located at

Enyigba in Abakaliki Local Government Area of Ebonyi State where there are abundant deposit of lead, zinc and associated minerals (Igwe, 2015). Granite is widely mined and is in large quantities scattered in various communities of the state such as Ishiagu in Ivo LGA, Ngbo in Ohaukwu LGA, Ezzainyimagu in izzi LGA, Nkaliki Unuhu and Enyigba in Abakaliki LGA, Umuogharu in Ezza North, Ameta in Ezza South LGA; Ameri in Ikwo LGA, Amike Abba in Ebonyi LGA, Akpoha in Afikpo North LGA and Nkalagu in Ishielu LGA. Most of the extractive activities is done by local people except in few areas such as at Ishiagu where Crush Rock industries ltd is operating and Akpoha still negotiating with Julius Bergers These companies mostly owned by Chinese are sited at Izzi, Ohaukwu, Afikpo, EzzaNorth and South, Abakaliki, Ikwo among others. Therefore, it is important to examine the compensation benefits offered to them in the face of the numerous problems encountered in the course of their work. It is equally important to establish the nexus between the fringe benefits offered to them and how it motivates them at work.

Statement of the Problem

Working in the mining sector is associated with several occupational health hazard such as pit collapse and death, deafness, injuries, inhalation of chemicals that negatively affects health among others. However, these associated risks could be lessened with fringe benefits to the workers. These benefits range from hazard allowance, health insurance and allowance, housing benefits and transportation facilities, safety training as well as extend financial and material assistance to families of employees. It is expected that companies who provide compensation benefits to their employees will in turn receive maximum cooperation and performance from the workers.

Failure to provide hazard allowance, health insurance scheme and housing benefits could force the workers to engage in other economic ventures to get income to meet these needs. It could also make them feel uncomfortable and show untoward attitude to the company or even in hostility including strike action, legal tussle or physically block the company site from work. This in turn leads to low performance. Employee fringe benefits are expected to make employees of mining companies in Ebonyi State proactive at work. This will in turn lead to increased output. Indeed, It is a common knowledge that Employee Compensation Act (ECA) is also applied to mining companies operating in Ebonyi State and the extent it exerts more efforts from workers in completing assigned task on time and with precision. This posed question is considered as problem that need to be investigated. Therefore, this paper investigates the effects of fringe benefits on employee performance in mining companies in Ebonyi State, 2007-2020.

STUDY OBJECTIVES

The broad objective of the paper is to examine the effects of fringe benefits on employee performance in mining companies in Ebonyi State, 2007-2020. The specific objectives of the paper include;

- i. To examine the influence of hazard allowances and willingness to be deployed to risky sites in Ebonyi State.

- ii. To determine the extent to which health insurance scheme affects employee's performance in mining companies in Ebonyi State.
- iii. To investigate the effect of housing benefits on employee performance in mining companies in Ebonyi State

Study Hypotheses

This paper is guided by the following hypotheses;

H₀₁: Hazard allowance does not have significant effect on employee performance in mining companies in Ebonyi State.

H₀₂: Health allowance does not have significant effect on employee performance in mining companies in Ebonyi State.

H₀₃: Housing benefits does not have significant effect on employee performance in mining companies in Ebonyi State.

Review of Related Literature

Fringe Benefits

Fringe in any workplace is very important to the employees as it leads to positive work related attitudes such as; low turnover and absenteeism, high retention of a qualified staff, increase employees' job satisfaction and performance, improved employee productivity, as well as employees' commitment. Larry (2019), states that even though reward may mean different things to different individuals, organizations and society, it is however important to all. To the individuals he stated that compensation is not only the return of benefits, but also a reflection of employees' capabilities and achievements in the organization which gives them satisfaction (Ali and Ahmed, 2021). To organizations, he stated that compensation is a cost or expenditure, as well as an important tool that influences employees' work behaviours and attitude which help them in achieving competitive advantages. Within the society, compensation influences wealth distribution and also signifies social equity and justice (Larry, 2021). Hence compensation represents the following: reimbursement, returns, payments, incentive schemes, and remuneration (Agba and Ushie, 2020).

Fringe involves cash, non-cash and psychological payments provided by an organization to its employees in return for their contribution (Bratton and Gold, 2020). Similarly, Eric (2019), defines compensation as all types of benefits, from cash payments to working conditions provided to employees by their organizations. compensation is tangible benefits and provisions an employee obtains as a part of employment relationship. In the same way Mondy (2021), defines compensation as the total of all rewards provided to employees in return for their services, with the main purpose to attract, retain, and motivate employees. Rajah, (2020) also defines compensation as all forms of pay going to employees arising from their employment and it includes direct and indirect compensation, financial and non-financial reward. In addition, Mehmood (2021), see compensation system as not all about rise in salary, but also includes such factors as

awards, pension, recognition, promotion, job security and achievement. He noted that reward packages are very important to employees because it helps to build employee's confidence and satisfaction in the workplace and reminds them that the extra efforts, they put into their work are noticed and compensated. Similarly, rewards serve as the most dependent factors in keeping employees' self-esteem high and passionate says (Galanou, 2020).

Types of Fringe Benefits

i. Health Insurance Scheme

The National Health Insurance Scheme (NHIS) is a corporate body established under ACT 35 of 1999 Constitution by the Federal Government of Nigeria to improve the health of Nigerians at affordable cost NHIS coverage (Galanou, 2020). NHIS's primary function is to protect families in Nigeria from financial barriers as they seek health care. The policymakers ensure that funds are always available to the public health sector so people can access quality services. The cost of National Health Insurance Scheme registration for parents and their children is N9,000 per head (Seidu, 2020).

On the other hand, private healthcare providers usually charge higher while all NHIS fees for service renew annually. NHIS provides a social health insurance programme where all registered Nigerians have their health care coverage (Galanou, 2020).

ii. Housing Benefits

This involves providing free or payment for accommodation for workers (Westerfield, 2018). Employer-assisted housing programmes can also help employers improve their brand. This is especially true for location-based businesses such as restaurants, retail, and schools, where the surrounding community is an important part of their brand and market. By helping employees purchase homes in these local communities, employers can help stabilize and enhance their community, create a more attractive setting for their business, and grow a more prosperous clientele for their goods. By providing area-targeted benefits, employers can show their commitment to the community and benefit from an enhanced image and improved public relations.

iii Hazard Allowance

Hazard allowance is a form of compensation granted to staff members who have been requested to remain and report for work in duty stations where very hazardous conditions, such as war or active hostilities, prevailed and where the evacuation of families and nonessential staff had taken place (Suleiman 2019). Hazards at work may include noisy machinery, a moving forklift, chemicals, electricity, working at heights, a repetitive job, or inappropriate behaviour that adversely affects a worker's safety and health (Obejeme, 2022).. The ECA is Nigeria stipulates that the payment of hazard allowance shall paid to an employee who undertakes duties in the course of her or his work, experiences a genuine risk to her or his life. The employer shall pay the allowance per month on the date an eligible employee receives her or his salary. In Nigeria, hazard allowance is a policy approved by the federal government but mainly implemented in the health

Sector. In December 2021, The Federal Government approved the increment of hazard allowance for workers from N5000 to between N15,000 to N40,000 depending on the levels of the workers (Obejeme, 2022).

The Concept of Employee Performance

Employees are workers hired by either public or private organization and assigned a specific role to perform in return for an agreed payment. According to Nmadu (2020), employees performance is a degree of accomplishment of task(s) that make up an employee's job. It is the accomplishment of a given task measured against pre-set standards of accuracy, completeness, cost and speed. Managers at workplace must ensure that employees activities and output contribute to the organization goals. This process requires knowledge of what activities and outputs are designed, observing whether they occur and providing feedback to help improve employee's morale and to meet expectation (Nmadu, 2020, Mathis, Fredrick and Kenneth 2009).

Employee's performance if recognized by managers or superiors within the organization is often rewarded by financial and other benefits. Performance is a major although not the only prerequisite for future career development and success in the labour market. Although there might be exceptions, high performers get promoted more easily within an organization and generally have better career opportunities than low performers. Gibson (2021), employee performance is a measure of the morale of employee, effective and efficient completion of mutually agreed tasks by the employee, as set out by the employer.

Mining Activities in Ebonyi State

Mining is the extraction of valuable minerals or other geological materials from the Earth, usually from an ore body, lode, vein, seam, reef, or placer deposit. Aside from supporting thousands of jobs, the mining industry provides raw materials, minerals and metals critical to our economy (Eric, 2019). Ebonyi state is one of the states in the southeast of Nigeria. It lies between 7⁰³ N longitude, 5⁰ 4 E with a landmass approximated at 5.932 Sq.Km.. The state is blessed with rich mineral resources such as Lead, Limestone, Zinc, Marble, Gypsum, granite Quarrying reserves, lignite, coal, salt, copper, kaolin, false gold phosphates etc. Currently there are 25 mining companies licensed to operate in Ebonyi State as at 202 1(Orji, 2021). At Enyigba in Abakaliki Local Government Area of Ebonyi State, there are abundant deposit of lead, zinc and associated minerals (Igwe, 2015).

Granite is widely mined and is in large quantities scattered in various communities of the state such as Ishiagu in Ivo LGA, Ngbo in Ohaukwu LGA, Ezzainyimagu in izzi LGA, Nkaliki Unuhu and Enyigba in Abakaliki LGA, Umuogharu in Ezza North, Ameta in Ezza South LGA; Ameri in Ikwo LGA, Amike Abba in Ebonyi LGA, Akpoha in Afikpo North LGA and Nkalagu in Ishielu LGA Most of the extractive activities is done by local people except in few areas such as at Ishiagu where Crush Rock industries ltd is operating and Akpoha still negotiating with Julius Bergers (Orji, 2021). Women account for over 80% of the cheap labour. Widows, pregnant women, children of school age, and out-of-school youths are a common sight in all the extracting

and quarrying sites. While the men are into drilling tiny holes into the granites using hammer and detonating the mines with grenades, the women and youths are involved in carrying the blasted chippings from holes of over 50meters deep and in some areas over 10 hectares wide (Orji, 2021).

Empirical Review

Amponsah-Tawiah, Ntow and Mensah (2016), carried out a study titled “Occupational health and safety management and turnover intention in the Ghanaian mining sector”. The objective of the study is to find out the relationship between compensation and turnover rate in the area study. The study used a cross-sectional survey design collected quantitative data from the 255 mine workers that were conveniently sampled from the Ghanaian mining industry. The correlation coefficient showed that a negative relationship existed between dimensions of occupational health and safety management and turnover intention; safety leadership; supervision; safety facilities and equipment; safety procedure. The study also found that turnover intention of employees is heavily influenced by the commitment of safety leadership in ensuring the effective formulation of policies and supervision of occupational health and safety at the workplace. The study recommends that safety leadership is crucial in the administration of occupational health and safety and reducing turnover intention in organizations.

Seidu, Jiang and Korankye (2019), explored the “Impact of Compensation on Performance of Employees: A Case Study of AngloGold Ashanti Obuasi, Ghana”. The study sought to explore the impact of compensation taking into consideration elements such as salary, rewards, incentives, and indirect compensations impact on employee's performance in AngloGold Ashanti Obuasi, Ghana. Using a simple random sampling approach, a questionnaire was administered to 240 employees in the organization with 222 completing them and same adopted for the study. The study used the SPSS version 26 to process the data after all errors were corrected and data coded. Descriptive analysis and multiple regression analysis were employed to analyze and give meanings to the output. The result show that employee performance is boosted when they are motivated. More compensation was recommended for the workers.

Okeke (2020), examined “Effect of Compensation Management in Private Mining Companies in Imo State, Nigeria”. The purpose of the study is to know how compensation benefits motivates workers at work. The population of the study is 209 employees of 20 private mining companies selected from the area of the study. The analytical tool used is path analysis using SPSS, version 17. The results show that the compensation of all kinds offered to workers improves the commitment at work. It was recommended that companies should take notice and adopt compensation practices in their place work.

Theoretical Framework

This work adopted Expectancy Theory by Victor Vroom (1964). The assumption of the theory is that “the strength of a tendency to act in a certain way depends on the strength of an expectation in that act will be followed by a given outcome and on the attractiveness of that outcome to the individual”. The theory tries to explain that an employee will be motivated to exert a high level of

effort when he or she believes that effort will lead to a good performance appraising reward; that a good appraisal will lead to organizational rewards such as a bonus, a salary increase, or a promotion, and that the rewards will satisfy the employees personnel goals (Hill, 2020).

The theory therefore focuses on three relationships:

- i. **Effort-Performance Relationship:** The probability perceived by the individual that exerting given amount of effort will lead to performance.
- ii. **Performance-Reward Relationship:** This focuses on the degree to which the individual believes that performing at a particular level will lead to the attainment of a desired outcome.
- iii. **Reward-Personnel Goals Relationship:** This is the degree to organizational reward satisfy individuals personal goals or need and the attractiveness of those potential rewards for the individual (Larry, 2021).

In summation, in a situation where the individual believes that effort cannot lead to desired results or that effort performance are unrelated expectancy is weak (Close to 0). In some cases, the individual may believes that effort is somehow but not strongly related to performance in which case he believes that effort may or may not lead to desired result, expectancy is moderate (between 0 and 1). Also, if the individual seriously desires the outcome, the outcome is positive, if he does not desire the outcome, its value is negative and if he is indifferent to the outcome, its value is zero. Instrumentality is the likelihood that achieving the organizational objective will help in the realization of the individual's personal objectives (Jaghult, 2020). The relevance of Victor Vroom Expectancy Theory to this study is that it recognizes that payment of compensation benefits to workers encourages them to put more effort to work thereby improving organization performance. This has opened new vistas for mining companies in Ebonyi State to place premium on the implementation and prompt payment of compensation benefits to workers as an effective means of improving performance.

Methodology

The cross-sectional survey design was adopted in this study. The Taro Yamani (1964) formula for sample size determination was used to drawn a sample size of 345 employees from a population of 1212 workers of the companies working in the 25 mining companies operating in Ebonyi State. A validated questionnaire with a co-efficient reliability of 0.75 formed the instrument of the study while the hypotheses was tested using the Pearson moment correlation technique at 0.05 level of significance.

Result

Out of the 345-instrument distributed, only 340 were validly filled, returned and found useful for analysis.

Table 1: Response on the effect of hazard allowance on employee performance in mining companies in Ebonyi State.

Questionnaire items	Responses				
	SA	A	D	SD	Total
1. Knowledge of mining hazard and giving stipend to workers to offset the impact encourages worker to add more effort at work	50 15%	60 18%	118 35%	105 32%	340 100%
2. Strict adherence to Employee Compensation Act provision in the payment of hazard allowances motivates workers at work to perform better	180 52%	103 30%	30 10%	20 8%	340 100%
3. Upward review of hazard benefits boost employees morale towards improved performance at work	41 12%	70 21%	120 36%	100 31%	340 100%
4. Prompt payment of hazard allowances makes workers to add more effort at work.	31 9 %	67 18%	156 49%	86 24%	340 100
Total Grand Mean	302 76	300 75	424 111	311 78	100%

Source: Field work, 2024.

Result of item 1 in table 1, indicated that 151 respondents believed that payment of hazard allowance improves employee performance in mining companies in Ebonyi State while 189 said otherwise. The implications is that though there is the knowledge of hazard allowance among the mining workers, vast number of them acknowledged that it does not have bearing on their performance.

Table 2: Response on the extent to which health insurance scheme affect employee performance in private mining companies in Ebonyi State

Questionnaire items	Responses				Total
	SA	A	D	SD	
5. Taking cognizance of health factor at work by employers stimulates workers to improved productivity.	55 17%	69 20%	110 33%	99 30%	340 100%
6. Allowing workers to chose preferred health insurance companies boost their morale at work	175 51%	108 31%	35 11%	15 7%	340 100%
7. Regular update on the payment of company and workers counterpart health insurance scheme increases workers motivation	144 42%	102 30%	76 22%	18 5%	340
8. Regular payment of health benefits encourages mine workers to be proactive and result-oriented at work.	51 13 %	72 19%	144 47%	83 21%	340 100%
Total	415	351	365	215	100%
Grand Mean	107	88	91	54	

Field work, 2024.

Result of item 2 in table 2, showed that greater number of the respondents (195) as against (145) agreed that payment of health insurance scheme improves their performance in mining companies in Ebonyi State. The implication is that workers in mining companies placed premium on payment of health benefits as key to their commitment to work.

Table 3: The effect of housing benefits on employee performance in private mining companies in Ebonyi State

Questionnaire items	Responses				Total
	SA	A	D	SD	
9. Provision of free accommodation encourages work to perform effectively at work.	100 29%	160 47%	60 18%	20 6%	340 100%
10. Additional fund given to mine workers to secure good accommodation boost their effort at work	109 31%	191 55%	29 8%	20 6%	340 100%
11. Provision of expansive accommodation to care for the family members of health workers encourages them to improve performance.	146 43%	154 45%	25 7%	15 5%	340 100%
12. Provision of housing benefits during long distance work for mining workers encourages higher productivity.	179 53%	91 20%	45 13%	35 10%	340 100%
Total	463 130	596 148	159 40	90 22	

Source: Field work, 2024.

Table 3 contained the analysis of item 3. The result indicates that vast number of the respondents (278) as against (62) affirmed that housing benefits improves their performance in mining companies in Ebonyi State. The result implies that payment of housing plays important role in mining workers performance in Ebonyi State.

Test of Hypotheses

Statement of Hypothesis One

H₀₁: There is no significant effect of hazard allowance on employee performance of private mining companies in Ebonyi State.

Option	X –point	Y-response	XY	X ²	Y ²
SA	4	76	304	16	5776
A	3	75	225	9	5625
D	2	111	222	4	12321
SD	1	78	78	1	6084
	∑X =10	∑Y=340	∑XY=829	∑X² =30	∑Y²=18500

Using the Pearson product moment correlation co – efficient formula,

$$r = \frac{n(\sum XY) - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2) - (\sum X)^2} \sqrt{(n\sum Y^2) - (\sum Y)^2}}$$

$$r = \frac{4(829) - 10(340)}{4(30) - (10)^2 \sqrt{4(18500) - (18500)}}$$

$$r = 3.2$$

The correlation co – efficient of 3.2 which is above 0.05 level of significance shows that there is positive relationship between hazard allowance and employee performance in private mining companies in Ebonyi State. To test the significance of the relationship between the variable, the t – test statistics formula is adopted.

$$T = r \sqrt{n-2}$$

$$t = 3.2 \frac{\sqrt{1-r^2}}{\sqrt{4-2}}$$

$$\sqrt{1-(3.2)^2}$$

$$t = 0.52$$

From the table critical value of 2 ie (4 -2) degree of freedom at 0.05 level of significance t – distribution table is 1.96 while the t – calculated is 0.52. The decision rule is reject H₀₁ if t – calculated >/ t – table. Therefore, the null hypothesis which says that there is no significant effect of hazard allowance on employee performance of private mining companies in Ebonyi State is rejected while the alternate hypothesis was accepted . Thus, it is concluded that hazard allowance has significant effect on employee performance of private mining companies in Ebonyi State.

Hypothesis Two

H₀₂: There is no significant effect of health allowance on employee performance in private mining companies in Ebonyi State.

Option	X –point	Y-response	XY	X ²	Y ²
SA	4	107	428	16	11449
A	3	88	264	9	7744
D	2	91	182	4	8281
SD	1	54	54	1	2916
	∑X =10	∑Y=340	∑XY=928	∑X² =30	∑Y²=30390

Using the Pearson product moment correlation co – efficient formula,

$$r = \frac{n(\sum XY) - (\sum X)(\sum Y)}{\sqrt{[n\sum X^2 - (\sum X)^2][n\sum Y^2 - (\sum Y)^2]}}$$

$$r = \frac{4(928) - 10(340)}{\sqrt{[4(30) - (10)^2][4(30390) - (30390)^2]}}$$

$$r = \frac{3712 - 3400}{\sqrt{(120 - 100)(121560 - 30390)}}$$

$$r = \frac{312}{\sqrt{20(91560)}}$$

$$r = 1.23$$

The correlation co – efficient of 1.23 indicate that there is a significant effect of health allowance on employee performance in private mining companies in Ebonyi State. To test the significance of the relationship between the variable, we use the t – test statistics formula.

$$T = r \sqrt{\frac{n-2}{1-r^2}}$$

$$t = 1.23 \sqrt{\frac{4-2}{1-(1.23)^2}}$$

$$\sqrt{1-(1.23)^2}$$

$$t = 3.25$$

From the table critical value of 2 ie (4-2) degree of freedom at 0.05 level of significance in the t – distribution table is 1.96 while the t – calculated is 3.25. The decision rule is reject H₀₁ if t – calculated >/ t – table. Therefore the null hypothesis which says that there is no significant effect of health allowance on employee performance in private mining companies in Ebonyi State is rejected. It is concluded that health allowance influences employee performance in private mining companies in Ebonyi State.

Hypothesis Three

There is no significant effect of housing benefits on employee performance in private mining companies in Ebonyi State

Option	X –point	Y-response	XY	X ²	Y ²
SA	4	130	520	16	16900
A	3	148	444	9	21904
D	2	40	80	4	1600
SD	1	22	22	1	484
	∑X =10	∑Y=340	∑XY=1066	∑X² =30	∑Y²=40888

Using the Pearson product moment correlation co – efficient formula,

$$r = \frac{n(\sum XY) - (\sum X)(\sum Y)}{\sqrt{(n\sum X^2) - (\sum X)^2 (n\sum Y^2) - (\sum Y)^2}}$$

$$r = \frac{4(1066) - 10(340)}{4(30) - (10)^2 4(40888) - (40888)}$$

$$r = 1.96$$

The correlation co – efficient of 1.96 which is above 0.05 level of significant indicate that here is a significant effect of housing benefits on employee performance in private mining companies in Ebonyi State

To Test the significance of the relationship between the variable, we use the t – test statistics formula

$$T = r \sqrt{n-2}$$

$$t = \frac{2.7 \sqrt{1-r^2}}{\sqrt{1-(2.7)^2}}$$

$$t = 0.125$$

From the table critical value of 3 ie (5 -2) degree of freedom at 0.05 level of significance in the t – distribution table is 1.96, while the t – calculated is 0.125. The decision rule is reject H₀₁ if t – calculated >/ t – table. Therefore the null hypothesis which says that housing benefits has no significant effects on employee compensation in private mining companies in Ebonyi State is rejected while the alternate hypothesis is accepted. Thus, housing benefits affects employee performance in private mining companies in Ebonyi State

Discussion, Conclusion and Recommendation

Discussion

The findings in this study revealed that fringe benefits boost morale of workers in the mining sector. The result of the findings of the impact of effect of hazard allowance on employee performance, have shown that miners acknowledge the place of hazard allowance in their performance. The Statistical analysis of correlation coefficient of 3.2 which is above 0.05 level of significance shows that there is positive relationship between hazard allowance and performance at work. This view of the mine workers is in line with that of Gholamreza, Ali and Hamid (2019), who submitted that payment of hazard allowances alongside other occupational benefits motivates mine workers in Iran to be proactive at work. Hazard allowance is paid to workers to cushion the effect of harm encountered while working especially at mining sites. Mining activities is very risky especially in development nations where inadequate survey is carried out to find out the tendency of the pit collapse. Often times, lumps of stones could fall while digging the mining sites thereby posing health challenge to the workers. Mining worker hit by stone sustain injuries and it only the payment of hazard allowances that cushion the effect.

The result also indicate that mining work acknowledged the positive effect of health allowance on their performance. The statistical analysis of correlation coefficient is 3.25 which is above 0.05 level of significance. The responses of the miners' tallies with the opinion of Galanou (2020), who held that knowledge of health benefits and prompt payment of the allowance by employers encourages workers in Yemen Mining companies to be committed at work. The performance of the employee can only increase if there are compensation benefits that act as motivator. In order to boost the level of performance the organizational must plan the effective strategies for employee. The compensation benefits can help to increase the level of performance but there are other factors that contribute more in increase the level of performance.

Another compensation package believed to motivate mine workers is housing benefits. Provision of housing benefits could come in the form of given the workers money to pay housing rents, construction of workers lodge, support of workers with fund to build houses among others. This benefit eliminates cost incurred on accommodation by mine workers and hence their knowledge of the payment boosts their morale at work. The result also indicate that housing benefits motivates mine workers in Ebonyi State. The result of correlation coefficient of 2.7 which is far above 0.05 level of significance indicate a significant positive relationship between housing benefits motivates mine workers in Ebonyi State. This view is line with that of Mathis, Fredrick and Kenneth (2019), who submitted that the provision of free houses for workers in mining sectors is a critical step at making them be more committed at work. The respondents believed that provision of free accommodation encourages work to perform effectively at work and that additional fund given to mine workers to secure good accommodation boost their effort at work. It was also found that provision of expansive accommodation to care for the family members and accommodation during long distance work encourages them to improve performance.

Conclusion

This paper study has shown that payment of fringe benefits such as health insurance scheme, housing benefits and hazard allowance to mining workers play important role to their performance. Employee performance is very important in contribute to the organizational success. Mining activities are harmful. Pit collapse, inhalation of the chemicals used for breaking the stones as well as coming into contact wastewater from mining pit could negatively affect the health of the workers. It is therefore concluded that sustained payment of fringe benefits to workers in mining companies will lead to improved performance in the companies

Recommendations

Based on the findings of the papers, it was recommended that:

1. Government of Ebonyi State should closely monitor the implementation of compensation benefits by Mining companies as required by ECA. This will ensure that mining workers hazard allowance is paid as at when due.
2. Mining companies operating in Ebonyi State should ensure prompt payment of workers health benefits since it is linked to employee performance. This will boost their morale and mining activities in the state will be expanded.
3. Mining companies in Ebonyi State should make it as a point of duty to ensure that workers live in comfortable accommodation courtesy of their housing benefits. This will give the workers a sense of belonging hence contributing immensely to the growth of mining companies.

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