



Effect of Fringe Benefits and Remuneration on Employee Engagement: The Moderating Role of Perceived Organisational Support

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ABSTRACT

Purpose of the Study - This study assessed the effect of fringe benefits and remuneration on employee engagement and explored the moderating role of perceived organisational support.

Methodology- The study employed a quantitative approach in data collection and analysis. Data was collected through a structured questionnaire distributed among 270 employees from Asanduff Construction Limited- Accra, Ghana. The analysis was conducted using Partial Least Square Structural Equation Modelling.

Findings- The study revealed that fringe benefits and remuneration had an effect on employee engagement. With the moderation analysis, perceived organisational support did not moderate the relationship between remuneration and employee engagement but moderated the relationship between fringe benefits and employee engagement.

Limitations- First, the study's limitation has to do with its geographical coverage. The study was also limited to the working staff of Asanduff Construction Limited with an estimated sample size of 278 which could be relatively small. Again, through questionnaires being used as the main instrument, the study responses might be without honesty and accuracy. Thus, the study results might be affected by bias which will limit the generalizability. An additional constraint of the study is its exclusive focus on a single company, thereby restricting the generalizability of the findings to the unique confines of that particular corporate culture.

Practical implications- The results of this study will contribute to human resource managers' efforts in putting plans in place to improve the operations of their companies. Line managers should therefore make every effort to ensure that their staff members perceive a positive and full support from the organisation in order to increase productivity, as this study emphasized on the importance of perceived organisational support. Strategically, leadership and management of organizations will base on the findings of this study and plan important workshops, seminars, symposiums, conferences etc. with a major focus on providing employees with proper fringe benefits at the workplace so as to ensure that they increase productivity at the workplace. Lastly, perceived organisational support which has been highlighted by literature needs to be existent at the workplace. By so doing employees will feel appreciated and will therefore be willing to commit their future to the good of the organisation through psychological meaningfulness

Originality/value- The study contributes to literature by assessing the effect of fringe benefits and remuneration on employee performance and exploring the moderating role of perceived organisational support.

KEY WORDS

Fringe benefits, Remuneration, Employee Engagement, Perceived organisational support.

JEL Code: M12, M52, M54.

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1 INTRODUCTION

Organizations are met with a multitude of variables that interfere with the successful delivery of services they offer to clients (Shet, Poddar, Samuel, & Dwivedi, 2021). In order for organisations to implement their mission and vision, staff within the organization play an essential role and act as a backbone to fulfill the ever-changing needs of clients (Verma, Kumar, Mittal, Gupta, & Hsu, 2021). This stresses the importance of personnel management methods aimed at improving performance of employees. Companies today are compelled to operate in a changing environment with many challenges, thus it is more crucial than ever to have motivated employees who will boost performance to survive the competition. The interest in employee job performance stems from the fact that research has shown a positive relation between employee performance and corporate performance (Owusu, 2012). Thus, the performance of employees, positively affects the performance of the organisation as a whole. It therefore becomes necessary to understand factors that affect employee performance. In fact, such benefits may create "golden handcuffs," making employees more reticent to move to other employers. Some common examples are; retirement or pension plans, medical and dental insurance, education reimbursement, time off, paid vacation and use of company car. According to Singh (2016)'s research on the significance of intrinsic motivation, managers should understand that intrinsic factors have a greater impact on employee motivation and devote more time to fostering an environment of respect, recognition, trust, and autonomy when designing management strategies to appeal to their employees' feelings. These internal factors are more significant to employees than extrinsic ones (Singh, 2016).

Additionally, Ajalie et al.'s (2020) research demonstrated that intrinsic motivation has a significant impact on organizational productivity and advised the management of organizations to take the necessary steps to ensure that employees are sufficiently intrinsically motivated to increase employee performance and productivity in both an individual and organizational level. Research has identified the effect of intrinsic motivation on employee performance; however, the effect of extrinsic motivation (fringe benefits and remuneration) is not well understood by researchers (Shahzadi, Javed, Pirzada, Nasreen, & Khanam, 2014). As a consequent, research is needed to explore the relationship of extrinsic motivation (fringe benefits and remuneration) and employees' performance. Employee productivity increases as a result of higher employee engagement (Eldor, 2016). In recent years, the idea of employee engagement has dominated much of the Human Resources (HR) thought. According to Lockwood (2007), organizations are now looking to HR to set the agenda for employee engagement and retention as a way to obtain a competitive edge. According to Fuchs and Edwards (2012), engagement is a two-way process that calls for the organization to take issues that annoy its people and effectively fix them. It is also self-evident that when people are happy with their jobs, they are more likely to give their all to help the company accomplish its objectives. Employee engagement is defined as "a gratifying work-related state of mind marked by energy, devotion, and immersion," according to a popular description by Schaufeli, Bakker, and Salanova (2006).

Additionally, the notion of organizational support encourages workers to create adaptable and creative responses to environmental demands (Macey & Schneider, 2008). In this context, prior research (Byrne & Hochwarter, 2008; Erdogan & Enders, 2007; Ristig, 2009) has demonstrated that an employee's cognitive and emotional assessment of their job and company is enhanced when they perceive organizational support. Indeed, perceived organizational support (POS) ensures organizational endorsement, faith, esteem, and prestige for employees in addition to providing them with extrinsic resources like pay and benefits (Fuller, Barnett, Hester & Relyea, 2006). It is possible to hypothesize that higher levels of perceived organizational support (POS) allow employees to utilize their skills without fear for their self-esteem, social standing, or job in light of this dyadic relationship between employees and their organization. Employees are also better equipped to understand their jobs and have healthier interpersonal interactions when they perceive such psychological safety. POS instils in the incumbents a sense of self-assurance that they have the physical, mental, and emotional resources to carry out their job-related tasks, and it is consistent with almost all aspects of their working environment (Saks, 2006). As a result, workers are eager to join the company and "throw" themselves into their work.

Employee perceptions of how much their contributions are valued at their organizations, which means that their associated well-being is fully taken into account, are known as perceived organizational support (POS) (Kurtessis et al., 2017; Maan, Abid, Butt, Ashfaq & Ahmed, 2020). According to the organizational support theory, people develop POS, a widespread belief that their employer has a favourable or unfavourable disposition toward them (Maan, Abid, Butt, Ashfaq & Ahmed, 2020). Literature also supports the idea that people's POS increases their commitment to the organization to get something in return (Chung, 2017). Additionally, they desire to fulfill their socioemotional demands and include organizational affiliation in their social identities. Additionally, research from the past few decades has demonstrated that people's POS improves both in-role performance, such as goal achievement, and extra role performance, such as helping and supporting behaviours toward co-workers (Morales-Sánchez & Pasamar, 2019). According to Krishnan and Mary's (2012) meta-analysis, POS is directly related to the favourable treatment employees receive, including benefits from the company, an advantageous working environment, and fairness. Additionally, POS encourages favourable results including greater job satisfaction, less attrition, increased dedication, happy feelings, and improved performance (Yu & Frenkel,

2013). Numerous employee-organization studies have focused on the POS's favourable relationship with job satisfaction, performance, organizational commitment, and desire to leave (Maan, Abid, Butt, Ashfaq & Ahmed, 2020; Zagenczyk, Purvis, Cruz, Thoroughgood, & Sawyer, 2021). Job satisfaction, innovative work behaviour, learning goal orientation, core self-evaluations, and organizational commitment are similar outcomes that are important for organizational support (Wang, Zhang, Thomas, Yu, & Spitzmueller, 2017). Additionally, research shows that when employees perceive excellent treatment within an organization, businesses do well (Lamm, Tosti-Kharas & King, 2015). Therefore, the aim of this study was:

To assess the effect of fringe benefits and remuneration on employee engagement and explore the moderating role of perceived organisational support in the relationship using Structural Equation Modelling.

The findings of this study will significantly impact some of the benefits offered to employees or withheld from them in order to help them perform better. The study will also highlight the motivational factors that require attention so that companies may implement the necessary performance-enhancing measures. Additionally, the results of the study will significantly contribute to the body of knowledge already available on the topic. Furthermore, upon putting the study's findings into practice, they will assist in the creation of supplementary human resources. Improved employee performance will diminish the necessity for importing foreign labour into the nation at the expense of domestic workers.

2 THEORETICAL BACKGROUND AND CONCEPTUAL MODEL

This research used Expectancy theory of motivation by Vroom. Vroom's (1964) expectancy hypothesis has played a significant role in the study of job motivation. Numerous observational experiments have been conducted on Vroom's (1964) Valence, Instrumentality, and Expectancy Model (VIE model). It has been a fertile ground for scientific breakthroughs in areas of interpersonal action, leadership, and pay. People would be encouraged if they feel that their efforts will result in success, if they can see a strong connection between their efforts and specific outcomes, and if the outcomes are significant to them. The expectation principle encourages people to act in ways that provide the best variants of expected results (Kreitner & Kinicki as cited in Ramlall, 2004).

The Expectancy Theory by Vroom makes an effort to interpret motivated behaviour in terms of goals. He contends that people operate in a hedonistic fashion, selecting actions that would maximize their subjective utility. According to the anticipation theory, a person's inclination to act in a specific way is largely influenced by how strongly they anticipate that action will result in a particular consequence and how attractive that outcome is to them (Robbins as cited in Ramlall, 2004). As a result, actions may be tailored to meet specific, predetermined objectives. According to Vroom's theory, "a person's choices among alternative courses of action are lawfully linked to psychological experiences occurring concurrently with the

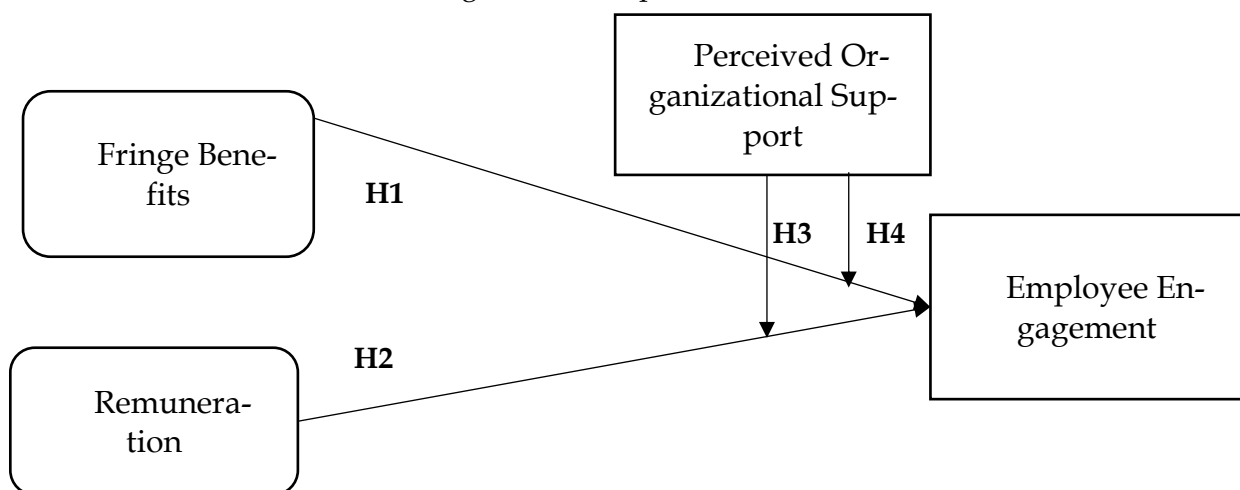
conduct" (Vroom as cited in Ramlall, 2004). As a result, people make deliberate choices among alternatives, and those choices are systematically linked to psychological processes, especially interpretation and the development of beliefs and attitudes (Pinder as cited in Van Eerde & Thierry, 1996).

It is also crucial to know how confident an individual employee is that his or her efforts can result in corporate incentives or positive job results. Finally, the individual employee's view of the likelihood that personal initiative on his or her part would result in high success is critical. As a result, there are four factors that influence an employee's motivation. These are individual effort, individual performance, organizational rewards/work outcomes and personal goals.

Motivation can either be intrinsic or extrinsic. Intrinsic motivation is described as engaging in activities that are inherently rewarding or enjoyable (Legault, 2016). In Ghana, recognising success, inspiring creativity, involving all employees to brainstorm issues affecting organisations are ways of increasing the intrinsic motivation of employees to increase productivity (Osei, 2011). Extrinsic motivation, on the other hand, describes engaging in behaviour that is fundamentally dependent upon the achievement of a result that is distinct from the activity itself (Legault, 2016). In other words, actions driven by extrinsic incentive are taken to achieve some other goal. Extrinsic motivators have been proven to be quite effective at boosting job productivity. It can be useful when employees need a boost of motivation to get their work done.

Vroom's expectancy theory underpins this study because of its focus on work motivation through the expectations of the worker. Employees serve in organisations and they have personal aspirations that they want to fulfil. Organizational incentives or job results will help employees achieve their personal goals. As a result, the connection between organizational incentives or job results and personal objectives is critical. As a result, how much do workplace incentives support an employee's personal interests, and how appealing are they to the employee? This relationship can also be reflected in terms of the importance that the employee places on the job results. Second, workplace incentives or job results are determined by the employee's actual success.

Figure 1: Conceptual Model.



Source: Own Illustration

3 HYPOTHESES FORMATION

3.1 FRINGE BENEFITS AND EMPLOYEE ENGAGEMENT

The main goal of most corporate fringe benefit schemes, base salary arrangements, is to recruit, maintain, and empower skilled, capable workers (Bernardin, 2017). When rival companies provide equal base salaries, Mathis and Jackson (2013) note that an employer who offers a more appealing compensation package frequently has an edge over other employers in recruiting and retaining skilled workers. Retirement or pension plans, medical and dental benefits, tuition coverage, days off, paid holiday, and use of corporate vehicle are also typical instances. Fringe benefits, as specified by Erbas (2012), are compensation other than direct wages or salary, such as a company vehicle, a home allowance, medical care, compensated vacations, pension plans, and subsidized meals. Any fringe benefits are included with gross earnings. In addition to base or incentive compensation, Ajilola (2006) defines fringe benefits as part of the overall incentive plan given to workers. Employees' quality of life is maintained (or improved) by fringe benefits, which provide protection and financial support for jobs and their families.

The term "fringe benefit system" refers to a framework for identifying all kinds of monetary gains and material advantages that employees experience as a result of their employment (Khan, Waqas, & Muneer, 2017). Fringe benefits were noted by Kulikowski and Sedlak (2020) as one of the factors enabling employee engagement. Additionally, Lestari, Haryono, and Kurnia (2020) noted in their research that if an employee is satisfied, employee engagement boosts profit and success. Employee engagement therefore arises from the perception that they are fairly compensated for the work they have previously completed (Lestari, Haryono & Kurnia, 2020).

Organizations give non-financial and financial benefits to employees around the world in an effort to recruit, retain, and engage them (Schlechter, Thompson & Bussin, 2015). The term "non-financial rewards" refers to all forms of organizational rewards that have no readily identifiable monetary value but are desired by employees, such as appreciation, job security, and promotion. Financial rewards, which are rewards with monetary value, can take the form of direct financial rewards (for example, fixed and variable pay) and indirect financial rewards (for example, fringe benefits) (Kulikowski & Sedlak, 2020) It is advisable to start by looking at the motivational processes that lead to job engagement, as described by the Job Demands-Resources (JD-R) theory, when examining the impact of rewards in increasing work engagement. This method is predicated on the idea that job resources – those characteristics of the job that are useful for attaining work goals, lowering workload demands, and encouraging personal growth – lead to work engagement, which is manifested as energy and identification (Bakker & Demerouti, 2007). According to the JD-R framework, it is reasonably well documented that non-financial rewards (such as supervisor support, opportunities for growth, and positive feedback) serve as job resources, predicting work engagement and reducing demanding working conditions (Bakker & Demerouti 2014). Nevertheless, it remains unclear how direct financial rewards (e.g., pay and bonuses) and indirect financial rewards (e.g., fringe benefits) contribute to predicting work engagement. A 2016 study by Nthebe et al. indicated that work engagement was not significantly predicted by rewards in the form of fringe benefits. Pay levels were not associated to the three aspects of work engagement – vigor, devotion, and absorption – in a different study by Hulkko-Nyman et al. (2012), whereas fringe benefits were positively related only to dedication and not to vigor or absorption. According to Hu and Schaufeli (2011) and Karatepe (2011), employees' opinions on their present pay are good indicators of how engaged they are at work. They may also be more likely to be engaged at work if they believe that doing a good job would lead to higher rewards.

Therefore, based on the forgoing, it was hypothesized that:

H1. Fringe benefit will have a positive and significant relationship with employee engagement

3.2 REMUNERATION AND EMPLOYEE ENGAGEMENT

Remuneration, in the context of a reward management scheme, is a critical feature of human resource management and a collaborative collaborator for business executives. Furthermore, it has a major impact on the job result. Reward management programs have a significant effect on an organization's ability to attract, maintain, and inspire high-potential workers, resulting in high efficiency (Gungor, 2011). Employees are typically motivated by a remuneration compensation scheme in order to improve efficiency, productivity, prevent being easily transferred to other firms, develop a service-oriented behaviour, and discourage corruption. Money or salary should be used as remuneration, as well as fixed and discretionary allowances, bonuses, and other benefits.

Employee remuneration is the net salary that an employee receives in exchange for the work that he or she has provided (Agustiniingsih, Armanu, Djumilah, & Noermijati, 2016). As a result, remuneration is defined as the level of satisfaction that employees get for their jobs, which includes all types of payment or compensation that contribute to that level of satisfaction. Again, remuneration aids the company in attracting, retaining, and motivating a productive workforce. In a cooperative association, remuneration can be described as the tick" that binds the employees and the company together. It is often known as a legally binding contract that specifies the amount to be paid to the employee as well as the elements of the remuneration package.

Regardless of firm size, industry, or corporate strategy, most managers concur that motivated, effective employees are essential for organizational success (Ghlichlee & Bayat, 2020). One common strategy is to offer employees performance-based incentive pay, which typically takes one of two forms: either bonuses are offered as organization-wide incentives, such as profit-related pay or share ownership, or bonuses are offered to individuals based on assessments of their performance. In Pakistan, 113 samples were used in a study by Sohrab and Khurram (2011) on the effect of compensation on employee engagement in the Asian setting. The study population included certain chosen universities. The study's conclusions demonstrated a strong correlation between compensation and employee engagement. Additionally, utilizing 235 samples and quantitative analysis, Zulfqar, Bilal, Affan, and Muhammad (2012) conducted a study on the impact of compensation on employees' participation in the Pakistani banking industry. The study's findings showed that compensation had a positive and significant relationship with workers' involvement. Khalid, Rehman, and Ilyas (2014) conducted a second study on compensation and employee engagement in Pakistani public sector organizations. Using 120 samples and quantitative approaches, they looked into how compensation affected employees' involvement. Their findings showed that compensation was strongly and favourably related to employee engagement. According to a study by Oluigbo and Anyiam (2014), the remuneration system is positively correlated with employees' involvement in an information technology (IT) firm in Nigeria. They used 92 samples using chi-square statistics techniques.

However, other investigations dispute the conclusions of the studies that have already been evaluated. For instance, Quartey and Attiogbe (2013) used 200 samples to conduct a study in an African context, more especially in the Ghanaian police sector. Their findings indicated a fairly positive and substantial correlation between compensation and employee engagement. In addition, Rizal, Idrus, and Djumahir (2014) did a study utilizing Partial Least Square Modelling (PLS-SEM) with 126 employees in an Asian environment, focusing on Indonesia. It was discovered that compensation had little bearing on how engaged employees

were. Moreover, Tabiu and Nura (2013) investigated the influence of remuneration on employees' performance in Nigerian context with 285 samples. Their result showed that there is an insignificant relationship between remuneration and employees' engagement.

A reward given by an employer to a worker in exchange for labour or services is known as remuneration. An effective incentive is frequently seen as compensation by the employees. Remuneration was defined by Legault (2016) as money or another form of compensation for labour. He went on to list additional measures of compensation, such as basic pay, earnings, health and pension plans, travel expenses, overtime pay, and responsibility allowances. Remuneration, according to Calvin (2017), can also be defined as monetary or financial benefits in the form of salaries, wages, bonuses, incentives, allowances, and benefits that are accrued or given to an employee or group of employees by the employer (firm) as payment for services rendered, as a reward for employment, or as a result of a commitment to the organization. According to more research, Owusu (2012), the National Police in Pasaman workers perform better when they are paid. As a result, compensation has a big impact on how well employees perform.

Owusu (2012) asserts that it is very necessary for management or firms or companies to provide motivational packages such as remuneration as not giving enough remuneration would have serious repercussions on employees' performance. Thus, improving employee remuneration is likely to have a positive effect on employee performance, which will increase the performance of the organisation. Nwokocha (2016) argues that a business needs an efficient rewards system that is tied to production in order to keep its top performers. Giving awards to employees on their employment anniversary demonstrates the employer's appreciation and admiration for the workers who have stayed with the business. While employees are in charge of work, the employer must tell them that he appreciates the overtime they make and no matter what reward elements are used for them since they have already received an evaluation message from employer. This message is important, as here are the ways of reward that are related to the business structure, recruitment of the workforce, preservation, motivation, performance, feedback and employee satisfaction.

Based on the foregoing, it was hypothesized that:

H2. Remuneration will have a positive and significant relationship with employee engagement

3.3 MODERATING ROLE OF PERCEIVED ORGANISATIONAL SUPPORT BETWEEN REMUNERATION AND EMPLOYEE ENGAGEMENT

Perceived organizational support has the power to instil a sense of responsibility that the company is concerned about the wellbeing of its employees, which can help the organization achieve its objectives. Employees on the other side may therefore be driven to respond by withdrawing from work if they feel that their jobs are at danger and they do not see any organizational support to lessen the effect. Through their management programs and policies, organizations should present a more appealing and desirable image to their workforce. The ratio of staff turnover will decline as a result. According to Kurtessis et al. (2017), it has become more crucial than ever for competitive firms to retain staff members who possess the necessary skills, professionalism, attitude, and expertise. They also suggest that valuable and seasoned personnel are the foundation of an organization's superior success. Therefore, it is vital for employers to offer top-notch organizational assistance in order to retain such personnel through appropriate compensation. Employee retention can be ensured by offering a workplace that is uplifting, encouraging, and puts a strong emphasis on teamwork. The importance of perceived organizational support (POS) cannot be overstated because it has the potential to strengthen or weaken the link between employee engagement and pay. The POS measures how much employees feel their employer values their job and is concerned

about their welfare (Baran, Shanock, & Miller, 2012). POS could result in a sense of duty to be concerned for the organization's well-being and to assist it in achieving its objective (Kurtessis et al., 2017).

In particular, POS should support employees' socioemotional demands by integrating their organizational membership and role status into their social identities and bolstering their perceptions that their employer values improved performance (Krishnan & Mary, 2012). Employers seek dedicated and loyal workers. Employees are more likely to emotionally connect to their organizations and experience low turnover and high levels of work engagement if employers give them a high level of support based on the reciprocity norm (Kurtessis et al., 2017). Rhoades showed in a detailed and complete examination that employees' POS might boost their involvement with appropriate remuneration in a meta-analysis of 70 studies (Rhoades & Eisenberger, 2002). However, some earlier investigations had contradictory findings. Additionally, prior research has indicated a connection between POS and a variety of organizational experience characteristics. Although it might not directly regulate employee engagement, it might act as a mediator between compensation and engagement (Guan et al., 2014).

A characteristic of the connection between a company and its employees is employee engagement. A person who is fully involved and excited about their work and acts favourably to advance the standing and goals of the company is referred to as a "engaged employee" (Dai & Qin, 2016). The reciprocity principle states that employees will only give positive organizational dedication and contribution and actively alter their attitudes or behaviours in order to make an attempt to attain organizational goals if they feel supported and cared for by the organization (Dai & Qin, 2016). According to related study, organizational support directly positively predicts knowledge workers' job involvement. According to research on employees' unfavourable workplace behaviours, perceptions of organizational support can considerably deter these behaviours (Dai & Qin, 2016).

Based on the foregoing, it was hypothesized that:

H3. Perceived Organisational Support will moderate the relationship between remuneration and employee engagement.

3.4 MODERATING ROLE OF PERCEIVED ORGANISATIONAL SUPPORT BETWEEN FRINGE BENEFITS AND EMPLOYEE ENGAGEMENT

In a subjective approach, perceived organizational support reflects the organization's general expectations of its members and acknowledges their importance as individuals and their contributions to it. According to Dai and Qin (2016), if employees see organizational support, they will believe that the business will uphold its exchange duties in the future and feel required to return the organization, which will make them more engaged and work harder to acquire the tangible rewards. Organizational support also includes meeting the social, emotional, and financial needs of workers (Kim, Eisenberger, & Baik, 2016). It entails a variety of mentoring tasks like instruction, direction, and counselling, as well as the retention and protection of persons and the creation of a welcoming workplace (Baranik, Roling, Com, & Eby, 2010). If all of these facilities and advantages are given to employees voluntarily and without outside pressure, according to Rhoades and Eisenberger (2002), they will feel more supported. Employees sense support when a business cares about their well-being, according to Chiang and Hsieh (2012). In a similar vein, Chinomona and Sandada (2014) asserted that organizational support is dependent on employees' willingness to help one another in trying circumstances and to overlook their own shortcomings. The opportunities for developing academic and professional qualifications, opportunities for advancement, incentives and other fringe benefits, and the staging of seminars, workshops, and conferences that provide employees with current information can all be summed up as organizational assistance (Amin, 2013).

Additionally, according to Bilgin and Demirer (2012) and Ahmed, Nawaz, Muhammad, Ali, and Islam (2015), organizational support includes fairness in incentives and promotions, job retention, employee recognition, staff training, and comfortable working circumstances. These findings highlight the fact that taking care of employees on a voluntary basis is a sign of organizational support and has an impact on the link between employee benefits and engagement. Fairness, supervisor support, organizational rewards, and working circumstances that also result from fringe benefits are a few characteristics that support organizations. Therefore, employee engagement may rise when people consider their organization to be supportive.

Based on the foregoing, it was hypothesized that:

H4. Perceived Organisational Support will moderate the relationship between fringe benefits and employee engagement.

4 METHODOLOGIES

The researchers relied on the positivist paradigm for this quantitative research. The researchers thus adopted a descriptive cross-sectional survey using structured questionnaires to collect data from the study respondents. The sample size was 278 respondents Asanduff Construction Limited- Accra. This was determined using Krejcie and Morgan (1970) sample size determination table for a population of 1000 employees. The questionnaire was, however, filled by 270 participants instead of 278. After collecting the data, the response rate was calculated which was 97%. Convenient sampling method was used to collect data from a total of 270 employees from Asanduff Construction Limited- Accra, Ghana. Multiple regression analysis was used to analyse the impact of the independent variables on the dependent variable. Moderation analysis with confidence intervals was used to test the moderating role of perceived organisational support through the application of structural equation modelling.

4.1 INSTRUMENT

Questionnaires offer benefits of standardized and open responses to a range of topics from a large sample or population, they can be cheap, reliable, valid, quick and easy to complete (Cohen, Manion, & Morrison, 2018). Questionnaires on fringe benefits, remuneration, employee engagement, perceived organisational support and employee performance were adapted from a review of past studies. The questionnaire used for the study was in six (6) sections. Section A covered the demographics of respondents. Section B focused on the fringe benefits employees received at the work place with 14 items on a 3-point nominal scale measuring fringe benefits. The overall Cronbach's alpha value for the scale was 0.873. Section C was on employee remuneration. The scale was adapted from the Pay Satisfaction Questionnaire (PSQ) by Heneman and Schwab (1985) and the items were on a five-point Likert-type. The Cronbach alpha for this scale was 0.93. Section D was on employee engagement. The scale was modified from the Intellectual, Social, and Affective Involvement Scale (ISA Engagement Scale), which was developed by Soane, Truss, Alfes, Shantz, Rees, and Gatenby and contains nine items with three facets: intellectual, social, and affective engagement (2012). The response format is a seven (7) Likert-type scale with a Cronbach alpha of 0.80. Perceived organizational support was measured lastly. Eisenberger et al. 8-item's Survey of Perceived Organizational Support was used (2001). It was discovered that the eight items evaluating perceived organizational support could measure the construct with accuracy. The scale uses a five-point Likert scale and has a Cronbach alpha of 0.96.

5 RESULTS

In this study, two statistical packages- SPSS, and SmartPLS were adopted. The sample characteristics and descriptive were analysed using SPSS, while the SmartPLS was adopted for the testing of hypotheses.

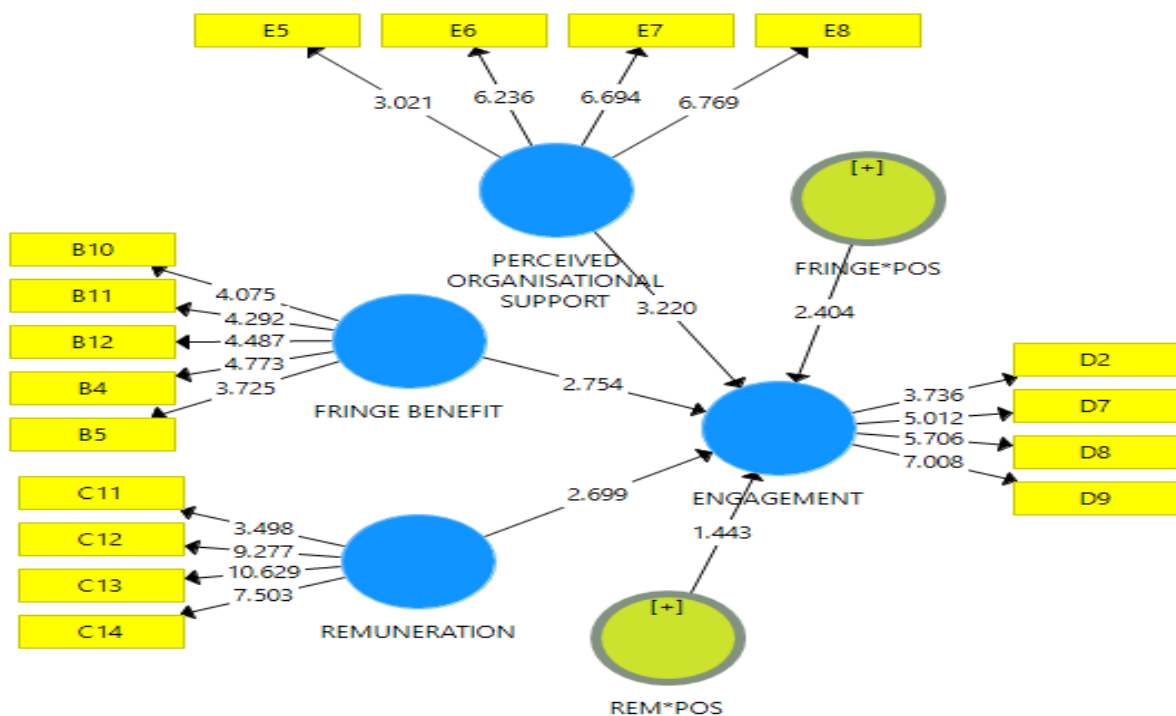
5.1 SAMPLE CHARACTERISTICS

The majority of respondents were male (65.2%), with females making up a smaller portion (34.8%). In terms of age, most respondents were under 30 years old (64.4%), followed by those in the age range of 31-39 (34.8%). The age groups 40-49 and 50+ had the lowest percentages of respondents, with 2.2% and 1.2%, respectively.

5.2 MODERATING ROLE OF PERCEIVED ORGANISATIONAL SUPPORT IN THE RELATIONSHIP BETWEEN FRINGE BENEFITS, REMUNERATION AND EMPLOYEE ENGAGEMENT.

The researcher tested the moderating role of perceived organisational support in the relationship between extrinsic motivation (fringe benefits and remuneration) and employee engagement. The test was made possible through the use of SmartPLS. The predictor variable was extrinsic motivation with two aspects (fringe benefits and remuneration), the criterion variable was employee engagement and the moderator variable was perceived organisational support. Moderation effect one focused on the moderation effect of perceived organisational support in the relationship between fringe benefits and employee engagement. The moderation effect two focused on the moderation effect of perceived organisational support in the relationship between remuneration and employee engagement. The figure below presents the model.

Figure 2. Moderating role of perceived organisational support in the relationship between fringe benefits, remuneration and employee engagement



Source: Own Research

Table 1: Coefficients of moderating role of perceived organisational support in the relationship between fringe benefits, remuneration and employee engagement

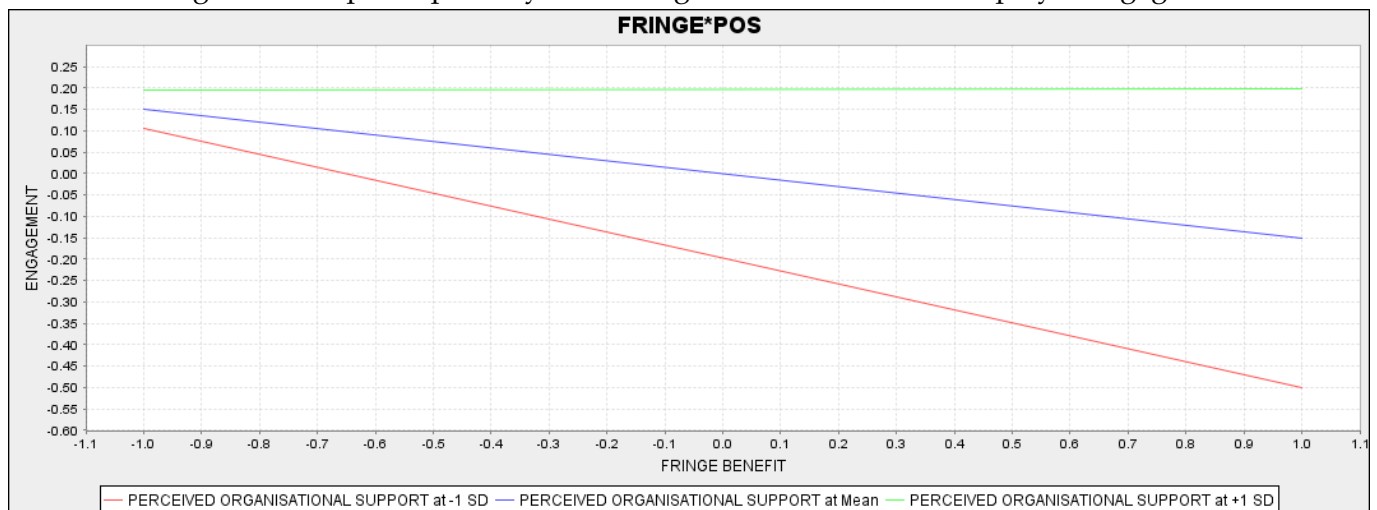
Hypotheses		B	T	LLCI	ULCI	Sig	Decision
H1	Fringe benefits → engagement	-0.151	2.754	-0.281	-0.072	0.006	Supported
H2	Remuneration → engagement	0.172	2.699	0.062	0.304	0.007	Supported
Moderating role of perceived organisational support							
H3	Fringe*POS → engagement	0.153	2.404	0.005	0.255	0.017	Supported
H4	REM*POS → engagement	0.078	1.443	-0.049	0.157	0.150	Not Supported
Rsquare = 0.151 Adjusted rsquare= 0.135							

Source: Own Research

From the results of the study, fringe benefits have a significant effect on employee engagement, $B = -0.151$, $t = 2.754$, Boot CI (-0.281, -0.072). Thus, a unit increase in fringe benefits results in a 0.151 decrease in employee engagement. Also, remuneration has a significant effect on job performance, $B = 0.172$, $t = 2.699$, Boot CI (0.062, 0.304). This means that a unit increase in remuneration results in a 0.172 increase in employee engagement.

The study further found that perceived organisational support moderated the relationship between fringe benefits and employee engagement $B = 0.153$, $t = 2.404$, Boot 95% CI (0.005, 0.255). This shows that the relationship between fringe benefits and employee engagement differ significantly based on organisational support. This is shown in the simple slope analysis presented in Figure 3. Higher organisational support (i.e., +1 standard deviation, green line) is associated with weak negative relationship between fringe benefits and employee engagement. Whiles lower organisational support (-1 standard deviation, red line) is associated with a stronger negative relationship between fringe benefits and employee engagement.

Figure 3. Simple slope analysis for fringe benefits, POS, and employee engagement



Source: Own Research

Furthermore, perceived organisational support did not moderate the relationship between remuneration and employee engagement, $B = 0.078$, $t = 1.443$, Boot 95% CI (-0.049, 0.157). This shows that the relationship between remuneration and employee engagement does not differ significantly based on organisational support.

6 THEORETICAL AND PRACTICAL IMPLICATIONS

The first objective examined the relationship between fringe benefits and employee engagement. Surprisingly, the study found that fringe benefits were negatively correlated with employee engagement, indicating that more extensive fringe benefits were associated with lower engagement. This finding challenges the notion that better fringe benefits automatically lead to higher engagement. However, it aligns with research by Kulikowski and Sedlak (2020), suggesting that fringe benefits can influence employee engagement. Additionally, the study emphasizes the importance of considering employee satisfaction as a foundational element in fostering engagement, as noted by Lestari, Haryono, and Kurnia (2020).

The second objective explored the impact of compensation (remuneration) on employee engagement. The study revealed a positive correlation, indicating that higher compensation was linked to better employee engagement. This finding is in line with prior research by Sohrab and Khurram (2011), Zulfqar et al. (2012), and Khalid, Rehman, and Ilyas (2014), all of which supported the strong relationship between compensation and employee engagement. It underscores the importance of fair and competitive compensation in promoting higher engagement among employees.

The third goal aimed to determine if perceived organizational support (POS) moderated the relationship between compensation and employee engagement. However, the study found that POS did not moderate this relationship, contradicting findings from previous studies (Dai & Qin, 2016; Guan et al., 2014; Krishnan & Mary, 2012; Kurtessis et al., 2017; Rhoades & Eisenberger, 2002). Typically, POS is seen as fulfilling socioemotional needs and reinforcing the belief that organizations reward engagement. This finding suggests a need for further exploration into the nuanced dynamics of POS in relation to compensation and engagement.

The fourth objective examined how perceived organizational support influenced the interaction between fringe benefits and employee engagement. The study found that perceived organizational support did moderate the relationship between fringe benefits and employee engagement, in line with previous research by Dai & Qin (2016), Bilgin & Demirer (2012), and Ahmed et al. (2015). These findings underscore the significance of factors like employee recognition, training, fair incentives, and favourable working conditions as elements of organizational support that impact employee engagement. Organizations should carefully consider their compensation strategies. The study underscores the importance of offering competitive and fair compensation packages to enhance employee engagement. Companies that wish to boost employee commitment and performance should evaluate and potentially adjust their compensation structures to align with employee expectations.

In terms of practical actions, the findings suggest that perceived organizational support plays a significant role in moderating the relationship between fringe benefits and employee engagement. Organizations should prioritize efforts to provide recognition, training, and favourable working conditions as part of their support systems. This can enhance employee engagement, especially when coupled with appropriate fringe benefits.

The study emphasizes the importance of employee satisfaction as a foundational element for engagement. Organizations should invest in strategies that ensure employees feel fairly compensated for their work. Understanding that engagement can be influenced by a sense of satisfaction with compensation and benefits is crucial for HR departments.

The research challenges the assumption that greater fringe benefits always lead to higher employee engagement. This challenges the conventional wisdom and prompts further investigation into the nuanced relationship between fringe benefits and engagement. The study highlights the complex interplay

of mediation and moderation effects in the context of compensation, fringe benefits, and perceived organizational support. It contributes to theoretical discussions on how these factors interact to influence employee engagement. The finding that perceived organizational support did not moderate the relationship between compensation and employee engagement challenges previous research and calls for a deeper understanding of the role of perceived organizational support in various organizational contexts. Theoretical implications extend to the practical application of organizational support. The study reinforces the idea that organizational support, including factors like recognition and working conditions, can have a significant impact on employee engagement and should be integrated into organizational strategies.

7 LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

One limitation of this study is its reliance on self-reported data. Employee engagement, compensation, and perceived organizational support were measured through surveys or self-assessments. This introduces the potential for response bias, where employees may provide answers, they believe are socially desirable rather than entirely accurate. Future research could benefit from using a combination of self-reporting and objective measures to mitigate this limitation.

To address the limitation mentioned above, future studies could incorporate more objective measures of employee engagement, compensation, and perceived organizational support. For instance, employee engagement could be assessed through performance metrics, project completion rates, or attendance records, in addition to self-report surveys. Objective data could provide a more comprehensive and accurate picture of the relationships between these variables and potentially strengthen the study's findings. Additionally, longitudinal research designs could track changes in these factors over time, offering insights into their dynamic nature and how they evolve within organizations.

An additional constraint of the study is its exclusive focus on a single company, thereby restricting the generalizability of the findings to the unique confines of that particular corporate culture. To address the limitation of the study's exclusive focus on a single company and the resulting restricted generalizability of findings to a specific corporate culture, future research could adopt a more diverse sampling approach. Incorporating a broader range of companies from various industries and organizational structures would provide a more comprehensive understanding of the phenomena under investigation.

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