

The Influence of Staff Welfare on Employee Performance at Public Service Commission in Kenya

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ABSTRACT---- *Employees represents the human capital factor in all organizations and embodies all human abilities regardless of the intrinsic or learnt qualities, whose worth could be improved by suitable development investments. Thus, organizations needs to provide more attractive compensation and qualitative packages to enhance the motivation of the people through incorporation of staff welfare practices. The objective of the study was to determine effect of staff conflict resolution on employee performance at Public Service Commission in Kenya. The specific objectives were to establish the influence of retirement benefits, allowances/benefits, compensation and medical insurance on organization performance the Public Service Commission in Kenya. This research adopted descriptive survey research design approach. The target population in this study comprised of human resource department, staff welfare/public relations, and general management in the Public Service Commission in Kenya. The study sample size of 141 respondents were selected. The study selected the respondents using stratified proportionate random sampling technique. Data was collected mainly by use of semi structured questionnaires. Correlation and regression analysis were used to achieve the study objectives. The study found that staff welfare was positively and significantly affected employee performance. Therefore an increase in these factors will result in increased accessibility to increased employee performance. The study concludes that staff welfare is essential in creating a sense of recognition and satisfaction among the employees which improves their productivity. It is therefore also concluded that unbiased and competitive employee welfare framework should be established to evade poor employee turnover. The study recommends the managers and human resource practitioners to highly prioritize staff welfare as a key strategic practice in the organizations. Therefore, Human Resource Management is recommended to be undertaken as a tool for ensuring staff welfare are well addressed. It will help them in understanding the issues that affect the employees and their productivity.*

Keywords--- Retirement benefits, Allowances, Compensation, Medical Insurance, Staff Performance, Public Service Commission in Kenya

1. INTRODUCTION

In today's competitive environment, attracting and retaining skilled personnel depends upon the competitive and compensation package the company offers. Everyday innovative, attractive compensation packages are luring the personnel (Theuri, 2017). Employees represents the human capital factor in all organizations and embodies all human abilities regardless of the intrinsic or learnt qualities, whose worth could be improved by suitable development investments (Bernardin, 2010). Thus, organization needs to provide more attractive compensation and qualitative packages to enhance the motivation of the people through incorporation of staff welfare practices.

According to Stone (2012), welfare services are a financial or other assistance offered to an employee or family by an organization. Employee welfare is a comprehensive term that included various services, benefits and facilities offered to them by employers. The welfare measure could either be in monetary or non-monetary. Some of the various welfare services included; allowances, housing, transport, medical insurance, pension schemes, family leave and canteens, sick days, child care programs, financial assistance, educational. Lack of effective reward systems for compensating the employees work efforts negatively lowers the level of employees work morale and these impacts negatively on organization productivity.

In practice, most developed economies such as USA, UK and Canada, over sixty-five percent of their public sector organizations have succeeded in developing and maintaining organizational performance through strategic application of various staff welfare practices (Cadalian, 2013). Similarly, in China Korea and Japan over fifty percent of their civil servant's exhibit HRM characteristics which greatly influences delivery of quality public services that impacts positively on countries economic development. While studies on HRM situations in developing economies are limited, efforts for generalization of empirical evidences from developed countries have been greatly cautioned (Collings, Demirbag, Mellahi, & Tatoglu, 2013).

In Kenya, the government efforts are aimed at improving the show and the public service sector's efficiency which was initiated through Public Sector Reforms in 2007. The economic review completed by the G.O.K (2012) ascertained the decreased contributions of the employment sector in Kenya to GDP growth besides creating wealth. Poor labour productivity is a main contributor to the drop in the economy growth and progress of the country. It can be noted that forced labour drops the productivity although the increased in levels of employment, as per the report by Omollo (2010). This raises concern as pertains to the low performance levels in the public employment sector.

2. RESEARCH PROBLEM

Human Resource Management is aimed at producing a higher productivity in organizations (Bernardin, 2010). It is a complete human resource plan that undertakes a critical part in ensuring that the organization succeeds in its planned targets and goals. Specifically, employee welfare practices set act to increase the productive nature of the organization while promoting the employees' conditions (Gemba, 2017). This is because the employees tend to be well motivated when they need and wants are well catered for which in turn boosts their productivity and high worker's efficiency in all sectors. While previous studies adduced evidence interested in the employment of staff welfare plans and their effect on performance, achieving optimal performance at public service remain a challenge. There is thus an urgent need to evaluate, review and redesign the human resource function so that there is clarity in its strategic intent and shaping in incorporating staff welfare measures which necessitated this study.

3. RESEARCH OBJECTIVES

The objective of the study was to determine effect of staff conflict resolution on employee performance at Public Service Commission in Kenya. The specific objectives were:

- i. To establish the influence of retirement benefits on organization performance in the Public Service Commission in Kenya.
- ii. To assess the influence of allowances/benefits on organization performance the Public Service Commission in Kenya.
- iii. To determine the influence of compensation on organization performance in the Public Service Commission in Kenya.
- iv. To evaluate the influence of medical insurance on organization performance the Public Service Commission in Kenya.

4. THEORETICAL FOUNDATION

4.1 Human Capital Theory

Human Capital Theory was first suggested by Becker, (1993) in explaining the utilization of human capital in economy progression. It is associated with procuring human resource in various organizations and the maximal productivity achievement. The recognition of the vital role played by the human capital in organizations has resulted in more firms investing heavily in this resource. The theory holds that the current challenges brought about by globalization and advancements in technology may be countered by the use of appropriate human capital in the organizations. As such, the employees must not only be competent enough but also have the right mindset to perform their delegated duties (Hunjra, 2010).

The theory's importance is that it enhances the importance of staff welfare practices to ensure efficient HRM practices. In this regard, improved performance as well as service delivery in the public sector will be achieved by having the appropriate staff welfare practices. The theory sensitizes that the management in the organizations to highly prioritize welfare of the employees which will translate to improved performance. Hence proper staff welfare is paramount in attainment of optimum performance in the Public Service Commission in Nairobi.

4.2 Functional Theory of Labour Welfare

The Functional Theory of Labor Welfare was proposed as way of understanding how efficiency and productivity of labour may be enhanced by Manju, Mishra, (2007). The theory holds that preserving, securing and development of labour

productivity can be attained through welfare jobs. As such, increased output will be obtained from the employees if their immediate family members are well catered for. This gives the employees a peace of mind for them to fully concentrate on the tasks that have been delegated to them without any disturbances.

The theory is important as it assists in understanding the characteristics of the contemporary support for labour as reflected as forced labour. Its proposition is that employee welfare is directly proportional to the employee performance. It works well if they have same objective of better welfare both employer and employees. The theory is accepted when any labour force since welfare services move perform. The study therefore seeks to evaluate the influence of employee good on employees' agreement in public sector in return performance achievement.

5. EMPIRICAL LITERATURE

Aldaibat, and Irtaimeh, (2012) evaluated the correlation on the beliefs of senior employees concerning training benefits and the staffs' organizational commitment as assessed by 3-component model of organizational commitment. They affirm that training benefits that encompass both personal benefit and career benefit correlate significantly to organizational commitment components of, affective, instrumental and normative. In respect to this it was established that involvement in training assist employees interact, improve their productivity, personal growth as well as develop career wise, opening new opportunities of following new careers.

Agus (2005) viewed that HR policies, leadership commitment, training and development and other aspects of talent are critical issues, which are important aspects to provide employees with the necessary knowledge and skills to enable them to cope with problem solving. However, training focused on broadening employees' knowledge and skills can represent opportunities for individual growth and development and result in advantageous outcomes such as more proficient team-related skills and increased workforce flexibility.

According to Ngeno (2014), upgrading employees' skills and knowledge, puts them in a better position to produce high-quality products and services in the most costeffective way, they adapted to change and it increased their contribution to their work through product or process innovation. Employees were prepared for increased responsibilities, saw value in strategic training as it helped them progress in their careers and enhanced their capacity for continuous improvement.

According to Okumbe (2010), an organization that was genuinely interested in the welfare of its workers was concerned about creating a positive work environment where individuals recognised that they were valued, it then boosted their performance. Medical insurance coverage was one of the welfare services that enhanced employee performance. Due to the high cost of hospitalization, surgical and maternity care, it had become necessary that employees be cushioned against these costs putting in place Medical insurance. Employees with medical insurance were more likely to be satisfied with their work and with the employer which then eventually translates into effective performance.

Mitchell (2011) did a study on medical services and found that reduction in absenteeism is highly related to good health. Mitchell's study revealed that due to the high cost of hospitalization, surgical and maternity care, it has been found necessary that employees are cushioned against these costs by putting in place a Medical Insurance plan. This is an important benefit that helps greatly to retain employees in an organization. Medical Cover includes general medical care, optical care, drug abuse, alcoholism and mental illness. Employers who provide health insurance is valuable for a number of reasons. Thus, employees with medical insurance are more likely to be satisfied their place of work.

6. CONCEPTUAL FRAMEWORK

The study independent variable was staff welfare measures namely Retirement benefits, Allowances/benefits, Compensation and Medical insurance while the dependent variable was employee performance. The conceptual framework is presented in Figure 1.

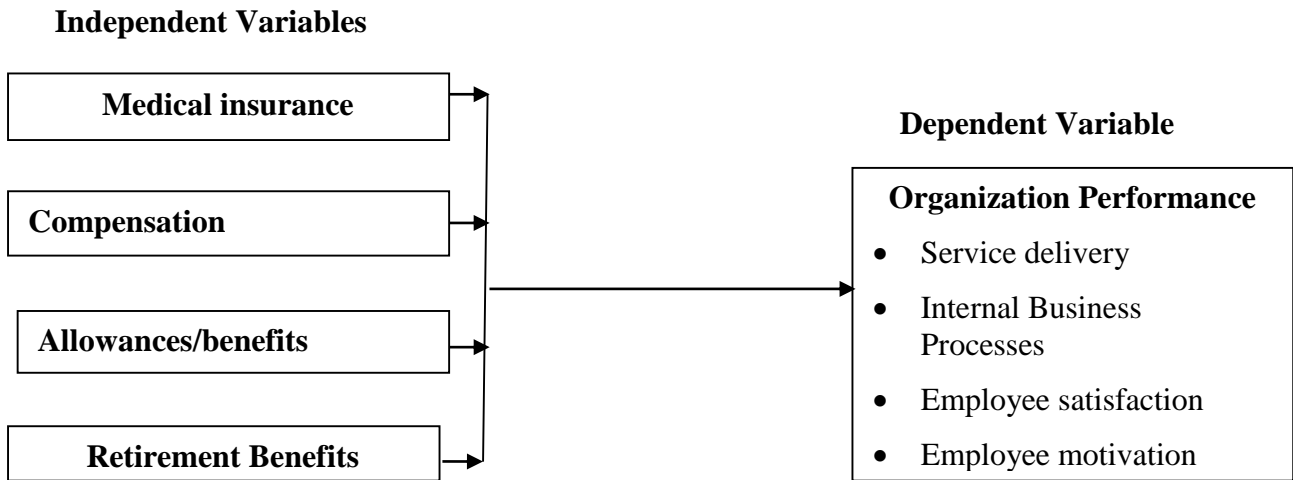


Figure 1: Conceptual Framework

7. RESEARCH METHODOLOGY

The research adopted descriptive survey research design. The target population comprised of the managers from human resource department, staff welfare/public relations, and general management in the Public Service Commission in Kenya. The study sampled a size of 141 respondents. The study selected the respondents using stratified proportionate random sampling technique. Data collected was collected by use of semi structured questionnaires. Initial descriptive analysis was performed using SPSS. Regression analysis was used to test the study objectives.

8. RESEARCH FINDINGS

		Employee Performance	Compensation	Allowances/benefits	Medical insurance	Retirement benefits
Compensation	Pearson Correlation	.256**	1			
	Sig. (2-tailed)	0.003				
	N	134	134			
Allowances/benefits	Pearson Correlation	.176*	.227**	1		
	Sig. (2-tailed)	0.042	0.008			
	N	134	134	134		
Medical insurance	Pearson Correlation	.276**	.486**	.248**	1	.340**
	Sig. (2-tailed)	0.001	0	0.004		0.000
	N	134	134	134	134	134
Retirement benefits	Pearson Correlation	0.116	.261**	0.035	.340**	1
	Sig. (2-tailed)	0.182	0.002	0.688	0.000	
	N	134	134	134	134	134

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

8.1 Correlation Analysis

Pearson's coefficient of correlation was used in determining the relationship between the study variables. Table 1 gives the relationship between different sets of variables that was obtained.

Table 1 Correlation Analysis

The correlation results indicate that compensation had a Pearson correlation of 0.256 and a p-value of 0.003, Allowances/benefits had Pearson correlation of 0.176 and a p-value of 0.042, medical insurance had Pearson correlation of 0.276 and a p-value of 0.001 while retirement benefits had Pearson correlation of 0.116 and a p-value of 0.182. The positive coefficient indicates a positive correlation between Retirement benefits, Allowances/benefits, Compensation, Medical insurance and employee performance. Therefore an increase in these factors will result in increased accessibility to increased employee performance. The p-value further indicated that all the variables except Retirement benefits had significant relationships at 95% confidence level ($p < 0.05$). Therefore, these factors of staff welfare significantly influenced employee performance at Public Service Commission in Kenya.

8.2 Regression Analysis

Regression analysis was used to evaluate the contribution of each independent variable in explaining the dependent variable. The model summary findings are presented in Table 2.

Table 2 Regression Analysis

Model Summary						
R	R Square	Adjusted R Square	Std. Error of the Estimate			
.323a	0.105	0.077	1.01983			
ANOVA(b)						
	Sum of Squares	Df	Mean Square	F	Sig.	
Regression	15.679	4	3.92	3.769	.006a	
Residual	134.166	129	1.04			
Total	149.845	133				
Coefficients(a)						
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	t	Sig.	
(Constant)	2.049	0.387		5.298	0.000	
Compensation	0.107	0.072	0.144	1.485	0.14	
Allowances/benefits	0.097	0.085	0.099	1.143	0.255	
Medical insurance	0.136	0.078	0.176	1.761	0.081	
Retirement benefits	0.012	0.069	0.015	0.167	0.868	

a. Predictors: (Constant), Retirement benefits, Allowances/benefits, Compensation, Medical insurance

b. Dependent Variable: Employee Performance

The regression results indicate that staff welfare has a significant positive influence on employee performance ($R=0.323$, $R^2= 0.105$, $p < 0.077$). This meant staff welfare improves employee performance. The positive influence is brought about by the employee's concerns being addressed hence they are feel valued and appreciated. Kimuyu (2012) also did research on the role of HRM practices in organizational commitment in manufacturing companies in Kenya. They found that the use and effective of HRM practices in the public sector in Kenya improves service delivery. This relates to Bowen (2010) did a study that found one of the major objectives of initiating staff welfare programs in organizations to be to improve the living standards of employees.

9. CONCLUSION

The objective of the study was to determine effect of staff conflict resolution on employee performance at Public Service Commission in Kenya. The specific objectives were to establish the influence of retirement benefits, allowances/benefits, compensation and medical insurance on organization performance the Public Service Commission in Kenya.

The study concludes that staff welfare is essential in creating a sense of recognition and satisfaction among the employees which improves their productivity. It is therefore concluded that unbiased and competitive employee welfare framework should be established to evade poor employee turnover as supported by Collings et al. (2013). This is essential in ensuring that all the employees grievances and demands are well catered for.

10. RECOMMENDATIONS

The study findings and reviewed literature established that Staff Welfare has a positive and significant influence on the performance at Public Service Commission. The study recommends the managers and human resource practitioners to highly prioritize staff welfare as a key strategic practice in the organizations. Therefore, Human Resource Management is recommended to be undertaken as a tool for ensuring staff welfare are well addressed. It will help them in understanding the issues that affect the employees and their productivity. It is therefore crucial for organizations to adopt Human Resource Management practices that boost the operations. This is by ensuring that all human resource personnel and administrative managers at the organizations are trained on Human Resource Management skills whereas the HR department plays a strategic role as in training and implementing diversity policies and practices.

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