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EMPLOYEE WELFARE AND EMPLOYEE PERFORMANCE IN TEA INDUSTRY IN KENYA, A CASE OF JAMES FINLAY KENYA LIMITED

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ABSTRACT

Due to pressure from global market competition, high internal standards, the human resource has been straining to meet these demands. The study specifically sought to investigate the relationship between welfare policies and performance of employees in James Finlay Kenya. The study was anchored on two-factor theory. The research adopted descriptive research design. The study findings showed that a unit rise in welfare policies results in a rise of employee performance by 0.498 units. Findings on welfare policies showed that James Finlay did not have clear policies in place for promoting employees. Trainings and mentorship programs rendered employees to be efficient in discharging their roles. The study therefore concluded that employee welfare plays critical role in employee performance in tea industry in Kenya.

Key Words: Employees Welfare, Employee Trainings, Mentorship

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INTRODUCTION

Employee performance plays an imperative role in the organizational development. Due to stakeholders' pressure, most managers have responsibility to produce results and this has made them look for solution in the human resource practices. It is measured using both non-financial and financial indicators that are linked to organization performance directly, (Anitha, 2015). High employees' performance translates to increase in overall productivity. Employee retention is one of the elements to consider in attaining high performances of employees. Some of employee performance indicators include job satisfaction, quality of service delivery, quantity of service delivery and efficiency, (Torlak and Kuzey, 2019).

Welfare policies developed as part of labor relation practices; poor welfare policies lead to low retention of employees. However, well-structured welfare policies will enhance the performance of an organization through creating a closer circle of solving both social and economic employee problems among other factors. Welfare policies entail promotion policies, credit facility policies and salary increment policies. The research hypothesis; that a good welfare policy increases employee performance.

Employee development is a management concept, which assists in developing knowledge, skills, and competences and creates satisfaction within the working environment. Employee development includes training, mentoring and career development to increase productivity and create self-value of individual employees. Technology has replaced human resources in majority of manufacturing industry. Introduction of new technology has then affected the employee retention and with increased level of innovation, the employee performance has gone low. The introduction of new tea plucking machine among other technological factors has required employees to acquire new expertise, training and skills.

Performance of employee provides a standard of measuring the ability of an employee behavior as used in performance criteria, (Badrianto and Ekhsan, 2020). Employees normally rated with quantity, quality or even efficiency of doing work against some certain set standards. Performance of employees may be achieved through use of appraisal systems that include the use of performance review, 360-degree feedback, and graphic rating scale and balance score cards, (Saffar and Obeidat, 2020).

The technique used in measuring performance is important when assessing retention of workers in the organization. If an organization wants to be competitive in the market and ensure that the organization improve in production, employees should depict a sense of commitment to the standards of performance, (Saffar and Obeidat, 2020). Hence the employee performance in the current study using quantity of production, job satisfaction, efficiency in service and quality of service as indicators in measuring performance of the employee. The indicators were then measured against the reward system, welfare and policies, organization culture and technology respectively.

Employee retention examines the number of employees who serve or work in the organization and are encouraged to remain working over a longer duration, (Yao, Qiu and Wei, 2019). Organizations are increasingly looking for the best employees and ensure that they are retained within the firm; an employee who is effective ought to be retained to reduce turnover of employee, increase loyalty and commitment of employee. Employee retention has significantly affected the organization competitiveness and performance, (Noe and Kodwani, 2018).

Welfare policies are developed as part of labor relation practices; poor welfare policies lead to low retention of employees. However, well-structured welfare policies will enhance the performance of an organization through creating a closer circle of solving both social and economic employee problems among other factors. Welfare policies entail promotion policies, credit facility policies and salary increment policies. The research hypothesis;

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that a good welfare policy increases employee performance, (Wilke et al. 2018).

Specific Objectives

The study was guided by the following specific objective;

- To examine the relationship between welfare policies and employee performance in James Finlay Limited, Kenya.

LITERATURE REVIEW

Two-Factor Theory

The theory was first advanced by Frederick Herzberg in 1964 who was a psychologist and at times referred to as Herzberg's motivation and hygiene theory. The two-factor theory explains that in place of work there are two factors that affect an employee performance; first there are those which are job satisfiers and those which are job dis satisfiers often referred to by Herzberg as motivation and hygiene factors and are independent to one another, (Herzberg,1984).

This theory is concern with rewards and welfare of the employee. Since the two factor are divided in to motivators which entails work challenges, involvement in decision making, responsibilities, recognition for one's achievement and sense of belong to the organization. This gives positive satisfaction that comes from the intrinsic and personal growth, (Hackman and Oldham, 1976).

Hackman and Oldham, (1976) argued that the other factor was Hygiene factors that include vacations, paid insurance, good pay, work conditions, fringe benefits, salaries, job security and status which are associated with the welfare as well as reward of the employee. According to Herzberg (1968), this factor were know reffered to Hygiene based in the sense that they were maintenance factors or extrensic to the work itselt. This included the organization polies and welfare as well as reward interms of salary ot wages. This is implies that without this factors employee would not be able to work.

Hence hygiene factors are the major cause of dissatisfaction, (Herzberg, 1968). But eliminating hygiene factors means removing disatisfaction within the organization which is half of the two factor theory this can be done by increasing salaries, ensuring proper working condition, job security and positive work culture. There is a need to also increase motivation factors for better performance. Herzberg argued that an idea situation is where there is high hygiene and high motivation which will enable high motivatin and few complaints. It implied that hygiene factors leads affect satisfaction hence low complains while motivation factors affect motivation.

Welfare Policies and Employee Performance

Kamkari, Ghafourian, and Hossein (2015) did a research which sought to assess the association amid welfare service and performance of staff in the office of Inspector General in Kenya. The research used survey of 300 people where 169 were choosen as sample. From statistical analysis there was significant influence of welfare policies implementation as well as communication on the performance of the employee.

Musyoka (2015) studied the impact of welfare programs for staff on satisfaction of employees in banking sector in Kenya. The research has a target population of 957 members of staff in management at the top middle and low level management ranks. It established that there exist a positive and significant effect of worker's compensation and employee satisfaction. It was concluded that employee welfare is significant in employee satisfaction which is essential in employee performance.

Manandhar, (2015) investigated on welfare facilities on the employee performance. This study was done in NGOs within Nairobi. The study used primary data to evaluate impact of the welfare facility where interview guide were utilized during collection of data. The study found that political interference, unfamiliarity with organization strategic approaches, ineffective communication, poor networking with NGOs, inefficiency in government, lack of funds and disparity in remuneration among NGOs were challenges that rocked the Kenya Red Cross Society welfare. Hence this challenges has affected to some extend the performance of the organization.

Welfare Policies
- Promotion policy
- Credit facility
- Salary increment policy policy

Employee Performance
- Quantity of tea yield
- Efficiency at work
- Quality of tea produced.
- Reduction of wastages and reworks

Independent Variable **Dependent Variable**

Figure 1: Conceptual Framework

METHODOLOGY

Research design as argued by McKenney and Reeves (2018) refers to the overall approach that guides the type of data to be collected and explains procedures that was applied and at the same time dictating how data was logically collected, analyzed and presented.

This study adopted descriptive research design. This research design was considered applicable for this current proposed research attempting to develop the impact of employee retention strategies and performance employee in tea industry in Kenya. The research utilized primary data. For the purpose of this research, structured questionnaires were applied.

A pilot study was done to ensure that questionnaire was developed to capture all the items and be effective in collecting data. The study used Statistical Package for Social Sciences Version 22 for data analysis.

RESULTS AND DISCUSSION

Reliability Analysis

The study was piloted to ascertain the reliability of research instrument employed. The pilot study used 12 respondents and all the nine respondents, received, filled and returned the questionnaire. Reliability analysis was therefore carried out making use of Cronbach's Alpha which is applied to assess internal uniformity by verification of specific items in the questionnaire. According to Orodho (1997), a coefficient of 0.70 and above is acceptable as appropriate for any social science study below this is low. The computed cronbach's alpha was 0.733 which was deemed reliable.

Welfare Policies

This study's objective was to establish the effect of welfare policies on employee performance in James Finlay Kenya Limited. The respondents were therefore required to respond to statement relating to welfare policies in Likert scale according to the level they agreed.

Table 1: welfare policies on employee performance

Statement	Mean	S.D
Organization has promotion policies that enables employee retention hence reducing cost	3.6952	.9521
The organization has enhanced salary increment policies that have ensured high job retention	2.0178	.3657
Employees benefit from credit facilities policies that have enhanced high performance of employees	1.7854	.4521
Promotion, salary increment and credit facility policies has encouraged retentions of employees.	3.6501	.6273

Source; Research data (2021)

The questionnaire sought to inquire whether welfare policies affect employee performance at James Finlay Kenya Limited. The first questionnaire posted to inquire whether organization had promotion policies that enabled employee retention hence reducing cost. Majority of the respondents moderately agreed with the statement and the level of variation in agreed was moderate. Additionally, the questionnaire inquired whether James Finlay Kenya Limited had policies in place that enabled the employee earn better in future, the study findings showed that there was low level of agreement, a mean of 2.0178, the level of variation was low, standard deviation of 0.3657. The respondents disagreed that they benefited from credit facility that the organization offered to them, mean of 1.7854 with low level of variation, as depicted by the low figure of standard deviation of 0.4521. The questionnaire further inquired whether the promotion, salary increment and credit facility policies had encouraged retentions of employees. Majority of the respondents disagreed with the statement as shown by the computed mean of 3.6501 with stability in the level of variation as shown by standard deviation of 0.6273. Kamkari, Ghafourian, and Hossein (2015) which claimed that welfare policies have a direct impact on employee performance.

Inferential Statistics

The study further did inferential statistics beside the descriptive statistics so far computed and presented. Descriptive and inferential statistics complements each other while attempting to understand a given phenomenon, (Babbie, 1990). Inferential statistical tools ranging from correlation coefficient, analysis of variance and regression analysis were computed in order to test relationship between independent variables and the dependent variable.

Correlation Analysis

Correlation analysis between the variables of the study was presented in this section to assess the non-causal relationship between the variables. The study computed Pearson's correlation coefficient between pairs of variables.

Table 1: Correlation

	Performance
Welfare policies	.733

Source; Research data (2021)

Employee welfare policies was positively correlated to employee performance

Regression Model

The study has employed regression model to establish if independent variables have a significant effect on the employee performance at James Finlay Kenya Limited. The model was employed at 95% confidence interval hence significance was determined at ($p<0.05$) threshold.

Table 2: Model Summary

	R	R Square	Adjusted R Square	td. Error of the Estimate
	.610[a]	.365	.612	1.57672

a. Predictor (Constant), welfare policies

From the study findings, it can be observed that welfare policies determined 36.5% of the variation in the level of employee performance in James Finlay Kenya Limited. The remaining 63.5% of the variation in employee performance is attributed to other variables not investigated in this study. Therefore further studies in the future should be conducted to establish other factors which explain the remaining 63.5%.

Table 3: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-.131	.759		.173	.063
Welfare policies	.498	.169	.328	2.952	.004

Dependent Variable: Employee Performance

Regression equation becomes;

$Y= -0.131 + 0.498X_2$

From the computed regression coefficients, it was established that whenever the independent variables investigated for the purpose of this study i.e welfare policies is assumed to be constant at zero, employee performance at James Finlay Kenya Limited was -0.131. A unit rise in welfare policies results in a rise of employee performance by 0.498 units with a P-value of 0.004 which was less than the alpha value of 0.05 implying that the effect of welfare policies was significant.

CONCLUSIONS

Majority of the respondents moderately agreed with the statement and the level of variation agreed was moderate. Additionally, the questionnaire inquired whether James Finlay Kenya Limited had policies in place that enables the employee earn better in future, the study findings showed that there was low level of agreement. The respondents disagreed that they benefited from credit facility that the organization offerred to them. The questionnaire further inquired whether the promotion, salary increment and credit facility policies encouraged retentions of employees. Majority of the respondents disagreed with the statement. A unit rise in welfare policies results in a rise of employee performance by 0.498 units with a P-value of 0.004 which was less than the alpha value of 0.05 implying that the effect of welfare policies was significant.

From the study findings it was concluded that James Finlay Kenya Limited had been rewarding its employees sufficiently and that had assisted employees to meet the expectation. It was further discovered that, reward played a critical role in determining the level of employee performance. Also from the study findings, there was great role that is post the employee work environment that should be undermined if the organization wants to ensure that employee performance is improved. Findings on welfare policies showed that James Finlay did not have clear policies in place for promoting employees.

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