



EMPLOYEE WELFARE PROGRAMMES AND PERFORMANCE OF DEPOSIT-TAKING SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN EMBU COUNTY, KENYA

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Accepted: October 19, 2024

DOI: <http://dx.doi.org/10.61426/sjbcm.v11i4.3134>

ABSTRACT

The purpose of this study was to find out the effects of employee welfare programmes on performance of deposit taking savings and credit cooperative societies in Embu County, Kenya. The specific objectives was to evaluate the effect of social security schemes, medical benefits, employee allowances and employee leave on performance of deposit taking Savings and Credit Cooperative Societies in Embu County, Kenya. The study was supported by the following theories, theory of labour, welfare equity theory, expectancy theory and work engagement theory. The research design adopted by the study was descriptive research design, the population was drawn from the deposit taking cooperative societies in Embu County. This study used quantitative and qualitative data. To analyse qualitative and quantitative data, descriptive and inferential statistics was used. The Statistical Package for Social Sciences was used to code and analyze the data. Tables, diagrams, charts and numerical values were further used to display the outcomes. The qualitative data provided in open-ended questions was analyzed using content analysis. The study found that social security schemes, medical benefits, employee allowances and employee leave had a positive significant effect on performance of deposit taking SACCOs in Embu County, Kenya. The study concludes that social security schemes helps maintain stable labour relations and a productive workforce. Employee health benefits help attract and retain employees, increase focus and productivity and protect the most valuable and talented employees. Scheduled work breaks provide employees the opportunity to renew their mental and physical state. The study recommends that the SACCOs should lower thresholds regarding working hours or earnings. The organization should set health-specific objectives that will help in reaching it business goals. The organization should identify the organization's benefits objectives and budget. The management should set an example and unplug themselves to show employees that everyone needs a break.

Key Words: Social Security, Medical Benefits, Employee Allowances, Employee Leave, Performance

CITATION: Wanja, W., & Kiiru, D. (2024). Employee welfare programmes and performance of deposit taking Savings and Credit Cooperative Societies in Embu County, Kenya. *The Strategic Journal of Business & Change Management*, 11 (4), 990 – 1006. <http://dx.doi.org/10.61426/sjbcm.v11i4.3134>

INTRODUCTION

Performance and increased productivity for organizations are the main goal and dreams of most managers. Employees play a pivotal role by expending their efforts towards the achievement of organizational goals this depended upon how they are taken care of and treated by the management of the organization (Bernardin, 2010). According to Waititu, Kihara, & Senaji, (2017)., firms need highly performing workers to be able to meet their objectives while at the same time striving to attain competitive advantage.

According to Al-dalahmeh, Khalaf & Obeidat, (2018), the Performance of a firm determines the succeeding output of the activities carried out by employees based on their ability and services. The performance of employees is the total result of the efforts and abilities of all the workers contributed in managerial productivity. Effective firm performance shows the efforts towards goal accomplishment while requiring more efforts in terms of better workers performance.

Friedlander (2016) contend that employee welfare is a very wide area of interest. In the finest surroundings employers will address employee welfare in the workplace itself and also consider employee welfare in terms of the pressures they will experience outside the workplace. An employer who is genuinely interested in the welfare of employees and their productivity should also be concerned about creating a positive work environment where individuals feel they are valued. The key thing here is providing a workplace free of bullying, harassment and discrimination. Most employees will look at; Clear policies and procedures relating to bullying, harassment and discrimination, A commitment to Equal Opportunity regardless of gender, race, marital status, pregnancy, sexuality, disability or age, Grievance procedures that are clear and actively implemented and on-going training and development opportunities.

According to Randeree and Al Youha, (2019), the prospective success of any firm is dependent upon

its performance, which entails the ability to efficiently and effectively implement strategies that are connected to achievement of institutional objectives. Organizational performance can be defined as the actual output as measured against the equivalent intended outputs (Tomal & Jones, 2015). Performance can also be viewed as the degree to which a firm, as a social system endowed with a bundle of tangible resources, intangible resources and capabilities, is cable to achieving both the short term and long-term objectives. Javier (2012) argues that organization performance is more or less equivalent to economy, efficiency and effectiveness of execution of intended social activities.

The Measurement of organizational performance has mostly been associated more or less to financial measures in the form of revenue, profit, return on assets, net operating income, return on sales, return on equity and other revenue and profit related indicators (Novak, 2017). However, some scholars have lobbied for integration of non-financial measures as an indicator to evaluate firm performance (Norton & Kaplan, 2003). Towards this end, the balanced scorecard model was perceived to moderate the weaknesses of over-reliance on financial measurement and indication of firm performance by embracing drivers of future performance (Niven, 2012). The inability of financial measures often referred to as lag indicators to predict future performance of an enterprise predicate the use of lead or non- financial indicators considered as performance drivers that have predictive power.

The Savings and Credit Co-Operative Societies (SACCO) sector in Kenya is largely recognized as one of the best in the world (Gamba & Komo, 2014). The SACCO Sub Sector accounts for 45 percent of Kenya's GDP, according to the World Council of Credit Unions. The subsector was rated the quickest expanding in the world by the World Council of Credit Unions (WOCCU) in July 2013. The International Cooperative Alliance has Kenya's SACCO subsector ranked first in Africa and seventh

globally. Over 500,000 individuals have direct employment prospects in the sub-sector, with another 2 million people having indirect employment options (Bwana & Mwakujonga, 2013). The subsector has been growing at a rate of 30% per year on average, according to the SACCO Society Regulatory Authority (SASRA). The study's main focus is on deposit-taking SACCOs, which account for 78 percent of the Sacco sub-total sector's assets and deposits. The DTS also has 82 percent of the overall membership in the SACCO business (SASRA, 2019).

Statement of the Problem

DT-SACCOs have continued to register impressive growth however there is concern of the ever-growing amounts of non-remitted deductions which some employers continue to owe to DT-SACCOs. The total amount of non-remitted funds as at September, 2020 stood at a staggering Kshs 5.04 Billion compared to Kshs 3.87 Billion as at September 2019. To worsen the scenario, the highest proportion of the non-remitted funds owed to the DT-SACCOs amounting to Kshs 4.31 Billion related to repayment of loans (SASRA report, 2020).

Further according to Njoka (2021), SACCOs in Kenya have potential to grow faster but are bedevilled by challenges such as strong competition from commercial banks, insufficient capital base, slow adoption of information technology, poor loan pricing strategies and weak governance. In sub-Saharan Africa SACCOs have a potential of achieving a 31% growth rate per annum. In Ethiopia for example SACCOs have registered growth in terms of membership and capital and have growth rate of 28% per year. Despite the high potential for growth, SACCOs operating in Kenya have only registered a growth rate of 20% per year. This brings about questions on which human resource strategies SACCOs are adopting to survive the stiff competition and attain at least 31% of the projected growth rate per year.

A survey of empirical studies on welfare programs indicates contextual, conceptual, and

methodological gaps that should be addressed in order to provide more meaningful evidence and advance scientific knowledge. It is also imperative for local research that focuses on the SACCOs, which has been overlooked in most past studies. Methodological gaps can be addressed by incorporating additional objective a criterion, which had been overlooked in earlier studies. This study therefore looked at the influence of welfare programs on the performance of deposit taking savings and credit cooperative societies in Embu county Kenya, to help bridge the gaps identified.

Objectives of the Study

The general objective of the study was to find out the effects of employee welfare programmes on performance of deposit taking SACCOs in Embu County, Kenya. The study's specific objectives were:

- To evaluate the effect of social security schemes on performance of deposit taking SACCOs in Embu County, Kenya
- To determine the effect of on performance of deposit taking SACCOs in Embu County, Kenya
- To assess the effect of on performance of deposit taking SACCOs in Embu County, Kenya
- To find out the effects of employee leave on performance of deposit taking SACCOs in Embu County, Kenya

LITERATURE REVIEW

Theory of Labor Welfare

The theory of labor welfare was postulated by Aminul (2011). It is also known as the efficiency theory. The theory argues that a fully mentally and physically satisfied employee is the most efficient. Employee welfare programmes can be used to keep employees in a firm content so they may work effectively. In the theory, welfare work is used to secure, preserve and develop efficiency and productivity. This theory suggests that welfare work can be used to secure, maintain, and build efficiency and productivity (Manju & Mishra, 2007). The theory states that if an employer takes good

care of his workforce, they will be more efficient by improving production. That program for housing, education, training, provision of balanced diet and family planning measures are essential for labour welfare as they increase the efficiency of workers in underdeveloped countries.

Equity Theory

This theory was first developed in 1963 by Stacy Adams. Equity theory explains relational satisfaction regarding perceptions of fair/unfair distributions of resources within interpersonal relationships. This can be related to the fulfilment of employees in terms of equity or fairness of the performance appraisal in the firm. Adams (1965) asserted that employees seek to maintain equity between the inputs they bring to a job and the outcomes they receive from it against the perceived inputs and outcomes. Griffin & Moorhead (2012) also state that employees seek to be fairly treated. Employee perception of fairness and equity is based on comparing themselves (Griffin & Moorhead, 2012).

In addition, employees compare the remuneration and rewards they receive with those offered in other institutions. Based on the results from comparisons, employees can either be motivated or de-motivated when performing tasks (Pride et al., 2012; Griffin & Moorhead, 2012). This can be attributed to the fact that employees will compare their input and their compensation. Further, Dubrin (2008) states that employees will put in the most significant effort in their tasks if they expect the effort to lead to performance, which will lead to a reward. These employees are motivated by what they expect will be the positive consequences of their actions.

Expectancy Theory

Vroom developed the theory in 1964. Armstrong (2006) argues that expectancy was initially contained in the valence-instrumentality-expectancy theory by Victor Vroom in 1964. According to Armstrong (2006), valence stands for value instrumentality, believing that it will lead to

another if we do one thing. Expectancy is the belief that action or effort will lead to an outcome.

The theory holds that individuals choose between alternatives that involve uncertain outcomes. The individual's behaviour is affected by preferences amongst other outcomes and by the degree to which the individual believes the results to be possible. Armstrong (2006) defines expectancy as a monitory belief concerning the likelihood that a specific outcome will follow a particular act. According to Armstrong (2006), expectancies may be described in terms of their strength. Maximum strength is indicated by subjective certainty that the outcome will follow the action. In contrast, minimal power is characterised by subjective confidence that the work will not follow the act.

Work Engagement Theory

Kahn's (1990) work engagement theory proposes that a person's level of cognitive, emotional, and physical self-investment in their role can increase their performance to the extent that they show self-preference in professional tasks, thereby forging personal connections to their work. The authors of this study suggest that the three types of engagement—cognitive, emotional, and physical—are consistent with Work Engagement Theory (WET). A person may or may not also use emotional or physical resources in their work (for instance, should be excited about their employment) in order to boost cognitive performance (for instance, should work hard).

The employee engagement model is a strategy for empowering employees, supporting their in-house competencies, and making them feel appreciated at work. It is the cornerstone of business culture. It requires putting policies into action as well as displaying appropriate managerial and senior leadership behaviors. As a result, policies range from basic welfare to career opportunities, all with the purpose of improving an employee's quality of life at work. Employee engagement models define the methodology required to maximize employee experience, ensure job happiness, and foster a

vibrant workplace culture (Clake & Winkler, 2014).

Empirical Review

Social Security Schemes and Organizational Performance

According to Jaekwon Ko (2013), organizations provide traditional benefits such as retirement benefits in order to improve the attitude of employees. These benefits include pension schemes, security plans and severance pay which are aimed at giving employees financial security to employees after they exit workforce. A study conducted by Bernardin (2010) Chinese companies' emphasis on social security which is aimed at achieving sustainable development. Descriptive study design was used in the and it concluded that the implementation of labor friendly policies help companies perform better than similar firms in term of both operating result and returns on long run stock market

A study by Zirra (2019) on benefits' influence on employee performance at the NASCO group, Jos plateau state, using stratified sampling on 189 employees concluded that retirement benefits significantly influence employee productivity. Pensions highly determine the behavior of workers and encourage retention of young employees in the organization and the older worker are encouraged to retire timely since their financial security is guaranteed. The study recommended that the management to review the current retirement package since this will enable the organization attract and retain competent employees. The study however failed to explore how these benefits impact the performance of public service. This is the gap the current study seeks to answer.

Medical Benefits and Organizational 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.

Kuria (2015) carried out a study on the effect of employee medical benefits on job satisfaction of employees within the flower industry in Kenya. He pointed out that employee welfare programs rested mainly on the abstract ground of social responsibility on organizations for employees that worked for them. The study established that the welfare services like insurance, maternity leave, and leave allowance provided by the flower industry had a positive effect on employee performance. Hence organizations need highly performing employees for them to realise their goals in the delivery of services and it increased their competitive advantage.

Employee Allowances and Organization Performance

According to Mensah (2019) employee allowances includes allowances related to employee housing, travelling and any other provided by the employer at regular intervals. The allowances are provided as a strategy to maintain and retain employee competencies and talents within the organization. Special allowances such as meal allowances, overtime allowances, daily sustenance allowances and mobile subscriptions are related to employee productivity (Gelard, 2016).

Adewale (2014) in a study conducted in Nigeria concluded that vehicle loans, meal and house allowances significantly influenced employee satisfaction and the employee retention rate. The findings indicated that employee allowances are practical since they are less costly to the organization compared with unrest and diminishing productivity. Organizations offer housing or house allowance to enable employees' access decent

housing while executing their official duties. Travel allowances and other extrinsic awards given to employees in form of allowances are essential components in enhancing employee satisfaction and productivity.

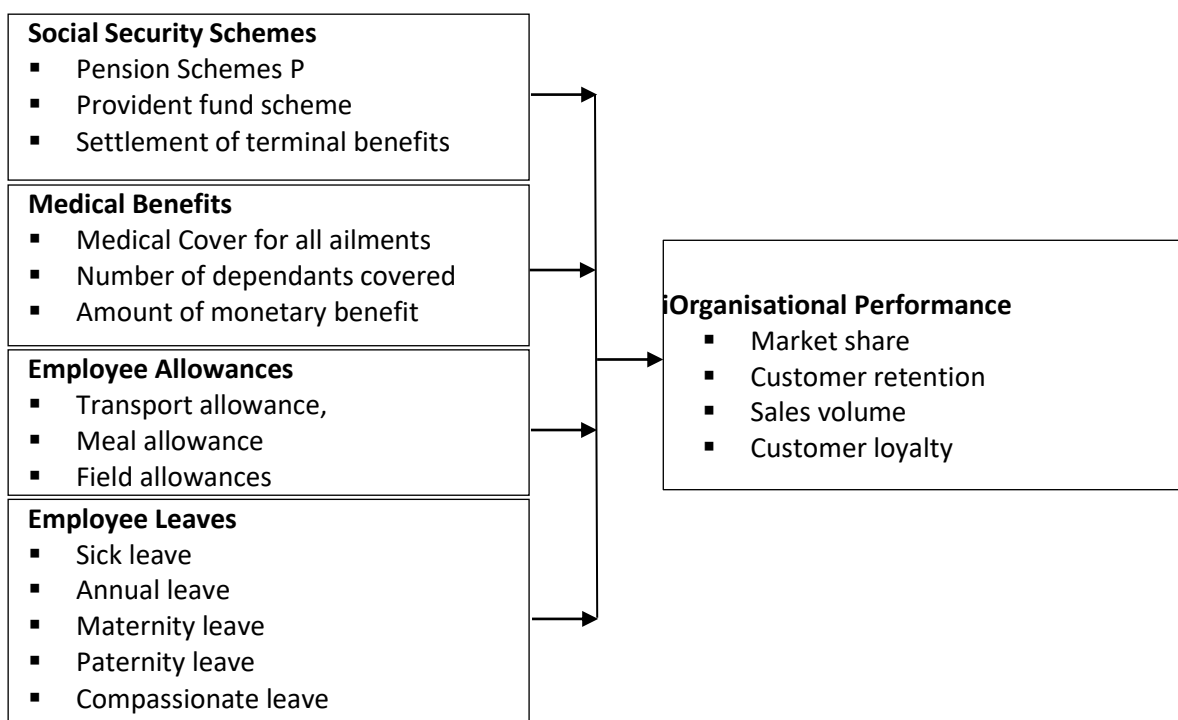
Employee Leave and Organization Performance

Ju, Kong, Hussin and Jusoff (2018) in a study on the influence of employee leaves noted that the provision of fringe benefits such as annual leave, maternity leave and sick leave enhances employee commitment to the organization. According to them, individuals that enjoyed annual leave and other forms of leave had a higher level of commitment to the organizations than those who did not enjoy the same benefits. In their study they noted that fringe benefits enhanced three types of organizational commitment: affective, continuous

and normative commitment.

Liu and Skans (2019) undertook a study on the Duration of Paid parental Leave and Children’s scholastic Performance and noted that the provision of paid leave was key in skillsdevelopment of employees as well as their children. They investigated the effect of paid leave on employee commitment to the organization and found that since employees who accessed parental leaves had time to bond with their children, this emotional attachment was transferred to the organization which translated to higher levels of employee commitment and loyalty. In addition, the study noted that the introduction and provision of paid leave enhanced employee acceptance of the organization and strived to enhance performance which improved organization performance.

Conceptual Framework



Independent Variables

Dependent Variable

Figure 1: Conceptual Framework

Source Author,(2023)

METHODOLOGY

This study adopted a descriptive research design to assess the influence of employee welfare programs on the performance of deposit taking savings and credit cooperative societies.

The population of this study consisted of all the 7 deposit taking SACCOs registered and actively operating in Embu County. The target respondents comprised of all CEOs, chief accountants, credit managers, marketing managers, human resource managers and all the 5 executive board Members of each SACCO society. The target population thus was 70 people drawn from the 7 DT SACCOs in Embu County.

Because the population size is small the study used the census where all the subjects, namely CEOs, chief accountants, credit managers, marketing managers, human resource managers and all the 5 executive board Members was part of the sample size.

Questionnaires were the data collection instruments to get information from target respondents.

The data collection instruments were tested for validity and reliability. The study used three types of validity namely; content, criterion and construct validity.

Content validity was achieved by going through items one at a time and comparing the contents to ensure that all the objectives of the study are covered. Criterion validity measures how well one measure predicts an outcome for another measure. If there is a high correlation, this gave a good indication that the test could measure what it intends to measure. Construct validity involved the assessment of the degree to which a measure correctly measures its targeted variable. Evaluation of construct validity required that the correlations of the measure be examined in regard to variables that are known to be related to the construct. Reliability was assessed with the use of Cronbach's alpha coefficient.

Qualitative data was analysed using content analysis. Quantitative data was coded and entered into the Statistical Package for Social Sciences (SPSS) computer program for analysis. The SPSS program was then used to generate descriptive and inferential statistics. The results from the study was presented using frequency distribution tables and charts.

FINDINGS AND DISCUSSIONS

Response Rate

The questionnaires were administered to a sample of 70 respondents and the return rate is shown in Table 1.

Table 1: Response Rate

Category	Frequency	Percentage
Response	65	92.9
Non response	5	7.1
Total	70	100

Source: Survey Data (2023)

Table 1 indicates that out of 70 respondents, 65 responded giving a response rate of 92.9% and 5 respondents did not resulting to a non-response rate of 7.1%. Baruch and Holtom (2014) recommended 80% or more on response rate is enough data analysis. Therefore, 92.9% of the study response rate was considered appropriate for data

analysis. Therefore, there was acceptance and credibility of the research findings of the study due to high response rate.

Results of Descriptive Statistics

Descriptive statistics included Mean (M) and Standard Deviation (SD) generated using Statistical

Package for Social Sciences (SPSS) were used to present the results of the quantitative data. The results are presented in the section that follows.

Social Security Schemes

Table 2: Social Security Schemes

Statements	M	SD
There is a clear policy on the provision of pension and provident fund schemes in our institution	4.08	0.92
Our organization offers a smooth settlement of terminal benefits to its employees and the dependents	4.05	0.95
Pension and provident fund schemes help in planning for retirement	4.30	0.70
Retirement benefits attracts better skilled employees	3.41	1.59
Retirement benefits boosts employee motivation	4.55	0.45
The organization has financial programs that prepare me for retirement.	4.15	0.85
I am employed on terms that allow time for retirement planning.	3.05	1.95
The institutions pension and retirement scheme policy is revised regularly	4.56	0.44
Aggregate Score	4.02	0.98

Source: Survey Data (2023)

The results in Table 2 show that the respondents agreed that social security schemes had an influence on the performance of deposit taking SACCOs in Embu County, Kenya as accounted by an aggregate mean score of 4.02 and a standard deviation of 0.98. The findings agree with a study by Zirra (2019) which focused on benefits' influence on employee performance at the NASCO group, Jos plateau state and Pensions highly determine the behavior of workers and encourage retention of young employees in the organization and the older worker are encouraged to retire timely since their financial security is guaranteed.

The respondents strongly agreed on the statements that the institutions pension and retirement scheme policy is revised regularly (M=4.56, SD=0.44) and that retirement benefits boosts employee motivation (M=4.55, SD=0.45). The findings concur with a study by Robles (2018) which sought to find out that despite retirement policies being a push factor for unemployment of old aged workers, they are also a pull factor and the availability of retirement benefits contributes to the pull factor of retirement.

The first research objective sought to evaluate the effect of social security schemes on performance of deposit taking SACCOs in Embu County, Kenya. The descriptive statistics results are presented in 2.

The respondents agreed that pension and provident fund schemes help in planning for retirement (M=4.30, SD=0.70), the organization has financial programs that prepare me for retirement (M=4.15, SD=0.85), there is a clear policy on the provision of pension and provident fund schemes in our institution (M=4.08, SD=0.92) and that their organization offers a smooth settlement of terminal benefits to its employees and the dependents (M=4.05, SD=0.95). The findings agree with Hendry et al (2018) who carried out a study on the effect of provision of labour social security schemes on job satisfaction at PT and the results showed that labor social security schemes had a significant and positive effect on job satisfaction in employees of PT.

The respondents indicated neutral on the statements that retirement benefits attracts better skilled employees (M=3.41, SD=1.59) and that they are employed on terms that allow time for retirement planning (M=3.05, SD=1.95). The findings are in contrary with Kim (2016) who carried out a study on the impact of pension and retirement programs on job satisfaction and loyalty in Nigeria

and the The result provided consideration on the old worker's job motivation, satisfaction, and loyalty or intention to leave regarding how to apply the system.

Medical Benefits

Table 3: Medical Benefits

Statements	M	SD
There is a clear policy on medical facilities provision in our organization	4.50	0.50
Medical benefits provided in our organization for the employees and their families are the best	3.94	1.06
Our medical cover provides for optical needs	4.84	0.16
Medical provisions offered to employees cover all the dependents (nuclear family)	4.04	0.96
Our medical cover provides for dental needs	4.35	0.65
The amount of insurance cover allocated to you annually is adequate	4.11	0.89
Aggregate Score	4.29	0.71

Source: Survey Data (2023)

The results in Table 3 show that the respondents agreed that medical benefits had an influence on the performance of deposit taking SACCOs in Embu County, Kenya as accounted by an aggregate mean score of 4.29 and a standard deviation of 0.71. The finding concurs with Mitchell (2011) who 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.

The respondents strongly agreed that their medical cover provides for optical needs (M=4.84, SD=0.16) and that there is a clear policy on medical facilities provision in our organization (M=4.50, SD=0.50). The finding agree with Shafiu (2011) who carried out a study on client (enrollee's) satisfaction on health insurance provision schemes and all factors that influence the job satisfaction in Nigeria and the study revealed that marital status, general knowledge and awareness of contributions positively influenced client's job satisfaction while length of employment, salary income, hospital visits

The second research objective sought to determine the effect of medical benefits on performance of deposit taking SACCOs in Embu County, Kenya. The descriptive statistics results are presented in Table 3.

and duration of enrolment slightly influenced satisfaction.

The respondents agreed that their medical cover provides for dental needs (M=4.35, SD=0.65), the amount of insurance cover allocated to them annually is adequate (M=4.11, SD=0.89), medical provisions offered to employees cover all the dependents (nuclear family) (M=4.04, SD=0.96) and that medical benefits provided in their organization for the employees and their families are the best (M=3.94, SD=1.06). The finding is supported by Kuria (2015) who carried out a study on the effect of employee medical benefits on job satisfaction of employees within the flower industry in Kenya and the study established that the welfare services like insurance, maternity leave, and leave allowance provided by the flower industry had a positive effect on employee performance.

Employee Allowances

The third research objective sought to assess the effect of employee allowances on performance of deposit taking SACCOs in Embu County, Kenya. The descriptive statistics results are presented in Table 4.

Table 4: Employee Allowances

Statements	M	SD
Provision of allowances motivates employees to work and give the best for the organization	4.75	0.25
Payment of staff allowances increases the employee productivity	4.05	0.95
I am paid subsistence allowance	4.28	0.72
I am paid relocation allowance	4.75	0.25
I am paid the correct allowances for my cadre as per policy	4.55	0.45
Aggregate score	4.55	0.45

Source: Survey Data (2023)

The results in Table 4 show that the respondents strongly agreed that employee allowance had an influence on the performance of deposit taking SACCOs in Embu County, Kenya as accounted by an aggregate mean score of 4.55 and a standard deviation of 0.45. The finding agree with a study by Pan (2015) on 474 employees in a hotel in Taiwan on the effects of allowances on the satisfaction of employees concluded that the employees who are motivated through additional allowances had the greatest revenue per employee.

The respondents strongly agreed that they are paid relocation allowance (M=4.75, SD=0.25), provision of allowances motivates employees to work and give the best for the organization (M=4.75, SD=0.25) and that they are paid the correct allowances for their cadre as per policy (M=4.55, SD=0.45). The finding concur with Jung (2015) in a study on the satisfaction level of 314 employees of deluxe hotels in South Korea had the findings indicate that employee allowances had significant

influence on turnover intentions, employee satisfaction and job engagement.

The respondents agreed that they are paid subsistence allowance (M=4.28, SD=0.72) and that payment of staff allowances increases the employee productivity (M=4.05, SD=0.95). The finding concur with the study by Millan (2013) which focused on the impact of employee satisfaction on performance, concluded that the efforts aimed at increasing satisfaction of employees through provision of allowances should be based on demographic characteristics such as age and gender.

Employee Leave

The fourth research objective sought to find out the effects of employee leave on performance of deposit taking SACCOs in Embu County, Kenya. The descriptive statistics results are presented in Table 5.

Table 5: Employee Leave

Statements	M	SD
Provision of allowances motivates employees to work and give the best for the organization	4.52	0.48
Payment of staff allowances increases the employee productivity	4.63	0.37
I am paid subsistence allowance	3.87	1.13
I am paid relocation allowance	4.44	0.56
I am paid the correct allowances for my cadre as per policy	4.51	0.49
Aggregate Score	4.39	0.61

Source: Survey Data (2023)

The results in Table 5 show that the respondents agreed that employee leave had an influence on the performance of deposit taking SACCOs in Embu County, Kenya as accounted by an aggregate mean score of 4.39 and a standard deviation of 0.61. The finding concurs with Ayesha (2014) in their study on the impact of employee leaves and organization performance found that the provision of leaves was key to enhancing organization competitiveness as well as organization performance. Employees that enjoyed leave days worked harder to enhance organization performance since they were more committed to the organization.

The respondents strongly agreed that payment of staff allowances increases the employee productivity (M=4.63, SD=0.37), provision of allowances motivates employees to work and give the best for the organization (M=4.52, SD=0.48) and that they are paid the correct allowances for their cadre as per policy (M=4.51, SD=0.49). The finding agree with Abiola and Ajila (2004) who analysed the impact of employee leaves based on the intrinsic

and extrinsic reward model. noted that intrinsic rewards can be terms as „psychological rewards“ and examples are opportunity to use one’s ability, a sense of challenges and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner.

The respondents agreed that they are paid relocation allowance (M=4.44, SD=0.56) and that they are paid subsistence allowance (M=3.87, SD=1.13). The finding concur with lyida (2015) who analysed the impact of employee leaves on organization performance in Nigeria using the employees of the Ministry of transportation and found that the increase in the leaves benefits such as days on leave or otherwise had a positive effect on the levels of organization performance and overall productivity amongst the employees.

Performance

The fourth research objective sought to find out the performance of deposit taking SACCOsin Embu County, Kenya. The descriptive statistics results are presented in Table 6.

Table 6: Performance

Statement	M	SD
Our organization has improved in market share in the recent years	4.05	0.95
Our organization has gained more customers in the recent years	4.29	0.71
Our organization increased its sales volume in the recent years	4.11	0.89
Our organization has retained most of its customers	4.52	0.48
Our organization has improved in employee welfare in the recent years	4.61	0.39
Our customers are loyal	3.64	1.57
Aggregate Score	4.20	0.80

Source: Survey Data (2023)

The results in Table 6 show that the respondents agreed that employee welfare programme had an influence on the performance of deposit taking SACCOs in Embu County, Kenya as accounted by an aggregate mean score of 4.20 and a standard deviation of 0.80. The results agree with Lumiti, Wekesa, Omondi, Otieno and Charles (2018) who observe that welfare programs are essential for all employees person's physical, mental, moral, and emotional well-being.

The respondents strongly agreed that their organization has improved in employee welfare in the recent years (M=4.61, SD=0.39) and that their organization has retained most of its customers (M=4.52, SD=0.48). Friedlander (2016) contend that employee welfare is a very wide area of interest. In the finest surroundings employers will address employee welfare in the workplace itself and also consider employee welfare in terms of the pressures they will experience outside the

workplace.

The respondents agreed that their organization has gained more customers in the recent years (M=4.29, SD=0.71), their organization increased its sales volume in the recent years (M=4.11, SD=0.89), their organization has improved in market share in the recent years (M=4.05, SD=0.95) and that their customers are loyal (M=3.64, SD=1.57). According to Finger (2013) employee welfare can be about certain additional facilities such as housing, transformation, medical, recreational, cultural, libraries, gyms and health clubs that an organization provides to its staff.

Results of Inferential Statistics

The study carried out inferential statistics which included correlation analysis and regression analysis. These are discussed as follows:

Correlation Analysis

Correlation analysis was done to quantify the association between the independent and dependent variables. The findings are presented in Table 7.

Table 7: Correlation Analysis

		Social security scheme	Medical benefits	Employee allowances	Employee leave	Performance
Social security scheme	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	65				
Medical benefits	Pearson Correlation	.201	1			
	Sig. (2-tailed)	.624				
	N	65	65			
Employee allowances	Pearson Correlation	.134	.711**	1		
	Sig. (2-tailed)	.709	.000			
	N	65	65	65		
Employee leave	Pearson Correlation	.223*	.492**	.303**	1	
	Sig. (2-tailed)	.048	.000	.007		
	N	65	65	65	65	
Performance	Pearson Correlation	.699**	.804**	.764**	.811**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	65	65	65	65	65

Source: Survey Data (2023)

The results indicated in Table 7 shows that the Pearson r value of social security scheme, medical benefits, employee allowances and employee leave against performance was 0.699, 0.804, 0.764 and

0.811 respectively which were all closer to 1. In addition, the level of significance was below 0.05 at 0.000 respectively. Therefore, it can be concluded that there was a very strong correlation between

social security scheme, medical benefits, employee allowances, employee leave and performance of deposit taking savings and credit cooperative societies in Embu County, Kenya.

Regression analysis was done to estimate the relationship between the independent variables studied and the dependent variable. The results are presented in Table 8.

Regression Analysis

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			Sig. F Change	
					R Square Change	F Change	df1		df2
1	.721 ^a	.754	.749	.114	.405	12.572	4	65	.000

Source: Survey Data (2023)

Table 8 shows a model summary that provides information about the regression line's ability to account for the total variation in the dependent variable. According to the results, the value of R square was 0.754 which is closer to 1 meaning that the model accounts for all variation in response data around its mean. The value of adjusted R-squared is 0.749(74.9%) which is the extent to

which the dependent variable was influenced by the independent variables studied. This means that there is a gap of 0.251(25.1%) that account for other variables not studied.

Analysis of variance (ANOVA) was performed to check if the means of the four variables were significantly different from each other. The results are demonstrated in Table 9.

Table 9: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	112.078	4	28.019	81.959	.001
	Residual	20.854	61	.342		
	Total		65			

Source: Survey Data (2023)

The results presented in Table 9 indicate that the statistical F value (81.959) is greater than the statistical mean value (28.019) at 5% significance level showing that the model significant. The level of significance was 0.01 below the stated error margin of 0.05. Therefore, this shows a good fit of

the model on how social security scheme, medical benefits, employee allowances and employee leave had influenced performance of deposit taking savings and credit cooperative societies in Embu County, Kenya.

Table 10: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.634	.218		2.908	.000
	Social security scheme	0.621	.314	4.521	1.978	.001
	Medical benefits	0.796	.212	3.645	3.755	.001
	Employee allowances	0.830	.364	2.684	2.280	.000
	Employee leave	0.772	.117	1.254	6.598	.001

Source: Survey Data (2023)

The findings in Table 10 reveal that the constant value at 0.634 represents the value at which the dependent variable changes when independent variables are kept at constant. According to the regression coefficients obtained and presented in Table 10 is that a unit increase in social security scheme would increase the performance of deposit taking savings and credit cooperative societies in Embu County, Kenya by 62.1%. A unit increase in medical benefits would increase the performance of deposit taking savings and credit cooperative societies in Embu County, Kenya by 79.6%. A unit increase in employee allowance would increase the performance of deposit taking savings and credit cooperative societies in Embu County, Kenya by 83.0% and a unit increase in social security scheme would increase the performance of deposit taking savings and credit cooperative societies in Embu County, Kenya by 77.2%. The following is the regression equation established.

$$Y = 0.539 + 0.729X_1 + 0.692X_2 + 0.539X_3 + 0.712X_4 + \varepsilon$$

Where, Y = Performance

X₁ = Social security scheme

X₂ = Medical benefits

X₃ = Employee allowance

X₄ = Employee leave

The study established that social security schemes had a positive significant effect on performance of deposit taking SACCOs in Embu County, Kenya as

indicated by t-value (t= 1.978, p < 0.05). The findings concur with a study by Robles (2018) which sought to found out that despite retirement policies being a push factor for unemployment of old aged workers, they are also a pull factor and the availability of retirement benefits contributes to the pull factor of retirement.

The study revealed that medical benefits had a positive significant effect on performance of deposit taking SACCOs in Embu County, Kenya as indicated by t-value (t= 3.755, p < 0.05). The finding is supported by Kuria (2015) who carried out a study on the effect of employee medical benefits on job satisfaction of employees within the flower industry in Kenya and the study established that the welfare services like insurance, maternity leave, and leave allowance provided by the flower industry had a positive effect on employee performance.

The study found that employee allowance had a positive significant effect on performance of deposit taking SACCOs in Embu County, Kenya as indicated by t-value (t= 2.280, p < 0.05). The finding agree with a study by Pan (2015) on 474 employees in a hotel in Taiwan on the effects of allowances on the satisfaction of employees concluded that the employees who are motivated through additional allowances had the greatest revenue per employee.

The study examined that employee leave had a positive significant effect on performance of deposit taking SACCOs in Embu County, Kenya as indicated by t-value (t= 6.598, p < 0.05). The finding

concur with Ayesha (2014) in their study on the impact of employee leaves and organization performance found that the provision of leaves was key to enhancing organization competitiveness as well as organization performance. Employees that enjoyed leave days worked harder to enhance organization performance since they were more committed to the organization.

CONCLUSIONS AND RECOMMENDATIONS

The study concludes that social security schemes help maintain stable labour relations and a productive workforce. Higher social protection benefits contribute to attracting and retaining talent and improving the corporate image. Social security benefits may be provided in cash or kind for medical need, rehabilitation, domestic help during illness at home, legal aid, or funeral expenses. Labor market policies and programs designed to generate employment, improve working conditions and promote the efficient operations and social insurance programs to cushion the risks associated with unemployment, ill health, disability, work-related injury and old age.

The study concludes that employee health benefits help attract and retain employees, increase focus and productivity and protect the most valuable and talented employees. When employees are better able to afford comprehensive healthcare with the help of their employee health benefits, you will have a healthier and more focused workforce with less absenteeism. Therefore, offering employee health benefits can help to bring about an overall boost in productivity. Employee benefits increase the value of working for a certain company and can improve the team members' health and quality of life.

The study concludes that a good employee benefits package is an important factor for many employees when considering a job change. A benefits package can significantly impact employee morale, as they will feel valued and that their needs are met on multiple levels. This leads to an increase in employee loyalty, productivity, and overall

satisfaction with you as their employer. When you offer and your employees opt for benefits through salary sacrifice or net pay reduction schemes, both your staff and the business can benefit from tax reductions on these purchases.

The study concludes that scheduled work breaks provide employees the opportunity to renew their mental and physical state. By giving employees adequate time off from work enables more positive workplace culture where the staff feels sufficiently rewarded. Vacation and sick leaves are perhaps the most well-known forms of leave benefits. More than helping employees unwind or recover from an illness, they also ensure that the workplace remains safe from certain harm caused by employees behaving and performing poorly due to unstable conditions.

The study recommends that the SACCOs should lower thresholds regarding working hours or earnings. Allow practical solutions for workers with multiple employers, and those combining part-time dependent work and self-employment. Facilitate coverage of marginal part-time workers through adapted social insurance solutions, or a combination of social insurance and tax-financed mechanisms. Allow for more flexibility with regard to the number of contributions required to qualify for benefits; allow for interrupted contribution periods. Prevent the misclassification of workers and ensure adequate protection for those in dependent self-employment. Simplify administrative procedures for registration and contribution payments.

The study recommends that the organization should set health-specific objectives that will help in reaching its business goals. Discuss work-life balance with coworkers one-on-one. Consider training for managers and individuals in senior positions on how to support people suffering from mental health issues. Develop a one-of-a-kind employee benefits package, including financial planning and consulting services, that is genuinely relevant in these challenging times.

The study recommends that the organization should identify the organization's benefits objectives and budget. A needs assessment should be conducted to determine the best benefits selection and design based on the needs of the employees. The needs assessment may include an employer's perception of employee benefits needs, competitor's benefits practices and tax laws and regulations. Once the needs assessment and gap analysis are complete, the employer will need to formulate the new benefits plan design. The communication strategy is a critical component to the benefits planning and management. The benefits program must be assessed on a regular basis to determine if it is meeting the organization's objectives and employees' needs. Changes in the business climate, the economy, the regulatory environment and workforce demographics all create dynamics that affect benefits offerings.

The study recommends that the management should set an example and unplug themselves to

show employees that everyone needs a break. Tell the employees that they are valuable and so is their health. Talk to them about their emotional wellbeing and the importance of vacations. Create a clear vacation policy that practically forces employees to take a few days off every now and then. Reduce benefits on unused leaves, within reason. Promote small breaks between work daily. Introduce novel employee recognition ideas that lead to time away from work. Have a backup system in place for every employee, so one can go on vacation with peace of mind.

From the regression model results is that there is a remaining 25.1% described by other factors not included in the model. Therefore, this study suggests that there is need to carry out further study that can address this gap. In addition, the study suggests that other studies can be done that focus of other financial institutions apart from SACCOs.

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