

Evaluation of Employee welfare Facilities as an Intervention strategy of Industrial Unrest on Organization Performance: Case of Mumias Sugar Company

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ABSTRACT

Industrial unrest has been a major issue for most organizations all over the world. When employees within an organization persistently fail to realize their work goals and objectives in life that are tied to their work place, then they tend to develop negative attitudes towards their work on the employer. Mumias Sugar Company Management had managed to significantly minimize cases of industrial unrest. For this reason, the researcher sought to find out what intervention strategies were used and which ones when combined yielded the best results. The objectives of the study were: to determine the effects of employee welfare facilities and working conditions influenced the industrial unrest intervention strategies on organizational performance in Mumias Sugar Company. Research questions were formulated to guide the researcher. The Contagion Theory by Gustav Le Bon of 1896 was adopted as theoretical framework for the study where the bargaining theory focused on the interactions between professional negotiators for employers and employees; the mobilization theory focused on the decisions of workers to participate in industrial conflict and; the comparative approach focused on economic and social -political institutions. A conceptual framework was developed from theoretical framework which guided the study. Related literature was reviewed and it was established that Mumias Sugar Company embraced provision of employee social welfare facilities as an intervention strategy to either avert or end industrial unrest and in turn improve their overall performance. However, this measure was found to be effective only for a short period of time hence having minimal impact on organizational performance. This, as it was established, was due to the fact that the strategy served a specific purpose hence did not address the employees' problems comprehensively. The study identified that no studies had ever measured the combined effect of using multiple industrial unrest intervention strategies on organizational performance at Mumias Sugar Company. Causal-comparative research design was adopted for this study. The study area was Mumias Sugar Company and the target population was 1938 at the time of the study. Morgan and Krejcie's formula for sample size determination was used to calculate the sample size of 321 respondents. Purposive sampling technique was used to identify one top level manager for the interview schedule and five middle level managers for the filling of questionnaires; while simple random sampling technique was used to select the 309 employee respondents for the study. The study collected quantitative data through closed-ended questionnaires and qualitative data through open-ended questionnaires, document analysis and interview schedules. The instruments were pilot tested and their validity verified by the two assigned supervisors. Reliability, coefficient was determined through the Cronbach's Alpha Coefficient. Data were collected, coded and entered into the SPSS package for analysis. Data were presented using frequencies, Chi-squares and percentages on the variables responses. The findings from the study indicated that the major forms of industrial unrest experienced by MSC were strikes and the main cause of this was inflexibility of terms and conditions of employment. The study concluded that industrial unrest intervention strategies employed at MSC did not only address the issue of unrest but also enhanced performance of the organization. The recommendations of the study were that MSC should address causes of unrest and formulate appropriate policy. This policy should target both the organization and the employees to enhance employee performance and eventually organizational performance. The study also made recommendations for further studies on Industrial unrest.

Key Words: Employee Welfare Facilities, Industrial Unrest Strategy, Mumias Sugar Company.

1.0 Back ground of the study

Industrial analyst has been a major concern both developed and developing countries and Kenya is not unexceptional. Human involvement with organizational frameworks through the provision of labor force is the result of organizational policies intended to impact organizational performance (Cull, 2008). However, these policies equally affect the labor force of an organization from all dimensions in that they can either lead to satisfaction or dissatisfaction (Beardwell et al 2004). Thus it is an established fact that human resource can be the

deciding factor for an organization's performance and success (Moore & Attewell, 1991). Beardwell et al (2004) suggest that an organization can obtain meaningful and long lasting success through the correct handling of its human resources. On the other hand, Aubrey (2006) opines that organizational policies can be key determinants to the success and achievement of its employees' aspirations and goals in life and; when employees feel that their needs are not being adequately met, they tend to develop negative attitudes towards work and or the organization they work for (Lunenborg, 2011).

In the UK, between 1910 and 1914, Britain experienced a wave of industrial unrest. Wage cuts, poor working conditions, and rapid inflation (Schneirov, 1998). Between 1889 and 1910, the cost of food had risen by 10 per cent and the cost of coal 18 per cent, leaving the workers deprived and disgruntled. In the recent past, especially during the advent of what most economists' term as the industrial age, Africa experienced sporadic and spontaneous cases of industrial unrest (Nsowah, 2013). In Ghana, for example, Nsowah (2013) and Yaw (2013) argues that industrial action has been a major cause of economic setbacks in the country dating back to the era of industrial advent. Yaw (2013) states that strike actions by workers started long before independence in Ghana. One of such major labour unrest that hit Ghana in the 70's was recorded in 1971 which took the form of two strikes. One was by timber workers against a timber concern which developed into riots that resulted in the shooting of three workers. The other one was a ten-day strike by railroad engineers and workers which led to Trade Unions Congress demanding that minimum wages be doubled (Yaw, 2013).

Nsowah (2013) also notes that the famous strike embarked upon by the University Teachers Association of Ghana (UTAG) from 1994 to 1995 disrupted the academic calendar of universities and its attendance backlog of students. In South Africa, industrial unrest became apparent to the white settlers who had conquered the blacks in South Africa (Newman, 2012). During this colonial period, the whites owned most of the rich resources that were formally owned by blacks and the blacks were turned into workers on the white man's land where they earned meager wages (Tabata, 1973). Tabata (1973) states that over time, the disgruntled blacks formed groups where they would meet to discuss their plight after rejecting the Trade Union Council of South Africa (TUCSA). It is these groups that later led to the industrial revolution and finally struggle for freedom and independence where the white man had to create mechanisms that would satisfy the blacks while at the same time protect their interests as the employers (Newman, 2013). Twala (2012) argues that oppression; insufficient wages, poor working conditions and lack of avenues to air grievances have for a long time led to industrial unrest in South Africa, the major recent one being the Marikana Massacre of August 2012.

Atwoli (2003) argued that most of the strikes and other forms of industrial action in Kenya have been mainly due to ineptitude by the government and other private sector employers. He further claimed that most employees revert to strikes or other alternative forms of unrest to air their grievances over unfulfilled promises by employers. Mainly, most employers, especially the government, sign agreements with employees that their demands will be met within the term the sitting government is in power. However, towards the end of the term or towards the general elections, most employees realize that the deals or agreements they signed with the employer are yet to be met and it is likely that the coming government may not honour what it did not enter into, to which most trade unions in Kenya opt to push the government to fulfill its promises before the general elections are held. Consequently, it is common to experience major industrial unrest cases before or immediately after general elections, all in an attempt to force the government to honor its pledges.

1.2 Statement of the problem

Industrial unrest intervention strategies have been known to counter cases of industrial unrest in organizations. The study sought to assess the use of welfare facilities and their impact on organizational performance in Mumias Sugar Company as an intervention strategy. Due to rising population levels and increasing inflationary pressure, various sectors both economic and social in Kenya continue to experience persistently high levels of industrial unrest impacting on their respective sector performance, hence the reason of the study.

2.0 LITERATURE REVIEW

2.1 The concept of industrial unrest and its intervention strategies

History of labor unrest is as old as history of industrialization. The history of the Industrial Revolution in England in late 18th century records the plight and struggle of working class people who were to work for long hours in an unhygienic environment for a low wage. They lived in shabby slums of Lancashire and London and were deprived of nutritious food, medicine and health care, education for their children. There were no day care centre and women with children had to work in the factory keeping their children asleep with sleeping syrup. Frederick Engels (1996) comments, "in truth, they were not human beings; they were merely toiling machines in

the service of the few aristocrats who had guided history down to that time.” Frederick further says, intellectually, they were dead; lived only for their petty, private interest, for their looms and gardens, and knew nothing of the mighty movement which, beyond their horizon, was sweeping through mankind”. However, in course of time, government realized the importance of workforce and adopted intervention strategies through policies such as increasing wages, limiting working hours, providing trainings, establishing day care centers and schools for the children of the workers etc. and thus made an industrial revolution possible. Further, the establishment of ILO in 1919 provided a source of inspiration for the workers to organize themselves and shape their destiny.

In Africa, industrial unrest was mainly experienced through the revolution that ousted the white man from management of resources owned by the black and brought freedom and independence back to the blacks. However, cases of industrial unrest are rampant in most African nations, most taking a worse and organized form than it was during the fight for freedom and independence period. However, African governments have for a long time been innovating strategies to avert industrial unrest, with minimal success. It is against this backdrop that this study seeks to isolate the various industrial unrest intervention strategies that have been formulated by various organizations, some of which have successfully managed to avert industrial action in the host organizations while others have not.

2.2 Effects of employee welfare facilities on Organizational Performance

Many organizations in Kenya are increasingly providing employee welfare services as a form of improving the productivity of employees at the workplace. The concept of employee welfare has been used by many organizations as a strategy of improving productivity of employees since work related problems can lead to poor quality of life for employees and a decline in performance (Manzini and Gwandure, 2011). Priti (2009) argues that the role of welfare activities is to promote economic development by increasing efficiency and productivity with the underlying principle being making workers give their loyal services ungrudgingly in genuine spirit of co-operation and the general well-being of the employee.

Mwiti (2007) points out that naturally, welfare services may not directly relate to an employee's job but the presence or absence of the services is notable through employee performance, attitude, high or low labor turnover. It is argued that, welfare services can be used to secure the labour force by providing proper human conditions of work and living through minimizing the hazardous effect on the life of the workers and their family members (Manzini and Gwandure, 2011). Welfare services may be provided for matters concerning employees in terms of supplementing the income of the workers by providing services such as housing, medical assistance, canteens and recreation facilities (Mishra and Manju (2007). Further, welfare facilities help in raising employees' standards of living. This makes workers to pay more attention towards work and thus increases their productivity and foster better industrial relations, help organizations' visibility and popularity (Priti, 2009).

Employee welfare is a comprehensive term which refers to the various services, benefits and facilities offered by the employer to employees with a purpose of enriching the life of employees and to keep them happy and contented (Mishra and Manju, 2007). The success of these employee welfare activities depend on the approach which has been taken to account in providing such activities to employees and welfare policy should be guided by idealistic morale and human value and such services include the provision of medical facilities, sanitary and the accommodation of workers employed, amenities and industrial social security measures, training and education facilities, HIV and AIDS risk reduction and counseling services (Harika, 2010). Morwabe (2009) argues that work environment should comprise of issues such as the working hours, employment policy, workers' health and welfare, workplace design and the general conduct of workers at the workplace. Labour welfare activities in both developed and developing society have an impact not only on the workforce but also on the facets of human resources (Manju and Mishra, 2007). These services may be provided by the government, trade unions and non-governmental agencies (Ankita, 2010).

The International Labour Organization (ILO) broadly classifies welfare services into two; intra-mural activities which are provided within the establishment such as latrines and urinals, drinking water, washing and bathing facilities, crèches, rest shelters and canteen, drinking water, arrangements for prevention of fatigue, health services including occupational safety, uniform and protective clothing and shift allowances. Extra-mural activities which are undertaken outside the establishment such as maternity benefits, social insurance measures like gratuity pension, provident fund and rehabilitation, physical fitness and efficiency, family planning and child welfare, education facilities, housing facilities, recreational facilities including sports, cultural activities, transport to and from the place of work (Manju and Mishra, 2007). They may also be divided into statutory and

voluntary welfare services which comprise the legal provision in various pieces of labour legislation and activities which are undertaken by employees for their workers voluntarily respectively (Ankita, 2010).

In Kenya, the Occupational Safety and Health Act, 2007 provides the guidelines for safety, health and welfare of workers and all persons lawfully present at workplaces (Republic of Kenya, 2007). However, one of the most prominent criticisms of the public sector especially the human resource management has been that some of the key production and service industries have their recruitment processes focused on quantity rather than quality (Republic of Kenya, 2003). There is need therefore to improve the professional skills, leadership capability and raise the literacy rate within these industries through provision of employee welfare services such as education and training. Roy, Jack and Crank (2007) argue that continuing training helps employees improve their job performance and enhance satisfaction. Mwititi (2007) noticed the need for effective welfare services in Kenyan parastatals for the well being of the employees and the entire citizenry and he further argues that employees spend most of their active time at work therefore the personal and occupational problems should be solved at the workplace.

2.3 Health services

Health services included medical care and counseling services as part of employee welfare services.

2.3.1 Medical Care Services

Armstrong (2006) argues that medical services aim to provide help to employees who get absent from work for long periods because of illness related issues. They should aim to speed the return of employee to work. Visits should be made by the managers or specialized full-or part-time sick visitor with the aim of showing employees that their firm and colleagues are concerned about their welfare and also to alleviate any loneliness they may feel. It is argued that sickness brought about by HIV and AIDS can affect an employees' performance. The loss of workers and productive time cannot be separated from other impacts such as loss of morale and increased costs. Health care costs, paid sick leave and funeral costs also add to the financial burden in dealing with HIV/AIDS. The obvious impact of these increased costs is that the budget for the employee will be stretched with less money available for regular training, investment, infrastructure, and equipment (Pearce, 2007). The provision of medical facilities in such cases in any organization could reduce the incidences of HIV/Aids and other illnesses among the employees (Manzini and Gwandure, 2011).

2.3.2 Counseling Services

Armstrong (2006) has identified stress, anxiety and depression as among the most commonly reported illness. Stress brought about through work intensification and conflicts between home and work is related to the risks of disease and ill-health. For instance, a study on employee suicide in America found out that the employees in the production industry were eight times more likely to commit suicide and three times more likely to commit suicide than to die in job-related accidents. This shows suicide has become the most dreaded result of employees under stress and other problems associated with the job (Roy, Jack, and Crank, 2007). This reaffirms that the cost of stress is huge if not controlled both to the individual and to the employer.

Kibet (2010) argues that employees in the production industry in Kenya have the highest suicidal and divorce rates in the country which is a warning signal for unseen problems that are not being addressed and that in the recent past, cases of employees working in production industries killing themselves or killing their family members unearth the level of stress and anxiety in the sector. Manzini and Gwandure (2011) point out that employees in this industry experience emotional, social, political, and economic and work related problems for which they need employee welfare programmes to cushion them against such adversity.

However, this can further lead to suppressed emotions that later develop other stress related disorders such as frustration at work which can lead to substance abuse or domestic violence and an employee can comfort himself in drugs and alcohol or vent their hunger on their family. Such behavioural problems could be reduced through the provision of employee welfare services in an organization (Kibet, 2010).

2.4 The Relationship between Employee Welfare Services on Performance

Roy, Jack, and Crank, (2007) argue that studies conducted in America have over the years examined employee stressors which have been found to be the inherent nature of employee work, shift of work and lack of support from administration and sometimes, poor appraisal mechanism which affects performance of employees. Armstrong (2006) notes that welfare services cannot increase individual productivity, but can help to minimize decreases. Kibet (2010) also observes that an employee's reputation can be used to provide security, peaceful environment for him/her to live and work in and stimulate social, economic and political development. Armstrong (2006) further asserts that employee welfare services increase the loyalty and motivation of

employees. Provision of employee welfare services rests mainly on the aspect of the social responsibility of organizations since the workers' whole life centers on the employer.

Stevenson (2002) notes that compensation is a significant issue for the design of work systems and that it is important for organizations to develop suitable compensation plans for their employees in order to attract and hold competent employees. However, if they are too high, the increased costs may result in lower profits or force the organization to increase prices which might adversely affect the demand for the organization's services. Most employees' performance in Kenya is inhibited by lack of well constructed and planned facilities to undertake their roles such as offices, housing, protective clothing, and equipment are rarely used especially when dealing with emergencies and other types of welfare services are in short supply or outdated in terms of the tooling and technological capacity which range from the 1960s and 1970s (Republic of Kenya, 2010).

However, Kibet (2010) argues that in some organizations, employees are worried of their nature of work and the resulting stress may arise from work and their concerns about security, money, health and relationships with others resulting in decreased productivity. It is against this backdrop that issues affecting the persons entrusted with the responsibility of enforcement of law and order in the country must be addressed through provision of welfare

3.0 RESEARCH METHODOLOGY

3.1 Research design

This causal-comparative research design originated in the early 20th century as evidenced by Good, Barr, & Scates (1935). Kerlinger (1973) described this type of research *ex post facto* research but later (1986) dropped the term *ex post facto* and adopted the term causal-comparative research design. This type of research attempts to determine reasons, or causes, for the current status of the phenomena under study and the related effects (Fraenkel & Wallen, (1996) and Gay, (1996)). The weakness of this type of research is that the cause under study usually occurs before hand and the researcher has no control over it. On the other hand, Cohen and Rosenblatt (2011) argue that the main disadvantage of causal-comparative research design is that the researcher has to play different roles such collaborator, trainer, respondent group facilitator among others in order to minimize conflicts of interest among the stakeholders who may also be the respondents. However, the significance of this type of research is that it uncovers relationships to be assessed; it is used to establish cause-effect when experimental design is not possible and; it is less expensive and less time consuming than experimental research (Gay et al., 2006). Likewise, Gall, Gall & Borg (2007); Johnson and Onwuegbuzie (2004); Ratnesar & Mackenzie (2006) and Atkinson & Delamont (2006) explains that the advantages of causal-comparative research design include its practical orientation, ability to reveal whether work relation policies work or do not work, can explain underlying logic behind policy implementation and that it can improve policy effectiveness.

This study adopted the causal-comparative research design as it prepared proper framework within which the research work was carried out. It provided a framework for drawing conclusions and making of recommendations based on the data collected and analyzed. Weiss (1998) states that this type of research design allows a systematic assessment of the operation and/or the outcomes of processes, compared to a set of explicit or implicit standards, as means of contributing to the improvement of policies affecting employees.

3.3 Study area and the target population

This study was carried out at Mumias Sugar Company which is the largest producer of sugar in the sugar belt region of Western Province. From observation, the problem of industrial unrest has not been prevalent in this company for a long time. As such, the study sought to investigate the mechanisms employed to avert industrial unrest in this company.

The target population for the study was the unionisable and non-unionisable employees within Mumias Sugar Company who were 1938 at the time of the study. The employees of Mumias Sugar Company Ltd are divided into three strata i.e. Top level which comprises of top level managers, Middle level which comprise of section and departmental heads and Lower level which includes all other employees who work for Mumias Sugar Company. The following table shows the target population and its distribution according to the levels of management.

Table1: Target Population and its distribution according to strata

| Employee Category | Population size |
|-------------------|-----------------|
| Top level | 9 |
| Middle level | 28 |
| Lower level | 1901 |
| Total | 1938 |

3.4 Sample size and sample selection

The study's total population size was 1938, which comprised of 9 top level managers, 28 middle level section and departmental heads and 1901 permanent, contract and casual employees.

3.4.1 Sample size

The Morgan and Krejcie (1970) formula for sample size determination was used to calculate the sample size used for the study as shown.

$$s = \frac{x^2 n(1-p)}{d^2(n-1) + x^2 p(1-p)}$$

Where:

s = required sample size.

x^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

n = the population size.

p = the population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (.05)

Hence:

$$s = \{(3.841)^2 (1938)(1-0.50)\} / \{(0.05)^2(1938-1)+(3.841)^2(0.05(1-0.50))\}$$

$$s = \{(14.7533)(1938)(0.5)\} / \{(0.0025)(1937)+ (14.7533)(0.025)\}$$

$$s = (14295.9477) / \{(43.8425) + 0.3688325\}$$

$$s = (14295.9477) / (44.53566713)$$

$$s = 320.999813$$

$$s \approx 321 \text{ respondents}$$

Hence the sample size was 321 respondents.

To identify the number of respondents per strata/category that participated in the study, the proportion of representations out of the total population size was used. Table 3.3 below presents the proportions of representation in percentages.

Table 2: Sample size distribution per category

| Employee Category | Population size | Percentage of Total Population (%) | Sample Size |
|-------------------|-----------------|------------------------------------|-------------|
| Top level | 9 | 0.47 | 2 |
| Middle level | 28 | 1.44 | 5 |
| Lower level | 1901 | 98.09 | 314 |
| Total | 1938 | 100.00 | 321 |

Hence, 2 top level managers participated in the study, 5 middle level employees participated in the study while 314 respondents from the lower level category participated in the study.

3.4.2 Sample selection procedure

The study employed purposive and simple random sampling techniques to select the respondents. Purposive sampling technique was used to select respondents from the top level strata while simple random sampling was used to select the samples from the middle and lower levels of management. Table 3.3 below illustrates this.

Table 3: Sampling Procedures

| Employee Category | Population size | Sample Size | Sampling Procedure |
|-------------------|-----------------|-------------|------------------------|
| Top level | 9 | 2 | Purposive |
| Middle level | 28 | 5 | Simple Random Sampling |
| Lower level | 1901 | 314 | Simple Random Sampling |
| Total | 1938 | 321 | - |

3.5 Data analysis

Sandelowski (2000) and Yin (2003) pointed that analysis of data involves examining, categorizing, tabulating or otherwise combining the evidence to address the initial propositions of a study. Before data entry, screening was done to ensure that responses are legible and understandable and that responses are within an acceptable range and are complete, and all the necessary information has been included (Leary, 2004).

The analysis of the data was conducted using descriptive and inferential statistical analysis. Statistical Package for Social Sciences (SPSS) was used in data coding, entry and analysis. Descriptive statistics allow the researcher to describe the data and examine relationships between variables while inferential statistics allow the researcher to examine causal relationships between qualitative and quantitative data (Leary, 2004). Bivariate, Multivariate, and regression analysis was done to identify the strength of relationships between variables. Pearson's Chi-Squares was used to test all the hypotheses and the relationship between the qualitative and quantitative data collected. In most cases, inferential statistics allow researchers to go beyond the parameters of their study sample and draw conclusions about the population from which the sample was drawn.

Table 4: Operationalization of variables

| Objectives | Independent Variables | Dependent Variables | Data collection instruments | Measurement Scale | Data analysis |
|---|-----------------------------|--|-------------------------------|------------------------|---|
| To determine the effect of employee welfare facilities on the organizational performance of MSC | Employee Welfare Facilities | Improved Employee Performance due to Employee Welfare Facilities | Interviews and Questionnaires | Nominal Ordinal | Frequencies, Correlations and Regression analysis |

4.0 Findings

4.1 Influence of Employee Welfare Facilities on Organizational Performance of Mumias Sugar Company Ltd

The concept of employee welfare has been used by many organizations as a strategy of improving productivity and reducing cases of conflict between employees and employers; since work related problems can lead to poor quality of life for employees and a decline in performance (Manzini and Gwandure, 2011). Based on this argument, the researcher sought to find out if there were any employee welfare facilities in MSC. The facilities that the researcher sought to establish their presence in MSC are the Workers' Union, SACCO, Benevolent fund and a Social Welfare Fund.

The researcher established that indeed there was a benevolent fund at MSC as 262) respondents attested to this. This corresponded to 85.6% of the total number of respondents who answered this question. A correlation analysis testing if the respondents had previously benefited from the fund yielded a Pearson's Correlation value of .414. Tables 5 and 6 present this information.

Table 5: Presence of Benevolent Fund

(N = 306)

| Benevolent Fund | | | | | |
|-----------------|--------------|------------|--------------|--------------|--------------|
| | | Frequency | Percent | Valid % | Cumulative% |
| Valid | Yes | 262 | 84.8 | 85.6 | 85.6 |
| | No | 21 | 6.8 | 6.9 | 92.5 |
| | Don't Know | 23 | 7.4 | 7.5 | 100.0 |
| | Total | 306 | 99.0 | 100.0 | |
| Missing | .00 | 3 | .9 | | |
| | Total | 3 | 1.0 | | |
| Total | | 309 | 100.0 | | |

Source: Field Data, 2014

Table 6: Correlation Test for Benevolent Fund and Respondents' Benefits (N = 303 & 306)

| Correlation | | | |
|---------------------------------|-------------------------|-----------------|--------------------------|
| | | Benevolent Fund | If Previous Beneficiary? |
| Benevolent Fund | Pearson Correlation | 1 | .414** |
| | Significance (2-tailed) | | .000 |
| | N | 306 | 303 |
| If previous beneficiary? | Pearson Correlation | .414** | 1 |
| | Significance (2-tailed) | .000 | |
| | N | 303 | 306 |

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

Source: Field Data, 2014

From the Table above, it is concluded that MSC workers enjoy the benefits of a benevolent fund. The correlation test above also implies that the workers had previously benefited from the benevolent fund either directly or indirectly.

From the findings, 203 (65.7%) respondents said that they never contributed towards a social welfare fund or kitty while 78 (25.2%) said they did not know if they were deducted money towards this fund or not. 25 (8.1%) respondents agreed that they made monthly contributions towards a social welfare fund. Table 7 illustrates this. On further investigation, the researcher established that there was no formal social welfare fund in MSC as the benevolent fund handled most of the death-related cases that were most likely to pose a challenge to any employee when he/she lost a close relative. As such, other social aspects of life were left un-attended. However, some workers had formed their own informal social welfare groups that helped members in catering for expenses such as weddings among others.

Table 7: Monthly Contribution towards Social Welfare Fund (N = 306)

| Monthly contribution towards Social Welfare Fund | | | | | |
|--|------------|------------|--------------|---------|--------------|
| | | Frequency | Percent | Valid % | Cumulative % |
| Valid | Yes | 25 | 8.1 | 8.2 | 8.2 |
| | No | 203 | 65.7 | 66.3 | 74.5 |
| | Don't Know | 78 | 25.2 | 25.5 | 100.0 |
| | Total | 306 | 99.0 | 100.0 | |
| Missing | .00 | 3 | 1.0 | | |
| Total | | 309 | 100.0 | | |

Source: Field Data, 2014

5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

5.2 Influence of employee welfare facilities on the organizational performance of Mumias Sugar Company

The study collected, analyzed and interpreted data relating to the welfare facilities that were present in MSC. Among these facilities are the benevolent fund, social welfare fund, workers' union and the SACCO.

The study established that MSC had established a benevolent fund for its bereaved employees. When an employee lost a relative or any other person covered by the benevolent fund policy, he/she would receive financial assistance towards the arrangement of the funeral of their departed relative. Alternatively, if MSC lost a worker who was a regular contributor the benevolent fund, the financial burden from the funeral expenses was to be fully taken over by the fund. This reduced the possibility of asking other employees to contribute towards the funeral of the departed employee hence reducing the expected financial pressure on fellow employees. This served to minimize financial obligations that otherwise would have been shouldered by the employees.

Likewise, the presence of a social welfare fund, which the study established was informal, also served to shoulder most of the expenses which the employees would be required to take upon themselves if any of them was in need. An example of this situation is when one of the employees was planning for a wedding or a new-born baby showers among many others. The employees benefit from this fund in that a regular contribution towards this kitty enabled them to easily fund such events without having to push members to contribute for them.

5.3 Conclusions

The study makes the following conclusions;

- i. That MSC workers formed welfare associations which enable them meet certain objectives and needs which otherwise the organization may not have been in a position to fully meet. The objective of these welfare facilities is raising employees' standards of living.

- ii. That as a result, workers paid more attention towards work and thus increased their productivity and fostered better industrial relations and helped in improving organizations' visibility and popularity
- iii. That the welfare activities promoted economic development by increasing efficiency and productivity so that workers gave their loyal services ungrudgingly in genuine spirit of co-operation.
- iv. That the welfare services may not directly relate to an employee's job but the presence of these services is notable through the improved employee performance, attitude and low labor turnover.
- v. That the welfare services can be used to secure the labour force by providing proper human conditions of work and living through minimizing stress related to

5.4 Recommendations

The study makes the following recommendations;

- i. That organization should make long term plans by formulating strategies and policies that address employees' welfare rather than addressing the causes of industrial unrest within the organization at an individualized level, leaving out the other aggrieved parties.
- ii. Organizations should implement intervention strategies that are unbiased and those that respond to all employees' welfare for the good of the employee as well as the organization.

5.5 Suggestions for Further Studies

The current study suggests the following as the possible areas of future research.

- i. The influence of national and local politics on employees' welfare and the organizational performance
- ii. Examine the extent to which market competitors influence employees' perceptions of the employer's responsibility towards their welfare hence possibly causing unrest and affecting performance in an organization

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