



## **AN EXPLORATORY STUDY OF THE RELATIONSHIP BETWEEN NON-MONETARY WELFARE PROGRAMS AND EMPLOYEE PERFORMANCE AMONG NON-TEACHING STAFF IN INSTITUTIONS OF HIGHER LEARNING IN KENYA**

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### **Abstract:**

Welfare programs are concerned with the total wellbeing of employees both at work and at home. Non-monetary welfare programs in the workplace are offered by employers in the hope of winning the satisfaction index of an employee and hence increasing employee engagement and commitment, which equally translate to increased productivity, reduced turnover and enhanced employee loyalty. Several experts assert that non-monetary welfare programmes have long lasting effects on employee performance since they are intrinsic in nature. The objective of the study was to investigate the relationship between non-monetary welfare programmes like safety and health programmes and pension and retirement schemes with employee productivity among the non-teaching staff in institutions of higher learning in Kenya. The study adopted descriptive research design. The population comprised staff from five private universities in Nairobi County which have been in operation for ten years or more from which a sample of 30% was selected. Data was collected by use semi structured questionnaires. Data collected was analyzed using descriptive statistics: frequency, percentages, mean and standard deviation. Data was presented using tables and charts. The findings revealed that non-monetary welfare programmes have a significant relationship with performance. The study concludes that provision of employee welfare programs have positive impact on employee performance. The study

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recommends that organizations should learn and implement welfare programs in order to get the most out of the employees.

**Keywords:** non-monetary welfare, employee performance, non-teaching staff

## 1. Introduction

The modern concept of employee welfare details all activities that the employers are involved in which are directed towards providing employees with certain facilities and services in addition to salaries and wages (Torjman, 2013). These welfare facilities are essential for the organisations health since they have a close connection with productivities of the labour force. Employee welfare measures increase organizational productivity promotes motivation, promotes healthy organizational relations and hence maintaining organizational peace and reduces labour turnover. Employee welfare measures serve as a catalyst for worker motivation and increases not only the effectiveness of the workforce but also creativity in solving unique organizational challenges. This will eventually lead to attainment of higher level of financial performance and high service delivery in an organization (Mathew 2011). Staff welfare is considered one of the corporate commitments to demonstrate care for employees at all levels, underpinning their work and the environment in which it is performed (Cowling and Mailer, 2012). Employees are directly influenced by nature and quality of welfare services offered because they compare themselves with their counterparts in other organizations. Organizations should therefore, bear in mind that for them to achieve their objectives, employee welfare services should be adequately competitive and focused towards solving real needs of employees.

Most private universities in Kenya rarely provide overall competitive packages of employee welfare benefits, which results in low productivity, retention and may eventually lead to high rate of employee turnover (PWC, 2013). Lack of such welfare benefits not only de-motivate employees but also result in high rate of employee turnover, low workplace productivity and affect the overall efficiency and performance of the non-academic staff in private universities (Ernst & Young, 2014). There are limited studies have examined the relationship between employee welfare programs and employee performance especially those with emphasis on non-monetary welfare programmes. Masinde (2011) studied Comparative analysis on the effects of social welfare facilities on employee motivation in Pan African Paper mills and Mumias Sugar Company. (Kuria 2012) studied on the effects of employee welfare programmes on job

satisfaction of employees within the flower industry in Kenya the researcher established the effects of employee welfare programs on job satisfaction of employees in organizations within the flower industry in Kenya. Despite the foregoing, none of these studies had addressed the relationship that exists between non-monetary welfare programs and employee performance among non-teaching staff in private universities in Kenya.

The objective of this study was therefore to investigate the relationship between no-monetary welfare programs particularly safety and health in the workplace and pension and retirement schemes on employee performance among non-teaching staff in institutions of higher learning.

## **2. Literature Review**

The study is guided by functional theory of Labour welfare that states that a fully satisfied employee is the most efficient. In this theory, welfare work is used as a means to secure, preserve and develop the efficiency and productivity of labour. This theory suggests that welfare can be used as a means of securing, preserving and developing the efficiency and productivity of labour (Manju and Mishra, 2007). The theory states that if an employer takes good care of his work force, they will tend to be more efficient by improving production. The theory is helpful in understanding the characteristics of labour force as reflected on the contemporary support for labour and it worked well if the employer and employees have the same goal of achieving higher production through better welfare. It is, therefore, necessary to implement labour welfare services both inside and outside the organization, that is, provide intra-mural and extra-mural labour welfare services. Totality of Welfare emphasizes that the concept of labour welfare must spread throughout the hierarchy of an organization.

The study reviewed several past studies on the relationship between no-monetary welfare programs particularly safety and health in the workplace and pension and retirement schemes on employee performance. Many scholars argue that there exists somewhat relationship between employee performance and employee welfare benefits and services. For instance Onitiri (1983) opines that poor standards of living bad health lack of education bad housing, poor transportation to and from work, bad conditions in the work place reduces worker's productivity and then reduces the capacity of the society to improve working conditions. McGuire and McDonnel (2008) suggested that the welfare facilities aids in enhancing the self-confidence and intellectual level of an employee. Torjman (2004) demonstrated that welfare facilities

and recreation accounts for healthy individual besides encasing among their happiness and emotional quotient. Kirsch (2009) was of the opinion that welfare facilities should be flexible and continuous innovation needs to be done. Mathew (2011) advocated that employee welfare measures serve as oxygen for motivation of the workers and increasing the effectiveness of the workforce. 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.

Despite this, 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 labour turnover. The workforce provides essential service to the public in Kenya and thus their labour welfare activities need to address the same. Manzini and Gwandure (2011) argues 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. Welfare services may be provided by 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. Armstrong and Baron (2000) base the ethos of performance on the assumption that if the performance levels of individuals can be raised somehow, better organizational performance will follow as a direct result.

Wainaina (2011) studied on the relationship between wellness programs and employee job satisfaction at capital group limited, he established that the programs boosted employees' satisfaction levels. Masinde (2011) studied Comparative analysis on the effects of social welfare facilities on employee motivation in Pan African Paper mills and Mumias Sugar Company, the study established that facilities provided are a strong motivational element that has helped retain employees in the job for a long time and boosting their productivity. (Kuria 2012) studied on the effects of employee welfare programmes on job satisfaction of employees within the flower industry in Kenya and established the effects of employee welfare programs on job satisfaction of employees in organizations within the flower industry in Kenya.

### **3. Methodology**

The study used descriptive survey research design. The target population of the study comprised non-teaching staff in private universities in Nairobi. There are 5 Private Chartered Universities in Nairobi County that have been in existence for more than ten years were selected with a total population of 308 respondents. The study utilized stratified random sampling method by picking a proportionate sample of 30% from each strata, in this case the university, to arrive at a sample of 96 respondents. Data was collected by use of close end questionnaire on 5-point Likert scale. Data was analyzed mainly by use of descriptive statistics like mean and percentages. The results are presented in form of tables and charts.

### **4. Results and Discussion**

The study registered a 83% response rate which is conventionally acceptable. Among the 74 returned and valid questionnaires used for analysis, 54% of respondents were male while 46% were female, and therefore fairly well balanced. In terms of length of service of the respondents, most of the respondents were relatively new in the field averaging at 58.1% and only 1.4% of the respondents had over 15 years' experience in the field.

The study sought to determine the relationship that organizational safety and health has on employee performance. From the results, clean washroom facilities and clean safe drinking water were ranked high with means of 4.48 and 4.46 respectively. Firefighting equipment's as well as adequate security were represented by mean of 4.34 and 4.28 respectively while medical insurance, sports facilities, adequate healthcare facilities and workstation design had mean of 4.19, 4.28, 4.12 and 4.03 respectively. Insurance against accidents at workplace had a mean of 3.90. A good number of respondents however, indicated that the health and safety policy was not well communicated with a mean of 3.87 and institutions lacked regular trainings on safety and health standing at a mean of 3.79. This illustrates that various aspects of organizational safety and health relate with employee performance. This is in line with Allender, Colquhoun and Kelley (2011) who found out that workplace health leads to employee satisfaction despite providing health benefits to employees. The results are summarized table 1 below.

The study also sought to establish the relationship between pension and retirement schemes and employee performance. Majority of the respondents agreed that pension scheme reduces worry about one's family security as shown by a mean score of 3.97. Availability of institutional pension and retirement scheme for all employees and the fact that pension scheme give a feeling of power by having some control over planning for retirement were both represented by mean score of 3.84. However, they were indifferent on the fact that there is regular revision of pension and retirement scheme policy as shown by a mean of 3.40. In line with this, Mulis (2010) observed that pension scheme might help organizations in retaining and attracting staff. Pension funds contribute to the employee satisfaction in the workplace according to the establishments of the study.

**Table 1: Summary results**

Statement	Mean	Standard Deviation
	$\bar{x}$	$\sigma$
<b>Organizational Safety and Health</b>		
The institution provides clean washroom facilities	4.48	0.704
There is clean and safe drinking water in the institution	4.46	0.700
The institution provides firefighting equipment's	4.34	0.803
The institution provides adequate security for staff and equipment	4.28	0.878
Adequate medical insurance is provided	4.19	0.815
The institution provides sports facilities	4.18	0.961
The institution provides adequate healthcare facilities	4.12	0.702
My work station design and general ergonomics fit me well and allow for a healthy and productive workplace	4.03	0.984
Institution has taken insurance against accidents on work place	3.90	1.002
The institutions health and safety policy is well communicated	3.87	0.896
The institution regularly provides trainings on safety and health of employees	3.79	0.971
<b>Pension and Retirement Schemes</b>		
Pension scheme reduces worry about one's family security	3.97	0.977
The institution has a pension and retirement scheme for all employees	3.84	0.940
Pension scheme give a feeling of power by having some control over planning for retirement	3.84	1.045
The institutions pension and retirement scheme policy is communicated with the employees	3.75	0.983
The institutions pension and retirement scheme is contributory	3.74	0.924
Pension scheme determine employees satisfaction in the organization	3.59	1.082
Pension scheme increase employee loyalty to the organization	3.59	1.040
The institutions pension and retirement scheme policy is revised regularly	3.40	0.979

**Source:** Researcher (2017)

## 5. Conclusion and Recommendations

The findings of the study concludes that there is a strong relationship between non-monetary welfare programs particularly safety and health in the workplace and pension and retirement schemes on employee performance among non-teaching staff in institutions of higher learning in Kenya. The findings on organizational safety and health indicated that there was a significant positive relationship between organizational safety and health mechanisms and employee performance. It was evident that institutions provided adequate medical insurance to employees, adequate healthcare facilities were available, clean washroom facilities, clean and safe drinking water, adequate security for staff and equipment, provision of firefighting equipment's as well as provision of sports facilities. The study finding on Pension and Retirement schemes offered by the institution clearly indicated that pension scheme reduced worry about one's family security since a pension and retirement scheme is available for all employees which in turn gives a feeling of power by having some control over planning for retirement. Institutions were also found to be engaging a contributory pension and retirement scheme whereby the institutions policy on pension and retirement was communicated to employees. However, there was a general feeling that the institutions pension and retirement scheme policy was not regularly revised.

The study also concludes that safety and health in the organization also influences employee performance. Workplace health leads to job satisfaction despite providing health benefits to employees. Health and safety practices positively relate to employee performance in terms of turnover retention hence several organizations are striving to provide the best health packages for their employees. Besides the satisfaction to employees and improved performance, efficiency in organizations is achieved by ensuring health and safety at the workplace. The study also concludes that pension and retirement schemes greatly influence employee performance. This is due to creation of a post-retirement security due to the pension funds, which are contributory in nature. These packages are attractive and increase satisfaction of employees. The more the value of the pension schemes, the higher the satisfaction and hence a higher employee performance.

The study further recommends proper communication of safety and health policy and also provide regular trainings concerning health and safety of employees. Depending on the size of the organization, necessary steps should be put in place to ensure hazards within the workplace are taken care of. This may be done by taking insurance for employees against accidents at the workplace. The study further

recommends that although institutions have pension and retirement scheme for employees in place, a revision of the schemes should be done regularly and those amendments/revisions communicated to employees appropriately. The management may also consider dividend sharing with employees as it is seen to have a very great influence on their satisfaction. The researcher, therefore, recommends a study to establish the high turn-over rate in the non-teaching sector in learning institutions. A similar study may also be conducted in public learning institutions in Kenya.

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