

The Impact of Employee Benefits on The Employee Productivity at Kenya Tea Packers

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Abstract: The study sought to evaluate The Impact of Employee Benefits on The Employee Productivity at Kenya Tea Packers (KETEPA). The study analyzed past theories related to the topic under the theoretical review that is Expectancy theory. The researcher used descriptive research design since it describes in details all the activities taking place at KETEPA. The findings further indicated that, there is a relationship between productivity and employee benefit.

Keywords: Employee, Benefit, Productivity, Kenya Tea Packers

Introduction

According to Sprinkle (2001) employee benefit is anything that alleviates a need and increase a drive and is linked to achievement of targeted goal which is designated to motivate the productivity of employees to the highest level, therefore monetary incentive forms the basis of employee productivity and alleviates the job which boosts the performance of employees in the organization. Atkinson and Messy, (2013). contend that monetary motivators habitually are recommended as a strategy for motivating and enhancing the performance of people.

Employee benefit has its origin to the human resource development. It came up as a result of employees being motivated to increase their productivity, it also came up as a result of industrial revolution where by the employees were enlightened by labor movements about improvement of task being performed and the effects of efficiency in an organization. During 20th century employees were viewed as another factor of production alongside raw materials, capital and machinery. These made the earlier scholars like Fredrick Taylor to come up with the scientific approach which was based on the view that managers should study employees scientifically in order to identify the best way to perform tasks. Gagne and Deci (2005) are of the supposition that financial prizes give tangible proof and a type of validation much looked for by those from the get-go in their career.

Generally, it is assumed that benefits increase effort and productivity but past researchers have been unsatisfying. Past researchers have come up with some theories to explain the relationship between employee benefits and employee's productivity. Employee benefits may increase employee efforts, but those efforts may not necessarily affect employee productivity if the employee is lacking the necessary skills. In some circumstances, when employees lack satisfactory skills to execute their task, monetary inducements only increase certain scopes on effort but not their productivity. Miao and Evans (2007) discovered that there is a positive connection between remuneration driven inspiration and assignment pleasure as proven in more heterogeneous cross-sectional investigations.

Ezigbo Charity (2008) on his study on implication of monetary and non-monetary rewards on the execution of assembling associations in Rivers State of Nigeria inferred that workers put awesome incentive on the diverse monetary prizes given to them by their managers. Subsequently, when these prizes are not offered by the examination, laborers tend to express disappointment through poor execution and non-sense of duty regarding their employments. In view of his discoveries of the investigation, the accompanying proposals that monetary prizes like rewards, execution-based prizes, ought to be given to pull in, hold and rouse employees for the performance of assembling firms.

As indicated by Njanja, Maina, Kibet&Njagi, (2013) on their investigation on Effect of Reward on Employee Performance; A Case of Kenya Power and Lighting Company Ltd. Nakuru, Kenya, reasoned that cash rewards have noteworthy impact on worker execution. The individuals who had gotten and the individuals who had not gotten the reward seen it to influence their execution the same; subsequently monetary incentives significantly affect execution. The authors construct their investigation with respect to Kallery, Garlick, Godar, Chrzan, Smith & Moore (2009) who discovered that cash rewards appear to affect much on execution on workers; the individuals who get are recently somewhat more fulfilled than the individuals who get no reward. Cash rewards have effect on organization execution. Cash rewards appear to make workers cheerful and to prevent them from being disappointed, and they appear to affect workers' execution. As indicated by Aktar, Sachu and Ali (2012) most organizations in Kenya when offering prizes to employees, the greater part of them put stock in monetary prizes like boost in compensation, rewards and cash esteemed vultures instead of prizes like acknowledgment and chances to contribute in basic leadership. Dzuaranin (2012) contends that most organizations in Kenya don't grasp adaptable working hours for employees and each worker is typically required at the working station very early in the morning, implying that family issues and other outer obligations outside working environment are never put into thought. It is clear that most organizations still apply the conventional prizes frameworks that were primarily monetary in light of the fact that there is absence of enough learning in regards to how non-monetary prizes relate with worker performance, how these prizes can effect on the performance and also authoritative upper hand, and above all, how viable they can be if utilized as a part of boosting workers performance in the working environment.

Despite of the fact that there have been significant investigations that have been previously directed to think about different parts of Monetary incentives and how it influences efficiency, this subject is a long way from being depleted as an examination range and the growing body of research remains largely limited. The study's objective was to determine the impact of employee benefits on the employee productivity in KETEPA.

Monetary Incentives

Armstrong (2010) proposes that monetary rewards are inspirations to workers since it fulfills needs. Money is fundamental as it is required to satisfy basic needs of survival and security. Ballantine, Parsons & Comes key (2015) states that the inspiration driving monetary enticement is to repay accomplices for outstanding work execution through money, including proceeds sharing, wander rewards, hypothesis openings and warrants, organized prizes, and extra paid holiday time. Picking the fitting rewards is crucial to any program's success. The target in picking rewards is to pick things that begin the part's favorable position or assessments, and support the program's goals. For a couple of individuals, money is completely basic, while for others it may never be. It is probably extremely certifiable that in many organizations and, money is used as a technique for keeping staff to stay for long and not essentially as work inducement. Employees working in various positions regardless of the way that at a practically identical level must be given compensations and rewards that mirror their individual efforts.

Huang, Lin & Chuang (2006) carried out an investigation on a Taiwanese construction firm and established that monetary pay remains an extraordinary motivator for employees. A separating view from Di Pietrantonio, Neilan& Schreiber (2019) recommends that whether individuals perceive money as motivator or not depends upon what they perceive as motivation. The motivation theories cited, prescribes that motivation is an inner drive ambition to accomplish target. Herzberg's hygiene-factor hypothesis, recommends that monetary prizes, for instance, pay, institute reimbursement or working conditions does not motivate employees but they fundamentally certify that execution is at a pleasant level. The author additionally proposes that non-monetary prizes, for example, responsibility, movement, feedback, and affirmation and occupation prospects stimulate workers to enhanced execution, more so than simply acquiring a compensation. The following variables will be considered for empirical review under monetary incentives: employee benefits, profit sharing and bonus.

Employee Benefits

Employee Benefit Research Institute (EBRI) (2015) defines employee benefits as those forms of remuneration paid by managers to employees well above the measure of pay decided as a base pay or hourly rate of pay, benefits are a part of the total reimbursement package for employees.

The purpose of the benefits is to expand the monetary security of employees. Worker benefits are a variety of non-wage remunerations given to employees notwithstanding their typical wages or compensations which are chargeable to some extent. Most worker benefits though are dictated by company policy or contract.

According to EBRI, (2015) workers benefit and benefits in kind (in like manner called fringe benefits, perquisites, or perks) join diverse sorts of non-wage pay provided for workers in top of their standard wages or salary. In events where a worker exchanges (money) pay for some other benefits is generally insinuated as a 'pay packaging' or 'pay exchange' agreement. In numerous countries, most kinds of worker benefits are assessable to tax collection to some degree. The term perks are frequently used casually to insinuate those benefits that are more discretionary nature. More frequently, perks are given to workers who are doing extremely well or conceivably have superior positions Typical perks are bring home vehicles, hotel stays, free refreshments, unwinding practices on work time (golf, et cetera.), stationery, lunch grant, and—when different choices exist—first choice of such things as work assignments and holiday arrangements. They may moreover be given at first shot at work progressions when an opening comes up in the organization.

The Researcher looked at the following aspects under employee benefits: Social Security, Housing and Health Care.

Social Security

In Kenya Social security is provided and governed under the following Acts: Retirement Benefits Act,1997, Retirement Benefits (Amendment) Act,1998, National Social Security Fund Act, National Health Insurance Fund Act, and finally Pensions Act and the Pensions (Amendment) Act.

Workers compensation is not just about pay, for instance, wages and salary. It is additionally about non-pay benefits or benefits in kind. These non-pay benefits are generally known as workers' security benefits, and once in a while as "perks". On balance, the previous alludes to the more essential benefits, for example retirement fund, and incorporates those which are generally connected in the company while the latter alludes either to less noteworthy benefits, for example, personal health coverage, or to benefits given basically just as a privileges (Cole, 2002).

The findings of EAC Labor and social protection (2008), study concludes that employee social security has an optimistic power on employee output. When Social Security is well designed and managed, it can considerably contribute towards superior levels of employees' dedication to the company. Social Security present a chance for socialization and increase ties among workers and in addition to other stakeholders of the company which will improve skills expansion such as Leadership, relations and communication which will be essential in the terms of efficient service deliverance.

A modern report (GoK and ILO, 2010) point out that the diversity of old age pension schemes in Kenya has shaped a variety of institutional theories that are in need of earlier coordination to direct the workers' performance.

The laws and policy in the social security sub-division in Kenya are meant for the protection of those who contribute and the beneficiaries. The NSSF just gives single amount benefits, and there is no arrangement for annuity. The transformation of the NSSF into a completely fledged annuity scheme with an enhanced benefit administration is the objective of the National Social Security Pensions Trust Bill of 2011 (which has not yet been passed into law). In spite of the fact that the NSSF now covers all classes of owners (as of November 2009 scope was stretched out to owners with just 1 to 4 workers), viable scope still stays low. In addition, given the low fiscal roof on payment, the present level of benefits is lacking; in this manner, benefit equations ought to be reconsidered as needs be. So also, a case has been made for transforming the Civil Service Pension plot. Supporters of this change imagines a different annuity plan to which both the Government as the owner and secured government employees will contribute 15 percent and 7.5 percent of their income, separately.

Housing

Company housing or house rent allowance is offered by organizations who feel obliged to help an individual meet one of the basic needs - a roof over one's head, and to enable them have access to reasonable accommodation while on official duty. Senior employees are provided with accommodation which may be owned by the organization. However, other organizations reimburse rent payments (Andrews, 2009).

There is evidence that workplace Housing and recreation has a positive effect on employee performance (Jacobs, 2008). Workplace physical activity programmers in USA have helped reduce short term sick leave (by 32%), health care costs (by 20-55%) and increased productivity (by 52%). However, scanty empirical data is available of the situation in developing world (Jacobs, 2008). Reduction of such kinds of avoidable costs is potentially important, especially in the developing countries such as Kenya as it would lead to higher employee performance.

Housing has a central significance to personal satisfaction with broad monetary, social, social and individual significance. According to Taylor (2008), the interest for man-made extra assets for entertainment is more noteworthy now than ever. In spite of the fact that there are many excitement and games clubs that are coming up, numerous companies have contributed substantial aggregates of cash to give such offices inside the work environment. Kenya Utalii College is one such association in Kenya that has contributed vigorously and gives entertainment to its employees.

Health Care

In Kenya, Health Insurance is governed by The National Hospital Insurance Fund Act (1998) builds up the National Health Insurance Fund ('the Fund') and the Fund Management Board and provide for payment to scheme and the installment of benefits out of the Fund.

(Mathis & Doyle, 2003) study evidently shows that the quality of the workforce is unclearly connected with the efficiency of the workforce and the soundness of the country's economy. It besides demonstrates that companies consistently observe this affiliation and are concerned overhauling employee wellbeing by creating workforce health security and thriving movement benefits programs. In like manner various companies empower employees to miss a set number of days by virtue of ailment without losing pay. A couple of managers empower employees to store up unused sick off, which may be used when disastrous sickness occurs. Other companies pay workers for unused sick offs. A couple of companies have moved complement to compensate people who don't use sick off days by giving them well-pay – extra remuneration for not taking sick off days (Mathis & Doyle, 2003).

Employee health issues are diverse – and to some degree unavoidable. They can extend from minor ailments, for example, colds to genuine sicknesses related to the work performed the employees. A few workers have enthusiastic health issues; others have liquor or medication issues. A few issues are constant; others are temporary. In any case, all may influence organizational operations and individual employee efficiency (Mathis and John, 2003).

According to Kenya National Social Protection Policy, (2011) Private health back up plan's offer schemes among risk-based premiums and repayment plans with caps. These schemes have an aggregate support of around 500,000 individuals in Kenya. Some of them are shaped as wellbeing association affiliations, which are health cover providers regulated by insurance.

Theoretical review

Estes & Polnick, (2012) argue that there is need to appraise different models available within a topical area of attention before choosing one or two. In coming up with the framework for this study the following existing theories were considered.

Vroom's Expectancy theory

Expectancy theory according to Vroom (1964) suggests that individual's demonstration to expand expected fulfillment with results. Expectancy theory sets that a person's inspiration in a specific circumstance is an element

of two variables: (1) the expectancy about the connection amongst exertion and a specific result (for instance a specific level of pay for a specific level of execution), alluded to as the "exertion result expectancy" and (2) the valence (engaging quality) of the result. The inspiration made by these two elements drives individuals to pick a level of exertion that they accept will prompt the coveted result.

Vroom theory states that Individuals act to augment expected satisfaction with results and People are inspired by two things: what they think the payoff is for a specific conduct and (for this situation, money) and the amount they esteem that payoff (studies about it shows individuals esteem monetary payoff over non-monetary payoff). The mix of these two components is the thing that propels individuals. Poskela, (2009) contends individuals endeavor when execution-based motivations are utilized on the grounds that they trust they will get money when they execute obviously and individuals truly like money.

The theory further states that the behavior results from conscious choices among alternatives whose purpose it is to maximize pleasure and minimize pain. Together with Edward Lawler and Lyman Porter (1964) Victor Vroom suggested that the association between employee's conduct at work and their goals are not as basic as was first envisioned by various researchers. They understood that employee's productivity depends on individuals' elements, for instance, personality, aptitudes, data, experience and capacities.

Vroom's theory states that employees act to maximize expected satisfaction with outcomes. Employees are motivated by two things; the payoff for particular behavior and (benefits) and how much the value of that pays off (productivity). The combination of the two factors is what makes employees make more efforts to increase their productivity. At the end of the day, employees endeavor when monetary based motivators are utilized as a part of motivation since they trust that they will get more money when they execute not surprisingly, and employees truly like money. The theory suggests that in spite of the way that employees may have unmistakable courses of action of targets, they can be moved if they assume that there is a positive association amongst endeavors and productivity. Perfect productivity achieved an alluring prize; rewards satisfy an important need, and that is what workers regard.

The impact of employee benefits on effort in an expectancy-theory conceptualization is two structures. In the first place, the aftereffect of interest is the cash related reward. Cash can have valence for a grouping of reasons. Vroom's underlying beginning of the valence of cash is that cash is instrumental in gaining things people need, for instance, material stock. Likewise, as demonstrated by Furnham & Argyle, (1998) cash has agent motivator as a result of its evident relationship to qualification, status, and distinctive parts. Employee benefits clearly have higher valence than no pay (if expected pay is more important than zero) and besides may have higher valence than non-startling incentives, dependent upon the relative portion designs.

In conclusion, according to expectancy theory, is that a person's motivation and ensuing profitability is essentially higher when remuneration relies upon execution, due to both an expanded expectancy about the effort result relationship and an expanded (or if nothing else no alteration in the) valence of the outcome.

Methodology and Design

The descriptive method of research was utilized for this examination. To depict and characterize descriptive sort of research, Creswell, Shope, Plano Clark & Green (2006), express that descriptive method of research is to assemble data about the present existing condition. The accentuation on it is on describing instead of judging. Descriptive research for the most part is worried about describing the nature or condition and the degree in the detail of the current circumstance. This method is utilized to portray the nature of a circumstance as it existed at the time of the examination and investigate the reasons for a specific phenomenon. According to Sekaran and Bougie (2011) descriptive study is undertaken to ascertain and to describe the characteristics of the variable of interest in a situation. Descriptive statistics is essential in many situations especially when using qualitative data to understand a phenomenon. In view of the above descriptions and strengths, descriptive survey was the most appropriate design for this study. This type of design was quite appropriate for gathering, summarizing, presenting and interpreting for the purpose of clarification (Orodho, 2002).

Results and Discussion

For the respondents to get the view he asked the respondents whether they are entitled to these incentives as a way to boost employee productivity: social security, housing, health care, the findings are presented:

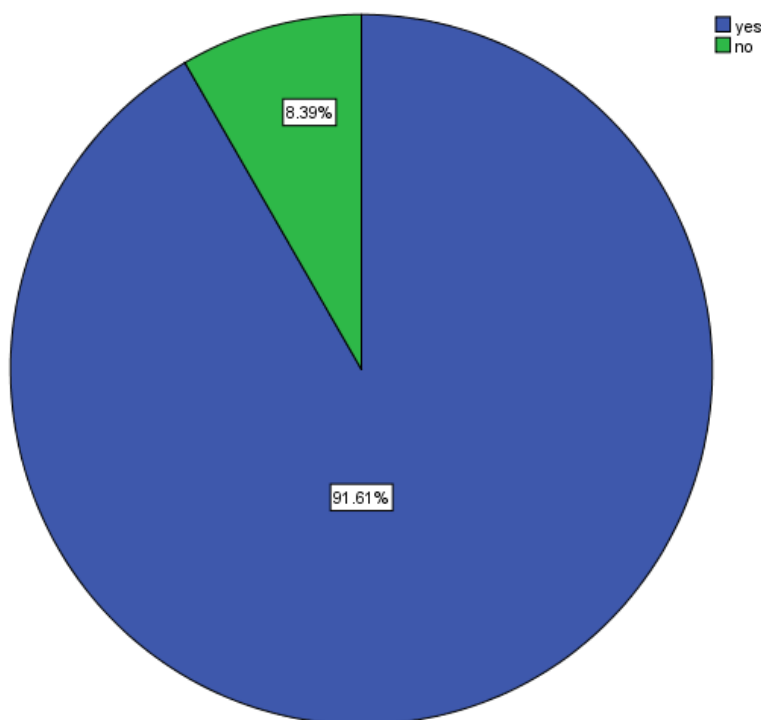
Table 1: Social Security

		Frequency	Percent	Cumulative Percent
Valid	yes	224	78.3	78.3
	no	62	21.7	100.0
	Total	286	100.0	

Source: Researcher, 2018.

The finding in table 1, indicated that 224 respondents indicated that the company gave the social security for them to plan for their retirement while 62 indicated that they do not enjoy the monetary incentive. Majority of the respondents from KETEPA enjoy social security this being a monetary incentive to cushion the employees after the leave working when their retirement comes by.

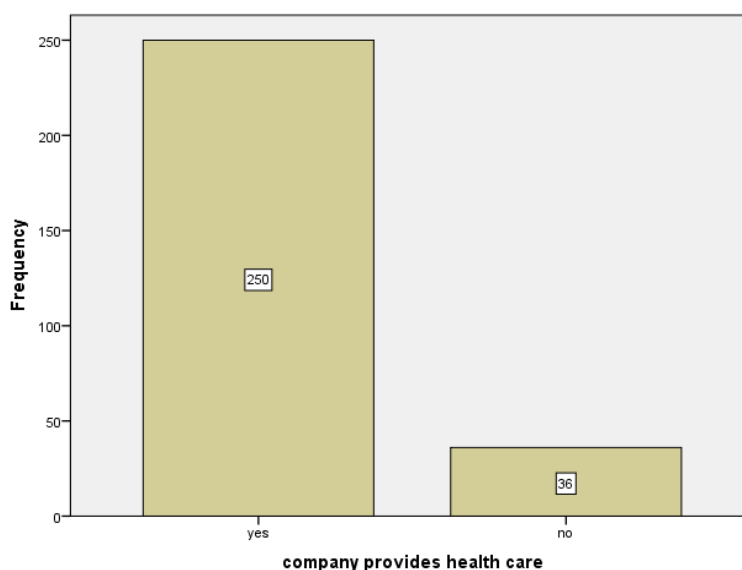
Figure 1: Housing



Source: Researcher, 2018.

On whether the company KETEPA provides housing to its employees as an incentive, 91.61% of the respondents indicate that it does while 8.39% were not provided with housing. Majority of the respondents get the incentive so that they can save on the cost of housing outside the company premises, therefore, the company provides housing as a monetary incentive.

Figure 2: Healthcare

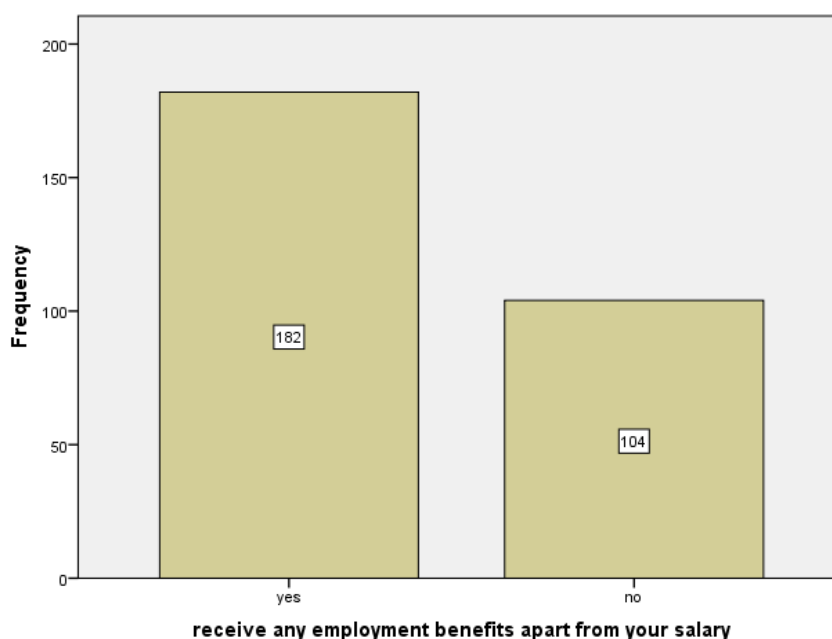


Source: Researcher, 2018.

The finding from figure 2 indicate that, 250 respondents indicated that the company provides healthcare for them this is a monetary incentive that covers for the medical bills when they are unwell and need to see the doctor. 36 respondents indicated that they don't get such provision from the company. The healthcare package varies from employees there are those who only enjoyed the NHIF (National Hospital Insurance Fund) only with other employees enjoyed medical insurance covers from different insurance companies as well as NHIF.

Impact of Employee Benefits on the Employee Productivity

Figure 3: Employment Benefits



Source: Researcher, 2018.

The findings in figure 3 show that, 182 respondents indicated that they receive employment benefit apart from salary while 104 respondents indicated that they do not. Majority of the respondents indicated that they receive employment benefit apart from salary.

Table 2: Impact of Employee Benefits on the Employee Productivity

	SD	D	N	A	SA	Mean
Social security	22 (7.7%)	25 (8.7%)	-	180 (62.9%)	59 (22.6%)	3.80
Housing	22 (7.2%)	21 (7.3%)	-	175 (61.2%)	70 (24.5%)	3.89
Health care	47 (16.4%)	110 (38.5%)	-	74 (25.9%)	55 (19.2%)	2.93

Source: Researcher, 2018.

The researcher sought to find out the impact of the employees benefit on the productivity of the employees and the finding from table 2 shows that, on social security, out of the 286 respondents 22(7.7%) strongly disagreed that remittance of social security by the company to employee will increase their productivity, 25(8.7%) respondents disagreed, 180(62.9%) respondents agreed and 59(22.6%) respondents strongly agreed. The mean of this was 3.80 which was on the positive, this implies that social security boosts the productivity of the employees when they are remitted by the company as the employees will be working for a future that is secured thanks to the social security that will cushion them in their retirement.

On whether housing facilities for employees boost their productivity, 20(7.0%) strongly disagreed, 21(7.3%) respondents disagreed, 175(61.2%) respondents agreed and 70(24.5%) respondents strongly agreed. The mean of this was 3.89 which was on the positive, this implies that housing boosts the productivity of the because they will have reduced expenses and they are not worried about being tenants hence more focus is on their productivity.

Regarding healthcare provision by the company with an aim of boosting employee productivity, 47(16.4%) strongly disagreed, 110(38.5%) respondents disagreed, 74(25.9%) respondents agreed and 55(19.2%) respondents strongly agreed. The mean of this was 2.93 which was slightly above 2.5 which is the midpoint, this implies that healthcare boosts the productivity of the because employees will have reduced expenses in terms of treating themselves and their families hence the will focus to keep the cover for as long as they can work.

Conclusion

The study concluded that employee benefits influences employees' productivity. Mint berg et al (1998b) as quoted by Burns (2009) stated that it is important that everyone in the organization shares a common view of its purpose and direction which informs and guides decision -making and actions. From the findings, there is a strong relationship between employee benefits and productivity of the Kenya Tea Packers Limited (KETEPA).

Recommendation

Employees' benefits should be increased so as to cover all the employees as it will enhance their commitment to their work which will produce a significant change in the productivity of the company.

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