

# The Effects of Welfare Services on Employees Performance in Kano State Polytechnic

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Submitted: 10-08-2021

Revised: 25-08-2021

Accepted: 28-08-2021

## ABSTRACT

This research was conducted on the theme “The Effects of Welfare Services on Employees’ Performance in Kano State Polytechnic”. It was a survey research that utilized the Likert 5 points scale questionnaires. The research population (N) were 1040 and a sample size (S)=278 was arrived at using Krejcie and Morgan, (1970) table of sample size. The questionnaires were analyzed using the Statistical Package for Social Sciences (SPSS) version 22.0 and the data were run via **Correlation** and the **multiple regression** analysis. The Independent variable (IV) which was Welfare Service had three predictor variables: Health Care, Housing and Fringe Benefits. Whereas, the Dependent variable (DV) which was performance were examined so as to the effects of welfare services on employees performance. The following results were obtained: The **Anova** has shown a significant value of F 12.876, sig .000<sup>b</sup>, while the regression has R<sup>2</sup> .127 and F change 12.876 were obtained indicating overall relationships among the variables. The predictor variable of fringe benefit has shown significant relationships with Pearson Correlation sig. (2-tailed) value .349\*\* it has ( $\beta=.300$ ,  $t=3.929$ ,  $p<0.000$  whereas health care has shown slight relationship with Pearson Correlation sig. (2-tailed) with a value .250\*\* it has ( $\beta=.089$ ,  $t=1.115$ ,  $p<0.266$ ). Lastly, housing has shown insignificant relationship with Pearson Correlation sig. (2-tailed) with a value .257\*\* ( $\beta=.001$ ,  $t=-0.013$ ,  $p<0.990$ ). Therefore, based on the findings, the research concludes that there is significant relationship between Welfare Services and employees’ performance. The research further recommends that the Management of Kano State Polytechnic should be providing more fringe benefits, restore sold housing estates and improve health care services delivery

**Keywords:** Welfare, Services, Employees and Performance

## I. INTRODUCTION

Employees form part of the most important resources that must be managed carefully in an organization to achieve organizational vision, mission, objectives and core values. Organizations have to provide various benefits to ensure that employees’ welfare packages are satisfactorily provided. In this contemporary period, it is almost impossible to operate an organization without offering a basic set of benefits for employees’ welfare. Welfare is concerned with the total wellbeing of employees both at work and at home (Daddie, Andrews, Iroanwusi, and Princewill 2018).

Armstrong (2004) states that employees’ welfare programs rest mainly on the abstract ground of social responsibility on organizations for those who work for them. Organizations need highly performing employees to meet their goals to deliver the products and services they specialize in and hence achieve a competitive advantage.

According to (Daddie, et al; 2018) organizations provide welfare facilities to their employees to keep their motivation levels high and encourage higher job performance. The very logic behind providing welfare schemes is to increase a healthy, loyal and productive workforce, create efficient and satisfied labor force for the organization, and promote healthy organizational relations thereby maintaining industrial peace and harmony.

Employee welfare is a term that describes various services, benefits and facilities offered to employees by the employers. The welfare measures

need not be monetary, but they can be either in cash or in kind. They include items such as housing and transport allowances, medical insurance and food (Lonah, Ogoti and Munyua, 2018)

To increase labor welfare, employers offer extra incentives, health benefits, medical benefits, and other schemes to make workers accept mechanization. The performance of employees is critical to the survival of the production process in organizations (Namuddu, 2010).

Employees' welfare is a term that describes various services, benefits, and facilities offered to employees by employers. The welfare measures need not be monetary, but they can be in any kind/form. They include items such as housing and transport allowances, medical insurance and food. Employees' welfare also includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident, and unemployment for the workers and their families. Through such generous benefits, the employer makes life worth living for employees (Ayinde, 2014).

### Statement of the problem

Staff welfare services had been prevalent in Kano State Polytechnic for a long period. The welfare services include the provision of housing or housing allowance, medical allowances, fringe benefits, transport allowances, leave grants, examination allowances, state government pension contribution, gratuity, etc.

However, the houses have been sold recently on an owner-occupier basis by the Kano State Government. Medical allowances were paid through monthly salaries (now Kano State Contributory Health Care Management Scheme), a replica of the Nigeria Health Insurance Scheme (NHIS). Fringe benefits included payment of peculiar allowances, monthly pension and payment of gratuity, which became inaccessible to majority of retirees for over 5 years. Therefore, the provision of these welfare services needs to be examined to identify the extent to which they influence employees' job performances.

### Objective of the Study

The main objective of the study is to establish if there is any significant relationship between welfare services and employees' performance in

Kano State Polytechnic, other specific objectives include the following:

1. To determine the effect of health care on employees performance in Kano State Polytechnic.
2. To determine the effect of housing on employees performance in Kano State Polytechnic.
3. To determine the effect of fringe benefits on employees performance in Kano State Polytechnic.

### Research Questions

1. What is the effect of health care on employees' performance in Kano State Polytechnic?
2. What is the effect of housing on employees' performance in Kano State Polytechnic?
3. What is the effect of fringe benefits on employees' performance in Kano State Polytechnic?

### Hypothesis

**HO1:** There is no significant effect of health care on employees' performance in Kano State Polytechnic.

**HO2:** There is no significant effect of housing on employees' performance in Kano State Polytechnic.

**HO3:** There is no significant effect of fringe benefits on and employees' performance in Kano State Polytechnic.

### Methodology

The research is quantitative in nature and it deployed a survey method, adopting Likert 5 scale model of questionnaire to investigate the relationships between the Independent variable (IV) welfare services and the Dependent Variable (DV) Employees' Performance. The Validity and Reliability of the Instrument of data collection was tested using the Lawshe (1975) formula

$$CVR = 4 - \frac{(5/2)}{(5/2)} CVR = 0.6 \text{ this is acceptable as}$$

the result is close to +1. The study used a sample size of 278 chosen to represent the entire population of the study (N= 1040, while S= 278) adopting Krejcie and Morgan (1970) table of sample size determination whereas, simple random sampling techniques was adopted in selecting the sample population.

### Conceptual clarifications

Independent Variable (Welfare Services)  
Dependent Variable (Performance)

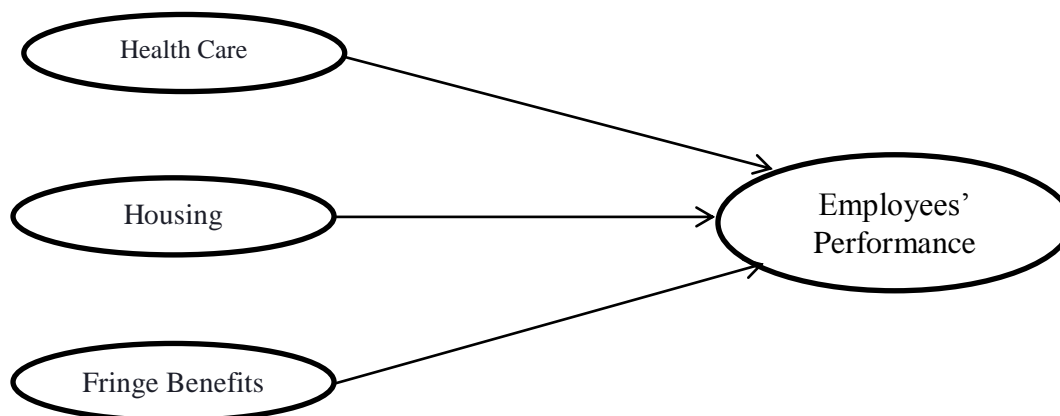


Figure 1: Conceptual Model

### Dimensions of Welfare Services

The independent variable (IV) is Welfare Services and it has dimensions/constructs as follows:

1. Health care
2. Housing
3. Fringe benefits

### Health Care

"Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity" World Health Organization (WHO, 1948).

The health care offered to the employees of Kano State Polytechnic is covered through medical allowances payable in monthly salaries of staff. Presently, the medical allowances are deducted from staff salaries and remitted to the Kano State Contributory Health Management Agency (KSHCM). The (KSHCM) serves as a Health Maintenance Organization (HMO), and it is owned by the Kano State Government.

### Housing

Housing constitutes the allocation of government quarters to staff to ease the difficulty of securing befitting accommodation for the employees of the Polytechnic. The houses could either government-owned or privately owned by some individual but leased by the Polytechnic for the staff. In other words, housing is provided to all staff via "housing allowances" payable in the monthly staff salaries.

Housing is one of the immediate aspects of the living experience and, as such, has the potential for directly affecting the lives of residents (Henderson (1987). Numerous studies have suggested that the overall quality of life is dependent on several domains or components of a person's life.

### Fringe Benefits

The fringe benefits offered at the Kano State Polytechnic include the payment of peculiar earned allowances payable through monthly salaries, pension, gratuity and other benefits.

Erbasi (2012) defined fringe benefits as compensation in addition to direct wages or salaries, such as company car, house allowance, medical insurance, paid holidays, pension schemes, subsidized meals. Some fringe benefits are regarded as part of a taxable income.

### Employee Performance

Employee performance is a core concept within work and organizational psychology. It is a multidimensional and dynamic concept. Employee performance is a term typical to Human Resources, it is everything about the performance of the employee in an organization; the level at which employees perform their work. It comprises the job-related activities expected of a worker and how well those activities are executed.

According to Dessler (2008), performance management is a process that consolidates goal setting, performance appraisal, and development into a single, common system, the aim of which is to ensure that the employee's performance is supporting the company's strategic aims.

Friendly environment at work is able to influence employees to commit themselves to carrying out their tasks and duties effectively. Similarly, respect among colleagues and managements will assist in creating a good work environment thus serves as an incentive for employees in workplaces (Aarabi, Subramaniam, Almintisir and Akeel 2013)

## II. LITERATURE REVIEW

Zirra, Clifford, Mambula and Anyatonwu (2019) conduct a study investigating the Impact of Fringe Benefits on Employee Performance: A Study of NASCO Group, Jos Plateau State. The study adopted a descriptive survey research design, while the regression method of analysis was used in carrying out the empirical analysis. The findings from the study show that health protection benefits have a positive and significant impact on employee performance in NASCO Group. It showed that the more health protection benefits are provided for employees of NASCO Group, the more they work hard at their jobs and their productivity increases. Also, retirement benefits have a positive and significant influence on employee performance in NASCO Group; and lastly, findings from the study revealed that recognition has a significant impact on employee performance in NASCO Group.

Gunawan and Amalia (2015) examine wages and employees performance: The Quality of Work Life as Moderator in Malaysia, the type of the data being used is the primary data in the form of a questionnaire. Sampling is done by stratified random sampling of 100 employees in a manufacturing company. The data analysis used linear regression and moderated regression analysis. The result shows a significant negative effect on the wages of employees and performance. Moreover, another finding is a negative effect of wages which are moderated by the quality of work-life is caused by the effect of intrinsic motivation (quality of working life) is more powerful than extrinsic motivation (wages). Quality of work life is quasi moderators that weaken the wages variable.

Sedem and Honyenuga (2017) examines The Impact of Occupational Health and Safety Measures on Employee Performance at the South Tongu District Hospital, Ghana. The study used both stratified and simple random sampling methods to sample 116 employees of the Hospital including 5 management members. Questionnaires were administered and observation was carried out.

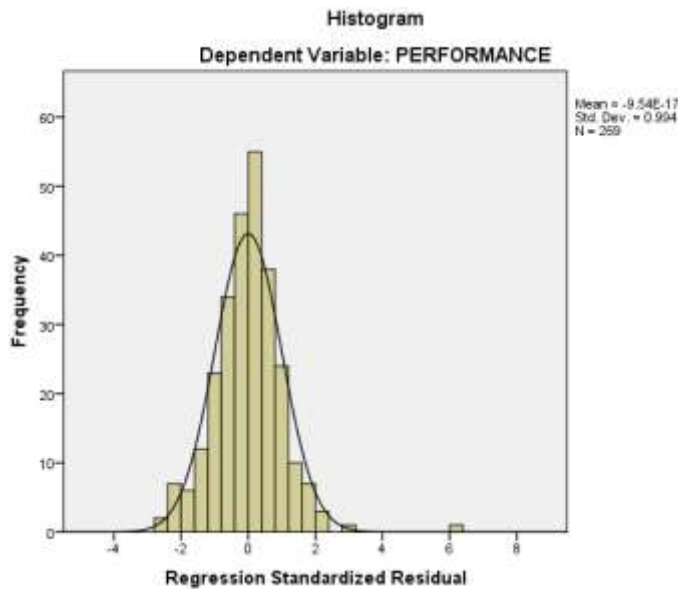
However, only 88 questionnaires were retrieved and analyzed using the SPSS software and results were displayed on tables. The study found out that the level of employee awareness of OHS Policy was 79.5 percent. The measures were seen to have been implemented adequately. Workers faced numerous hazards such as safety hazards, mechanical hazards, biological hazards, ergonomic, physical hazards and psychological hazards. Management was found to be constrained financially in the implementation and maintenance of OHS measures.

Daddie et al (2018) investigate Employee Welfare Schemes and Worker Performance: A study of selected insurance firms in Port Harcourt. The study adopted a survey approach in its design. The researchers used a sample of 101 insurance sector workers drawn from ten insurance firms in Port Harcourt. The major instrument for data collection was a five-point Likert scale questionnaire titled employee welfare scheme and workers performance questionnaire (EWS and EPQ), data analysis was based on the 98 questionnaires that were accurately filled and returned. The statistical tools for data analysis are simple percentages and the Non-Parametric Kruskalwallis test using the 23.0 version of the statistical package for social sciences software (SPSS). The research concludes that employee's welfare scheme provided by insurance firms has a significant effect on the performance of their employees.

## III. DATA ANALYSIS

### Normality Test

The data was collected and tested for normality, Tabachnick and Fidell, (2007) asserted that one of the basic assumptions of regression analysis is that each variable and all linear groupings of the variable are normally distributed. As presented below, the histogram shows that the normality assumption has been achieved since the entire bars on the histogram were closed to the normal curve.



**Correlation analysis**

Correlation analysis was used to explain the strength and direction of linear relationship between two variables (Pallant, 2001). Pearson correlation was used to assess the inter relation between the study variables.

**Table 1: Correlations Matrix**

		HEALTH	HOUSING	FRINGE BENEFITS	PERFORMANCE
<b>HEALTH</b>	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	269			
<b>HOUSING</b>	Pearson Correlation	.685**	1		
	Sig. (2-tailed)	.000			
	N	269	269		
<b>FRINGE BENEFITS</b>	Pearson Correlation	.534**	.649**	1	
	Sig. (2-tailed)	.000	.000		
	N	269	269	269	
<b>PERFORMANCE</b>	Pearson Correlation	.250**	.257**	.349**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	269	269	269	269

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

Source: Survey (2019), Generated from SPSS, 22 Version

The above table signifies that the variables are significantly correlated to the extent that no variable with 0.9 which indicated that there is no problem of Multicollinearity.

**Multiple regression analysis**

Multiple regression analysis provides an avenue of neutrality of assessing the degree and

character between independent variables and dependent variable (Sekaran & Bougie, 2010; (Hair, Hopkins, and Kuppelwieser, 2014). The regression coefficient use to show the relative importance of each of the independent variables in the prediction of the dependent variable.

**Table 2: Regression Analysis**

**ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	417.345	3	139.115	12.876	.000 <sup>b</sup>
Residual	2863.026	265	10.804		
Total	3280.372	268			

a. Dependent Variable: Performance

b. Predictors: (Constant), Fringe Benefits, Health Care, Housing

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.357 <sup>a</sup>	.127	.117	3.28692	.127	12.876	3	265	.000

a. Predictors: (Constant), Fringe Benefits, Health Care, Housing

b. Dependent Variable: Performance

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.218	1.166		10.480	.000
	HEALTH	.062	.056	.089	1.115	.266
	HOUSING	.001	.053	.001	.013	.990
	FRINGE B.	.290	.074	.300	3.929	.000

a. Dependent Variable: Performance

Source: Survey (2019) Generated from SPSS, 22 Version

**IV. FINDINGS**

The study found out that there was relationship between welfare services and employees' performance in Kano State Polytechnic with an overall Anova<sup>a</sup> F 12.876, sig.000<sup>b</sup>, R<sup>2</sup> .127 and F change 12.876 were obtained.

1. There is a slight effect of Health care on employees' performance in Kano State Polytechnic. This was established through the Pearson Correlation sig. (2-tailed) with a value .250\*\* it has ( $\beta=.089$ ,  $t=1.115$ ,  $p<0.266$ ) which indicates slight relationship with the dependent variable.

2. There is an insignificant effect of Housing on employees' performance in Kano State Polytechnic. This was established through the Pearson Correlation sig. (2-tailed) with a value .257\*\*, whereas Housing was found with ( $\beta=.001$ ,  $t=-0.013$ ,  $p<0.990$ )

3. There is a significant effect of Fringe benefits on employees' performance in Kano State Polytechnic. This was established through the Pearson Correlation sig. (2-tailed) with a value .349\*\* it has ( $\beta=.300$ ,  $t=3.929$ ,  $p<0.000$ ) indicating significant relationship.

**Hypotheses Testing**

S/N	HYPOTHESES	SUPPORTED / REJECTED
H <sub>1</sub>	There is no significant effect of health care on employees' performance in Kano State Polytechnic.	Supported
H <sub>2</sub>	There is no significant effect of housing on employees'	Supported



	performance in Kano State Polytechnic.	
H <sub>3</sub>	There is no significant effect of fringe benefits on employees' performance in Kano State Polytechnic.	Rejected
	<b>Source: Survey Data (2019)</b>	

## V. CONCLUSION

The study has contributed to of knowledge by providing empirical evidence about the observed variables. In addition, two (2) of the variables of welfare namely: Health care and Housing found to be insignificantly related to employee performance in Kano State Polytechnic. However, the remaining one (1) factor (Fringe Benefits) is found to be significantly related to employee performance of Kano State Polytechnic.

### Recommendations

Based on the objective of the study, the findings and conclusion of the study, the following recommendations were offered:

1. The Management of Kano State Polytechnic should continue to offer more fringe benefits to the employees because it was found to be related to increase employees' performance.
2. The Management of Kano State Polytechnic/Kano State Government should improve Health Care services delivery through the Kano State Health Care Management Agency because it has potentials to improve employees' performance.
3. The Management of Kano State Polytechnic/Kano State Government should provide housing for the workers as this study found out that the present policy that led to sales of government quarters is demotivating. This was discovered from the results, which show insignificant relationship between housing and employees' performance.

### Recommendation for Further Studies

The researcher was not able to capture entire tertiary institutions across the state, therefore, there is need to study other institutions in Kano State. Moreover, there is need for future study to add value to the existing knowledge by adding more variables under welfare benefit apart from those used in this study (Health care, housing and fringe benefits).

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