



**EMPLOYEE BENEFITS AND JOB PERFORMANCE: THE CASE OF NATIONAL  
ENTERPRISE CORPORATION (NEC)**

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**FEBUARY, 2018**

**DECLARATION**

I, **Mary Nansasira** hereby declare that this dissertation titled “Employee Benefits and Job Performance” is entirely my own original work and has never been presented for any award of degree in any other institution of higher learning.

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**Date.....**

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**13/MBA/10/044**

**APPROVAL**

This is to certify that research report has been written by Mary Nansasira and is now ready to be submitted in for examination with my approval as the University Supervisor.

**Signed.....**

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**Signed.....**

**Date.....**

**Dr. Lazarus Nabaho**

## **DEDICATION**

I dedicate this dissertation to my fiancée Ategeka Patrick, my children Leslie Kirungi and Leroy Birungi for the support both morally and financially to see me through this academic struggle.

May the good Lord bless you plentifully!

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## **LIST OF ABBREVIATIONS**

C.V.I : Content validity index

HRM : Human resource management

NEC : National Enterprise Corporation

PCC : Pearson's correlation coefficient

POS : Perceived organizational support

USA : United States of America

## ABSTRACT

This study sought to establish the effects of employee benefits on employee performance at National Enterprise Corporation in Uganda. The objectives of the study were: to examine the relationship between short term employee benefits and employee performance at NEC, to find out whether insurance benefits have a relationship with employee performance at NEC and to examine whether retirement benefits have a relationship with employee performance at NEC. The study used a descriptive survey design on a population which entailed the employees at an executive level, managerial level, supervisory level and other junior employees. A total of 67 respondents were selected for the study. The researcher used both purposive sampling and simple random sampling techniques in selecting the samples. The study was guided by a quantitative paradigm, but with substantial complementary qualitative methods. Questionnaires were self-administered which provided sufficient data from the sample selected, and interviews were used in order to get detailed data to complement and triangulate data which was collected using questionnaires. Data from the questionnaires was analyzed quantitatively using Statistical Package for Social Scientists (SPSS) where correlation was used to establish the relationship between employee benefits and job performance. Data from questionnaires was presented in form of frequency tables and bar graphs.

The study findings confirmed that according to the hypothesis, short term employee benefits have a significant positive effect on employee performance ( $r=0.535$ ), there is no positive significant relationship between insurance benefits and employee performance ( $r = 0.083$ ) and there is no significant relationship between retirement benefits and employee performance ( $r=0.035$ ). The study recommended that NEC needs to improvise employee recognition programs for jobs well done, this will motivate employees thus enhancing employee productivity in the organization.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Introduction**

This study examined the relationship between benefits and employee performance at National Enterprise Corporation in Uganda. The independent variable is benefits and employee performance is the dependent variable. Employee benefits were measured in terms of short term employee benefits, insurance benefits and Retirement benefits while employee performance was measured in form of Quality of work, Quantity of work, Lower chances of absenteeism, Employee turnover and Fairness in accessing services.

This chapter presents the background of the study, the statement of the problem, the purpose and objectives of the study, the research questions, the hypothesis, scope of the study, significance of the study, conceptual frame work of the study and operational definitions of terms.

### **1.1 Background of the Study**

The background to the study was presented in four themes that is; historical, theoretical, conceptual, and contextual perspectives.

#### **1.1.1 Historical Background**

In the olden days, employee benefits were not a significant part of most employees' compensation packages until the mid- twentieth century. In the United States of America (USA) for example, benefits comprised only about three percent of total payroll costs for companies in 1929. According

to the USA Chamber of Commerce however, employee benefits in the USA now comprise approximately 42 percent of total payroll costs (Pollitt et al 2004).

Measuring employees' performance in both the public and private sectors has been discussed for decades (Kaplan and Norton, 2004; Pollitt et al 2004). In many advanced economies, such as those of the Anglo-Saxon countries, Scandinavia and the Netherlands public services have come under increasing pressure to improve their efficiency and effectiveness, reduce their demands on taxpayers, but maintain the volume and quality of services supplied to the public (Brignall and Modell, 2000).

In the English public sector, an important innovation in the performance management regime centers around public service agreements, explicit agreements, targets and indicators established between the treasury and individual government departments, which are subsequently cascaded throughout the entire public sector in an effort to ensure delivery alignment. The empirical findings are examined in light of three theoretical perspectives new institutional theory, resource dependence theory and agency theory. New institutional theorists adopt the position that organizations are not just technical systems and consider performance measurement as a set of socially constructed practices, shaped by long-lasting and deeply embedded norms (Scott, 1987; Covaleski et al., 1996). In institutional environments, some actors have the authority to impose organizational practices on subordinate units or to specify conditions under which they will remain eligible for continued funding (Geiger and Ittner, 1996). Although institutions play an important role in every sector, public sector organizations are more dependent on them both in terms of legitimacy and resources (Meyer and Rowan, 1977; DiMaggio and Powell, 1983).

According to Brundson, (2012), employee benefits have been regarded mainly as a retention tool or, originally, as a moral obligation for employers. This concept has however evolved to more than a retention tool; triggered by the industrial revolution; employers recognize the need to attract, retain and motivate their employees in order to meet their objectives. This is affirmed by (Bergman and Scarpello, 2001) who state that employers may find themselves at a disadvantage in the labor market if they do not offer competitive benefit packages. This movement is witnessed all over the world. For example, across sub-Saharan Africa, 80% of companies provide some form of medical care to its employees, and also look at other benefits and remuneration strategies like performance based bonuses (Mercer, 2012).

In Uganda, human resource management challenges have been reported among these challenges is weak performance management of civil servants. The value for money audit for the health sector programs that was carried out in Uganda in the year 2006 revealed a number of weaknesses in performance management of health care workers in the districts (Armstrong 2000). The audit revealed significant staffing gaps with many of the 112 districts in Uganda failing to attract and retain qualified health care workers. In addition, the districts did not have clear policies on staff training, transfers and rotation. There was irregular and inadequate support supervision, and health staff appraisals were occasional (Health Management Information Systems report 2008) to report performance.

National Enterprise Corporation was established in 1989 by the Act of Parliament soon after the NRA/NRM liberation with a view of redeploying and providing gainful employment to soldiers who were involved in the war. Its main aim is to be a sustainable commercial arm of the Uganda Defence

Forces that generates goods and services for progressive social, economic transformation and development amongst the Defence Forces, Veterans and civil society.

In accomplishing its objectives, NEC has similarly availed various benefits packages to its employees as part of their contract and perks of performing well in their tasks. These include short term employee benefits through overtime, annual leave, maternity leave health insurance benefits and retirement benefits by way of pensions. All this is geared towards having an effective workforce to boost the employee performance and increase the organization's productivity.

### **1.1.2 Theoretical Background**

This study was guided by the Perceived Organizational Support (POS) theory. The POS theory refers to employees' perception concerning the extent to which the organization values their contribution and cares about their well-being (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Shore & Shore, 1995). The Perceived organizational support (POS) is also valued as assurance that aid will be available from the organization when it is needed to carry out one's job effectively and to deal with stressful situations (George, Reed, Ballard, Colin, & Fielding, 1993).

According to the POS, employees view their favorable or unfavorable treatment at the organization as an indication that the organization favors or disfavors them. Employees further view POS in order to meet needs for approval, esteem and affiliation, and to assess the benefits of increased work effort. POS increases employees' felt obligation to help the organization reach its objectives, their affective commitment to the organization, and their expectation that improved performance will be rewarded. Behavioral outcomes of POS include increases in in-role and extra-role performance and decreases in withdrawal behaviors such as absenteeism and turnover.

Research on perceived organizational support (POS) began with the observation that if managers are concerned with their employees' commitment to the organization, employees are focused on the organization's commitment to them (Eisenberger, Huntington, Hutchinson, & Sowa, 1986)

This theory therefore suggests that what once an organization appreciates its employees and rewards them accordingly, this encourages them to perform better at their jobs and this would help organizations such as NEC to have its employees producing quality work to have their job performance at high levels in order to achieve organizational goals.

### **1.1.3 Conceptual Background**

Employee performance is an important element of any organization focused on attaining its objectives and employee benefits are essential in keeping employees motivated enough at their jobs to achieve required productivity. An increase in employee productivity suggests that employees increasingly value employee benefits as part of their overall compensation package. According to Milkovich et al., (2008), employee benefits packages significantly affect job satisfaction. Employees who are competent, motivated and satisfied lead to more productive organizations overall (Caligiuri et al., 2010). Satisfied employees are more likely to be committed to their organizations and exhibit higher levels of performance and productivity.

Accordingly, Armstrong (2000) is of the view that employee performance is simply the record of outcomes achieved whose aim is to have productivity at the organization that helps achieve organizational goals. In this study, employee benefits at NEC are aimed at having a work force whose employee performance meets organizational targets and objectives. In this research, employee benefits operationally included short term employee benefits which were conceptualized as compensated absences where payment is settled within twelve months of when employees rendered

related services and these operationally include; overtime, annual leave, maternity leave and educational and house allowance; insurance benefits which were conceptualized as activities that protect workers from occupational injury and illness ranging from basic safety training to the use of protective gear while working and these operationally will include; health and life insurance as well as medical care; retirement benefits will be conceptualized as the amount paid regularly to a person, typically following retirement from service by way of pensions and gratuity. All these benefits are aimed at making sure employee performance is attained. Accordingly, in this study, performance was operationally measured by the quality of work being done being of standard, larger quantities of work being done as well, staff accomplishing their tasks on time and targets being attained and work plans being carried out at an effective cost.

#### **1.1.4 Contextual Background**

Kinyili (2012) while writing from Kenyan context argues that an efficient, motivated and well trained civil service is expected to be one of the major foundations of a country. In Uganda's case, performance of National Enterprise Corporation staff has been reported to be below expectation. In Kenya, report on employee's performance indicates that, performance is below expectations as often highlighted in many dailies and other publications. Literature reviewed revealed that there are several factors that can contribute to poor staff performance. This stimulated the researcher's interest to venture into the area of employee performance targeting National Enterprise Corporation staff.

National Enterprise Corporation (NEC) was established in 1989 by the Act of Parliament soon after the NRA/NRM liberation war. Its inception was for it to be the commercial arm of the Army with a view of redeploying and providing gainful employment to soldiers who were involved in the war and

engage them to produce goods and services for the Defence Forces. Its main aim is to be a sustainable commercial arm of the Uganda Defence Forces that generates goods and services for progressive social, economic transformation and development amongst the Defence Forces, Veterans and civil society. Tashobya (2009) points out as a result, the coverage of services was limited, quality was poor in terms of performance and, combined with the existence of patient charges, these services represented poor value for money.

NEC has put in place benefits for its employees such as the terminal benefits for the retiring staff, a health insurance scheme for permanent employees that caters for only four dependents among other benefits. Despite these benefits in place, the employee performance is still lagging behind and this can be evidenced in factors such as work targets not being achieved with late accountabilities being done for works carried out and tasks not having been accomplished as required by line managers and supervisors (NEC Performance Report; REF 04/03/2015). This has led to substandard work being done which has cost the organization money being spent unnecessarily.

NEC aims at attaining its organizational goals by having employee performance being attained though this has not been satisfactory and up to standard which has led to the intervention of the Management at NEC to fill the gaps that exist in the employee benefits packages since this is seen as a motivator for employees to work hard. Issues such as having more dependents on the health insurance scheme as well as having the casual staff included on the scheme since they work for as long as two years at NEC, need to be addressed among others. This helps employee performance to have a positive impact on the organization's goals and achievements.

## **1.2 Statement of the Problem**

Employee performance helps organizations achieve their goals and NEC has endeavored to have this in place by streamlining employee benefits to motivate employees towards achieving employee performance. However, employee performance at NEC has declined over the last couple of years and this has been attributed to the employee benefits not being well distributed and received by employees at NEC which in turn has negatively impacted on employees' productivity (Guma, 2013). The decline in employee performance has been characterized by targets not being met because some employees are not being motivated enough by the employee benefits to work harder at their jobs. This has affected the quality of work being done being of a sub-standard level with reports being done poorly and duties not being executed as expected. Deadlines are also not being met with some employees opting to come to office to work only if there's a higher management at the organization that they are accountable to otherwise, when they don't report for work, tasks are never accomplished on time. There have been cases of employees signing off for more per diem than required for activities in the field since the benefits do not fully cater for one's financial needs, which increases the cost of services being done and they are not carried out effectively yet work plans are implemented at high costs (Guma, 2013) and therefore if employees fail to deliver, this greatly affects their employee performance and therefore the organization's targets are not met.

The organizational policies at NEC that take the form of employment and human resource policies, are supposed to put an emphasis on the employee benefits in order for employees to be motivated to attain productivity but there's still a lag at NEC in terms of employee performance.

Hence there was a need to examine the relationship between benefits in terms of short term employee benefits, insurance benefits and retirement benefits and employee performance in terms of; quality

of work, quantity of work, timely accomplishment of tasks(meeting deadlines), due diligence in duty execution(meeting targets), effectiveness and cost of services.

### **1.3 Purpose of the Study**

The major objective of the study was to investigate the effects of employee benefits on employee performance at National Enterprise Corporation in Uganda.

#### **1.3.1 Objectives of the Study**

The specific objectives of the study were;

1. To examine the relationship between short term employee benefits and employee performance at NEC.
2. To find out whether insurance benefits have a relationship with employee performance at NEC.
3. To examine whether retirement benefits have a relationship with employee performance at NEC

#### **1.3.2 Research Questions**

This study sought to answer the following questions:

1. What is the relationship between short term employee benefits and employee performance at NEC?
2. What is the relationship between insurance benefits and employee performance at NEC?
3. What is the relationship between retirement benefits and employee performance at NEC?

### **1.4 Research Hypotheses**

This study tested the hypotheses that:

1. There is a positive significant relationship between short term employee benefits and employee performance at NEC.

2. There is a positive significant relationship between insurance benefits and employee performance at NEC.
3. There is a positive significant relationship between retirement benefits and employee performance at NEC.

### 1.5 Conceptual Framework

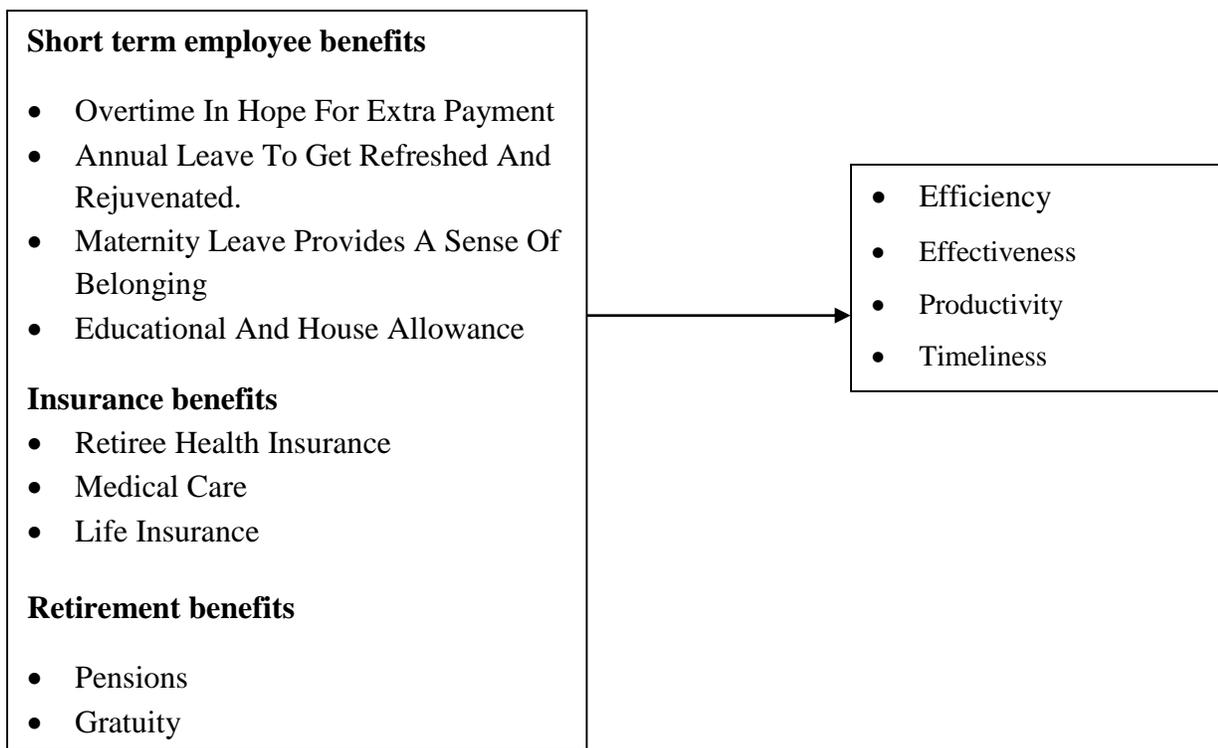
**Figure 1: Conceptual Framework**

**Independent variable:**

**Employee Benefits**

**Dependent variable:**

**Employee Performance**



*Source: Adopted from Kamau, 2011 and modified by the researcher*

From the conceptual framework in Figure 1, it is hypothesized that employee benefits has a relationship with employee performance. If there are short term employee benefits, insurance

benefits and retirement benefits this can influence the level of employee performance positively. This implies that short term employee benefits through overtime, annual leave, maternity leave and educational and house allowance; insurance benefits through health insurance, medical care and life insurance; retirement benefits by way of pensions affect the level of employee performance in terms of quality of work, quantity of work, timely accomplishment of tasks and making sure deadlines are being met, due diligence in duty execution and making sure targets are being achieved as well as the effectiveness and cost of services.

When the employee benefits are being adhered to by NEC's management, the above mentioned factors such as the quality of work done being of standard is attainable by employees because they feel appreciated by the organization and their work efforts rewarded accordingly.

Management should endeavor to have employee benefits streamlined towards enhancing employee productivity to have organizational objectives being achieved.

## **1.6 Significance of the Study**

The study is going to be useful to the management of NEC as it will help them identify and understand the relationship between employee benefits and their performance. This will in turn provide them with tools and techniques of improving the type of benefits provided to the employees and also the manner and time frame in which these benefits are expedited. It will also be beneficial to the company shareholders by offering an opportunity to understand employee benefits in relation to their performance. The study may also provide a contemporary cornerstone for implementation of

more robust employee benefits for public servants. Finally, the study will add to the currently negligible material within this area of study and enrich the academic community.

## **1.7 Justification of the Study**

According to Hameed et al., (2011), an employee is a key element of the organization. Organizations need to endeavor to have their employee benefits streamlined towards making sure that they motivate their staff to achieve organizational goals by attaining a good employee performance.

Thus, the rationale behind the choice of this study was to empirically establish the relationship between insurance, retirement and short term employee benefits on quality of work, quantity of work, timely accomplishment of tasks(meeting deadlines), due diligence in duty execution(meeting targets) as well as effectiveness and cost of services at NEC. The findings of this study are hoped to contribute positively to the field of employee benefits at NEC and other similar organizations. This will eventually help NEC to realize the full potential of their workforce. In the long run, problems such as poor quality of work being done or tasks not being accomplished on time due to employee benefits not being met will be minimized.

## **1.8 Scope of the Study**

### **1.8.1 Geographical Scope**

The research was carried out in Kampala at NEC Head offices which are located along Muwesi Road, Plot 2, Bugolobi in Uganda. The headquarters provided an optimal location for the study because this is where all the key employee decisions are made and these include employee benefits to be

administered at the organization. Secondly, this is where all the decision makers who are capable of providing important information to the study were located.

### **1.8.2 Time Scope**

The study focused on the time frame 2008-2012 because this is the period when the performance of NEC employees had been typified by massive ineffectiveness, inefficiency, and lethargy in employee performance. This period was also seen to be broad enough to enable the researcher attain meaningful conclusions on the study.

### **1.8.3 Content Scope**

This research concentrated on establishing the influence of short term employee benefits, insurance benefits and retirement benefits on employee performance at the NEC, Uganda. This choice was justified by the need to establish how employee benefits influence employee performance, an area that had received little attention from scholars. Employee performance was measured in form of quality of work, quantity of work, lower chances of absenteeism, employee turnover and fairness in accessing services.

## **1.9 Definition of Operational Terms**

**Employee benefits:** this refers to any form of compensation provided by NEC other than wages that are paid for in whole or in part by NEC.

**Short term employee benefits:** this refers to the compensated absences where payment is settled within twelve months of when employees at NEC rendered related services.

**Insurance benefits:** this refers to activities that protect workers from occupational injury and illness ranging from basic safety training to the use of protective gear and will be defined as health and life insurance as well as medical care.

**Retirement benefits:** this refers to the amount paid regularly to a person, typically following retirement from service and will take the form of a gratuity and pensions in this research.

**Organizational Policies:** this refers to written statements which communicate and document NEC's plans aimed at guiding the staff at NEC towards attaining organizational goals.

**Employee performance:** Employee performance is defined as whether a person executes their job duties and responsibilities well.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents a review of available literature by scholars in the area of study that is employee benefits on employee performance at National Enterprise Corporation. In general, the review is conceptualized under the objectives of the study and focuses primarily on employee short term employee benefits, insurance benefits, and retirement benefits and their relationship with employee performance. These were considered the pillars of the study.

#### **2.1 Theoretical Reviews**

This study was guided by the Perceived Organizational Support (POS) theory. The POS theory refers to employees' perception concerning the extent to which the organization values their contribution and cares about their well-being (Eisenberger et al 1986; Shore et al 1995). The Perceived organizational support (POS) is also valued as assurance that aid will be available from the organization when it is needed to carry out one's job effectively and to deal with stressful situations (George et al 1993).

According to the POS, employees view their favorable or unfavorable treatment at the organization as an indication that the organization favors or disfavors them. Employees further view POS in order to meet needs for approval, esteem and affiliation, and to assess the benefits of increased work effort (Eisenberger et al., 1986). POS increases employees' felt obligation to help the organization reach its objectives, their affective commitment to the organization, and their expectation that improved performance will be rewarded. Behavioral outcomes of POS include increases in in-role and extra-

role performance and decreases in withdrawal behaviors such as absenteeism and turnover (Eisenberger et al., 1986)

According to organizational support theory, the development of POS is encouraged by employees' tendency to assign the organization humanlike characteristics (Eisenberger et al., 1986). Levinson (1965) noted that actions taken by agents of the organization are often viewed as indications of the organization's intent rather than attributed solely to the agents' personal motives. This personification of the organization, suggested Levinson, is abetted by the organization's legal, moral, and financial responsibility for the actions of its agents; by organizational policies, norms, and culture that provide continuity and prescribe role behaviors; and by the power the organization's agents exert over individual employees. On the basis of the organization's personification, employees view their favorable or unfavorable treatment as an indication that the organization favors or disfavors them (Eisenberger et al., 1986)

Research on perceived organizational support (POS) began with the observation that if managers are concerned with their employees' commitment to the organization, employees are focused on the organization's commitment to them (Eisenberger et al 1986)

This theory therefore suggests that what once an organization appreciates its employees and rewards them accordingly, this encourages them to perform better at their jobs and this would help organizations such as NEC to have its employees producing quality work to have their job performance at high levels in order to achieve organizational goals (Eisenberger et al., 1986).

In a nutshell, the Perceived Organizational Support (POS) theory provides a holistic approach to the subject of employee benefits and will therefore be applied as we to try and find the cause and effects

to address the problems due to employee benefits not streamlined to attain employee performance at NEC. Employee benefits when integrated well into the organizational policies affect the productivity of the work force positively (Blau, 1964).

## **2.2 Relationship between employee short term employee benefits and employee performance**

Short term employee benefits are defined by short-term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service. Some of the staff at NEC work over time though they are never compensated as stipulated in the organization's policy. Low pay amongst some of the staff forces them to work extra hours with the hope that they will be compensated for this extra effort. When no effort is made towards compensating the employees for over time, the morale to work is affected. Employees begin to fail to meet targets; the quality of work being done is heavily affected (Blau, 1964).

Annual leave is a period of time off work that an employee is entitled to after every consecutive months of service with an employer. According to the COR (2006), leave is granted for recuperative purposes to enable an officer renew his energies and improve efficiency. Leave is taken without loss of seniority or benefits but is subject to exigencies of service. According to Shellengarger (2001), employers give employees paid time off in a variety of circumstances. Paid lunch breaks and rest periods, holidays and vacations are common. But leaves are given for a number of other purposes as well. Time-off benefits represent an estimated 5% to 13% of total compensation. Typical time-off benefits include holiday pay, vacation pay and leaves of absence. This is reiterated by NEC which recognizes the fact that leave helps improve the work force's productivity since it helps renew their energies and improve efficiency. Accordingly, NEC pays half an employee's salary when one is on

leave. Some employees opt out of their leave days in order to make ends meet and decide to go ahead and keep working, this at times affects the quality of work done but what pushes one to do this is the fact that the benefits are not enough to sustain an employees' livelihood and the best way to top up on this is by foregoing leave days to work.

Many employers provide maternity and paternity benefits to employees who give birth to children. As people get older, the benefits of a compensation package assume importance. It is the time when employees establish a family. Those benefits that will serve the family are valued, like maternity benefits, children's education, annual vacation pay, etc. (Andrews, 2009). Female employees at NEC are entitled to a two month's maternity leave as compared to the three months as stipulated in the Employment Act, 2006. Surely two months are not enough for a mother to fully recover and bond with their child in the early stages of their childhood.

Employers have found that educational and tuition aid assistance benefits are highly desired by employees. These programs have been found to aid employee retention and recruitment. The program normally covers some or all costs associated with formal education courses and degree programs, including the costs of books and laboratory materials (Mathis et al 2003). A tailored benefit can be worth as much to an employee as a pay raise. Such a benefit is practical because it probably costs no more than worker unrest and diminished productivity and it is probably less costly than a comparable pay increase (Harris, 2000). NEC would benefit if they introduced educational benefits for the employees as these have a high impact on employee productivity.

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).

Working condition benefits have been claimed by those using a linear causal model. The frequently used or at least assumed model posits that strategic Human Resource Management leads to a human resources management system designed to increase employee skills, motivation and job design. This results in increased discretionary effort and access to employee tacit knowledge which, in turn, improves operational performance, profitability and stock market value. Research into specific labour practices and positive enterprise-level outcomes based on this more or less explicit model has been subject to stringent criticism, which we use as part of our own apparatus in evaluating the research we review. The critique in question is long-standing and centers on several aspects of previous research: its tendency to assume causal relationships; the assumption that their direction is from the practices to positive outcomes; the way that outcomes are narrowly defined if indeed they are clearly defined at all; the lack of specification of the mechanisms that lead to the outcomes; the attempt to find a "universal" paradigm for success that will apply to any company rather than a "best fit" one where specific practices are most effective for particular organizations (Wright and Gardner, 2000). Moreover, it cannot be assumed that maximization of profit is the sole or even main objective function of SMEs from owner/managers' viewpoints; nor that they allocate high proportions of their time to maximization of performance. Non-monetary components are also significant. It has increasingly been argued by researchers examining companies, including Small and Medium

Enterprises (SMEs), in the developing world that “quiet life” preferences and orientations towards the firm that prioritize direct control are also important considerations (Bandiera et al, 2011).

### **2.3 Relationship between insurance benefits and employee performance**

According to Baase (2009) the health of the workforce is inextricably linked to the productivity of the workforce and the health of the nation’s economy. It also shows that employers increasingly recognize this link and are interested in improving worker health by expanding workforce health insurance and health promotion benefit programs. Also many employers allow employees to miss a limited number of days because of illness without losing pay. Some employers allow employees to accumulate unused sick leave, which may be used in case of catastrophic illnesses.

Others pay employees for unused sick leave. Some organizations have shifted emphasis to reward people who do not use sick leave by giving them well-pay – extra pay for not taking sick leave (Mathis et al 2003).

Accordingly, NEC has an insurance program that caters for the permanent staff thou one is entitled to have four dependents on the insurance scheme. It gets increasingly hard for an employee with more than four dependents, the choice of who gets to be part of the insurance scheme becomes hard and at times one may need urgent medical care but they are not part of the scheme. The insurance program doesn’t cater for casual workers even when they work under risky projects such as construction and the time taken on these projects is not put into consideration to have one qualify for the insurance scheme. Casual workers are known to work for as long as two years and it wears them down when they do risky jobs for such a long period of time without any insurance cover from

National Enterprise Corporation. This will eventually affect the quality of work being done. According to Wright et al., (2002), on-the-job injuries cost organizations billions of dollars annually. Included in this figure are wage and productivity losses, medical costs and administrative costs. In addition to these safety- and hazard-related injury costs, the effort of administering to the needs of injured workers is also extremely costly (Wright et al, 2002). It is therefore the responsibility of every employer to ensure the safety, health and welfare of all employees at work working in his/her workplace. NEC will have to incur the costs due to one getting injured on site as they work. These costs are avoidable if all employees were put on an insurance scheme.

According to Collins et al., (2005), common chronic conditions, such as cancer, heart disease, and diabetes, is driving up total health-related costs in the workplace. Other health conditions among workers ranging from musculoskeletal/pain and depression are adding to those costs. In addition to a steadily rising medical and pharmaceutical cost burden, employers are now also seeing evidence of significant productivity cost impacts related to poor health. Tasks are never accomplished when an employee's health is at stake. This in turn affects employee performance. However, it is in the interests of both employers and employees to reduce workers' compensation costs through safety and health programs (Pikiell, 2000). NEC despite having an insurance health scheme for the permanent workers, the organization does not have counseling services which would go a long way in treating cases of depression among the employees. These situations such as depression impact on one's productivity negatively. This is reiterated by Mathis et al., (2003), some employees have emotional health problems; others have alcohol or drug problems, some problems are chronic; others are transitory, but all may affect organizational operations and individual employee productivity.

Life insurance protects the family of the employee in case of his death. These benefits are paid in one single installment to the policy beneficiaries (Pikiell, 2000).

Medical insurance, as an employee benefit, covers the costs of physician as well as the surgeon fees, prescription drugs, and hospital rooms. Besides, dental and optical care might also be offered as a part of an overall benefits package. It might also be offered as individual pieces. Also, coverage can, many a times, include the employee's family (Mathis et al.2003),

Disability insurance replaces whole or a part of income which is lost in case a worker is not capable of doing the job due to illness or injury. The disability insurance can be divided into two main categories namely, short-term disability and long-term disability (Mathis et al., 2003).

NEC employees would be encouraged to work towards attaining the organizational goals by endeavoring that quality work is being done on time and targets being achieved but some of these factors can only be realized if aspects such as insurance benefits are properly aligned towards benefiting employees accordingly.

#### **2.4 Relationship between retirement benefits and employee performance**

Retirement became an earned benefit in reward for years of service to a particular organization, to an industry, or, more generally, to the productive society (Feinsod, 2006). The kind of retirement benefits being offered by NEC will influence the attitude some employees will have towards their work. An attractive retirement package will push employees towards attaining work targets, quality work being done, works being carried out at low costs among others.

Gratuity and pensions strongly influence workers' behavior, giving younger workers a compelling reason to continue working for their employer and encouraging older workers to retire on a timely

basis. Empirical evidence indicates that pensions influence the type of worker a firm attracts and can help an employer attract workers who exhibit desirable behavior patterns that help an organization attain employee performance. The National Enterprise Corporation strives to improve its management systems towards the retiring work force by offering terminal benefits at the end of one's contract when one is retiring at sixty years. These terminal benefits are meant to be given out annually but the organization holds onto them until one retires. The procedures involved in attaining these benefits at the end of an employee's work period are not properly streamlined and at times, one moves back and forth to make follow ups on these payments and eventually they never receive them. Miss calculations are done as well and one receives less than what is expected. This is bound to demotivate the employees towards working hard to achieve organizational goals. The work performance falls below standard and issues such as the effectiveness and cost of services shoots up since employees are no longer mindful of their work.

According to Feinsod, (2006), retention of older workers is costly and less productive than the younger workers, there still remains the challenge of how best to effectively retain/employ, manage and enhance the productivity of an aging workforce. Accordingly, Perrin (2005) posits that leading organizations need to understand the current, and future, workforce composition and offer the right package of rewards and other programs to attract, retain and engage the people on organization needs. The right package will encourage employees to work hard towards achieving organizational goals. NEC must have a flawless procedure when it comes to making out gratuity payments otherwise employees are forced to not work at their maximum capacity which affects employee performance. When the system is clearly streamlined on how the retirement benefits are accessible, this gives employees morale to attain employee productivity as desired by NEC since there's a higher goal at

the end of the day, the gratuity to be received. The levels of commitment and engagement are higher among employees when retirement benefits are aligned in a way that makes employees happy (Towers Watson Insider, March 2014).

Employees need to work towards retiring with a positive attitude and this is possible with the right retirement benefits in place. Retirement benefits can be a strong incentive for attracting and retaining first class staff whose employee performance will drive the organization to greater heights by attaining the desired organizational goals.

## **2.5 Relationship between employee benefits and employee performance**

According to a study conducted by Frankford (2001), there is a direct link between employee benefit and productivity of an employee. Since employees' performances influence output of an organization, then one can clearly see that good or bad employee benefit practices will go a long way in increasing productivity or not. It has been said so far that given the technological and material inputs and a given capacity of the worker, the will to work materially affects the productivity of the workers and, therefore, of the enterprise.

Apart from the other influences on the morale of the workers, the quality of industrial relations has a direct bearing on the worker will to work. The term 'employee benefit' here, covers: the relationship between the employer and his individual employees, the relationship between the employer and the union; and also the relationship between the workers and their unions. When it is said that the quality of industrial relations has an important bearing on productivity, it is to be realized that it is not so much the role of strikes and lock outs that I have in mind while emphasizing the importance of industrial relations to productivity (Dresang 2009). Apart from the fact of the open

stoppages of production or even the announced 'go slow' or 'work to rule' practices which directly reduce production even under normal conditions when the work processes are supposed to function smoothly, the quality of industrial relations continues to influence the worker's behaviour and his attitude to work. And while stressing the responsibility of the management for the quality of industrial relations, the limitations of individual management, in this respect, have also to be born in mind (Dresang 2009). There are many factors influencing the quality of industrial relations that are beyond the control of any individual management.

Factors like political climate of the country, multiplicity of trade unions, trade union rivalry, intra-union factionalism and economic factors like inflation and depression, market fluctuations and technological changes cannot be controlled by any one management. They constitute the political and economic environment within which the enterprise has to function. This environment influences the approach and behaviour of the workers and their unions and also the management. Given these limitations, what can a management do to improve the quality of its industrial relations? Is there much scope for unilateral action on the part of the management to improve this quality? Can the management by its own action evoke such response from the individual workers and their organizations as well contribute to improving the quality of industrial relations? I think the answers to these questions are in the positive. And, if they are not in the positive, they ought to be in the positive; otherwise the fate of private enterprise is going to be highly uncertain. But before an attempt is made to show how the answers to these questions can be in the positive, let us have a look at the way in which the managements have been managing their enterprises so far.

According to Wayne (2001), Compensation which includes direct cash payment, indirect payments in the form of employee benefits and incentives to motivate employees to strive for higher levels of productivity is a critical component of the employment relationship. Compensation affected by forces as diverse as labor market factors. Collective bargaining, government legislation and top management philosophy regarding pay and benefits.

Compensation may be defined as money received for the performance of work plus much kind of benefits and services that organizations provide their employee (Cheminais et al 1998). Compensation is recompense, reward, wage or salary given by an organization to persons or a group of persons in return to a work done, services rendered, or a contribution made towards the accomplishment of organizational goals. Wage, dearness allowance, bonus and other allowance are examples of monetary compensation, while good accommodation, children education, transport facilities, subsidized ration of essential commodities, etc. come under non-monetary compensation. In short, wage paid to collar workers or salaries paid to white collar employee can be classified as compensation (Cheminais et al 1998).

A good compensation package is a good motivator. Hence, the primary responsibility of the HR manager is to ensure that the company's employees are well paid (Dresang 2009).

Mayo (1939) hypothesized that the physical gains an employee gets from his or her job directly affects an employee's performance and motivation. Mayo's extensive research involved submitting workers to working environments where he manipulated physical factors such as lighting, health care, insurance, humidity, temperature or hours of sleep to see if this affected their performance. His initial theory proved a poor correlation between these physical gains/benefit factors in relation to heightened or reduced employee performance. However, it culminated in Mayo's adjusted focus

from the physical gains affecting performance, to the individual and personal aspects that really motivate people to work effectively.

## **2.6 Summary of Literature Review**

In respect to the reviewed literature, it was clear that employee benefits had an effect on employee performance. In particular, short term employee benefits, insurance benefits, and retirement benefits have been cited as common factors that have a significant effect on employee performance in many organizations. The existing literature seems to suggest that when employee benefits are properly streamlined towards attaining organization goals, there is a positive significant effect on employee performance in the organization.

Worth mentioning is the fact that many of the conducted studies on the relationship between employee benefits and employee performance had been done in developed countries but given the uniqueness of different parts of the world, the findings of such studies required testing in a developing country like Uganda where the concept of employee benefits is still in its infancy and therefore not as well established as in the developed world.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter presents and describes the approaches and techniques the researcher used in the data collection and analysis. This chapter contains the research design, population under study, the sample size and selection, sampling techniques and procedure, data collection instruments and methods, data quality control (validity and reliability), procedures of data collection, data analysis and measurement of variables involved in the analysis.

#### **3.1 Research Design**

The study adopted a descriptive survey design. This method provided descriptions of the variables in order to answer the research questions in the study. Bryman et al., (2003) further state that the survey design also allows comparisons between respondents giving the right perspective on their opinion towards the staff benefits effects on productivity. The choice of this technique was guided by the fact that the case study aimed at generating findings, which would facilitate a general, understanding and interpretation of the problem. This study utilized both the qualitative and a quantitative research designs. Qualitative research design is a design used to find out how people feel or what they think about a particular subject or institution, whereas quantitative design is based on the measurement of quantity or amount (Kothari 2004). A correlation study was also involved in the study. According to Sekaran (2003), a correlation study is most appropriately conducted in the natural environment of an organization with minimum interference by the researcher and no manipulation. Pearson's correlation coefficient (Pcc) was used during the correlation study. This

measured the degree and direction of the relationship between the two variables; employee benefits and employee performance.

### **3.2 Study Population**

The study was carried out at the National Enterprise Corporation, Uganda. According to Mason et al., (2007), the population of a study is the collection of all possible individuals, objects or measurements of interest. The study population for this study therefore consisted of 80 respondents who included among them, employees at an executive level, managerial level, supervisory level and other junior employees.

Therefore, this study targeted about 1 staff on an executive level, 7 staff on managerial level, 7 staff who were supervisors and 65 junior staff employees.

The staff at the executive level was considered because he is the overall when it comes to the implementation of the organizational policies at NEC. Those at the managerial level was chosen because they manage the policies that ensure that employee benefits are awarded to employees in line with NEC's objectives and goals to attain good employee performance. The supervisory staffs were chosen since they have the immediate responsibility to ensure that performance of junior staff reflects NEC's objectives in order for one to qualify for the employee benefits. The junior staff employees were chosen because they have a direct role to play in ensuring that their performance is up to standard to attain employee benefits.

### **3.3 Determination of the Sample Size**

In this study, the researcher used a sample of 67 respondents to be representative of the population. Sekaran (2003) observes that collecting data from the entire population would be practically impossible and it would be very difficult to examine every element in the population. Therefore a

study of a sample is more likely to produce more reliable and quick results because fewer errors resulted during the data collection exercise.

In this study the sample size was determined using tables adopted from Krejcie and Morgan (1970) in Amin (2005) as shown below:

**Table 1: Determination of sample size and sampling technique**

<b>Category of Respondents</b>	<b>Population Size</b>	<b>Sample size</b>	<b>Sampling technique</b>
Executive staff	1	1	Purposive sampling
Managerial staff	7	5	Purposive sampling
Supervisory staff	7	5	Purposive sampling
Junior employees	65	56	Simple Random Sampling
<b>Total</b>	<b>80</b>	<b>67</b>	

*Source: Krejcie and Morgan (1970); adopted from National Enterprise Corporation (2012)*

From the Table 1, it can be deduced that a blend of purposive and simple random sampling techniques were used. The executive include the Managing Director, Managerial staff include; General Managers of the different projects at NEC as well as the Heads of Department such as the Finance department and Marketing department. Supervisors include; the deputy heads of departments. Junior staff includes; account’s assistants, marketing assistants and officers, office attendants, drivers, cashiers and all the other support staff.

### **3.4 Sampling Techniques and Procedure**

Mugenda and Mugenda (2003) define sampling as the process of selecting a number of individuals for a study in such a way that the individuals selected represent the large group from which they were

selected. In regard to this definition and for purposes of this study; simple random sampling technique was used to select the junior staff employees because it ensures least bias and generalization of research findings across the entire study population (Amin, 2005). Purposive sampling was also used to select the executive, managerial and supervisory staff because these are believed to have specialized knowledge about the topic under investigation by virtue of the positions that they hold as suggested by Amin (2005).

### **3.5 Data Collection Methods**

The study employed secondary data collection methods that involve reviewing different documents about the study at hand. Primary data collection methods were also used involving a questionnaire survey and face to face interviews.

#### **3.5.1 Secondary Data Collection Methods**

Literature by different scholars on the concept of employee benefits on employee performance was taken into consideration by the researcher. This entailed reviewing NEC performance reports, appraisal reports as well as annual reports from NEC's Human Resource Management particularly focusing on employee benefits and employee performance to provide statistical facts to strengthen the justification of this study. Other documents were reviewed for the literature review such as journals, articles, books to provide the historical background and theories. This was in line with (Amin, 2005) who argued that secondary sources of data play a significant part in supplementing information from questionnaires and interviews.

#### **3.5.2 Primary Data Collection Methods**

These helped in collecting first hand data for the study. This study used the following methods;

### **3.5.2.1 Face to Face Interviews**

The study employed the interview method which aimed at obtaining more in depth information from the key informants. The staff at the executive level, managerial and supervisory levels were interviewed using a guide with a blend of structured and unstructured questions which is ideal for capturing respondents' sentiments which is not possible to obtain with the use of close ended questionnaires as observed by Amin (2005)

### **3.5.2.2 Questionnaire**

Open ended and close ended questions were asked within the questionnaire. The close ended questions were coded using a Likert scale. The questionnaire method was used to tap information which enhanced correlation and regression of the respondents' attitudinal disposition on the independent and dependent variables as observed by Amin (2005). The use of a questionnaire allowed busy respondents to fill it at their convenient time. The junior staff working at NEC filled the questionnaire.

## **3.6 Data Collection Instruments**

According to Ngechu (2004), there are many methods of data collection and therefore a choice of a tool and instrument depends mainly on the attributes of the subjects, research topic, problem question, objectives, design, expected data and results. The research instrument was organized basing on the objectives of the study. The data in this study was collected using different techniques like interview guides, questionnaires and document review checklist.

### **3.6.1 Questionnaire**

56 questionnaires were randomly distributed to 56 junior staff at the National Enterprise Corporation. The questionnaire (Appendix 1) was used in this case because it proved to be an invaluable

instrument for collecting a wide range of information from a large number of individuals especially when it comes to people like the junior staff at the National Enterprise Corporation. In fact, Sekaran (2003) advises that, a questionnaire is advantageous because it collects information from a large number of respondents. The questionnaire is designed with both open and close ended questions.

### **3.6.2 Interview Guide**

The interview guide was used to provide in-depth data which will not be possible to obtain using self-administered questionnaires as suggested by Mugenda and Mugenda (1999). A semi- structured interview guide (Appendix 2) was used to conduct the interviews with the executive, managerial and supervisory staff at NEC. The guide has a list of topical issues to be discussed in the course of conducting the interviews.

## **3.7 Validity and Reliability of the Research Instruments**

According to Amin (2005), validity and reliability are two important concepts in the acceptability of the use of an instrument for research purposes.

### **3.7.1 Validity**

Validity refers to the degree to which a study accurately reflects or assesses the specific concept that the researcher is attempting to measure (Amin, 2005). It is the degree to which results obtained from the analysis of data actually represent the phenomenon under study. To enhance the instrument's validity, the questionnaires were given to two experts who happen to be the researcher's supervisors from the Uganda Management Institute as well as another expert from NEC. This was done to evaluate the relevance of each question in providing answers to the study. This was validated by quick understanding of the questions and qualitative nature of answers supplied by the respondents.

$$\text{CVI} = \frac{\text{Number of items rated relevant}}{\text{Total number of items rated in questionnaire}}$$

**Table 2:** Determination of validity of instruments

	Relevant items	Not relevant items	Total
Rater 1	11	5	16
Rater 2	15	6	21
<b>Total</b>	26	5	37

$$\frac{26}{37} = \mathbf{0.7}$$

Table 2, showed that the computed CVI is 0.7 and this was the standard coefficient of 0.70 thus the research instruments were considered valid.

### 3.7.2 Reliability

According to Shanghverzy (2003), reliability refers to the consistency of measurement and is frequently assessed using the test–retest reliability method. The researcher intends to pre-test the instruments to be used in order to establish reliability and this needed the instruments to be tested under a pilot study which had a sample of about 15 respondents. Pre-testing helped the researcher in determining the consistency in understanding the instruments by the respondents as well as finding out the time it would take the respondents to fill out the questionnaire.

In order to check reliability of the results, the study used Cronbach’s alpha methodology, which is based on internal consistency. Cronbach’s alpha measures the average of measurable items and its correlation. Overall scales’ of reliability of the present situation and the desirable situation was tested by Cronbach's alpha, which should be above the acceptable level of 0.70 (Hair et al., 1998).

**Table 3: Valid Results**

<b>Construct Variable</b>	<b>Cronbach's Alpha</b>	<b>Number of items</b>
Short term benefits	0.75	5
Insurance benefits	0.87	5
Retirement benefits	0.74	5
Employee performance	0.86	5
<b>Mean</b>	0.805	

The mean for the reliability test is established at 0.805 which is well above 0.70 and therefore the internal consistency (reliability) of the instrument was confirmed.

### **3.8 Data Collection Procedure**

Having identified the study population, the researcher firstly introduced herself using an introductory letter from Uganda Management Institute to the authorities at National Enterprise Corporation and explained her intent of the study as it was purely academic.

The researcher then sought permission to interview and also issue questionnaires to the sample population at NEC. Having been granted permission, the researcher set a date and also request for a date on which to conduct face to face interviews.

Questionnaires were then issued to the sample population and also interviews were conducted.

### **3.9 Data Analysis and Presentation**

Data was analyzed both quantitatively and qualitatively. Quantitative analysis was mainly data obtained from the questionnaires whereas qualitative analysis was mainly data obtained from interviews and documentary reviews.

### 3.9.1 Quantitative Data Analysis

Analysis of quantitative data was done by deriving responses from the coded close ended questionnaires. The responses obtained from the interview and questionnaires were then summarized and analyzed using Statistical Package for the Social Sciences (SPSS). Cross tabulation tool of analysis; regression analysis was used to show relationships between the different variables. The upper level of statistical significance for hypothesis testing was at 5%.

According to Sekaran (2003), a correlation study is most appropriately conducted in the natural environment of an organization with minimum interference by the researcher and no manipulation. In testing the hypotheses of the study, Pearson's correlation coefficient (Pcc) were used. The index measures the degree and direction of the relationship between the two variables X (Employee Benefits) and Y (Employee Performance).

$$P_{cc} = \frac{n(\Sigma XY) - (\Sigma X)(\Sigma Y)}{\sqrt{n\Sigma X^2 - (\Sigma X)^2} \sqrt{n\Sigma Y^2 - (\Sigma Y)^2}}$$

$n$  = Number of paired observations

$\Sigma XY$  = Sum of Cross products of X and Y

$\Sigma X$  = Sum of X scores

$\Sigma Y$  = Sum of Y scores

$\Sigma X^2$  = Sum of all squared values of X scores

$\Sigma Y^2$  = Sum of all squared values of Y scores

$(\Sigma X)^2$  = Sum of all X scores, this sum squared

$(\Sigma Y)^2$  = Sum of all Y scores, this sum squared

### **3.9.2 Qualitative Data Analysis**

Qualitative data was analyzed using content analysis and reorganized into meaningful shorter sentences. Thematic analysis was also used to organize data into themes and codes which were then identified (Sekaran, 2003). After data collection, information of same category was assembled together and its similarity with the quantitative data was then created, after which a report was written.

### **3.10 Measurement of Variables**

The independent variable (employee benefits) and the dependent variable (employee performance) was measured on a five point Likert type scale (1-Strongly Disagree, 2-Disagree, 3-Not sure, 4-Agree and 5-Strongly Agree). The choice of this measurement is that each point on the scale carries a numerical score which is used to measure the respondents' attitude and it is the most frequently used summated scale in the study of social attitude. According to Amin (2005), the Likert scale is able to measure perception, attitudes, values, and behaviors of an individual towards a given phenomenon.

### **3.11 Ethical Considerations**

The major ethical problem that the researcher anticipated during this study was the privacy and confidentiality of the respondents including the information they were willing to provide. To ensure confidentiality and privacy, the respondents were informed upfront that participation in the study is voluntary and they are not under any pressure to answer questions they are not comfortable with (Mugenda & Mugenda, 2003), their names were not required as well.

Information relating to employee performance is sensitive and most administrators may be unwilling to release it thinking it could expose inadequacies in their organization. The respondents were

assured at the start of the data collection that the information they are giving is strictly for academic purposes and all data obtained on private matters was treated in confidence (Amin, 2005)

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS**

#### **4.1 Introduction**

This chapter presents the analysis and discusses the findings of the study entitled “Employee benefits on Employee performance. In the presentation of findings pie charts, tables, frequencies and percentages were used to explain the findings. The presentation, analysis and discussion of the findings were arranged according to the objectives of the study that included; examining the relationship between short term employee benefits and employee performance at NEC, finding out whether insurance benefits have a relationship with employee performance at NEC and examining whether retirement benefits have a relationship with employee performance at NEC.

## **4.2 Response Rate**

The researcher targeted a sample size of 67 respondents, from whom 63 respondents responded to the questions asked in the data collection instruments thus making the research valid. According to Mugenda et al (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was excellent. Results were also obtained from interviews.

## **4.3 Background Information of the Respondents**

The researcher sought to identify the respondents by their background information which included the respondents' age, gender, period spent working and level of education as presented below;

### 4.3.1 Gender of the Respondents

**Table 4: Gender of the respondents**

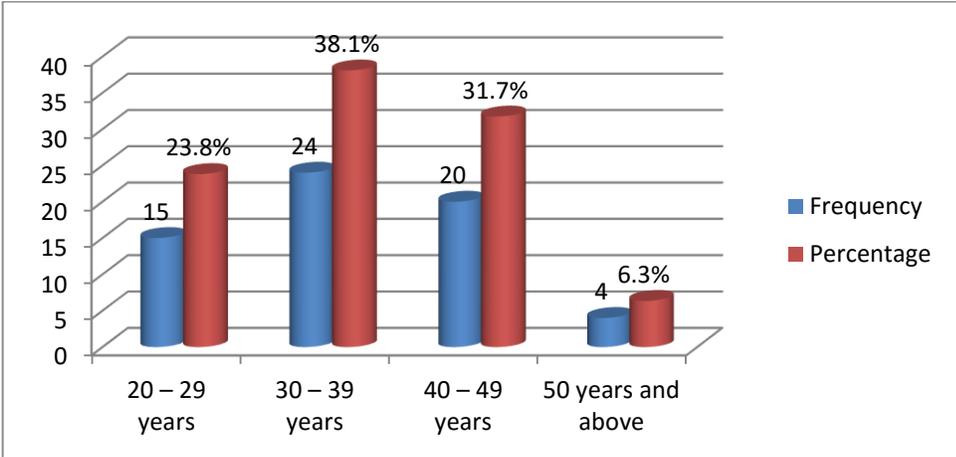
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	40	63.5	63.5	63.5
Female	23	36.5	36.5	100.0
Total	63	100.0	100.0	

**Source:** primary data

Table 4 above shows the gender of the respondents. According to the findings, 63.5% of the respondents were male, while the others were female being represented by 36.5% of the entire sample size, indicating that there are more male employees than female in National Enterprise Corporation in Uganda. As such, they are critical to the provision of efficient employee performance and therefore qualifying them to be eligible respondents on the case before them.

### 4.3.2. Age Bracket of the Respondents

Figure 2: Age bracket of the respondents



Source: Primary Data

From the above figure above, 24 (38.1%) of the respondents were in the age bracket of 30-39 years, 20 (31.7%) were of the age of 40-49 years, 15 (23.8%) were in the age bracket of 20-29 years and 4(6.3%) were 50 years and above. According to Akintayo, (2010), such employees are likely to perform better at their jobs.

### 4.3.3 Education background of the respondents

**Table 4.2: Educational background**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid High school level	2	3.2	3.2	3.2
Certificate level	3	4.8	4.8	7.9
Diploma level	8	12.7	12.7	20.6
Higher national diploma	13	20.6	20.6	41.3
Degree	31	49.2	49.2	90.5
Masters Degree	4	6.3	6.3	96.8
Others	2	3.2	3.2	100.0
Total	63	100.0	100.0	

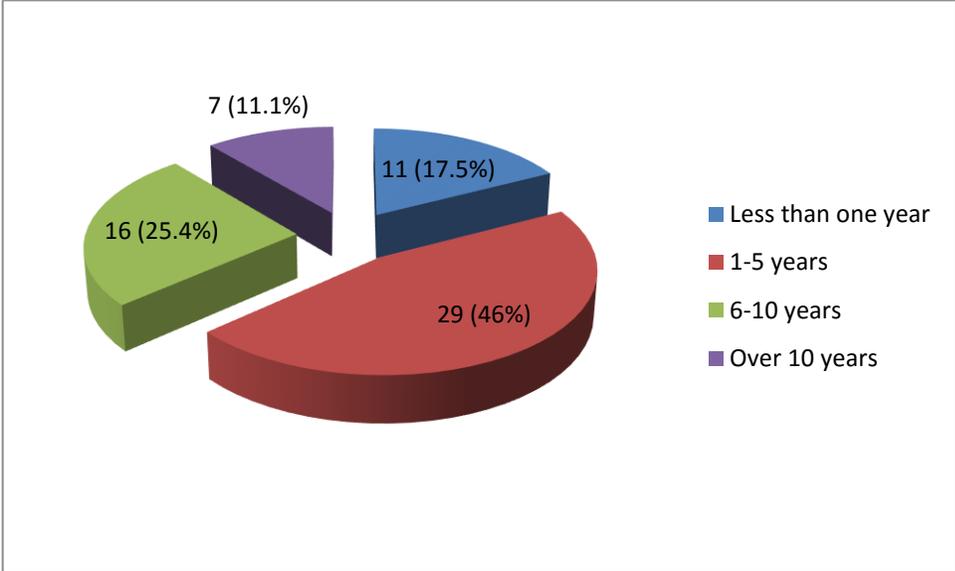
**Source:** primary data

The table above shows that according to the findings from the results characterizing the respondents by their level of education, those respondents that have attained Degree qualification are highest with a frequency of 31 members of the sample who represent a percentage of 49.2%. These were followed by respondents who had attained higher national diploma who constituted a frequency of 13 members which represented a percentage of 20.6%. 8 (12.7%) had attained diploma, 4 (6.3%) had attained masters, 3 (4.8%) had attained certificate level and finally 2 (3.2%) had attained high school level and other qualifications like Phd respectively. This is a clear representation that employees of National Enterprise Corporation in Uganda are educated enough to understand the issue pertaining

the effects of employee benefits on employee performance which is a basis for validating the findings.

### 4.3.4. Period spent working at the Organization by the Respondents

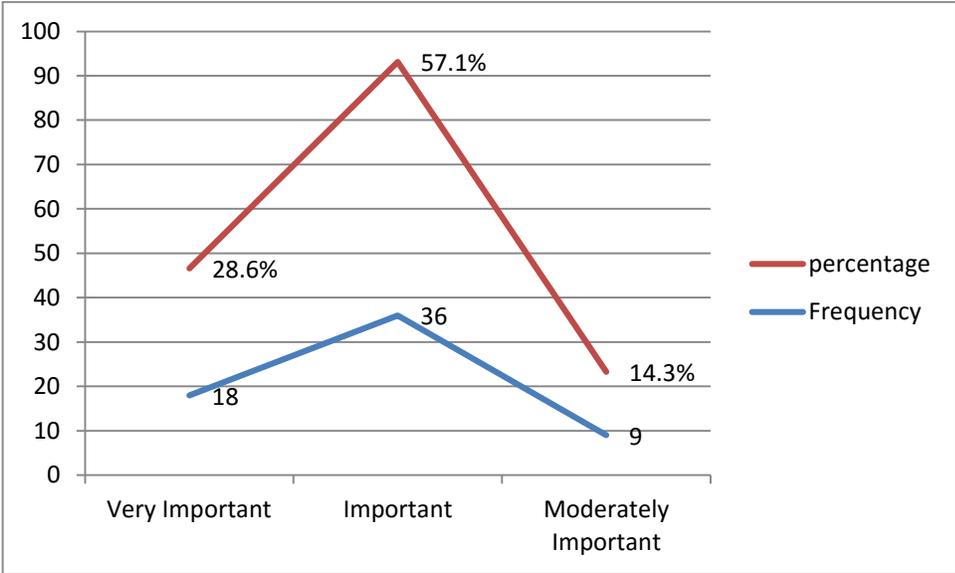
**Figure 3: Period spent working at the National Enterprise Corporation**



**Source:** Primary Data

From the above figure, majority of the respondents had spent a period of 1-5 years working within the organization rated at 46%, this was followed by 25.4% who had spent 6-10 years and 11 (17.5%) for less than a year and finally those who had spent more than 10 years rated at 7 (11.1%). This indicates that the respondents had experience with the organization since in total majority had had been part of the organization for quite a long period of time. The results further illustrated that the organization has experienced staff. This was in correlation with the findings of Allen et al (1990) who stated that experienced staffs are likely to perform better at their jobs due to the job experience gained over time.

**Figure 4: Extent to which employee benefits were important to the respondents**



**Source:** Primary Data

According to the figure above, respondents were asked the extent to which employee benefits were important to them and majority rated at 36 (57.1%) stated that employee benefits were important. This was followed by 18 (28.6%) who stated that they were very important and finally 9 (14.3%) who stated that they were moderately important. This was an indication that employee benefits were important at NEC. Basing on the findings, most employees appreciate their retirement plans and value them highly. In fact, it appears that an attractive plan plays a very significant role in both attracting and retaining employees. Although employee attraction and retention are always important, they are likely to become increasingly hot issues as the baby boom generation starts retiring.

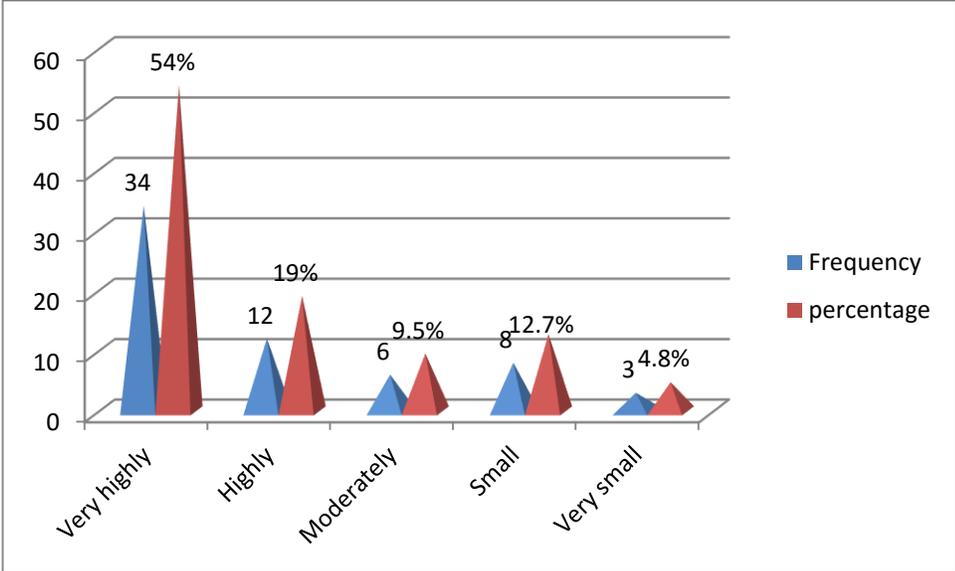
**Table 5: Whether the employee benefits distributed fairly to all employees**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	49	77.8	77.8	77.8
No	14	22.2	22.2	100.0
Total	63	100.0	100.0	

**Source:** Primary Data

The employees were asked whether the employee benefits are distributed fairly to all the employees and majority rated at 49 (77.8%) agreed and only 14 (22.2%) disagreed implying that the benefits are distributed fairly. Basing on the responses, some employees at NEC have issued a collective cry of “unfair”. Many staff members were appalled by the casual extravagance of senior bosses’ bonuses while pay was frozen for lower level employees. The key issue here is fair reward, whether workers feel pay and benefits are just, which raises many crucial questions. Most people do not object to disparities in benefits, even large ones, as long as they are deserved. Fairness is central to employee reaction to reward systems. Staff can only accept differences that relate to reasonable factors: working hard, helping others, contributing more, and working longer hours.

**Figure 5: Extent to which employee benefits positively affect employee productivity**

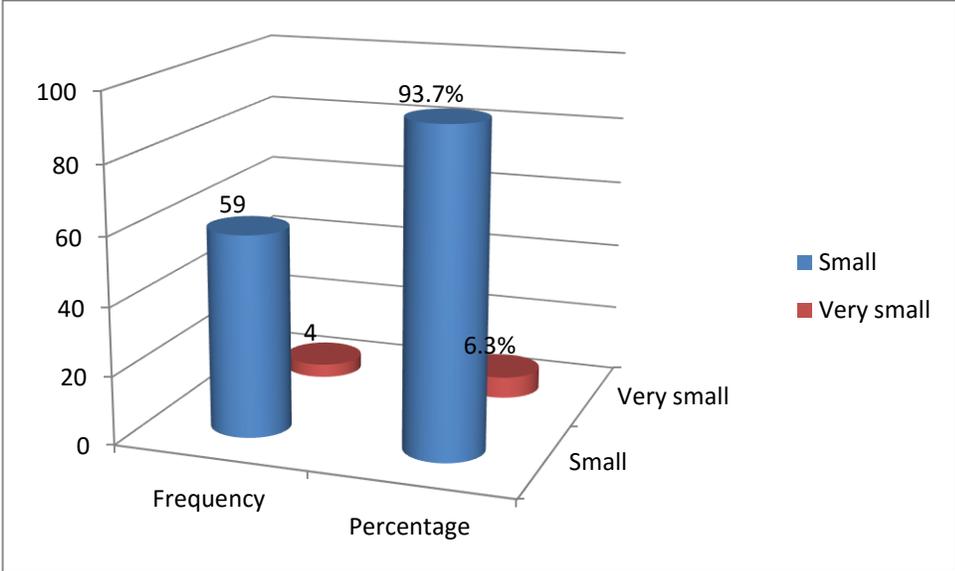


**Source:** primary data

In regards to the figure above, employees were asked the extent to which the employee benefits positively affect employee productivity, majority rated at 34 (54%) stated that it very highly affects their performance, 12 (19%) highly agreed, 8 (12.7%) stated that employee benefit affects their performance to a small extent, 6 (9.5%) stated that it moderately affects their performance and lastly 3 (4.8%) stated that employee benefits affect their performance to a very small extent, implying that employee benefits affect the performance of employees since the majority agreed.

According to the findings, every employee within a company is different and, therefore, is motivated to perform well for different reasons. Due to the differences within an organization, it is important for a manager to get to know her employees and understand what motivates their performance. If you're going to be successful in enhancing employee productivity, you have to begin by accepting and trying to understand individual differences.

**Figure 6: Extent to which employee benefits negatively affect employee productivity**



**Source:** Primary Data

In regards to the figure above, employees were asked the extent to which employee benefits negatively affect employee productivity, majority rated at 59 (93.7%) stated that it negatively affects their performance a small scale and 4 (6.3%) stated that it negatively affects their performance at a very small scale implying that employee benefits do not negatively affect employee performance.

**4.4 Short Term Employee Benefits**

The study sought to establish the relationship between short term benefits and employee performance. The employees were requested to respond to a number of statements by indicating their agreement using a five-point Likert scale of SD=Strongly Disagreed, D=Disagreed, N – Not sure, A=Agreed and SA = Strongly Agreed as shown in Table 4.4. The responses are summarized in the table below;

**Table 6: Short Term Benefits and Employee Performance**

		SA	A	NS	D	SD	Mean
Overtime contributes to your productivity at NEC	Freq	26	25	10	2	0	1.83
	%	41.3	39.7	15.9	3.2	0.00	
The maternity leave given to female employees is enough to encourage them work hard to attain a good employee performance at NEC	Freq	28	24	4	4	3	1.95
	%	44.4	38.1	6.3	6.3	4.8	
Educational benefits if offered to you would contribute highly to your work performance at NEC	Freq	30	22	7	4	2	1.95
	%	47.6	34.9	5.9	6.3	3.2	
Annual leave helps boost your productivity at NEC	Freq	24	35	4			1.51
	%	38.1	55.6	6.3			
A house allowance if offered to you would contribute highly to your work performance at NEC	Freq	41	11	5	4	2	2.13
	%	65.1	17.5	7.9	6.3	3.2	
The management at NEC consults employees on the type of short term employee benefits to be offered	Freq	8	19	6	21	9	2.89
	%	12.7	30.2	9.5	33.3	14.3	

**Source:** Primary Data

To analyze the findings, employees who strongly disagreed and those who disagreed were combined into one category into disagree of who opposed the items. In addition, employees who strongly agreed and those who agreed were combined into another category of those who concurred with the items. Another category was that of those employees who neither agreed nor disagreed, the not sure with the items. Thus, the three categories of employees were compared. Interpretation was then drawn from the comparisons of the three categories as shown in the following paragraph.

The respondents were asked whether overtime contributes to their productivity at NEC and the majority rated at 51 (81%) agreed to the statement, 10 (15.9%) were not sure and finally only 2 (3.2%) disagreed implying that overtime contributes to their productivity at NEC since the majority were in agreement. Overtime enhances employee performance. This is because frequent overtime builds increasing levels of trust between the organization and employees. As the trust grows stronger, it can result in good relations between the organization and employees which enhances cooperation, prevents or reduces labour unrest and increases individual employee responsibility and ownership for their own performance. An employee from the administration department at NEC stated that:

“When employees are required to work overtime, employers get the benefit of increased levels of productivity. More work is getting done over longer hours, which means products and services are being delivered at a great rate”

Basing on the table above, the respondents were asked whether the maternity leave given to female employees is enough to encourage them work hard to attain a good employee performance at NEC, majority rated at 52 (82.5%) agreed, 7 (11.1%) disagreed and only 4 (6.3%) were not sure implying that the maternity leave given to female employees is enough to encourage them work hard to attain a good employee performance at NEC. This is likely to enhance a sense of feeling of importance among employees which is likely to enhance employee performance. One of the female employees at NEC emphasized that:

“Women with 3-month-old infants who worked full time reported feeling greater rates of depression, stress, poor health and overall family stress than mothers who were able to stay home thus being less efficient at work ”

52 (82.5%) agreed that Educational benefits if offered to you would contribute highly to your work performance at NEC, 6 (9.5%) disagreed and only 5 (7.9%) were not sure implying that Educational benefits if offered to you would contribute highly to your work performance at NEC. Providing educational benefits enhances performance in that if effective educational benefits are given to employees on their progress towards their goals, employee performance will improve. People need to know in a timely manner how they are doing, what is working, and what is not. One of the employees at NEC in the financial department stated that;

“When a company dedicates itself to workplace education and training, it will see a result that includes an improved performance of employees. Employees who are trained will be able to perform their job duties better, leading to them being more successful on the job. The training could boost the confidence of the employee, who might begin to work harder and smarter knowing how much he or she can achieve”

According to the figure above, the respondents were asked whether Annual leave helps boost your productivity at NEC, majority rated at 59 (93.7%) agreed to the statement, 4 (6.3%) were not sure and none disagreed implying that Annual leave helps boost your productivity at NEC. This means that during their annual leaves, employees at NEC can easily communicate their job frustrations to their supervisors during their leaves. When employees are allowed to communicate their frustrations,

argumentative relations and counterproductive work behavior is likely to reduce, leading to improved employee performance. One of the employees (names withheld) at NEC stated that:

“Employees who take their annual leave become more productive and happier. So, holidays offer many benefits for your employees, as well as your business”

According to the field findings, the respondents were asked whether A house allowance if offered to you would contribute highly to your work performance at NEC, majority rated at 52 (82.6%) agreed, this was followed by those who disagreed rated at 6 (9.5%) and finally 5 (7.9%) who were not sure implying that A house allowance if offered to the employees would contribute highly to their work performance at NEC. This means that the house allowance at NEC stimulates and motivates employees to meet goals, hence improving employee performance.

In regards to the statement posed that the management at NEC consults employees on the type of short term employee benefits to be offered, the respondents rated at 30 (47.6%) disagreed. This was followed by 27 (42.9%) who agreed and only 6 (9.5%) were not sure implying that this statement requires further research since it had a balanced view between those who agreed and disagreed. This means that at NEC, there is no proper conflict management through consultation. If provided, Conflict management improves working relations which in turn result into a conducive working environment and subsequent improved employee performance.

From the descriptive statistics performed, mean responses with the highest effects included: A house allowance if offered to you would contribute highly to your work performance at NEC (2.13), the

management at NEC consults employees on the type of short term employee benefits to be offered (2.89), Educational benefits if offered to you would contribute highly to your work performance at NEC (1.95) and the maternity leave given to female employees is enough to encourage them work hard to attain a good employee performance at NEC (1.95). This trend is in agreement with those found in the available literature. Majority of the respondents admitted that short term benefits are a highly significant factor to the employee performance.

#### **4.4.1 Testing the relationship between short term benefits and Employee Performance**

In order to determine the relationship between short term benefits and employee performance at NEC, correlation was conducted. Pearson correlation coefficient ( $r$ ) was used to determine the strength of the relationship between short term benefits and employee performance at NEC. The significance of the coefficient ( $p$ ) was used to test the objective by comparing  $p$  to the critical significance level at 0.05. This procedure was applied in testing the other objectives and thus, a lengthy introduction is not repeated in the subsequent sections of the testing. The results are summarized in Tables 4.7.

**Table 7: Relationship between short term benefits and employee performance**

		Short term benefits	Employee performance
Short term benefits	Pearson Correlation	1	.535**
	Sig. (2-tailed)		.000
	N	63	63
Employee performance	Pearson Correlation	.535**	1
	Sig. (2-tailed)	.000	
	N	63	63

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

According to the results in Table 7, short term benefits and employee performance were found to have a significant positive relationship ( $r=0.535$ ,  $p<0.05$ ). Thus, the hypothesis that stated that short term benefits would have a significant influence on employee performance is partially accepted. This means that short term benefits has a positive effect on employee performance at NEC. This practically implies that employee performance at NEC improves with a positive short term benefit.

#### **4.5 The relationship between insurance benefits and employee performance**

The study sought to establish the relationship between insurance benefits and employee benefits and the findings were as explained in the following table;

**Table 8: Relationship between insurance benefits and employee performance**

		SA	A	NS	D	SD	Mean
Health of the workforce is inextricably linked to the productivity of the workforce at NEC	Freq	22	23	5	10	3	2.17
	%	34.9	36.5	7.9	15.9	4.8	
Work-related accidents and injuries exert an enormous toll on employees	Freq	18	15	23	7	0	2.35
	%	28.6	23.8	36.5	11.1	0.00	
Accidents due to work related incidences significantly increase employer costs at NEC	Freq	20	19	9	15	0	2.32
	%	31.7	30.2	14.3	23.8	0.0	
Insurance benefits such as Medical Insurance contribute to your productivity at NEC	Freq	28	21	9	5	0	1.97
	%	44.4	33.3	14.3	7.9	0.0	
Counseling services would go a long way in helping with employees' productivity at NEC	Freq	21	26	3	6	7	2.16
	%	33.3	41.3	4.8	9.5	11.1	
There are policies and procedures in place to ensure that medical insurance at NEC is guaranteed	Freq	26	12	18	7	0	2.32
	%	41.3	19.0	28.6	11.1	0.00	

**Source:** Primary Data

The study findings show that 45 (71.4%) of the respondents agreed that Health of the workforce is inextricably linked to the productivity of the workforce at NEC, this was followed by those who disagreed rated at 13 (20.7%) and finally 5 (7.9%) who were not sure implying that Health of the workforce is inextricably linked to the productivity of the workforce at NEC. Health of the workforce is beneficial to the organization in that employees can work in an efficient manner to accomplish

work-related duties so they have good healthy bodies to devote to clients and confidence in the abilities of the company itself. Secondly, Health of the workforce increases the company's capacity to expand. One of the staff at NEC emphasized that:

“The roles and activities of community health workers' are tailored to meet the unique needs of their communities. They also depend on factors such as whether they work in the healthcare or social services sectors”

According to the table above, 33(52.4%) agreed that Work-related accidents and injuries exert an enormous toll on employees, 23 (36.5%) were not sure and only 7 (11.1%) disagreed implying that Work-related accidents and injuries exert an enormous toll on employees. The above findings show that you can increase employee productivity by creating a work environment that provides challenging responsibilities and assistance with health and personal needs.. This is likely to enhance employee performance.

According to the table above, 39(61.9%) agreed that Accidents due to work related incidences significantly increase employer costs at NEC, 9 (14.3%) were not sure and only 15 (23.8%) disagreed implying that Accidents due to work related incidences significantly increase employer costs at NEC. This shows that focusing on employee well-being is one way employers can encourage performance and productivity. There are many factors that influence well-being, such as helping employees engage with their benefits so they can take care of their health and personal needs. However one of the employees who had recently been involved in an accident stated that:

“The impact of the accident was “felt” much more by the employee than by the employer. The employee had to bear the negative financial, physical and psychological consequences of the accident far more and for far longer, than his or her employer”

According to the table above, 49(77.7%) agreed that Insurance benefits such as Medical Insurance contribute to your productivity at NEC, 9 (14.3%) were not sure and only 5 (7.9%) disagreed implying that Insurance benefits such as Medical Insurance contribute to your productivity at NEC. A healthy, productive workforce is a strong asset that powers the business’ bottom line. Employee’s health benefits offering can facilitate access to quality care and better health outcomes, which allows employees to focus on their jobs when they’re at work thus enhancing performance.

According to the table above, 47(74.6%) agreed that Counseling services would go a long way in helping with employees’ productivity at NEC, 13 (20.6%) disagreed and only 3 (4.8%) were not sure implying that Counseling services would go a long way in helping with employees’ productivity at NEC. The above findings show that the employees at NEC will be committed to their organization once offered counseling. Counseling is likely to enhance employee performance. One of the employees at NEC stated:

“Organizations have realized the importance of having a stress-free yet motivated and capable workforce. Therefore, many companies have integrated the counseling services in their organizations and making it a part of their culture. Organizations are offering the service of employee counseling to its employees”

According to the table above, 38(60.3%) agreed that there are policies and procedures in place to ensure that medical insurance at NEC is guaranteed, 18 (28.6%) were not sure and only 7 (11.1%) disagreed implying that there are policies and procedures in place to ensure that medical insurance at NEC is guaranteed. Basing on the above, presenteeism, absenteeism, stress, and chronic conditions directly and indirectly impact a worker's performance. These problems may cause a ripple effect throughout NEC anytime collaboration is critical to completing a project. Absenteeism may impact business results due to delays or other inefficiencies in work and on average, the business cost of an absence is 28% higher than the worker's actual wage. Similarly, job turnover, mistakes on the job, low productivity, and poor motivation stem from unchecked stress.

From the descriptive statistics performed, mean responses with the highest effects included: Work-related accidents and injuries exert an enormous toll on employees (2.35), Accidents due to work related incidences significantly increase employer costs at NEC (2.32), there are policies and procedures in place to ensure that medical insurance at NEC is guaranteed (2.32) and Counseling services would go a long way in helping with employees' productivity at NEC (2.16). This trend is in agreement with those found in the available literature. Majority of the respondents admitted that insurance benefits are a highly significant factor to the employee performance.

#### **4.5.1 Testing the relationship between insurance benefits and employee performance**

In order to determine relationship between insurance benefits and employee performance at NEC, correlation analysis was conducted. The results are summarized in Tables 4.7 below:

**Table 9: Relationship between insurance benefits and employee performance.**

		Insurance benefits	Employee performance
Insurance benefits	Pearson Correlation	1	.083
	Sig. (2-tailed)		.516
	N	63	63
Employee performance	Pearson Correlation	.083	1
	Sig. (2-tailed)	.516	
	N	63	63

According to the results in Table 9, insurance benefits and employee performance have significant relationship ( $r = 0.083$ ,  $p < 0.05$ ). This means that insurance benefits have effect on employee performance at NEC.

#### **4.6 The relationship between retirement benefits and employee performance**

The study sought to establish the relationship between retirement benefits and employee benefits and the findings were as explained in the following table;

**Table 10: Relationship between Retirement Benefits and Employee Performance**

		SA	A	NS	D	SD	Mean
Pensions encourage younger workers to be more productive and the older ones to retire on a timely basis.	Freq	29	6	5	13	10	2.87
	%	46.0	9.5	7.9	20.6	15.9	
Gratuity influences the type of employees that NEC attracts with desirable work ethics	Freq	20	21	18	4	0	2.08
	%	31.7	33.3	28.6	6.3	0.00	
Retirement became an earned benefit in reward for years of service to NEC	Freq	15	9	32	7	0	2.59
	%	23.8	14.3	50.8	11.1	0.00	
NEC needs to tailor its gratuity package towards engaging its employees more productively	Freq	27	23	2	11	0	2.02
	%	42.9	36.5	3.2	17.5	0.00	
Retirement benefits at NEC enhance your work productivity positively	Freq	33	24	0	6	0	1.81
	%	52.4	38.1	0.00	9.5	0.00	
If NEC did not provide retirement benefits, you would leave it for another job	Freq	1	5	18	27	12	3.63
	%	1.6	7.9	28.6	42.9	19.0	

**Source:** Primary Data

According to the table above, 35(55.5%) agreed that Pensions encourage younger workers to be more productive and the older ones to retire on a timely basis, 23 (36.5%) disagreed and only 5 (7.9%) were not sure implying that Pensions encourage younger workers to be more productive and the older ones to retire on a timely basis. This shows that Pensions have the ability to bolster employee productivity. Workers consider retirement packages valuable. In fact, the more importance that employees place on pensions, the less turnover there is likely to be in an organization. A proper

pension plan has the potential to draw new talent and also motivate aging employees to retire, ultimately making room for a new generation of worker

According to the table above, 41(65%) agreed that Gratuity influences the type of employees that NEC attracts with desirable work ethics, 18 (28.6%) were not sure and only 4 (6.3%) disagreed implying that Gratuity influences the type of employees that NEC attracts with desirable work ethics. This shows that employees who are most satisfied with their defined benefit plan are more than three times more likely than other employees to plan on remaining with their employer until retirement. An equivalent relationship emerges for employees who are highly satisfied with their defined contribution plans. However, employees who are much less satisfied with their defined Gratuity and defined contribution plans are equally likely to plan on staying with their employer or not.

According to the table above, 24(38.1%) agreed that Retirement became an earned benefit in reward for years of service to NEC, 32 (50.8%) were not sure and only 7 (11.1%) disagreed implying that Retirement has not become an earned benefit in reward for years of service to NEC since the majority were not sure. According to the findings, although retirement plan importance and satisfaction strongly influence employees' desire to stay with their current employer, age also affects their degree of commitment. As workers mature and settle into their careers, their desire to stay with their current employer generally becomes stronger.

According to the table above, 50(79.4%) agreed that NEC needs to tailor its gratuity package towards engaging its employees more productively, 11 (17.5%) disagreed and only 2 (3.2%) were not sure implying that NEC needs to tailor its gratuity package towards engaging its employees more

productively. The above findings show some level of gratuity package enhances employee performance. In general, gratuity package do a much better job of retaining workers than attracting workers. Roughly twice as many respondents say their plan strongly affects their decision to remain with their current employer than say the plan convinced them to sign on in the first place. Older employees are significantly more likely than younger employees to have been attracted to their firm by the retirement plan. Older respondents are also more likely to consider their retirement plan an important reason to continue working for their employer. This is not surprising, given that older workers are generally much more focused on retirement issues than younger workers.

According to the table above, 57(90.5%) agreed that Retirement benefits at NEC enhance your work productivity positively, and only 6 (9.5%) disagreed implying that Retirement benefits at NEC enhance your work productivity positively. According to the findings, NEC has long sought to enhance organizational performance by improving employee satisfaction. The idea that a satisfied employee is a better employee seems intuitive. And, as shown above, designing a retirement plan that strongly appeals to employees can create significant value for an organization.

According to the table above, 39(61.9%) disagreed that If NEC did not provide retirement benefits, you would leave it for another job, 18 (28.6%) were not sure and only 6 (9.5%) agreed implying that If NEC did not provide retirement benefits, most of the employees would not leave it for another job. Basing on the findings, worker satisfaction is relatively consistent across the various plan types and mix of retirement programs. Most notable is that responding employees seem to be just as enthusiastic about their hybrid pension plans as they are about their traditional defined benefit plans. These survey findings do not confirm the popular media's portrayal of employees being passionately

unhappy with their hybrid pensions. This could be the result of increased communication around recent hybrid plan conversions, raising awareness of and appreciation for these plans. Similarly, employees at defined-benefit-only firms are just as satisfied with their plan as those who are also covered by a defined contribution plan.

From the descriptive statistics performed, mean responses with the highest effects included: Pensions encourage younger workers to be more productive and the older ones to retire on a timely basis (2.87), Retirement became an earned benefit in reward for years of service to NEC (2.59), NEC needs to tailor its gratuity package towards engaging its employees more productively (2.02), Retirement benefits at NEC enhance your work productivity positively (1.81) and If NEC did not provide retirement benefits, you would leave it for another job (3.63). This trend is in agreement with those found in the available literature. Majority of the respondents admitted that retirement benefits are a highly significant factor to the employee performance.

#### **4.6.1 Testing the relationship between retirement benefits and employee performance**

In order to determine relationship between retirement benefits and employee performance at NEC, correlation analysis was conducted. The results are summarized in Tables 4.8 below

**Table 11: Relationship between Retirement Benefits and Employee Performance**

		Retirement benefits	Employee performance
Retirement benefits	Pearson Correlation	1	.035
	Sig. (2-tailed)		.785
	N	63	63
Employee performance	Pearson Correlation	.035	1
	Sig. (2-tailed)	.785	
	N	63	63

According to the results in Table 11, retirement benefits and employee performance have a significant relationship ( $r = 0.035$ ,  $p < 0.05$ ). Thus, the hypothesis that stated that retirement benefits would have a significant influence on employee performance is accepted. This means that retirement benefits have effect on employee performance at NEC.

#### 4.7 Employee performance

The study sought to establish employee performance at NEC and the findings were as explained in the following table;

		SA	A	NS	D	SD	Mean
All my work is finished in time	Freq	33	8	8	7	7	2.56
	%	52.4	12.7	12.7	11.1	11.1	
All my work complies with the given standards of the service at NEC	Freq	35	28	0	0	0	1.56
	%	55.6	44.4	0.00	0.00	0.00	
I always meet the targets in my work performance plan	Freq	52	11	0	0	0	1.83
	%	82.5	17.5	0.00	0.00	0.00	
I always cost my planned tasks	Freq	0	55	0	8	0	1.38
	%	0.00	87.3	0.00	12.7	0.00	
I complete my tasks within the given budget	Freq	25	38	0	0	0	1.40
	%	39.7	60.3	0.00	0.00	0.00	
I am able to have the given quantities of work expected done exceptionally well	Freq	0	44	9	10	0	1.76
	%	0.00	69.8	14.3	15.9	0.00	

**Source:** Primary Data

According to the table above, 41 (65.1%) agreed that All my work is finished in time, 14 (22.2%) disagreed and only 8 (12.7%) disagreed implying that the employee's work is finished in time. The respondents stated that they finish work on time do but they work best when the benefit is known early on in the process. Having something tangible to aim for is an important factor here.

According to the table above, all the respondents rated at 63 (100%) agreed that All their work complies with the given standards of the service at NEC implying that all their work complies with the given standards of the service at NEC. From the study conducted above, it can be asserted with certainty that, extrinsic factors are great motivator as majority of the respondents thinks. So, an effective scheme of monetary and extrinsic rewards should be made. It is also to be kept in mind that, after a certain amount of time, employees may feel the requirement for more monetary incentives.

According to the table above, all the respondents rated at 63 (100%) agreed that they always meet the targets in my work performance plan implying that the employees of NEC always meet the targets in my work performance plan. Job enrichment and performance appraisal are also a decent motivation factors. The effects of these factors are more on the psychological perspective. If the working environment is good, the employee will perform with more convenience and ease. Similarly, if the employee knows his/her good performance is being appraised by the top management and subordinates, then surely better performance can be expected. Nonetheless in some cases, the employees may feel pressurized by excessive workload and responsibility which that case works as a de motivator.

According to the table above, majority of the respondents rated at 55 (87.3%) agreed they always cost their planned tasks. Basing on the findings, Employees are the heart of the organization. For any organization to operate smoothly and without any interruption, employee cooperation cannot be replaced with anything else. It is of utmost importance that the employees of an organization not only have a good relationship with the top management, but also, they maintain a healthy and professional relationship with their coworkers in order to achieve their planned tasks

According to the table above, all the respondents rated at 63 (100%) agreed that they complete their tasks within the given budget implying that the employees of NEC complete their tasks within the given budget.

According to the table above, 44(69.8%) agreed that they are able to have the given quantities of work expected done exceptionally well, 10 (15.9%) disagreed and only 9 (14.3%) were not sure implying that they are able to have the given quantities of work expected done exceptionally well.

The results show that employee performance at NEC is generally moderate

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION**

#### **5.1. Introduction**

The study examined the effects of employee benefits on employee performance at National Enterprise Corporation in Uganda. The study specifically set out to: examine the relationship between short term employee benefits and employee performance at NEC, find out whether insurance benefits have a relationship with employee performance at NEC and examine whether retirement benefits have a relationship with employee performance at NEC. This chapter presents the summary, discussion, conclusions and recommendations arising out of the study findings according to the objectives.

#### **5.2. Summary of Findings**

##### **5.2.1 The relationship between short term employee benefits and employee performance at NEC.**

The study tested the first hypothesis; “short term benefits has a significant positive influence on performance of employees” and it was accepted. This is because there was a moderately positive relationship ( $r=0.535$ ) between short term employee and employee performance whereby an improvement in short term benefits increases on the performance of employees.

The study findings revealed that overtime enhances employee performance. This is because frequent overtime builds increasing levels of trust between the organization and employees. As the trust grows stronger, it can result in good relations between the organization and employees which enhances

cooperation, prevents or reduces labour unrest and increases individual employee responsibility and ownership for their own performance. 82.5% stated that the maternity leave given to female employees is enough to encourage them work hard to attain a good employee performance at NEC. This is likely to enhance a sense of feeling of importance among employees which is likely to enhance employee performance.

Basing on the field survey, providing educational benefits enhances performance in that if effective educational benefits are given to employees on their progress towards their goals, employee performance will improve. People need to know in a timely manner how they are doing, what is working, and what is not. Annual leave helps boost your productivity at NEC. This means that during their annual leaves, employees at NEC can easily communicate their job frustrations to their supervisors during their leaves. When employees are allowed to communicate their frustrations, argumentative relations and counterproductive work behaviour is likely to reduce, leading to improved employee performance. A house allowance if offered to the employees would contribute highly to their work performance at NEC. This means that the house allowance at NEC stimulates and motivates employees to meet goals, hence improving employee performance and finally there is no proper conflict management through consultation. If provided, Conflict management improves working relations which in turn result into a conducive working environment and subsequent improved employee performance. Short term benefits and employee performance were found to have a significant positive relationship. This means that short term benefits have a positive effect on employee performance at NEC.

### **5.2.2 Relationship between insurance benefits and employee performance at NEC**

The study tested the second hypothesis: “There is a significant positive relationship between insurance benefits and performance of employees”, and it was not accepted. This is because insurance benefits and employee performance have no significant relationship ( $r = 0.083$ ). The study respondents agreed that Health of the workforce is inextricably linked to the productivity of the workforce at NEC. The study agreed that work-related accidents and injuries exert an enormous toll on employees. Accidents due to work related incidences significantly increase employer costs at NEC. This shows that focusing on employee well-being is one way employers can encourage performance and productivity.

77.7% agreed that Insurance benefits such as Medical Insurance contribute to their productivity at NEC. The employees at NEC will be committed to their organization once offered counseling. Counseling is likely to enhance employee performance and finally there are policies and procedures in place to ensure that medical insurance at NEC is guaranteed.

### **5.2.3 The relationship between retirement benefits and employee performance at NEC**

The study tested the third hypothesis: “retirement benefits has a significant positive influence on performance of employees”, and it was not accepted. This is because there was no significant relationship ( $r=0.035$ ) between retirement benefits and employee performance whereby an improvement in retirement benefits does not improve on the performance of employees.

55.5% agreed that pensions encourage younger workers to be more productive and the older ones to retire on a timely basis. Gratuity influences the type of employees that NEC attracts with desirable

work ethics. This shows that employees who are most satisfied with their defined benefit plan are more than three times more likely than other employees to plan on remaining with their employer until retirement. Retirement has not become an earned benefit in reward for years of service to NEC since the majority were not sure.

79.4% agreed that NEC needs to tailor its gratuity package towards engaging its employees more productively, retirement benefits at NEC enhance their work productivity positively. According to the findings, NEC has long sought to enhance organizational performance by improving employee satisfaction and finally some respondents agreed that if NEC did not provide retirement benefits, most of the employees would not leave it for another job.

### **5.3. Discussion of Findings**

#### **5.3.1 The relationship between short term employee benefits and employee performance at NEC.**

The study found a positive significant relationship between short term benefits and employee performance at NEC ( $r=0.535$ ). This implies that employee performance in an organization can be increased with a change in short term benefits. The findings of this study could be attributed to the fact that the employees have become a family and feel like the organization has become part of them. Such a factor enhances employee performance and productivity. The study findings are in line with earlier scholars who found that a positive employee benefits enhances employee performance. The study findings according to Awadh et al (2013) found that good organizational short term employee benefits enhance organizational performance. He further asserted that employee benefits which are

the various non-wage compensations provided to employees in addition to their normal wages or salaries cannot be overlooked by the management of an organization, since the human resource of an organization is the most valued resource. This current era is highly competitive and organizations regardless of size, technology and market focus are facing employee retention challenges.

Ferris et al (2008) agreed that the effective employee benefits of an organization are based on supporting values and then these systems, in turn, create a positive impact on employee attitudes and behaviour, which facilitate an organization's performance. Mercer and Bilson (1985), also point out the correlation between short term benefits and employees' performance, where employees' performance is then translated into organizational outcomes such as customer satisfaction.

### **5.3.2 Relationship between insurance benefits and employee performance at NEC**

The study found significant relationship between insurance benefits and employee performance at NEC ( $r=0.083$ ). This implies that employee performance at NEC improves by insurance benefits. The relationship between insurance benefits and employee performance is there but very significant, meaning that if employees are continually motivated, there is a likelihood that they will perform better. It is revealed that leadership styles should be improved to suit all categories of employees. For instance, both the contract and support staff employees should have representatives on each board so they are well represented. These findings indicate that the employees are willing to serve the organization long enough as long as there is a good relationship between the managers and their subordinates.

Insured employees of an organization demonstrate positive intentions to serve their organization and they usually find it hard to quit the organization (Robbins and Coulter, 2003). With the current level of insurance at NEC, it is likely that employees may not want to quit the organization but want management to motivate them further in order to improve on their performance because, as we all know, a well satisfied employee develops highly affective work commitment to his/her organization. Therefore the relationship between insurance benefits and employee performance in this study demonstrates the need to enhance motivation and a comprehensive performance appraisal if employee performance is to improve.

### **5.3.3 The relationship between retirement benefits and employee performance at NEC**

The study found significant relationship between retirement benefits and employee performance at NEC ( $r=0.035$ ). This implies that employee performance at NEC improves by retirement benefits. The relationship between retirement benefits and employee performance is there but very significant, meaning that if employees are continually motivated, there is a likelihood that they will perform better. Scarth, (2002) asserts that an aging workforce could lead to productivity growth by motivating increased investment in human capital as labour becomes a relatively scarce production factor. Further the study revealed that retirement became an earned benefit in reward for years of service to a particular organization, or, more generally, to the productive society, and that pensions influence the type of worker a firm attracts and can help an employer attract workers who exhibit desirable behavior patterns. NEC needs to understand the current and future, workforce composition and offer the right package of rewards and other programs to attract, retain and engage the people an organization needs and pensions strongly influence workers' behavior, giving younger workers a

compelling reason to continue working for their employer and encouraging older workers to retire on a timely basis.

## **5.4.Conclusion**

### **5.4.1 Short term employee benefits and employee performance at NEC.**

As regards to the dimensions of short term employee benefits, it was concluded according to the hypothesis that short term employee benefits have a significant positive effect on employee performance, overtime contributes to their productivity at NEC since the majority were in agreement. Overtime enhances employee performance, the maternity leave given to female employees is enough to encourage them work hard to attain a good employee performance at NEC, Educational benefits if offered to you would contribute highly to your work performance at NEC, Annual leave helps boost your productivity at NEC and a house allowance if offered to the employees would contribute highly to their work performance at NEC.

### **5.4.2 Insurance benefits and employee performance at NEC**

It was also concluded that there is positive significant relationship between insurance benefits and employee performance and it is realized that Health of the workforce is inextricably linked to the productivity of the workforce at NEC, Work-related accidents and injuries exert an enormous toll on employees, accidents due to work related incidences significantly increase employer costs at NEC, insurance benefits such as Medical Insurance contribute to your productivity at NEC, Counseling services would go a long way in helping with employees' productivity at NEC and finally there are policies and procedures in place to ensure that medical insurance at NEC is guaranteed.

### **5.4.3 Retirement benefits and employee performance at NEC**

It was also concluded that there is significant relationship between retirement benefits and employee performance; and it was realized that pensions encourage younger workers to be more productive and the older ones to retire on a timely basis, Gratuity influences the type of employees that NEC attracts with desirable work ethics, retirement has not become an earned benefit in reward for years of service to NEC since the majority were not sure, NEC needs to tailor its gratuity package towards engaging its employees more productively, retirement benefits at NEC enhance your work productivity positively and finally if NEC did not provide retirement benefits, most of the employees would not leave it for another job.

### **5.5. Recommendations**

Since employee benefits enhances employee performance, there is need to improve on them in the following ways:

#### **5.5.1 Short term employee benefits and employee performance at NEC.**

There is need to build and improve teamwork. Putting a team in place to connect with each other, not just on a work level, but also on a friendship level, is beneficial towards more effective teamwork in the future. Team-building exercises are an easy way to get the team on the same level, familiar with one another, and better at communicating in a variety of environments. Planning out-of-office retreats and exercises for the team is also a great way to encourage better teamwork.

The study recommends that NEC needs to improvise employee recognition programs for jobs well done; this will motivate employees thus enhancing employee productivity in the organization.

### **5.5.2 Insurance benefits and employee performance at NEC**

The study also recommends that the NEC should provide health protection benefits to its employees since it will help them create a sense of loyalty and encourage their productivity in the public sector.

### **5.5.3 Retirement benefits and employee performance at NEC**

The study continues to recommend that NEC should review the current retirement package since a good retirement package will attract and retain employees in the organization and also improve their productivity.

## **5.6 Limitations of the Study**

The researcher faced difficulty in finding the NEC members in their offices since some of them would be gone for official duties. Another challenge was that only NEC was subject to investigation; therefore the results of this research might not be conclusive in giving a general picture in different organizations. Lastly, the researcher felt that the interviews were subject to subjectivity as individuals may not have been fully open about some issues they felt were sensitive.

## **5.7 Contributions of the study**

NEC will be able to improve on its employee performance which will assist in achieving its goals and objectives and there will also be an opportunity of revising its employee benefits to improve on their performance. Finally, NEC will know exactly what affects their employee performance and the solutions they need to apply. After management has put all the recommendations into practice, the performance will be improved and ultimately, more profitable levels. If NEC starts recognizing and

rewarding employees for their achievements, it will make them feel more appreciated and the company will go an extra mile.

### **5.8 Areas for Further Research**

The researcher identified a number of study areas that need further investigation and these included the following;

The researcher suggests further studies be done on the very same topic but to cover a wider scope such as the public sector in order to confirm if the research findings of this study will be the same.

Therefore, future research should focus on these other factors which affect employee performance like leadership styles, working environment and organizational policies, among others.

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## APPENDICES

### APPENDIX 1:

#### QUESTIONNAIRE FOR JUNIOR LEVEL EMPLOYEES

Dear respondent,

I am a student of Uganda Management Institute. This questionnaire is administered as part of my research study which is focusing on; “Employee benefits on Employee performance: A case of the National Enterprise Corporation.” You being at the centre of the topic can provide valuable data for that purpose. The data that you will provide will be used solely for academic purposes and handled with utmost confidentiality.

#### **B. QUESTIONS**

#### **PLEASE TICK WHERE APPROPRIATE**

##### **Background of Staff**

1. Gender

a) Female ( ) (b) Male ( )

2. Age

a) 20 – 29 ( ) b) 30 – 39 ( ) c) 40 – 49 ( ) d) 50 and above ( )

3. Department: .....

4. Rank: .....

5. Educational background

a) High school level ( ) b) Certificate level ( ) c) Diploma level ( )

d) Higher national diploma ( ) e) Degree ( ) f) Masters Degree ( )

g) Others ( )

6. How long have you worked at the National Enterprise Corporation?

a) Less than one year b) 1-5 years c) 6-10 years 4) Over 10 years

7. In your opinion do you consider employee benefits important?

.....  
8. To what extent are they important to you?

- a) Very Important ( ) b) Important ( ) c) Moderately Important ( )
- d) Slightly Important ( ) e) Unimportant ( )

9. Are the employee benefits distributed fairly to all employees?  
.....

10. To what extent do they positively affect your productivity?

- a) Very highly ( ) b) Highly ( ) c) Moderately ( ) d) Small ( ) e) Very small

11. To what extent do they negatively affect your productivity?

- a) Very highly ( ) b) Highly ( ) c) Moderately ( ) d) Small ( ) e) Very small

12. Which are among the things looked at when setting the employee benefits at NEC?  
.....

13. NOTE: Please tick the option you feel is most appropriate as per the following:

Rate on a scale of 1-5 to indicate your option,

- 1 Strongly disagree (SD)
- 2. Disagree (D)
- 3. Not sure (N)
- 4. Agree (A)
  
- 5. Strongly agree (SA)

**SECTION C: SHORT TERM EMPLOYEE BENEFITS**

Statement	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
Overtime contributes to your productivity at NEC					
The maternity leave given to female employees is enough to encourage them work hard to attain a good employee performance at NEC					
Educational benefits if offered to you would contribute highly to your work performance at NEC					
Annual leave helps boost your productivity at NEC					
A house allowance if offered to you would contribute highly to your work performance at NEC					
The management at NEC consults employees on the type of short term employee benefits to be offered					

**SECTION D: INSURANCE BENEFITS**

Statement	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
Health of the workforce is inextricably linked to the productivity of the workforce at NEC					
Work-related accidents and injuries exert an enormous toll on employees					
Accidents due to work related incidences significantly increase employer costs at NEC					
Insurance benefits such as Medical Insurance contribute to your productivity at NEC					

Counseling services would go a long way in helping with employees' productivity at NEC					
There are policies and procedures in place to ensure that medical insurance at NEC is guaranteed					

**SECTION E: RETIREMENT BENEFITS**

Statement	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
Pensions encourage younger workers to be more productive and the older ones to retire on a timely basis.					
Gratuity influences the type of employees that NEC attracts with desirable work ethics					
Retirement became an earned benefit in reward for years of service to NEC					
NEC needs to tailor its gratuity package towards engaging its employees more productively					
Retirement benefits at NEC enhance your work productivity positively.					
If NEC did not provide retirement benefits, you would leave it for another job.					



**SECTION F: EMPLOYEE PERFORMANCE**

Statement	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
All my work is finished in time					
All my work complies with the given standards of the service at NEC					
I always meet the targets in my work performance plan					
I always cost my planned tasks					
I complete my tasks within the given budget					
I am able to have the given quantities of work expected done exceptionally well					

14. How can employee productivity be enhanced through employee benefits?

.....

**Thank you for your time**

**APPENDIX II:**  
**INTERVIEW GUIDE FOR EXECUTIVE, MANAGERIAL AND SUPERVISORY LEVEL**  
**STAFF**

**A. Introduction**

Dear respondent, I am a student of Uganda Management Institute. This questionnaire is administered as part of my research study which is focusing on; “Employee benefits on Employee performance: A case of the National Enterprise Corporation.” You being at the centre of the topic can provide valuable data for that purpose. The data that you will provide will be used solely for academic purposes and handled with utmost confidentiality.

**B. QUESTIONS**

1. What is your position at NEC?
2. How long have you been in this position?
3. How long have you been working at NEC?
4. Do you think employee benefits are needed at NEC? If, yes, why?
5. How would you rate the level of employee performance at NEC?
6. What factors help to improve employee performance at NEC?
7. What challenges do you face in the implementation of the employee benefits?
8. How have you been able to overcome them?
9. Do you think employee benefits influence employee performance? If yes, how?
10. How significant is the impact of the employee benefits on employees’ performance at NEC?

**APPENDIX III: Table for Determining Sample Size from a given Population**

<b>N</b>	<b>S</b>	<b>N</b>	<b>S</b>	<b>N</b>	<b>S</b>	<b>N</b>	<b><u>S</u></b>	<b><u>N</u></b>	<b>S</b>
10	10	100	80	280	162	800	<u>260</u>	<u>2800</u>	338
15	14	110	86	290	165	850	<u>265</u>	<u>3000</u>	341
20	19	120	92	300	169	900	<u>269</u>	<u>3500</u>	246
25	24	130	97	320	175	950	<u>274</u>	<u>4000</u>	351
30	28	140	103	340	181	1000	<u>278</u>	<u>4500</u>	351
35	32	150	108	360	186	1100	<u>285</u>	<u>5000</u>	357
40	36	160	113	380	181	1200	<u>291</u>	<u>6000</u>	361
45	40	180	118	400	196	1300	<u>297</u>	<u>7000</u>	364
50	44	190	123	420	201	1400	<u>302</u>	<u>8000</u>	367
55	48	200	127	440	205	1500	<u>306</u>	<u>9000</u>	368
60	52	210	132	460	210	1600	<u>310</u>	<u>10000</u>	373
65	56	220	136	480	214	1700	<u>313</u>	<u>15000</u>	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

*Source: Krejcie & Morgan (1970, as cited by Amin, 2005)*

Note: *N* is population size.

*S* is sample size.

## **APPENDIX IV: Introductory Letter**

## **APPENDIX V: Anti-Plagiarism Report**