

**INFLUENCE OF EMPLOYEE BENEFITS ON THE PERFORMANCE OF
EMPLOYEES IN THE MILK PROCESSING FIRMS IN NAIROBI CITY COUNTY,
KENYA**

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Abstract

Most of the milk processing firms offer their employees medical insurance and leave benefits. However, there are many employees benefits that the organizations can provide to employees such as overtime, vacation and profit sharing to enhance their performance. This study sought to assess the influence of employee benefits on the organizational performance in the milk processing firms in Nairobi City County. The study attempted to answer the following questions: How does Life protection plans impact the execution of representative in the Milk Processing Firms in Nairobi City County? Do medicinal spread plans influence the execution of employee in the Milk Processing Firms in Nairobi City County? How does Sabbatical leave influence the execution of employee in the Milk Processing Firms in Nairobi City County? What is the impact of Compensation programs on the execution of employee in the Milk Processing Firms in Nairobi City County? A elucidating research cross sectional study configuration was utilized in this investigation where an objective populace of 456 administration staff of Milk Processing Companies in Nairobi City County. An example populace of 209 is touched base at by ascertaining the objective populace of 456 with a 95% certainty level and a mistake of 0.05. Data was gathered utilizing drop and pick technique for surveys and it was at that point be broke down utilizing clear measurements. Multiple relapse investigation was utilized to build up the relations between the autonomous and ward factors and afterward data was at that point be displayed utilizing tables, diagrams, pie outlines and information the executives programming's, for example, MS exceed expectations tables. As an end the scientist was at that point have the capacity to prescribed and recommend manners by which associations can enhance their worker benefits for development of the performance of representative. The study found that life insurance schemes affects performance of employees to a great extent. The study also found that there is statistically significant association between medical cover schemes and performance of employees. The also revealed that a unit increase in sabbatical leave will lead to an increase in performance of employees in milk processing companies. There was statistically significant association between compensation programs and performance of employees. The study concludes that life insurance schemes, medical cover schemes, sabbatical leave and compensation programs is positively related to performance of employees milk processing companies. The study recommends that the milk processing companies should provide their employee with life insurance and medical covers schemes. The study recommends that the milk processing firms should provide their employees with sabbatical leave from time to time. The study recommends that the milk processing companies should provide their employees with compensation programs such as annual salary, plus bonus payments and incentives.

Key Words: Compensation programs, Employee benefits, Life insurance schemes, Medical cover schemes, Performance of Employee, Sabbatical leave.

Background of the Study

As per Cole, (2002) representative advantages have a few segments and it likewise incorporates the non-pay benefits as a rule alluded to as worker benefits and here and there as incidental advantages or livens or representative advantages alluded to as advantages in-kind. The previous alludes to the more imperative advantages, for example, annuities and incorporate those which are generally connected in the association. The last alludes either to less huge advantages, for example, private medical coverage or to the advantages given primarily as benefits. Mowday and Steers (2013) takes note of that a business ought to dependably guarantee that association is seen as an extraordinary work environment implying that it turns into a business of decision i.e. one for whom individuals need to work. There is a longing to join the association and once there, to need to remain.

The target of worker benefits approaches and practices of an association are to give an alluring and focused all out-compensation bundle which both draws in and holds superb representatives. Turnover of key representatives can disproportionate affect the business and the general population associations wish to hold are presumably the one well on the way to leave (Armstrong, 2006). As per Lee, (2012) staff turnover is a costly authoritative result and organizations use significant time and assets in endeavors to diminish turn over especially when it is useless. Hinkim *et al*, (2010) further contends that turnover it is caused principally by poor supervision, a poor workplace and lacking pay. Over the top worker turnover regularly induces expansive outcomes and at the outrageous may risk endeavors to accomplish hierarchical goals, showed that when an association loses a basic representative, there is a negative effect on development e.g. consistency in giving administrations to visitors might be endangered and major deferrals in the conveyance of administrations to clients may happen (Abbasi & Hollman, 2009).

Shawn and Buckley (2008), showed that benefits were imperative as far as drawing in the staff to their present place of employment however they were not essential at holding them. Each individual needs to be remunerated equivalent to his commitment. Reasonable and aggressive reward framework ought to be set up to maintain a strategic distance from representative turnover (Bowen, 2000). As per an investigation by Samuel & Chipunza, (2009) they contended that worker maintenance is the quantity of existing representatives who keep or remain with their employments over joined timeframe. Maintenance approach should concentrate on holding the superior workers and gifted representatives or losing the failures and keeping the managers. Representative maintenance is basic to the long-haul wellbeing and achievement of your business.

Directors promptly concur that holding your best representatives' guarantees consumer loyalty, item deals, fulfilled collaborators and detailing staff, powerful progression arranging and profoundly imbedded authoritative information and learning. It is one of the essential proportions of the wellbeing of your association. On the off chance that you are losing basic staff individuals,

you can securely wager that other individuals in their areas of expertise are looking too. Post-employment survey with withdrawing representatives give significant data you can use to hold remaining staff (Samuel & Chipunza 2009).

It will turn out to be altogether progressively critical in the years ahead to perceive the dedication of people to an association just as the associations need to make a situation in which one would remain (Harris, 2010). Steadfast representatives for the most part stay with an association for an extensive stretch of time. In numerous associations it is alluring to have since quite a while ago tenured workers, in spite of the fact that this circumstance taken to an extraordinary can likewise make an issue (Phillips et al, 2002). Successful administration of worker maintenance is centered essentially around those gatherings of staff you utilize whose renunciations are the riskiest from the association's perspective. The loss of a normal entertainer in one of these gatherings is frequently more harming for the association than the loss of somebody exceptional from some other gathering (Brache, 2012).

The dairy handling industry in Kenya, which directions about 15% of advertised milk, has been very unique. After the progression of the subsector, the industry saw a flood in the quantity of processors, smaller than normal dairies and cooperatives engaged with milk handling. Karanja *et al.* (2003) takes note of that 42 milk processors had been authorized by the Kenya Dairy Board (KDB) since 1992 albeit just 34 of these were operational in 1999. In December 2007, the four biggest processors and their pieces of the pie were: New KCC (39%), Brookside (31%), Spin Knit (13%) and Githunguri Dairy (9%) (Technoserve, 2008). Accordingly, the three biggest processors controlled about 73% of the market. In the year 2009, Brookside gained Spin Knit, the fourth biggest player at the time, and this affected the market structure (Muriuki, 2011).

The three biggest processors, presently New KCC, Brookside and Githunguri dairy, controlled about 85% of the market (SNV, 2013), potentially showing high focus. Also, Brookside removed new KCC as the market head, controlling 36% rather than New KCC's 34%. This is probably going to have expanded market fixation inside the subsector because of the decrease in the quantity of players, and an extensive piece of the overall industry being constrained by less processors. Going forward, there have been a few different changes in the market structure. A few different processors such Buzeki Dairy and Delamere were obtained by the market heads. In the meantime, there have been new participants into the market including Kinangop Dairy, Aspendos Dairy, Upland premium Dairy, Wakulima and Sameer Agriculture and Livestock Limited (SALL) or DAIMA. Meru Central FC additionally observed a resurgence in 2015 with expanded handling limit.

There has additionally been instances of different processors shutting down. Hypothetically, the more thought a market is, the more wasteful it is in deciphering the increases of the business to different players in the chain. This is a direct result of the feasible development towards oligopolistic/oligopsonistic propensities by players with colossal pieces of the overall industry. As per business analysts, immaculate challenge, which speaks to a market ruled by numerous

little players, is the model that makes an interpretation of most welfare to society (Stavins *et al.*, 1996).

Statement of the problem

The milk processing sector is one of the most rapidly expanding sub sectors in Kenya. According to the Kenya Dairy Board, the annual volume of milk going to the milk processing plants has increased to 516 million liters in 2016 as compared to 144 million liters in 2010 (an increase of 258.33%). The industry is also a major source of livelihood to a large majority of Kenyans and it contributes to about 8% of Kenya's GDP and acts as a source of income and employment to over 1.5 million small holder dairy farmers in addition to 500,000 direct jobs in milk transportation, processing and distribution and a further 750,000 in related support services (KDB, 2017). Therefore, the milk processing firms are focusing on ensuring improved employee performance.

Nzuve (2012) indicated that most of the milk processing firms offer their employees medical insurance and leave benefits. However, there are many employees benefits that the organizations can provide to employees such as overtime, vacation and profit sharing to enhance their performance. The use of incentives is one of the work policies that are essential in the quest for the achievement of defined goals in an organization, specifically employee performance goals (Torrington, 2018). In Kenya the subject of worker rewards and hierarchical performance has been a predominant discussion by all partners in the field of instruction and Human Resource Management, Nyongesa, Sewe and Ng'ang'a (2012) and Letangule Solomon Leiro, and Letting Nicholas (2012). This has been portrayed by extended mechanical activities by workers in both essential and post essential organizations with the most recent being the October 2014 strike risk by Kenya National Union of Teachers.

The legislature of Kenya has noticed that there is need to coordinate performance with profitability subsequently the presentation of the idea of performance contracting in some open foundations. Then again, it is basic to take note that the open elementary schools in Kenya are not as of now under the continuous performance contracting program. Be that as it may, the purpose of understanding between the businesses, representatives and association in Kenya has been the need to remunerate fittingly performing workers in every single open foundation. Consequently, this examination studies about research plans on the impact of worker benefits on the performance of representatives in milk processing firms.

Objectives of the study

The general objective of the study was to determine the influence of employee benefits on the performance of Employees in the Milk Processing Firms in Nairobi City County.

The specific objectives of this study were going to be:

- i. To assess the influence of Life insurance schemes on the performance of Employees in the Milk Processing Firms in Nairobi City County.

- ii. To determine the influence of medical cover schemes on the performance of Employees in the Milk Processing Firms in Nairobi City County.
- iii. To assess the influence of Sabbatical leave on the performance of Employees in the Milk Processing Firms in Nairobi City County.
- iv. To determine the influence of Compensation programs on the performance of Employees in the Milk Processing Firms in Nairobi City County.

Significance of the Study

The examination is first imperative to the administration of milk preparing organizations since they may almost certainly know the impacts of worker benefits on representative performance and to recognize different types of worker advantages to singular workers. This will decrease the worker turnover and subsequently improve the association's picture. The examination may be of incredible enthusiasm to the specialist and the Human Resource and Administration Division. It may improve the organization of different types of advantages to workers and furthermore interface the representative advantage with staff maintenance. The examination may empower the association to be viewed as the business of decision when it can hold its most esteemed and gifted staff through the arrangement of the worker benefits which results into inspired, submitted and faithful representatives to the hierarchical objectives. This may empower the association to build its backwoods spread by accomplishing its order.

Theoretical Review

Anticipation Theory

The hypothesis teams up worker benefits. This theory was developed by Armstrong (2006). Armstrong contends that the idea of hope was initially contained in the valence-instrumentality-anticipation hypothesis by Victor Vroom in 1964. As per Armstrong (2006) valence represents esteem instrumentality is the conviction that on the off chance that we complete one thing it will prompt another and anticipation is the conviction that activity or exertion will prompt a result. The hypothesis holds that people pick between options which include unsure results. The person's conduct isn't just influenced by his inclinations among these results yet in addition by how much the individual trusts the results to be conceivable. Armstrong (2006) characterizes hope as a monitory conviction concerning the probability that a specific demonstration will be trailed by a specific result.

The fundamental thought behind the hypothesis is that individuals will be propelled on the grounds that they trust that their choice will prompt their ideal result (Redmond, 2010). Hope hypothesis recommends that work inspiration is needy upon the apparent relationship among performance and results and people change their conduct dependent on their count of foreseen results (Torrington, 2009). This has a down to earth and positive advantage of improving inspiration since it can, and has, helped pioneers make persuasive projects in the working environment. This hypothesis is based upon the possibility that inspiration originates from an

individual trusting they will get what they need as performance or prizes. Despite the fact that the hypothesis isn't comprehensive of individual inspiration factors, it furnishes pioneers with an establishment on which to construct a superior comprehension of approaches to persuade subordinates (AETC, 2008). Anticipation hypothesis is delegated a procedure.

Need Theory

The hypothesis works together medicinal spread plans. This theory was developed by Abraham Maslow in (1943). As indicated by Jones and George (2006) the person longing to satisfy or accomplish a need is pegged to the worker benefits on offer. People are persuaded by unsatisfied necessities, and certain lower needs should be fulfilled before higher requirements can be fulfilled. As a rule, terms, inspiration can be characterized as the craving to accomplish an objective, joined with the vitality, assurance and chance to accomplish it. The essential reason of the need hypothesis is that individuals are inspired to acquire results at work that will fulfill their requirements. It supplements the anticipation hypothesis by investigating the profundity at which results inspire individuals to contribute profitable contributions to a vocation and perform at abnormal states. An administrator must figure out what needs the individual is attempting to fulfill at work and guarantee that the individual gets results that assistance to fulfill those requirements when the individual performs at an abnormal state and enables the association to accomplish its objectives.

The most fundamental human needs, spoken to by sustenance, water, safe house and security, are viewed as basic for human presence. Higher-request needs are those related with social exercises, regard building, and self-completion or consistent personal development. Expounding further on this hypothesis, Whittington and Evans (2005) expressed that every one of these necessities works consistently, albeit one inadequate set rules the person at any one time and condition. Worker benefits helps in a major manner to satisfy these necessities and therefore People who experience inside inspiration are impacted by components that reason a feeling of achievement and delight, while remotely persuaded individuals are ordinarily affected by elements constrained by others, for example, cash and applause (Deci, 1985). Maslow's order of need hypothesis is ordinarily shown in a pyramid design, with the fundamental needs at the base and the higher needs at the top. The requirements were portrayed along these lines to demonstrate the criticalness of each need on the others, with the most essential and broadest classification being the physiological needs at the base (Redmond, 2010).

The Total Reward Model

The hypothesis works together holiday Leave. This model was developed by (WorldatWork, 2015). Concurring to Armstrong (2006), he contends that a reward procedure that brings parts, for example, learning and improvement together with parts of the workplace, into the advantages bundle. In the all-out remuneration framework both unmistakable and elusive prizes are viewed as profitable. Substantial prizes emerge from exchanges between the business and worker and incorporate rewards, for example, pay, individual rewards and different advantages. Immaterial

prizes have to do with learning, advancement and work understanding. Instances of these sorts of remunerations are chance to create, acknowledgment from the business and partners, individual accomplishment and public activity. The point of all out remuneration is to augment the positive effect that a wide scope of remunerations can have on inspiration, work commitment and hierarchical duties.

Conceptual Framework

A conceptual framework is a hypothesized model identifying the model under study and the relationship between the dependent and independent variables (Smith, 2014). Kothari (2010) defines an independent variable also known as the explanatory variable is the presumed cause of the changes of the dependent variable, while a dependent variable refers to the variable which the researcher wishes to explain. Figure 2.1 is a representation of the variables explored by this study.

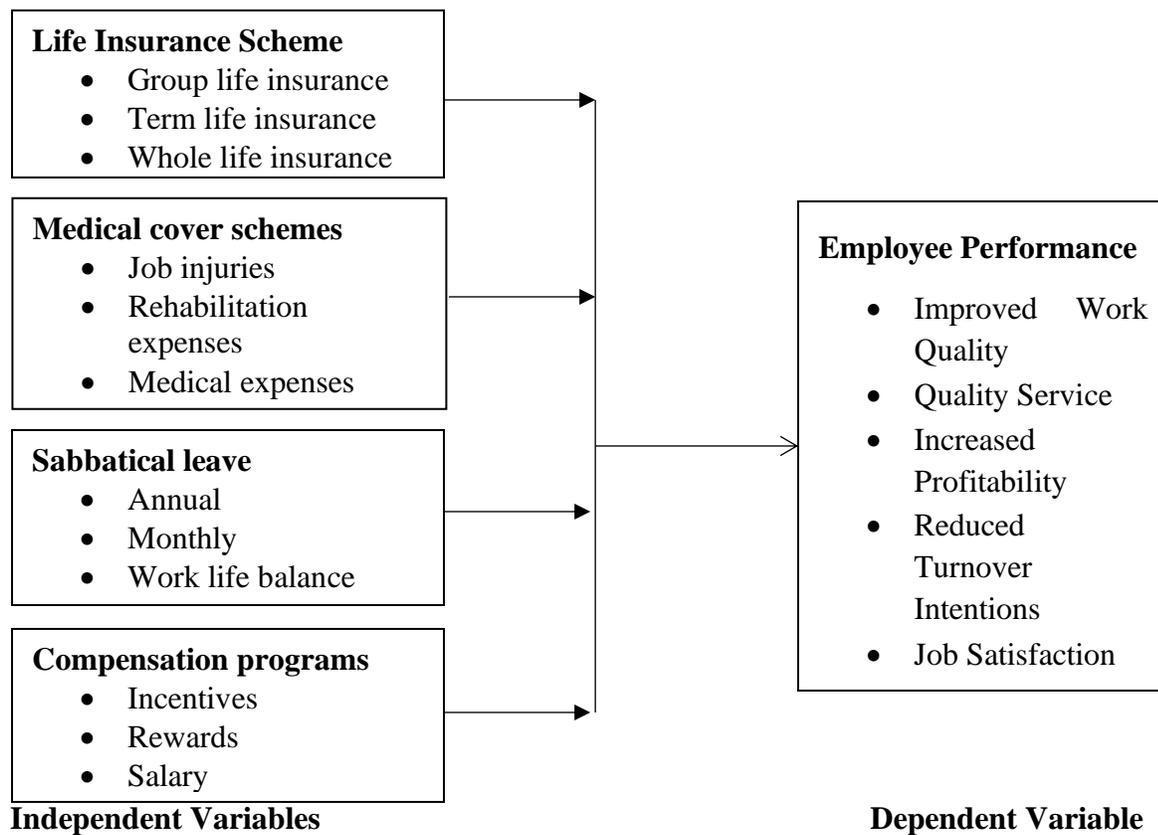


Figure 1: Conceptual Framework

Research Methodology

The study adopted a descriptive cross-sectional survey. According to Cooper and Schindler (2006), cross sectional studies are carried out once. They help a researcher establish whether significant associations among variables exist at some point in time (Mugenda, 2008). The study targeted staff of Milk Processing Companies in Nairobi City County. According to the human resources report of the Milk Processing Companies the total staff from different departments in the organization is 456 (KDB, 2018). The target population was 456 respondents distributed in the Milk Processing Companies in Nairobi City County. The distribution of the population is as shown in table 1

Table 1: Target population

Category	Target Population	Percentage
Human resource department	96	21.1
Operations department	130	28.5
Finance department	84	18.4
Research & development department	146	32.0
Total	456	100.00

Sampling frame was drawn from the employees of Milk Processing Companies in Nairobi City County. Magutu (2013) noted that at least 10 percent sample size of the population can be used in survey studies although this may not be sufficient. The targeted population of study was 456 staff. A sample population of 209 was arrived at by calculating the target population of 456 with a 95% confidence level and an error of 0.05 using the below formula (Kothari, 2004).

Table 2: Sample Size

Categories	Target Population	Sample
Human resource department	96	44
Operations department	130	60
Finance department	84	38
Research & development department	146	67
Total	456	209

The investigation chose the respondents utilizing stratified proportionate arbitrary inspecting method. Stratified irregular examining is fair inspecting strategy for gathering heterogeneous populace into homogenous subsets at that point making a choice inside the individual subset to guarantee representativeness. Essential information was acquired utilizing self-managed surveys. The survey is comprised of both open finished and shut finished inquiries. The open-finished inquiries were utilized in order to urge the respondent to give a top to bottom and felt reaction without inclination kept down in enlightening of any data and the shut finished inquiries enable respondent to react from constrained alternatives that had been expressed.

The analyst got a presentation letter from the University which was displayed to every pioneer in order to be permitted to gather the fundamental information from the respondents. The drop and

pick technique was favored for poll organization in order to give respondents enough time to give well considered reactions. The analyst booked meeting with respondent associations no less than two days before visiting to regulate surveys.

Before the actual data collection, piloting of the questionnaire was done using employees in state corporation who were not included in the final study. The suitability of the questionnaire for this study was tested by first administering it to 21 respondents who are approximately 10% of 209, the total number of the intended respondents. A pre-test sample of 10% of the sample size was used as advocated by Mugenda (2008). Piloting enabled the researcher to ascertain the validity and reliability of the instrument. The questionnaire was pretested with 21 respondents. This process helped the researcher to assess the clarity of the questions and prepare for the actual data collection. The pilot group was not included in the actual study.

Information was dissected utilizing Statistical Package for Social Sciences (SPSS Version 23.0). Every one of the polls got referenced and things in the survey were coded to encourage information passage. After information cleaning which involved checking for mistakes in section, expressive insights, for example, frequencies, rates, mean score and standard deviation was assessed for all the quantitative factors and data introduced illuminate of tables. The subjective information from the open-finished inquiries was broken down utilizing applied substance examination and introduced in writing. Inferential information examination was finished utilizing different relapse investigation. Various relapse investigations were utilized to build up the connection between the autonomous and ward factors. This Model was utilized in light of the fact that the system utilizes at least two autonomous factors to foresee a needy variable.

Research Findings and Discussion

The study targeted 209 staff of Milk Processing Companies in Nairobi City County. Out of which 186 of the respondents filled and returned the questionnaire, forming a response rate of 89%. Reliability analysis was done to determine the reliability of the questionnaire. The study used the Cronbach's Alpha. Gliem and Gliem (2003) established the Alpha value threshold at 0.7, thus forming a benchmark for the study. The Cronbach's alpha was used to determine the reliability of each objective. The findings as shown in Table 4.2 indicate that life insurance schemes has an alpha of 0.783, medical cover schemes as an alpha of 0.776, sabbatical leave as an alpha of 0.792 and compensation programs an alpha of 0.814. This is an indication that all the variables are reliable.

Descriptive Statistics

Influence of Life Insurance Schemes on the Performance of Employees

The respondents were asked to indicate the extent to which they agree with the following aspects of life insurance schemes Scale: 1 –strongly disagree; 2 –disagree; 3 - moderate; 4 - agree; 5 – strongly agree. Results are as shown in table 3

From the findings, the respondents agreed that life insurance reduces worry about ones family security as shown by a mean of 4.022, life insurance reduces worry about ones family security as shown by a mean of 3.957, life insurance increase employee loyalty to the organization as shown by a mean of 3.909, life insurance schemes helps employee to concentrate on their work as shown by a mean of 3.860, life Insurance Scheme promotes emotional well- being as shown by a mean of 3.860 and life insurance schemes increases the chances of employees remaining in the organization as shown by a mean of 3.812. The findings concur with Armstrong (2004) who contends that workers' welfare programs help to improve the pictures of the firm as a decent manager and in this way aids enrollment consequently expanding duty and help the maintenance of the representatives.

Table 3: Life Insurance Schemes

Statement	Mean	Std. Dev
Life insurance reduces worry about ones family security	3.957	0.869
Life insurance increase employee loyalty to the organization	3.909	0.825
Life insurance reduces worry about ones family security	4.022	0.890
Life insurance schemes helps employee to concentrate on their work	3.860	0.822
Life insurance schemes increases the chances of employees remaining in the organization	3.812	0.736
Life Insurance Scheme promotes emotional well- being	3.860	0.802
Aggregate mean	3.903	

Influence of Medical Cover Schemes on the Performance of Employees

The respondents were requested to indicate the extent to which they agree with the following statements on medical cover schemes. As shown in table 4. According to the findings, the respondents agreed that medical cover schemes Increase concentration at work hence improved productivity as shown by a mean of 3.925, medical cover schemes help to reduce the cost of hospitalization as shown by a mean of 3.909, medical cover schemes improve health outcome and lower mortality as shown by a mean of 3.903 and medical cover schemes helps to retain employee in the organization as shown by a mean of 3.887. The findings concur with those of Eisenberg *et al*, (2004) who argued that having medical coverage is significant for various reasons; people who are guaranteed are secured against unsure and high restorative costs and are bound to get required and suitable social insurance. Moreover, having medical coverage is related with improved wellbeing results and lower mortality, so representatives with health care coverage are bound to be gainful specialists

Table 4: Medical Cover Schemes

Statement	Mean	Std. Dev
Medical cover schemes helps to retain employee in the organization	3.887	0.866
Medical cover schemes help to reduce the cost of hospitalization	3.909	0.854
Medical cover schemes protects employees against any uncertainty	3.801	0.807
Medical cover schemes Increase concentration at work hence improved productivity	3.925	0.816
Medical cover schemes improve health outcome and lower mortality	3.903	0.809
Aggregate mean	3.885	

Influence of Sabbatical Leave on the Performance of Employees

The respondents were asked to indicate the extent to which they agree with the following statements of sabbatical leave. The respondent agreed that sabbatical leave enhances knowledge as shown by a mean of 3.866, sabbatical leave reduces monotony on jobs as shown by a mean of 3.839, sabbatical leave reduces stress on jobs as shown by a mean of 3.801 and sabbatical leave leads to employee retention as shown by a mean of 3.688. The findings are related to those of Shellengarger (2001) who states that businesses give representatives paid break in an assortment of conditions. Paid mid-day breaks and rest periods, occasions and excursions are normal. Be that as it may, leaves are given for various different purposes. Time-off advantages speak to an expected 5% to 13% of absolute pay. Run of the mill time-off advantages incorporate occasion pay, get-away pay and leaves of nonattendance.

Table 5: Sabbatical Leave

Statement	Mean	St. Deviation
Sabbatical leave leads to employee retention	3.688	0.759
Sabbatical leave enhances knowledge	3.866	0.792
Sabbatical leave reduces stress on jobs	3.801	0.815
Sabbatical leave reduces monotony on jobs	3.839	0.794
Aggregate mean	3.799	

Influence of Compensation Programs on the Performance of Employees

The respondents were asked to indicate the extent to which you agree with the following statements about compensation. The respondents agreed that child care compensation programs ensures that employees child future is secured as shown by a mean of 3.995, annual holidays compensation programs help employees to spend time with their families as shown by a mean of 3.995, compensation such as sharing of organization shares are provided as shown by a mean of 3.935, job related illnesses and injuries programs helps to retain employees as shown by a mean of 3.925 and retirement benefits compensation programs helps employee feel that their future is

secured as shown by a mean of 3.909. The findings concur with those of Hornsby (2004) representative welfare programs destinations are to provide better life and wellbeing to the specialists, to satisfy the laborers and fulfilled and to alleviate specialists from modern weakness and to improve scholarly, social and material states of living of the specialists.

Table 6: Care Compensation Programs

Statement	Mean	Std. Dev
Compensation such as sharing of organization shares are provided	3.935	0.833
Retirement benefits compensation programs helps employee feel that their future is secured	3.909	0.826
Annual holidays compensation programs help employees to spend time with their families	3.995	0.860
Childcare compensation programs ensures that employees child future is secured	3.995	0.873
Job related illnesses and injuries programs helps to retain employees	3.925	0.855
Aggregate mean	3.952	

Performance of Employees

The respondents agreed that protection schemes helps in improving employee productivity as shown by a mean of 3.989, employees benefits improves employee job satisfaction as shown by a mean of 3.978, employees benefits help in improving the quality of products as shown by a mean of 3.962, employee benefits help in improving employee concentration as shown by a mean of 3.930, employee benefits makes employees to be more responsible as shown by a mean of 3.860 and employees benefits increases innovativeness in the organization as shown by a mean of 3.833.

Table 7: Performance of Employees

Statement	Mean	Std. Dev
Protection schemes helps in improving employee productivity	3.989	0.917
Employees benefits help in improving the quality of products	3.962	0.869
Employee benefits help in improving employee concentration	3.930	0.827
Employee benefits makes employees to be more responsible	3.860	0.903
Employees benefits improves employee job satisfaction	3.978	0.867
Employees benefits increases innovativeness in the organization	3.833	0.830
Aggregate mean	3.925	

Inferential Statistics

Correlation Analysis

The correlation analysis was used to analyze the association between independent and dependent variables. The results were as shown in table 8. The results revealed that there was a strong

positive correlation between life insurance schemes and performance of employees as shown by $r = 0.782$ statistically significant $p = 0.001 < 0.01$; there was a positive correlation between medical cover schemes and performance of employees as shown by $r = 0.797$, statistically significant $p = 0.002$; there was a positive correlation between sabbatical leave and performance of employees as shown by $r = 0.774$, statistically significant $p = 0.002$; there was a positive correlation between compensation programs and performance of employees as shown by $r = 0.815$, statistically significant $p = 0.000$. This implies that life insurance schemes, medical cover schemes, sabbatical leave, compensation programs with performance of employees are related.

Table 8: Correlations Coefficient

		Performance of Employees	Life insurance schemes	Medical cover schemes	Sabbatical leave	Compensation programs
Performance of Employees	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	186				
Life insurance schemes	Pearson Correlation	.782**	1			
	Sig. (2-tailed)	.001				
	N	186	186			
Medical cover schemes	Pearson Correlation	.797**	.524	1		
	Sig. (2-tailed)	.001	.035			
	N	186	186	186		
Sabbatical leave	Pearson Correlation	.774**	.449	.433	1	
	Sig. (2-tailed)	.002	.047	.051		
	N	186	186	186	186	
Compensation programs	Pearson Correlation	.815**	.356	.449	.573	1
	Sig. (2-tailed)	.000	.063	.049	.033	
	N	186	186	186	186	186

** . Correlation is significant at the 0.001 level (2-tailed).

Model Summary

Model summary was used to analyze the variation of dependent variable due to the changes of independent variables. The study analyzed the variations of performance of employees due to the changes of life insurance schemes, medical cover schemes, sabbatical leave, compensation programs. Adjusted squared was 0.738 implying that there was 73.8% variation of performance of employees due to the changes of life insurance schemes, medical cover schemes, sabbatical leave, compensation programs. The remaining 26.2% imply that there are other factors that affect performance of employees which were not discussed in the study. R is the correlation coefficient which shows the relationship between the study variables. From the findings, the study found out that there was a strong positive relationship between the study variables as shown by 0.859.

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.859	0.738	0.735	0.013

Analysis of Variance

The analysis of variance ANOVA was used to determine whether the data used in the study is significant. From the ANOVA statistics, the processed data (population parameters) had a significance level of 0.001. This shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. The F calculated was greater than F critical (248.737 > 2.422). This shows that life insurance schemes, medical cover schemes, sabbatical leave and compensation programs significantly influence the performance of employees.

Table 10: Analysis of variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	87.555	4	21.889	248.737	.001
	Residual	15.928	181	0.088		
	Total	103.483	185			

Beta Coefficients of the study Variables

The regression equation is

$$Y = 1.115 + 0.485X_1 + 0.537X_2 + 0.494X_3 + 0.558X_4$$

The equation above revealed that life insurance schemes, medical cover schemes, sabbatical leave and compensation programs constant, the variables will significantly influence performance of employees as shown by constant =1.115 as shown in Table 11. Life insurance schemes is statistically significant to performance of employees as shown by ($\beta = 0.485$, $P = 0.006$). This shows that life insurance schemes had a significant positive relationship with performance of employees. This implies that a unit increase in life insurance schemes will result to increase in performance of employees. The findings concur with Armstrong (2004) who contends that workers' welfare programs help to improve the pictures of the firm as a decent manager and in this way aids enrollment consequently expanding duty and help the maintenance of the representatives.

Medical cover schemes is statistically significant to performance of employees as shown by ($\beta = 0.537$, $p = 0.003$). This shows that medical cover schemes have a significant positive relationship with performance of employees. This implies that a unit increase in medical cover schemes will result to increase in performance of employees. The findings concur with those of Eisenberg *et al*, (2004) who argued that having medical coverage is significant for various reasons; people who are guaranteed are secured against unsure and high restorative costs and are bound to get required and suitable social insurance.

Sabbatical leave is statistically significant to performance of employees as shown by ($\beta = 0.494$, $p = 0.005$). This shows that sabbatical leave have a significant positive relationship with performance of employees. This implies that a unit increase in sabbatical leave will result to increase in performance of employees. The findings are related to those of Shellengarger (2001) who states that businesses give representatives paid break in an assortment of conditions. Compensation program is statistically significant to performance of employees as shown by ($\beta = 0.558$, $p = 0.002$). This shows that compensation programs have significant positive relationship with performance of employees. This implies that a unit increase in compensation programs will result to increase in performance of employees. The findings concur with those of Hornsby (2004) representative welfare programs destinations are to provide better life and wellbeing to the specialists, to satisfy the laborers and fulfilled and to alleviate specialists from modern weakness and to improve scholarly, social and material states of living of the specialists.

Table 11: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.115	0.159		7.013	0.000
Life insurance schemes	0.485	0.121	0.576	4.008	0.006
Medical cover schemes	0.537	0.109	0.513	4.927	0.003
Sabbatical leave	0.494	0.113	0.467	4.372	0.005
Compensation programs	0.558	0.110	0.532	5.073	0.002

Conclusions

The study found out that life insurance schemes affects performance of employees to a great extent. This implies that there is significant relationship between Life insurance schemes and performance of employees. Changes in life insurance schemes will lead to changes in performance of employees in milk processing companies. The study concludes that life insurance schemes positively influences to performance of employees in milk processing companies in Kenya.

The study revealed that medical cover schemes affects performance of employees to a great extent. This shows that there is significant association between medical cover schemes and performance of employees. Changes in medical cover schemes will lead to changes in performance of employees in milk processing companies. The study concludes that medical cover schemes is positively influences performance of employees in milk processing companies in milk processing companies in Kenya.

The study established that sabbatical leave affects performance of employees to a great extent. This implies that there is significant association between sabbatical leave and performance of

employees. A unit increase in sabbatical leave will lead to an increase in performance of employees in milk processing companies. The study concludes that sabbatical leave positively influences performance of employees in milk processing companies in milk processing companies in Kenya.

The study found that compensation programs affects performance of employees to a great extent. This shows that there is significant association between compensation programs and performance of employees. A unit increase in compensation programs will lead to an increase in performance of employees in milk processing companies. The study concludes that compensation programs positively influences performance of employees milk processing companies in milk processing companies in Kenya.

Recommendations

The study found relationship between life insurance schemes, medical cover schemes and employee performance. The study recommends that the milk processing companies should provide their employee with life insurance and medical cover schemes to help them concentrate on their work knowing that their future and those of their family is secure. The study found an association between sabbatical leave and employee performance. The study recommends that the milk processing firms should provide their employees with sabbatical leave from time to time. This will help employees to focus on other activities other than their usual work procedure. This will help in improving employee retention. The study found a relationship between compensation programs and employee performance. The study recommends that the milk processing companies should provide their employees with compensation programs such as annual salary, plus bonus payments and incentives. This will help in improving employee engagement and retention.

Areas for Further Research

The objective of the study was to determine the influence of employee benefits on the performance of employees in the milk processing firms in Nairobi City County. The study was conducted among companies located in Nairobi City County; the study recommends replication of the study in other counties to facilitate generalization of the study findings. Employee benefits discussed in the study explained only 73.8% performance of employees in the milk processing firms; the study therefore recommends a study to be conducted on the other 26.2% factors affecting performance of employees. The study further recommends a longitudinal study to be conducted on the influence of employee benefits on the performance of employees in the milk processing firms this will help find patterns that may occur over long periods, which would not be observed over short periods. Longitudinal study would also track changes so that cause and effect relationships can be discovered.

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