

# Influence of Employee Assistance Programs on Employee Performance in Mumias Sugar Company, Kenya

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## ABSTRACT

Employee assistance has been promoted and recommended as a means of improving performance in organizations, its influence on the performance of employees in the sugar sector has not been exhaustively investigated. The purpose of the study was to investigate the influence of employee assistance programs on employee performance. The research design adopted for this study was a Case study. The target population was 1269 employees of Mumias Sugar Company and a sample size of 297. This study employed stratified and simple random sampling methods. Data was collected using Likert questionnaires. Data was analyzed through percentages, mean and multi-regression techniques and presented through tables, pie-charts and bar graphs. The study found out that employee assistance programs have a significant effect on employee performance.

**Keyword:** Employee assistance program

## 1. Background of the study

According to Grover (2009) Welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. The welfare measures need not be in monetary terms only but in any kind or forms. Employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and Employee assistant program.

Employee Assistance Programme (EAP) has its roots in the early workplace alcohol programs in the United States (Buon, 2007). More specifically in the 1940s with the support of Alcohol Anonymous (AA) the first workplace EAP programs for 'alcoholic' employees were established in companies such as DuPont and Eastman Kodak. During the 1960s, programs were developed rapidly in the United States. During this time, occupational welfare work and chaplaincy services were introduced into some workplaces. It was not until the early 1980s, that an EAP approach was adopted in countries such as UK, Australia and New Zealand (Buon & Compton, 2003).

However, increasingly EAPs are being offered to the local workforce, again more often than not to the local workforce of a US based multinational. EAPs often offer services already offered by internal welfare officers or occupational social workers, especially in Europe. The global EAP does offer outsourcing opportunities for HR Managers who wish to trim internal professional staff and this is often a key selling point for the global provider. (Hopkins, 2005). EAPs that are normally outsourced include training, recruitment, health & safety and other human resource activities are all prime candidates for outsourcing (Storey, 1992)

The EAP field has an admirable history based on core values of compassion and integrity. Unfortunately, the future suggests a shift from the integrity-based response to a compliance-based response. Occupational social workers have long provided support services for employees, particularly in northern European countries (Hopkins,2005). This work, especially in Germany and, to a lesser extent in France, differs little from some aspects of EAP work. Elsewhere in Europe, multinationals and pan-European organizations have only just begun to exert an influence. This, combined with the welfare tradition in many Western European countries and, more recently, EU policy related to a 'healthy workplace', has led to the beginnings of more substantive growth in EAP provision over the past few years (Hopkins, 2005). The Certified Employee Assistance Professional

(CEAP) credential is of some interest to existing professionals in some counties. Even though this is often seen as an 'American' credential, many countries in Europe lack good certification for workplace counseling.

Jahoda (2009) notes that since the end of apartheid the implementation of extensive employee assistance policy in South Africa, there has been an ongoing dialogue and debate surrounding the expansion of employee assistance program .Despite the challenges the government is trying to improve and enact policies that all organizations should follow. To create better environment for employees there is provision of facilities for workers like housing schemes, medical benefits, and education and recreation facilities for workers families to help in raising their standards of living.

According to Lynes (2005) many organizations in Kenya are increasingly providing employees assistance services as a form of improving the productivity of employees at workplace and increasing performance. Trade Unions in Kenya have over the years played an important role in promoting employee welfare services.

## **2. Hypothesis**

Employee assistance services do not have a significant influence on performance of employees in Mumias Sugar Company.

## **3. Research Design**

The study adopted a case study research design. According to Oso (2013) Case studies provide detailed information about the characteristics or attributes of interest through intensive and holistic descriptions and analyses of single entities or phenomena (the case) bounded by time and activity, based on information from a variety of data collection procedures.

## **4. Area of study**

The study area was Mumias. It was chosen for this study because it has a large number of workers due to its high crushing capacity than other sugar industries in Kenya (Sugar board 2013)

## **5. Sampling Technique**

This study employed stratified and simple random sampling methods to select the individual members of the sample. Stratified sampling was used to determine the proportionate sizes of employees from each department that were included in the sample. This study employed simple random sampling technique to select the individual 297 employees that was included in the sample.

## **6. Data Collection Method**

Data was collected using Likert scale questionnaires. Likert scale was chosen because majority of the respondents were literate and were able to react and rate their feelings.

## **7. Validity and Reliability of Instruments**

Validity was ensured through use of experts who were the supervisors of the researcher. Drafted questions were pre-tested to remove ambiguity and achieve a high degree of precision of 0.7

Reliability was determined by test-re-test method. The researcher administered the instruments to a random sample of 30 employees at Kabras Sugar Company twice within a span of 14 days. A reliability index .7 was achieved.

## 8. Data analysis and presentation

This study collected and analyzed the quantitative data. Quantitative data were analyzed using percentages and multi-regression technique.

The objective of this study was to determine the effect of employee assistance services on performance of employees in Mumias Sugar Company. Employee assistance services were characterized as health insurance programs, loan schemes and recreational facilities. The respondents were asked to react to several statements on these variables to determine the status employee assistance services. The average employee performances were compared against different status of employee assistance services and the results summarized in Table 1 were obtained.

Table 1  
*Employee Performance with Employee Assistance Services*

Employee Assistance Services	Mean performance (%)	N	S	N-percent
Good	77.53	8	25.49	2.87
Fair	72.53	122	21.08	43.88
Poor	64.58	148	22.94	53.24
Total	74.72	278	22.31	100.00

*Note.* N = sample; S = Standard Deviation.

Table 1 shows the performance of employees in Mumias Sugar Company against the status of employee assistance services. It shows that performance of employees with good employee assistance services ( $M = 77.53\%$ ,  $S = 25.49$ ) is higher than the performance of employees with fair employee assistance services ( $M = 72.97\%$ ,  $S = 21.08$ ), and the performance of employees with poor employee assistance services ( $M = 64.58\%$ ,  $S = 22.94$ ). The statistics in Table 1 suggest that performance of employees in Mumias Sugar Company varies with employee assistance services and that the better the employee assistance services, the higher the performance of employees. But the majority (53.24%) of employees had poor employee assistance services; while 43.88% of female had fair employee assistance services. Only 2.87% of the employees surveyed had good employee assistance services. This suggests the employee assistance services of employees at Mumias Sugar Company are generally poor.

The data in Table 2 was analyzed using regression method to determine if there was significant variation in performance of employees with employee assistance services, and to test the null hypothesis that:  
 $H_{04}$ : Employee assistance services do not have a significant influence on performance of employees in Mumias Sugar Company.

The result in Table 2 was obtained.

Table 2  
*Regression Analysis for Employee Performance Based on Employee Assistance Services*

Model	B	R	R <sup>2</sup>	R <sup>2</sup> adj	Std. $\epsilon$	F	t	Sig.
Constant	79.975				6.191		12.918	.000
Personal Factor	2.097	.526	.277	.272	2.414	3.910	-0.869	.023

*Note.*  $F(1, 276) = 3.87$ ; Std.  $\epsilon$  = standard error.

In Table 2, R indicates the correlation between employee performance and employee assistance services.  $R = .526$  shows that there is a moderate positive association between employee assistance services and employee performance.  $R^2$  is proportion of the variance in performance of employees that is explained from the knowledge of employee assistance services, but  $R^2$  adj which is a better estimate of  $R^2$ .  $R^2$  adj = .272 indicates that 27.2% of the variance in performance of employees at Mumias Sugar Company is explained from the knowledge of

employee assistance services. But the rest 72.8% of the variance in employee performance are due to other factors not investigated in this study.

In Table 2, B is the un-standardized regression coefficient representing the weight of employee assistance services on performance of employees and its strength in the regression model. From the value of B and the constant term, a regression equation was developed as;

$$P^1 = 79.975 + 2.097EA \dots \text{Eq 1}$$

where EA is the status of personal factor, and  $P^1$  is the predicted employee performance.

The F statistic indicates the overall significance of the regression model;  $F(1, 278) = 3.910$ ,  $p = .023$ ;  $F_0 = 3.910 > F(1, 276) = 3.87$ . These led to the rejection of the null hypothesis. The finding suggested by the data in Table 10 was therefore upheld. Performance of employees with good employee assistance services is higher than performance of employees with poor or moderate employee assistance services. Hence, health insurance programs, loan schemes and recreational facilities affect the performance of employees. The study therefore established that employee assistance services have a significant effect on the performance of employees in Mumias Sugar Company.

## 9. Finding

It was observed that majority (53.24%) of employees had poor employee assistance services with an average performance of 64.58% ( $S = 22.94$ ), while 43.88% of employees had fair employee assistance services with an average of performance of 72.53%, ( $S = 21.08$ ). The overall status of employee assistance services of employees in Mumias Sugar Company was found to be poor. The study found that employee assistance services have a significant effect on the performance of employees in Mumias Sugar Company;  $F(1, 278) = 3.910$ ,  $p = .023$ , and account for 27.2% of the performance of employees in Mumias Sugar Company ( $R = .526$ ,  $R^2 \text{ adj} = .272$ ,  $p = .023$ ). Hence employee assistance services were health insurance, loan scheme and recreational facilities have a significant effect the performance of employees in Mumias Sugar Company.

## 10. Conclusion on employee assistance programs

The study made conclusion that the performance of an organization is a determinant to its employee's service packages to its employees. The study made conclusions that employee assistance schemes policy needs to be scrutinized in the organization to ensure all the motivation practices are effective. Organizations have initiated counseling service to employees to motivate them and ensure performance is enhanced. Employees need counseling from different life's problems. The study made conclusions that a firm is mandated to ensure different assistance employee programs are initiated. Health and safety of employees should not be compromised to bring motivational strategies.

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