EMPLOYEE BENEFIT SCHEMES AND COMPANY PERFORMANCE IN LAGOS STATE, NIGERIA

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ABSTRACT

Nigeria's dynamic and complex business setting has made attaining and sustaining firms' performance an arduous task for business executives in modern times. As a result, it is essential that they develop and implement practical corporate social responsibility approaches that will allow them to achieve long-term organizational performance. The goal of this study was to investigate the impact of employee benefit schemes as corporate social responsibility factors on company performance in Lagos State, Nigeria. Primary data were collected using a structured questionnaire. Three-hundred and sixty-one (361) respondents were drawn from the study population (3,680), adopting a simple random sampling technique. The study population included various levels of employees from the companies under consideration. Simple percentages, means, standard deviations, correlation, and regression statistics were used to analyze the data. Employee benefit schemes statistically influenced company performance in Lagos State, Nigeria (R Square = 0.768, adjusted R Square = 0.791). As a result, the study concluded that employee benefit schemes are critical components of corporate social responsibility. To improve company performance, business executives should prioritize employee benefit schemes in their strategic plans.

Keywords: Company performance, customer satisfaction, employee benefit schemes, employee satisfaction, market share

INTRODUCTION

Companies' performance predicts their survival and ability to attract more investments in today's competitive environment. The resource-based view (grant, 1991) emphasizes the essence of internal resources, including employees in creating and sustaining competitive capabilities (Wright & McMahan, 1992). This accentuates the notion that "human elements" are strategic resources that determine efficiency and effectiveness that often predict organizational success (Okochi & Ateke, 2021). Both profit and nonprofit organizations thus accord employees more attention; even as human resources have the ability to think and reason, hence, could take actions that better the performance of their firms.

Employees constitute the most potent tool a firm can utilize to navigate the unstable and disruptive waters of the business milieu and to achieve improved performance (Harcourt & Ateke, 2018). Having the right set of employees, developing them to become a better fit for their roles and responsibilities, and motivating them to invest their all, are essential to organisational performance. This position buttresses the view that eliciting optimal performance from employees is the key desire of organizations in their effort to achieve competitive advantage (Armstrong, 2009).

Competent employees that are satisfied with their job and committed to their firm constitute "valuable, rare, and inimitable resources' for firms (Nwulu & Ateke, 2018; Grant, 1991). It is thus imperative for firms, especially service organizations, to hire, keep and motivate competent employees and deploy same to perform tasks in which they are proficient, if they must remain successful in today's highly competitive business-scape.

Management theorists and practitioners regard properly managed employees as the most valuable assets of organizations; as such employees have the capacity to confer competitive advantage; by better adapting their firms to the demands of the ever-changing marketplace and sophisticated customership (Okochi & Ateke, 2020; Harcourt & Ateke, 2018). A satisfied and committed workforce drive company productivity and improved performance. Extant literature suggests that employees' feelings and experiences influence their productivity and buttresses the propriety of management initiatives aimed at improving employees' wellness (Okochi & Ateke, 2021).

A company's performance is also closely associated with leaders' ability to implement market-based employee-driven strategies. Thus, businesses place a premium on leaders' ability to initiate programmes that assist firms to remain in business. This premium also tasks leaders' awareness of economic, social, and psychological issues about employees that affect their productivity. Umoren et al. (2016) argue that employee-oriented policies and practices have a positive impact on companies' reputation, customer satisfaction, and employee satisfaction. Thus, employee-oriented policies and performance of companies have become key concepts and issues of concern in business management today.

Managers have thus devised novel approaches to addressing employee needs and concerns. Because of the ambiguity and uncertainty surrounding business operations, it is difficult to determine what motivates employees to work committedly. Most organizations believe that paying competitive wages is sufficient to motivate and retain employees' commitment. Often ignoring employees' psychological and social needs, which can impair their ability to perform satisfactorily. These organizations also do not agree that employees should be hired for their overall well-being rather than their specific skills. As a result, this study investigates how employee benefit schemes affect the performance of public organizations in Lagos State, Nigeria.

LITERATURE REVIEW

Conceptualization of Employee Benefit Schemes

Employee benefit schemes are the benefits that companies offer their employees in addition to their regular remuneration and other statutory benefits. These benefits may be provided as a retention incentive for employees or in lieu of higher wages and salaries. Employee welfare refers to actions taken to improve employees' comfort or their economic, intellectual, and social lives. These include vacation pay, pension plans, insurance plans, picnics, and recreational facilities. Work can be made more enjoyable by creating a more pleasant working environment or providing opportunities for employees to socialize and bond with one another. It includes a variety of services and facilities provided for employees to improve their lives. According to Murwabi (2014), the work environment must take into account factors such as working hours, employment policy, workers' health and well-being, workplace design, and workers' behavior. These amenities may be provided by progressive entrepreneurs, government agencies, or labor unions.

Employees are crucial stakeholders in organizations; they improve the productivity and profitability of firms. Companies thus invest heavily in employee benefits programmes to fully reap the potential of their employees. However, the effectiveness of employee welfare packages is determined by how they are delivered. To provide these benefits, various methods can be used. The most important thing is to tailor the approach to the specific needs of the organization and its employees. Welfare policy should ideally be based on morality and human values. According to Manju and Mishra (2007), labor welfare activities in both developed and developing societies benefit not only the workforce but also other stakeholders.

Companies adopt different employee benefit schemes. These may be intra-mural/obligatory activities, including providing latrines/urinals, washing and bathing facilities, rest shelters, canteen, health services, and shift allowances. Employee benefit schemes may also be extra-mural/non-obligatory activities, including maternity benefits, gratuity, physical fitness and efficiency, family planning and child welfare, education facilities, housing, recreation facilities such as sports, cultural and transport

Company Performance

Firm performance is a set of financial and non-financial indicators that show how well an organization is performing in relation to its goals and objectives. A firm's performance can also be evaluated based on its efficiency and effectiveness in achieving its goals (Taouab & Issor, 2019). To gain a competitive advantage in an industry, businesses must focus on creating jobs and developing high-quality products for consumers. A company's success also depends on its ability to effectively use available resources to achieve its goals.

Company performance also describes the health of a firm as an outcome of business programmes and activities measured against stated objectives or compared to the health of competing firms (Ateke & Akani, 2018). Daft (1991, as cited in Ateke & Didia, 2017) defines it as a company's capacity to achieve set goals by optimizing scarce resources. Fauzi et al. (2010, as cited in Ateke & Didia, 2017). States that company performance captures "the outcome of management processes and organizational dexterity in terms of performance outcomes in relation to set goals of the firm and other considerations that are broader than what is usually captured in the firm's assessment and economic valuation by stakeholders."

A company is said to be performing well if it is able to cope, survive and make progress amidst the competitive pressures and demands of the business scape (Amah, et al., 2013, as cited in Ateke & Didia, 2017). Company performance is an abstract and multi-faceted concept that is not easy to measure directly. Scholars and business practitioners, therefore, select indirect indices to represent it. In this study, employee satisfaction, customer satisfaction, and market share are adopted to represent company performance. The adopted measures capture firm-based and market-based indicators of company performance.

Employee satisfaction is an indicator of, and a predictor of company success. Absenteeism and turnover are significantly predicted by job dissatisfaction. The level of job satisfaction that an employee feels significantly influences their job performance. Several factors contribute to job satisfaction. First, employee satisfaction improves when they have compensated appropriately for their abilities and efforts. Employees who believe they are in a dead-end job with no opportunities for advancement are more likely to be dissatisfied with their jobs. Good relationships among coworkers is critical to job satisfaction and career advancement. Satisfied employees become honest, manage their emotions, respect one another, set boundaries, stay positive, and foster good teamwork. Furthermore, higher retention rates, morale, and performance, as well as lower turnover and absenteeism, are associated with higher job satisfaction.

Customer satisfaction refers to how satisfied customers are with a company's products. Customer satisfaction can be used to assess how well a company is doing. Customer satisfaction ratings of a company reflect how well its products meet or exceed customers’ expectations. Customer satisfaction is a comprehensive concept that takes into account, customers’ entire experience with a given service and how that experience influences their satisfaction. Satisfaction is commonly regarded as the result of a customer's interaction with a product, including all interactions with service providers.

According to Uzir et al. (2020), the key to business success is correctly identifying and meeting the needs of customers. Customers are more likely to improve brand loyalty when their needs are met. This aids in maintaining sales and profit levels, as well as overall organizational performance. Customer satisfaction is critical for businesses, regardless of industry. Thus, businesses strive to improve their products while charging a reasonable price in order to outperform competitors in terms of customer satisfaction (Gustafsson et al., 2005).

Market share is a metric used to assess the performance of a company. Many business executives pay close attention to change in market share because they provide critical information about how a product or brand is performing in the marketplace. Although market share is frequently regarded as necessary, many managers do not approach market share analysis in a systematic manner (Lee & Masao, 2014). As a result, a company's management must take steps to ensure that its products have a larger market share. However, the expansion of a company's market share or customer satisfaction can be viewed as a true reflection of employee job satisfaction.

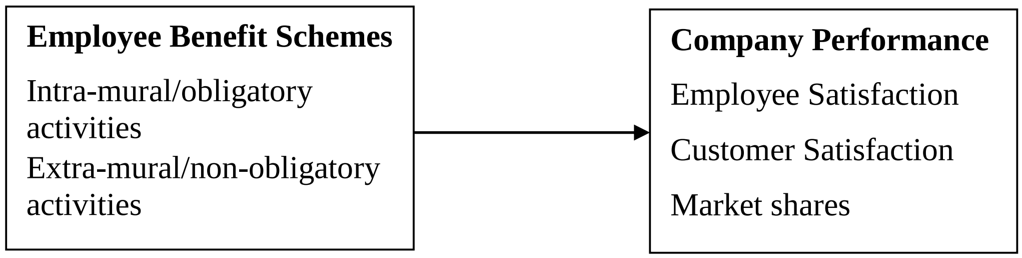

Fig. 1: The study model

Employee Welfare Schemes and Company Performance
Previous research has explained the effects of employee welfare programs on firm performance. Basuony et al. (2014) investigated the impact of employee-focused CSR on organizational performance. The study found that employee-focused CSR has a positive impact on firm performance. Similarly, Dansol et al. (2016) investigated the effect of employee-oriented CSR on firm performance. The study found that employee-oriented CSR had a significant impact on firm performance in terms of financial, long-term organizational performance, reputation, employee commitment, and brand differentiation. Also, Relatedly, Irabora (2019) in a study on Guinness Nigeria Plc in Benin City found that employee-oriented CSR initiatives impact organizational performance positively.

Musyoka (2015) examined how welfare programmes in Kenyan commercial banks affect employee satisfaction. The study found that employee satisfaction was significantly higher in workplaces with compensation, training and development programs, safety measures, and pension and retirement plans. The study also showed that compensation programmes have a significant impact on employee satisfaction. In a study of insurance companies, Daddie et al. (2018) examined employee welfare schemes as a driver of productivity. The study observed that employee welfare programmes have a significant impact on employee productivity.
Based on the foregoing, the study hypothesizes that:

Ho_1: Employee benefit schemes (intra-mural/obligatory activities and extra-mural/non-obligatory activities) have no significant impact on the company's performance (employee satisfaction, customer satisfaction, and market share).

Theoretical Framework
The stakeholder theory underpins this research. According to stakeholder theory, businesses should focus on creating value for all stakeholders, not just shareholders. Building strong relationships with employees, customers, suppliers, and the larger community is part of this. As a result, a business can only achieve its objectives by safeguarding and balancing the interests of various stakeholder groups. Stakeholder theory provides a framework for understanding the nature of the firm, corporate management, and the board of directors' decision-making in relation to the interests of corporate constituencies.

Stakeholder theory also proposes a link between managing stakeholders and implementing a CSR strategy. This theory can be used to assist organizations in determining which stakeholders to prioritize and how to best manage them in order to achieve CSR goals. This is because the theory provides a framework for understanding how to manage different stakeholders to achieve different goals. The interests of stakeholders are interdependent (Pavlo & Mohammad, 2019), and creating value for one stakeholder creates value for others (Freeman et al., 2010).

Stakeholder management is an important aspect of organizations' operations because it ensures that all parties affected by the company's decisions are taken into account. Owners, investors employees, customers, communities, suppliers, and financiers are common stakeholders of a business. However, the composition of stakeholders may differ depending on the industry and business model of the company. All stakeholders are important to the company, and any trade-off decisions should be made with caution. To avoid conflict, executives must find ways to align with the interests of all stakeholders (Freeman & Sergiy, 2017). Stakeholders' theory was adopted in this study because it emphasizes the importance of recognizing the needs of different groups that has stake in an organization in order to ensure its proper functioning and superior performance.

METHODOLOGY

This study looked at the impact of employee benefit schemes on company performance. The study adopted a descriptive research design. The population of the study comprise 3,680 employees of various cadres of public sectors organizations in Lagos State. A sample size of 361 was derived using the Taro Yamane formula for sample size determination. A structured questionnaire was used to collect primary data. Respondents were arrived at, using simple random sampling technique. Cronbach Alpha test was conducted to determine the reliability of the study instrument. The Alpha coefficient obtained showed that the instrument was adequate for the study. Data collected for the study were analyzed using mean, standard deviation, correlation, and regression statistics.

Table 1: Reliability Statistics

	Cronbach's Alpha	N of Items
Employee benefit Schemes items	0.815	16
Companies Performance Items	0.747	19

Source: Output of data analyses (2022).

RESULTS AND DISCUSSION

Table 2: Descriptive Analyses of Employee Well-being Schemes and Firms' Performance

	N	Sum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Employee benefit schemes						
Intra-mural/Obligatory Activities	361	8259.00	22.8781	.22427	4.26114	18.157
Extra-mural/Non-obligatory Activities	361	8338.00	23.0970	.22153	4.20899	17.716
Companies' Performance						
Employee Satisfaction	361	10646.00	29.4903	.27787	5.27947	27.873
Customers Satisfaction	361	14239.00	39.4432	.37991	7.21824	52.103
Market Share	361	13275.00	34.6102	.29883	6.3236	47.205
Valid N (listwise)	361					

Source: Output of data analyses (2022).

Table 3: Correlations analysis of Employee Benefit Schemes and Firm Performance

		Company Performance
Intra-mural/Obligatory Activities	Pearson Correlation	.894**
	Sig. (2-tailed)	.000
	N	361
Extra-mural/Non-obligatory Activities	Pearson Correlation	.748**
	Sig. (2-tailed)	.000
	N	361

**Correlation is significant at the 0.01 level (2-tailed).
Source: Output of data analyses (2022).

Table 4: Analysis of Variance on Employee Benefit Schemes on Companies' Performance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	46769.728	2	23384.864	72208.321	.000[b]
	Residual	115.939	358	.324		
	Total	46885.668	360			

a. Dependent Variable: Companies' Performance (ES, CS, MS)
b. Predictors: (Constant), Extra-mural/Non-obligatory Activities, Intra-mural/Obligatory activities
R Square = 0.768; Adjusted R Square = 0.791
Source: Output of data analyses (2022).

Table 5: Test of Impact of Employees Benefit Schemes on Companies' Performance

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	46674.133	1	46674.133	79211.576	.000[b]
	Residual	211.535	359	.589		
	Total	46885.668	360			
2	Regression	46769.728	2	23384.864	72208.321	.000[c]
	Residual	115.939	358	.324		
	Total	46885.668	360			

a. Dependent Variable: Companies' Performance (ES, CS, MS)
b. Predictors: (Constant), Extra-mural/Non-obligatory Activities, Intra-mural/Obligatory Activities

Source: output of data analyses (2022)

Table 6: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.057	.226		.252	.801
	Extra-mural/Non-obligatory Activities	2.705	.010	.998	281.446	.000
2	(Constant)	.300	.168		1.789	.074
	Extra-mural/Non-obligatory Activities	.681	.051	.675	35.623	.000
	Intra-mural/Obligatory Activities	.742	.051	.326	17.181	.000

Dependent Variable: Companies Performance
Source: output of data analyses (2022)

DISCUSSION OF FINDINGS

In this study, we looked at how employee benefits schemes impact a company's performance. The study found that employee benefit schemes have a positive impact on companies' performance (R Square = 0.768, adjusted R Square = 0.791). This finding is consistent with the studies of Irabora (2019) and Danso et al. (2016) which that employee-oriented CSR initiatives relate to firms' performance, and that different dimensions of employee-oriented CSR affect firms' performance differently. The current study also found that the implementation of intra-mural/obligatory activities significantly led to improvement in companies' performance in terms of employee satisfaction, customer satisfaction and market share. This was evident through the data collected, which showed a positive correlation between the implementation of these activities and the satisfaction of employees and customers, as well as an increase in market share *(β=.681, p<0.000)* (r = 0.894, p = 0.000). This finding is in agreement with the report of Musyoka (2015) that employee satisfaction was significantly higher in workplaces with compensation, training and development programs, safety measures, and pension and retirement schemes. In addition, Basuony et al. (2014) found that welfare programs at commercial banks in Kenya affect employee satisfaction.

Furthermore, the results of this study showed that extra-mural/non-obligatory benefit schemes have a significant impact on the performance of firms. The benefits employees receive have a positive impact on their attitude toward work, which in turn improves the performance of their companies (β=0.742, p = 0.000), (r = 0.748, p = .000). This finding adds to the body of evidence supporting the findings of Daddie et al. (2018) that identify employee benefit programmes as a driver of employee productivity.

CONCLUSION AND RECOMMENDATIONS

Companies that effectively implement benefit schemes that lead to employees' positive attitudes toward their job can improve their performance. An efficient customer service system is essential to increasing customer satisfaction and encouraging repeat business. Companies that have adequate customer service facilities and effective customer relationship management techniques tend to perform better than those that do not. This study concludes that effective implementation of employee benefit schemes is germane in improving companies' performance.

Based on the findings of this study, the study recommends that chief operating officers should institute regular appraisals to determine the performance of the HR department as one of the firm's strategic departments; the study also recommends that companies should be socially responsible for their employees' needs in addition to their statutory obligations to them; that company leaders should fairly represent their employees when determining their psycho-social needs; and that employers should provide workers with social benefits without discrimination.

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