

**THE INFLUENCE OF PERCEIVED EMPLOYEE WELFARE  
PROGRAMS ON EMPLOYEE JOB SATISFACTION AT KENYA  
RAILWAYS CORPORATION**

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## DECLARATION

This research project is my original work and has not been presented for examination in any other institution of higher learning.

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**D61/87129/2016**

The research project has been submitted for examination with my approval as the University Supervisor.

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## **DEDICATION**

To my wife and children for their valuable understanding and support.

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## **ABSTRACT**

This study examined the influence of perceived employee welfare programs on employee job satisfaction at Kenya Railways. The study had a target population of 1,214, being all the employees of Kenya Railways, MGR Operations. A sample size of 123 employees was established by use of a multistage stratified random sampling method. The study used a descriptive cross-sectional survey design. Primary data was obtained using a structured self-administered questionnaire. Analysis of data used measures of central tendency, measures of variability, and regression analysis. The findings were organised in tables and charts. The study determined a statistically significant connection between employee welfare programs and employee job satisfaction at Kenya Railways. Employee health programs exhibited the highest influence on employee job satisfaction trailed by flexible work programs. This study has contributed to the theory of job satisfaction and supplemented existing literature in employee welfare programs by establishing correlations between employee welfare programs tested in the study and employee job satisfaction. The use of descriptive cross-sectional study limited the study to one point in time observation. The use of closed-ended questions in structured questionnaires may have inhibited collection of in-depth qualitative data from the respondents. Based on these limitations, it was suggested that further studies should adopt a longitudinal research design which is more accurate in measuring outcomes and exposures. Also, future studies should be done on SGR operations and other state corporations to help them enhance employee satisfaction and achieve efficient service delivery. Further studies should also consider widening the focus from employee job satisfaction to employee engagement which emphasizes on both employee satisfaction and performance in organizations.

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## ACRONYMS AND ABBREVIATIONS

<b>FMCG</b>	Fast Moving Consumer Goods
<b>GDP</b>	Gross Domestic Product
<b>HGV</b>	Heavy Goods Vehicles
<b>KRC</b>	Kenya Railways Corporation
<b>MGR</b>	Metre Gauge Railway
<b>MoT</b>	Ministry of Transport
<b>RTI</b>	Railway Training Institute
<b>RVR</b>	Rift Valley Railways
<b>PoM</b>	Port of Mombasa
<b>SD</b>	Standard Deviation
<b>SGR</b>	Standard Gauge Railway

# CHAPTER ONE: INTRODUCTION

## 1.1. Background of the study

Employees of any organization are the most valuable assets without which machines, materials, money, and all other assets are rendered useless (Neog & Barua, 2014). Customer satisfaction derived from employees' service is a feature of competitive advantage found within the control of a business organization. It is, therefore, necessary for any organization to invest in employee welfare programs to achieve employee job satisfaction. Employee welfare programs include everything from excellent working conditions, health, safety, amenities, and privileges that are availed by an employer for employees to enjoy (Baral & Bhargava, 2011). Raziq and Maulabakhsh (2015) suggested that employee welfare programs include career growth opportunities and development. They continue to argue that how employees relate with their peers and supervisors greatly influence job satisfaction and encourage sharing of innovative ideas, and team spirit necessary for high performance.

This research was supported by two theories, namely, Equity theory, and the Two-factor theory. Equity theory (Adams, 1965) focuses on the perception employees form on how they are handled compared with others. The theory points that employees evaluate the suitability of their benefits (outputs) with their work (inputs) by matching the ratio of their input/output with that of other employees (Armstrong, 2014). Adams (1965) opined that employees would feel equitably treated when their input/output ratio is found to be favourable, and vice versa. The Two-factor theory (Herzberg, Mausner, & Snyderman, 1959) sought to study the satisfaction levels of employees in an organization using dual factors: motivation factors, also referred to as "satisfiers," whose presence would make an

employee satisfied with his job, and the hygiene factors whose absence would cause job dissatisfaction (Armstrong, 2014). Herzberg et al. (1959) argued that hygiene factors compare to job context and include things like pay and working conditions while motivation factors include the need to achieve, interest in the work, obligation, and growth prospects.

Ministry of Transport (MoT) is one among the twenty-one ministries constituted by the current government. Through the State Department for Transport (SDoT), the MoT is mandated to develop and maintain effective, affordable and safe transport infrastructure in support of economic growth (Ministry of Transport, 2019). A transport system promotes economic development by facilitating the movement of labour and commodities, thereby creating job opportunities (Murambi & Bwisa, 2014). Although Kenya Railways Corporation (KRC) is mandated to provide rail transport services in Kenya (Kenya Railways, 2019), much of this has not been achieved. Studies show that *matatu* minibuses have become the preferred mode of mass public transport in Nairobi (Pirie, 2014), passenger train services from Kisumu to Mombasa are no-longer offered, and road transport takes 95% of the cargo handled by the Port of Mombasa (PoM) (Oxford Business Group, 2016). Based on the above, it is worth investigating the role of employee welfare programs or lack of them on employee job satisfaction in KRC.

### **1.1.1. Concept of Perception**

The dictionary definition of perception is an opinion that is commonly held by the majority of people based on the appearance of things (Cambridge University Press, 2019). Agarwal and Dewan (2016) define perception as the process by which employees construe sensory information for interaction with the environment. They argue that employees' behaviour

is determined by their interpretation of reality and not on the reality per se. Perception may, therefore, differ among employees depending on their level of exposure, education, and traits.

In any organization, supervisory, communication and other management styles and practices greatly influence employee's perceptions about his work. Since employee's perception of their work greatly influences employee's job satisfaction (O'Reilly, 1991), management can, therefore, substantially influence job satisfaction by shaping the perceptions of the employee. In this process, the administration should always bear in mind that perception is the perceiver's reality.

### **1.1.2. Employee Welfare Programs**

According to Todd (1933), employee welfare comprises everything secured by an employer for the happiness and development of employees in addition to the pay, that is not a binding requirement of the sector. The welfare of an employee implies a state of contentment, fulfilment, and advancement of employees (Venugopal, Bhaskar, & Usha, 2011). Organizations put in place welfare programs to enhance the motivation levels of their employees (Tiwari, 2014), win their commitment, and increase their productivity. Tiwari (2014) argues that employee welfare programs can either be statutory or non-statutory. Statutory programs are those required by the law such as workman's compensation, maternity or paternity leave, and safety while non-statutory welfare programs are voluntary to an employer and may include working conditions, health services, housing loans, and recreation facilities (Venugopal et al., 2011). Non-statutory welfare programs differ among employers and industries. Sindhu (2012) submits that employee welfare programs tend to increase employee productivity and promote healthy

industrial relations. Similarly, Chaubey and Rawat (2016) argue that employee welfare programs are crucial investments that increase the satisfaction levels among employees.

### **1.1.3. Job Satisfaction**

Locke (1976) describes job satisfaction to be a gratifying condition ensuing out of the valuation of an employee's job experiences. Job satisfaction can, therefore, be said to be a feeling by an employee about his job and employer (Mosadeghrad, 2003). Several disciplines have investigated job satisfaction due to the importance of the subject in organizational success.

In management science, reliable engagement procedures and fair employees-jobs match intensify satisfaction among employees (Saari & Judge, 2004). Job satisfaction is crucial in the recruitment of the right skills (Mohammad & Hossein, 2006). Several studies demonstrate that job satisfaction can forecast employee turnover (Freeman, 1978), lateness, and grievances (Saari & Judge, 2004). Consequently, it is essential for an employer to establish the antecedents of job satisfaction and align them. Some of these, according to Gazioglu and Tansel (2006), include education, working hours, marital status, occupation, health problems, job security, and training opportunities. Others include gender, age, level of income, work environment, supervision, job matching, and industry of employment.

To measure job satisfaction, one may choose to centre on the various aspects of job, like the job itself, salary, sense of achievement or promotion, co-workers, and supervision (Gazioglu & Tansel, 2006), or the job as a whole (Imam, 1988).

#### **1.1.4. Kenya Railways**

Kenya Railways is a state corporation that was established on 20<sup>th</sup> January 1978 to take over the operations of East African Railways Corporation in Kenya, following the collapse of the East African Community. The corporation operates under the supervision of the State Department of Transport in the Ministry of Transport (Ministry of Transport, 2019), with the primary mandate of carrying out rail and inland waterways transport services.

Currently, KRC carries out operations of the old railway, Metre Gauge Railway (MGR), following the termination of the Kenya Concession Agreement, supervises the activities of Standard Gauge Railway (SGR) by Africa Star Railway Operations Company Limited, a subsidiary of China Road and Bridge Company (CRBC) (Africa Star Railway Operation Company Limited, 2018), runs Railway Training Institute (RTI) and manages Nairobi Railways Museum (Kenya Railways, 2019). In this study, the focus was on MGR operations which faces competition mainly from the SGR, Heavy Goods Vehicles (HGV), and public transport service providers.

#### **1.1.5. Kenya Railways, MGR Operations**

The MGR operations reverted to Kenya Railways Corporation on 1st September 2017 after one-month transition period following the termination of the Kenya Concession Agreement which had given the now-defunct Rift Valley Railways (K) Limited (RVR) the rights to carry out railway operations in Kenya, effective 1st November 2006.

After the High Court of Kenya terminated the Kenya Concession Agreement through an order issued on 31<sup>st</sup> July 2017, all employees of RVR were to be transferred to KRC within 30 days from the date of the order. Once in KRC, the former employees of RVR continued

to carry out operations of the old railway under a new name coined for them, MGR staff, meant to differentiate them from the formerly existing employees of KRC who were mainly involved in the property renting business.

## **1.2. Research Problem**

Job satisfaction and employee welfare relationship are the most crucial fabric in an organization that has the most notable effect on the productivity of employees. In today's competitive business arena, a significant number of organizations are continuously searching for strategies to overcome the new world economic order and realise better performance (Farooq & Hussain, 2011). Researchers such as Tiwari (2014) and Chaubey and Rawat (2016) argue that employers use welfare programs as a strategy for enhancing productivity through inculcating altruistic behaviour and organizational commitment in employees. This is despite studies by Brayfield and Crockett (1955) concluding job satisfaction to have negligible or no effect of on productivity. Upadhyay and Gupta (2012) found that employee welfare programs do not automatically result in job satisfaction since other factors like communication, personal traits, and environment are also critical in determining job satisfaction among employees. The study continued to warn organizations not to over-burden themselves to provide welfare programs in an attempt to gain a competitive edge and endear themselves to employees.

Kenya Railways is a critical infrastructural installation that is very crucial in the transportation of bulk consignments to and from PoM, Athi River, Nairobi, Thika, Malaba, and Kisumu. After the termination of the Kenya Concession Agreement, KRC had to take up MGR operations with 1,419 employees in addition to the then existing 230 employees. Like any other state corporation, the salary structure and other terms of employment for

KRC are regulated by the Salaries and Remunerations Commission (SRC), and the State Corporations Advisory Committee approves the organizational structure. An organizational structure, being a formal system of accountability, assigns and delegates responsibilities across an organization (Habib & Jalloh, 2016). Kenya Railways, therefore, had the task of fitting salaries of employees from a private sector company within the pay and grading structure of KRC which did not cater for the railway operations.

Metre Gauge Railway is a national strategic asset whose importance to the business community in Kenya, Uganda, and Rwanda, and contribution to the national GDP cannot be over-emphasized even in the presence of HGV and the entry of SGR. Unlike the much-hyped SGR which currently terminates at Inland Container Depot (ICD) Nairobi, MGR extends to the border towns of Malaba and Kisumu, Nanyuki, Thika and has sidings to major industries in Athi River and Nairobi. However, the conditions under which employees in MGR operate fall below the standards set by the law and for state corporation employees. Frustrations encountered by MGR employees comprise the reduction of salaries, without due considerations, for majority of the employees from what they used to earn at RVR, engagement on six-month contracts for over two years, lack of personal protective equipment (PPE), lack of health insurance, lack of work injuries insurance cover (WIBA), lack of retirement programs or service gratuity, lack of a clear organizational structure, and poor working relationship with counterparts at KRC. Most of these welfare facilities are hygiene factors which need to be provided to reduce employee dissatisfaction (Herzberg et al., 1959).

A study on banks in India proposed that employee welfare schemes elevated the level of job satisfaction (Bajpai & Srivastava, 2004). Similar research by Kumudha and Abraham

(2008) found that personal development programs, information on job vacancies, learning opportunities, and retirement programs immensely affect levels of job satisfaction. Souza (2009) who studied pharmaceutical companies in India explained that employee welfare schemes such as training, recreations, health schemes, subsidized loans, staff canteen, staff houses, and safety have a substantial relationship with job gratification.

A study done in South Africa on primary healthcare nurses by Delobelle et al. (2011) identified employee welfare practices as key factors contributing to job satisfaction. Specific facets analyzed by the study included pay, supervision and work environment. The study complimented earlier findings in research by Kekana, Du Rand and Van Wyk (2007) in South Africa that nurses found satisfaction in co-workers and the work itself, among others. Similar results have been proposed by Asadullah and Fernandez (2008), who reasoned that work-life balance is a vital element affecting both inherent and external aspects of job fulfilment.

A study by Kemboi, Thomas and Keter (2013) on staff welfare in Kenya's civil service showed a significant relationship between flexible work scheduling, catering for the needs of human capital and job satisfaction. The same findings have been reported by Ngari and Mukururi (2014) in a study on Kenya's banks. The study findings established a favourable relationship between job flexibility, leave provisions, other welfare programs, and job satisfaction. Study findings by Sembe and Ayuo (2017) on university campuses in Kenya indicated that practices in health and safety had favourable effects on job satisfaction.

Previous studies on welfare programs and their effect on job satisfaction mostly narrowed on production settings neglecting the service sector, especially state agencies and corporations. There are, therefore, limited empirical studies covering the influence of

perceived welfare programs on employee job satisfaction in the rail transport sector. Consequently, there is a need to survey this area to inform, educate and emphasize to managers the effectiveness of welfare programs in attaining employee fulfilment. Therefore, this study pursued to identify the standard employee welfare programs used in the rail sector and pinpoint the various effects they have on employee job satisfaction at KRC. Further, given the different findings among previous studies, it is necessary to show the correlation between perceived employee welfare programs and job satisfaction in the rail transport sector in Kenya. Hence, the current study targeted to answer this research question: What is the influence of perceived employee welfare programs on employee job satisfaction at Kenya Railways Corporation?

### **1.3. Objectives of the Study**

The objective of the research study was to investigate the influence of perceived employee welfare programs on employee job satisfaction at Kenya Railways Corporation.

### **1.4. Value of the Study**

The study was relevant to the private sector and the management of Kenya Railways Corporation where it can help managers in isolating the most appropriate employee welfare programs that yield the highest degree of employee job satisfaction, and can, therefore, be used to recruit skilled and talented labour for efficient business operations. Increased productivity has a favourable effect of reducing operating costs and therefore creating a competitive edge for an organization.

The study is significantly valuable to the government and other policymakers in the employment sector such as labour movements, employer organizations and civil societies

in making strategic decisions. Some of the possibilities include legislation for better terms and conditions of employment and conversion of some non-statutory welfare programs such as health insurance and retirement benefit schemes into statutory welfare programs to create a healthier workforce for increased economic development for the country.

Researchers will use the study findings to expand their perception of employee welfare programs in Kenya. The results also contribute to the existing theories of job satisfaction and supplement existing literature in employee welfare programs by establishing correlations between employee welfare programs tested in the study and employee job satisfaction. The study laid a foundation for future studies in the field.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1. Introduction**

The chapter examines relevant material from earlier studies in the same area. The section fronts the theoretical foundations of the research on welfare programs and employee satisfaction. The correlation among welfare programs and employee satisfaction has also been reviewed. The chapter concludes by presenting an empirical review of selected studies highlighting the knowledge gaps.

### **2.2. Theoretical Foundation**

The study was directed by Equity Theory (Adams, 1965), and Two-Factor Theory (Herzberg et al., 1959).

#### **2.2.1 Equity Theory**

Equity Theory (Adams, 1965) focuses on the perception employees form about their treatment compared to others. The theory contends that employees evaluate the suitability of their benefits received (outputs) with their work (inputs) by matching the ratio of their input and output with that of other employees (Armstrong, 2014). Therefore, employees feel equitably treated when their input and output ratio is construed as favourable, and vice versa.

Equity theory is an example of process or cognitive theories whose primary concern is 'how' relationships among dynamic variables influence employees' perceptions and drive their behaviour (Kiruja & Mukuru, 2018). When employees sense inequity, they act accordingly to amend their status. This can be achieved through, changes to input - increase

or reduction of inputs by way of absenteeism or working free extra hours; changes to outcome - attempted interference with pay without changing input; cognitive alteration of inputs and outputs - distortion of facts about inputs or outputs to achieve the desired input/output ratio; leaving the field - request for transfer or quitting employment; acting on others - influencing others to lower their inputs or to resign; and switching the entity of comparison - changing the comparison group (Osabiya, 2015).

According to Armstrong and Stephens (2005), an employee who is regarded equitably is better motivated but demotivated when considered inequitably. Lease (1998) reasons that employees' fulfilment reduces absenteeism and makes them more industrious, and more committed to their employer. Mullin (2005) as quoted in Osabiya (2015) submits that equity theory can help managers enhance job satisfaction among employees by involving them when making decisions, and appreciating that employees are likely to accept and support organizational programs when they perceive them to be fair. This theory is, however, anchored on the notion that employees are equally sensitive to equity even though research suggests that several demographic, psychological and environmental variables differently affect employees' reactions to apparent equity or inequity (Huseman, Hatfield, & Miles, 1987).

### **2.2.2 Two-Factor Theory**

Two - factor theory (Herzberg et al., 1959) is a content theory which relates to employees' desires and goals, and attempt to pinpoint 'what' rewards are suitable (Kiruja & Mukuru, 2018) to attain job satisfaction in organizations (Ngari & Mukururi, 2014). The theory pursues to explain sources of job pleasure and displeasure among employees (Armstrong,

2014), and proposed job satisfaction to be an innate drive that steers employees to attain self, and organizational objectives.

Herzberg et al. (1959) portrayed job satisfaction with two sets of job-related aspects that affect employees' degree of joy at the workplace. Also called motivation-hygiene theory, the theory categorizes one set of elements, hygiene factors, as those that define the employees' interaction with their work settings and affect their level of dissatisfaction with the job. They include salary, amenities at works, job security, relationship with colleagues, policies and procedures (Raziq & Maulabakhsh, 2015). The other set of factors, motivators, are related to the employees' need to grow in their work, and they influence job satisfaction. They include recognition, need to achieve, interest in work itself, and opportunities for growth (Kiruja & Mukuru, 2018). The two sets of factors merge (while hygiene factors prevent dissatisfaction, motivation factors produce satisfaction) to enhance job fulfilment (Herzberg et al., 1959).

Herzberg's theory is grounded in real-life settings that link employee welfare programs with job satisfaction and presents essential lessons to managers that employees' dissatisfiers need to be addressed first before attempts are made to motivate them and create joy in their work. Therefore, management must first improve the working environment for employees for them to experience any form of job satisfaction (Bakotic & Babic, 2013). However, Guest quoted by Osabiya (2015), proposes that process theories which include Equity Theory, provide a more relevant perspective of motivation than content or need theories, including Herzberg's Two-Factor Theory, which, he submits, have been discredited by extensive research.

### **2.3. Employee Welfare Programs**

Employee welfare denotes all those activities that an employer undertakes to avail amenities and services to employees over and above the wages paid. (Sanyal & Sikidar, 2018). These programs, according to Gupta (2014), are means of uplifting the status of employees and keeping them satisfied. These programs are numerous and vary among employers and industrial sectors. They include allowances, working conditions, health insurance for employee and family, and retirement schemes (Keitany, 2014).

Allowances are cash payments for exceptional circumstances (e.g. upon relocation) or aspects of employment such as working during odd hours (Armstrong & Stephens, 2005), over and above the basic pay. Common types of allowances include re-location allowance, overtime, transport allowance, special duty allowance, hardship allowance, on-call allowance, and shift allowance. Allowances, though used to reward special performance, circumstances and commitment to organizational values, are also crucial in shaping employees' job satisfaction (Muguongo et al., 2015).

Employee assistance programs (EAP) include steps taken by an employer to assist employees by way of financial planning, short term cash advances or long term negotiated bank facilities, counselling programs, and training facilitation for personal development (SHRM, 2019). Training is essential if an organization has to enhance employees' job satisfaction through capacity development (Falola, Osibanjo, & Ojo, 2014). Studies show that employees with more considerable financial resources are unlikely to face a conflict between job satisfaction and family as they can accomplish a lot of non-work duties (Ngari & Mukururi, 2014).

Health insurance is an insurance cover paid by employers for their employees to cater for the cost of medical services for an employee or his authorized dependant. Employee health insurance programs are provided with the understanding that a healthy worker is an essential requirement for improved job satisfaction and productivity in an organization (Choudhary, 2017). Health and safety are inter-disciplinary areas focused on protecting the health and welfare of employees (Sembe & Ayuo, 2017). Jain and Kaur (2014) maintain that running of health and safety welfare programs advances a feeling of security, comfort, and a sense of belonging among employees and ultimately translates into job satisfaction.

Flexible work arrangements are work practices where working hours are different from the usual standard working hours or work arrangements (Armstrong et al., 2014). Raziq and Maulabakhsh (2015) opine that these arrangements enable workers to fit their work times or location around their life in terms of when one works, where one works, or how much one works, thereby attaining work-life balance. Employees who manage both work and family well are usually more contented with their jobs (Ngari & Mukururi, 2014).

Retirement schemes provide a source of income to employees after retirement and to their surviving dependants upon the death of eligible employees (Armstrong & Stephens, 2005). A pension scheme is non-contributory, and employee's benefits are defined in advance depending on the last salary and years of service of the employee. Contrary, occupational schemes entail defined contributions to be made by both the employee and the employer proportionate to the employee's pensionable earnings to make up the retirement benefits (RBA, 2019). In their study findings, Chen, Yang, Shiau, and Wang (2006) concluded that the provision of retirement programs for educators enhanced job satisfaction in the institutions.

Employee welfare has attained a central place in the modern commercial world, becoming a necessity in every organization today (Sanyal & Sikidar, 2018). Therefore, measures should be taken to put in place adequate welfare programs for all employees (Chaubey & Rawat, 2016). Tiwari (2014) contends that welfare arrangements help to develop employees into competent, vigorous, and contented workforce for the organization. It is for this reason that employee welfare programs are regarded as strategic investments that bring numerous returns to the organization by way of greater job satisfaction, efficiency and sustainable growth (Choudhary, 2017).

#### **2.4. Measures of Job Satisfaction**

Measuring job satisfaction offers more understanding of the attitudes and the well-being of the workforce in an organization and is useful in corporate strategic decisions. Job satisfaction may be measured in a global construct or in various facets (Judge, Weiss, Kammeyer-Mueller, & Hulin, 2017). Imam (1988) explains how the comprehensive job approach looks at the job as a whole suggesting that overall satisfaction can be different from the sum of the facets. The facet approach may use a questionnaire or an interview to evaluate the employee's job experiences, like the work itself, salary, career growth, supervision, work surroundings, and co-workers (Tasios & Giannouli, 2017). This approach yields a more accurate understanding of job satisfaction in addition to helping managers understand which aspects of a job produce positive or negative feelings to an employee (Lepold, Tanzer, Bregenzer, & Jiménez, 2018).

Robbins (2003) defines work as the extent to which tasks stimulate an employee, the prospects for learning and growth, and the leeway the employee has to use initiative at work. The Job Characteristics Model (Hackman & Oldham, 1980) submits that one is

more contented with work when he can comprehend the results of his work, the worthiness of his work, skills required to do his job effectively, has the autonomy to make decisions and gets feedback on his work. Employees' satisfaction with work is also found to be closely associated with how they fit in their jobs (Gabriel, Diefendorff, Chandler, Moran, & Greguras, 2014). A study by Gara and Kim Lowman (1979) cited by Kaba (2012) found that work itself, among all motivating factors, provided the highest level of satisfaction to employees. However, contradictions exist regarding which factor greatly influences job satisfaction between work and pay as different study results rank salary as the top factor for job satisfaction (Neog & Barua, 2014; Kumar & Mini, 2013).

Studies on job satisfaction have emphasized the key role played by pay in determining how employees are satisfied with their jobs (Salisu, Chinyio, & Suresh, 2015). Pay plays the role of satisfying the economic needs of an employee, and it is central in any employment contract. The behaviour and attitude of employees who are satisfied with pay are said to be easily influenced by the administration towards the desired organizational goals (Onukwube, 2012). Therefore, it appears conceivable that employee job satisfaction improves with salary increases, and vice versa (Guan, Wen, Chen, Liu, & Dong, 2014). Nonetheless, numerous studies show that salary increment may not indeed lead to more job satisfaction due to differences in employees' perception of justice at the workplace and regard to monetary worth (Giannouli, 2017). Therefore, employees earning small salaries may be satisfied with salary increments while highly-paid employees are not.

Support by supervisors is the degree of care with which managers regard their employees' welfare and appreciate their efforts (Neog & Barua, 2014). Several studies maintain that supportive supervisors, who encourage bonding, respect, and reciprocal trust, end up

increasing employee satisfaction (Salisu et al., 2015) while abusive supervisors, who physically abuse, harass and degrade employees (Mathieu, Neumann, Hare, & Babiak, 2014), increase employee's turnover intentions, hence the famous saying that employees do not leave organization, but their bosses (Mathieu & Babiak, 2016). The Hawthorne studies of 1924-32 (Roethlisberger & Dickson, 1939), asserted that supervisor support influences worker's attitudes and satisfaction more than any other factor. However, these results contradict the view of Herzberg et al. (1959), who argued that relationship with supervisor and their support is not relevant in job satisfaction.

According to Dessler (2009), promotion takes place when an employee assumes greater responsibility higher in the hierarchy of an organization. Employees feel safe about their future and exhibit high job satisfaction when the management displays openness, justice, and considers their skills in carrying out promotions (Mangkunegara, 2016). If there is no opportunity for growth or the employee has hit a glass ceiling, this could hurt the satisfaction employees have with their jobs and positions (Kiruja & Mukuru, 2018). Rubel and Kee (2014) deem growth opportunities as one of the essential concepts of labour methods used to win employee loyalty and dedication to the organization and gain job satisfaction for themselves. However, a study conducted on nurses in Kuwaiti found the nurses were dissatisfied with opportunities for promotion but satisfied with other job aspects such as praise, recognition, and shift arrangements (Al-Enezi, Chowdhury, Shah, & Al-Otabi, 2009).

Kaba (2012), argues that relationship with co-workers, which involves interactions and support by colleagues, extensively contributes to employee satisfaction. This relation comes about because people pursue supportive relationships for both immediate sake and

social support in needy situations. According to social network theory, support and empathy among co-workers increase satisfaction among employees (Raabe & Beehr, 2003). On the flip side, a troublesome co-worker may be pestering, discriminative, excludes others based on age, gender or race, and pursues selfish interests in forming workplace relationships (Agbozo et al., 2017), thus hindering job satisfaction. In their study, however, Babin and Boles (1996) exhibited that co-workers' relationships do not have a substantial impact on job satisfaction.

## **2.5. Empirical Studies and Knowledge Gaps**

Gazioglu and Tansel (2006), in their research in Britain, concluded that employees who are exposed to job training and other forms of personal development programs were more satisfied with their jobs than others. Starmer, Frintner and Freed (2016), in their study in the US, established that several factors affected job satisfaction of early career paediatricians, and that employee health programs, work-life balance, and support from colleagues had the potential to ameliorate the effects.

Lee, Yang and Li (2017), in their study in China, determined that the influence of job satisfaction on turnover among staffs in their early-career life was small and negative due to a greater focus on future personal growth and development rather than the current job. Choudhary (2017) demonstrated from a study in India, that employee welfare schemes were necessary for labour relations, and that they satisfied employees more than a good salary could.

Salisu's (2015), findings in a study in Nigeria concluded that the compensation packages awarded to employees by employers had a substantial positive impact on the way workers' felt about their jobs. Another study in Kenya by Muguongo et al. (2015) established that

salary, allowances and work environment greatly affected teachers' job satisfaction and suggested formulation of welfare plans that would allow teachers to realise job gratification.

Majority of these studies were carried out in FMCG and banking industries where employee welfare programs immensely contribute to worker's satisfaction. From these studies, several factors have been indicated to affect job satisfaction more than others. While a number of studies show existence of a correlation between age, gender, job characteristics, salary, growth opportunities, style of supervision, co-workers, culture and satisfaction with one's job, others have shown employee job satisfaction to be significantly determined by personality traits, work environment, rewards and recognition, leadership, and job security.

Contrary, some studies have found that work itself, pay, relationship with a co-worker and even opportunities for promotion do not have any noteworthy consequence on employee job satisfaction. Moreover, some studies have indicated that supervision does not have relevance in employees' attitudes towards their jobs. This study desired to ascertain whether job satisfaction is shaped by the perceived employee welfare programs present or absent at KRC. Since there are few studies conducted on employee welfare programs in the rail transport sector in Kenya, the research findings will provide an empirical study for further research.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter sets out the steps adhered to in the study from research design, target population, sampling method, data gathering techniques, to techniques used in analysing the data and reporting of findings established.

### **3.2 Research Design**

Research design delivers a framework for the research data collection and analysis (Walliman, 2017). This study used descriptive cross-sectional survey design relying on observation to gather data from respondents in the selected sample population. This research design systematically gathers data that describes prevailing occurrences by querying the respondents' experiences, views, and beliefs that cannot be directly observed (Mugenda & Mugenda, 2003). This approach guaranteed that detailed data was gathered on the study subject and wide-ranging conclusions achieved.

### **3.3 Target Population**

In statistics, population is the whole collection of people or things that the researcher is interested in and wishes to conclude on (Avedian, 2014). Mugenda and Mugenda (2003) define the target population as the members of a set of people, occurrences or items that are real or hypothetical and which the scholar desires to infer the research findings. The target population for this study was all the 1,214 staffs of KRC, MGR Operations (KRC, 2019).

### 3.4 Sample Size and Sampling Technique

A sample is a representative of the population under study and is used to predict about the population (Avedian, 2014). A multistage stratified random sampling method was used to choose the sample statistic. This sampling technique produces accurate approximations of the population specifications that are a more representative sample of a reasonably heterogeneous population (Denscombe, 2007). The target population was stratified into two; management and non-management employees then divided further into strata based on regions of operations, i.e. Coastal, Eastern, Headquarters (HQ) and Western. A sample size of 10% of the target population is deemed a good representation for a descriptive survey (Mugenda & Mugenda, 2003). Hence, a sample size of 123, 10% of the population, was determined as per Table 3.1.

**Table 3. 1 Population and Sample Size**

Region	Population			Percentage	Sample Size		
	Management	Non-Management	Total		Management	Non-Management	Total
Coastal	76	170	246	0.1	8	17	25
Eastern	140	495	635	0.1	14	50	64
HQ	77	26	103	0.1	8	3	11
Western	62	168	230	0.1	6	17	23
<b>Total</b>	<b>355</b>	<b>859</b>	<b>1214</b>		<b>36</b>	<b>87</b>	<b>123</b>

Source: Primary Data (2019)

### **3.5 Data Collection**

The study used a structured self-administered questionnaire to gather primary data. Primary data was preferred because it is very close to the truth, and any error is controlled (Cooper & Schindler, 2014). Self-administered questionnaires were appropriate because they are easy to administer, ideal in obtaining confidential data, cost-effective, and the data collected is comparable and easy to analyse (Belisario et al., 2015). Questionnaires also give feedback on a timely basis and from respondents in extensive geographical coverage.

The questionnaire designed in this study had three sections. Part 1 contained questions on the respondent's demographic data, part 2 included questions on employee welfare programs, and part 3 included questions on job satisfaction. Statements requiring responses on a five-level Likert scale were used to save time and ease data collection. The questionnaire was tested first to confirm the clarity of questions to the respondents and any emerging concerns addressed in the final questionnaire.

### **3.6 Data Analysis**

Data analysis means the derivation of meaningful evidence from a mass of data through the rearrangement and separating of data into the many parts necessary to determine the nature, relationship, functions, differences and interrelationships for reporting purpose (Connaway & Powell, 2010). Data collected in the study was edited for glaring omissions and inaccuracies before analysing it using Microsoft Excel 2016. The findings were presented in Tables and Figures to enable effective interpretation.

A multiple regression analysis was done to conclusively derive the causal-effect connection between the target and the predictor variables, and which of the predictor variables best

projected the dependent variable. The independent variables in the regression equation were allowances payment programs, employee assistance programs, employee health programs, retirement programs, and flexible work programs while the dependent variable was employee job satisfaction.

The following regression mode was used in the study:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$$

Whereby:

Y = employee job satisfaction

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$  and  $\beta_5$  = coefficients of regression

X<sub>1</sub> = allowances payment programs

X<sub>2</sub> = employee assistance programs

X<sub>3</sub> = employee health programs

X<sub>4</sub> = retirement programs

X<sub>5</sub> = flexible work programs

$\varepsilon$  = error

## CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

### 4.1. Introduction

The chapter furnishes the breakdown of the data assembled, and presents the study findings and their interpretation. Data analysis, for descriptive statistics, and regression to examine the association amongst the study variables, were carried out using Microsoft Excel 2016 software. The study findings are presented in Tables and Figures.

### 4.2. Demographics Background

This section advances the respondents' demographics describing their background information, gender, education, level in the organization (cadre), and the geographical region of their workstation. The results were presented in the subsections below.

#### 4.2.1. Response Rate

The responses received were analysed as per Table 4.1.

**Table 4. 1 Response Rate**

<b>Responses</b>	<b>Frequency</b>	<b>Percentage</b>
Completed number of responses	117	95.1%
Not submitted	6	4.9%
<b>Total</b>	<b>123</b>	<b>100%</b>

Source: Primary Data (2019)

From Table 4.1, out of the targeted population sample of 123 employees who were sent questionnaires via e-mail, 117 filled and submitted the forms, presenting an excellent response rate of 95.1%. A total of 6 respondents did not submit their responses.

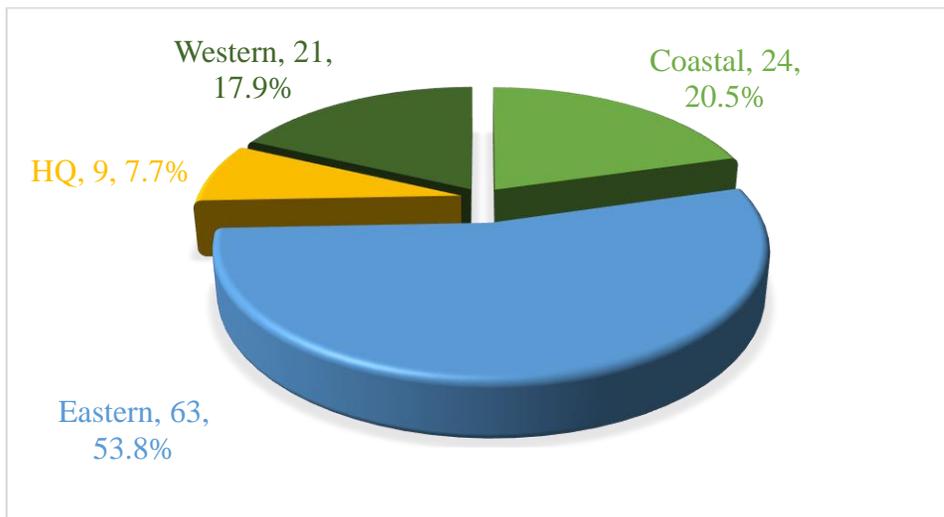
### 4.2.2. Respondents by Gender

A provision was made in the questionnaire for the respondents to indicate their gender. An analysis of the responses indicated that 71.8% (84) of the respondents were males, 25.6% (30) were females while 2.6 % (3) chose not to divulge their gender. Although the respondents were majorly male, the difference in the number of males and females was not significant. Hence, the study could not have been influenced by gender disparity.

### 4.2.3. Respondents per Region

Responses were received from all the 4 regions set out by KRC as shown in Figure 4.1 below.

**Figure 4. 1 Respondents per Region**



Source: Primary Data (2019)

Figure 4.1 above shows that Eastern region had the highest response of 53.8% (63) followed by Coastal region with 20.5% (24) of the respondents. Headquarters (HQ) had the lowest response of 7.7% (9) followed by the Western region with 17.9% (21). From the findings, it is evident that responses from all the regions were captured.

#### 4.2.4. Respondents by Level of Education

The researcher pursued to determine the academic qualifications achieved by the sampled population. The analysis yielded the outcomes advanced in Table 4.2.

**Table 4. 2 Respondents by Level of Education**

<b>Education</b>	<b>Frequency</b>	<b>Percentage</b>
Bachelor's Degree	26	22.2%
Diploma	27	23.1%
Master's Degree	3	2.6%
Others	17	14.5%
Post-graduate Diploma	7	6.0%
Technical	37	31.6%
<b>Total</b>	<b>117</b>	<b>100.0%</b>

Source: Primary Data (2019)

From Table 4.2, the biggest number of the respondents had technical credentials accounting for 31.6% (37) of the respondents followed by those with diploma qualifications at 23.1% (27). The lowest categories of respondents were those with a master's degree at 2.6% (3) followed by a post-graduate diploma at 6% (7). Respondents with bachelor's degree were 22.2% (26) while those with other credentials were 14.5% (17). Therefore, majority of the respondents had knowledge of employee welfare programs requisite for the study.

#### 4.2.5. Respondents by Cadre

The study collected data about the respondents' cadre in employment. Outcomes of the analysis revealed that 76.1% (89) of the respondents were in the management cadre while 23.9% (28) were in the non-management cadre. The representation of these cadres of staff ensured that the various employee welfare programs specific to each cadre were studied.

### 4.3. Assessment of Employee Welfare Programs

Some employee welfare programs were identified to be the independent variables of the study. The researcher sought to establish the influence of these independent variables on the dependent variable of the study, employee job satisfaction.

Responses were obtained from the respondents to establish the extent to which the employee welfare programs had been implemented at KRC, on a 5-point Likert Scale as per Table 4.3.

**Table 4. 3 Assessment of Employee Welfare Programs**

Responses		Points
Very Great Extent	Excellent	5
Great Extent	Above Average	4
Undecided	Average	3
Very Little Extent	Below Average	2
Not at All	Very Poor	1

Source: Primary Data (2019)

From Table 4.3, points for the Likert Scale answers were allocated ranging from 1 to 5, analyses were undertaken and the results reported in the subsections that follow.

#### 4.3.1. Allowances Payment Programs

Allowances are used by employers to reward exceptional performance, circumstances and commitment to organizational values. Allowances that are commonly paid in the railways operations sector in Kenya include subsistence allowance, re-location allowance, overtime, leave allowance, transport allowance, special duty allowance, acting allowance, hardship allowance, on-call allowance, and shift allowance.

The researcher sampled some allowances and advanced several statements on the allowances payment programs to the respondents for them to express their degree of agreement with the application of the statements as far as KRC was concerned. The responses received were analysed and the results exhibited in Table 4.4.

**Table 4. 4 Allowances Payment Programs**

<b>Allowances payment programs</b>	<b>Mean</b>	<b>SD</b>
I am paid subsistence allowance as per policy.	4.30	0.561
I am paid relocation allowance as per policy.	4.32	0.554
I am paid all the allowances as per the corporation’s pay structure.	2.65	1.109
I am paid the correct allowances for my cadre as per policy.	2.62	1.074
<b>Average score</b>	<b>3.47</b>	<b>0.825</b>

Source: Primary Data (2019)

From Table 4.4, the findings show an average means score for allowances payment programs was 3.47 and SD of 0.825. This demonstrated that the respondents were united in agreeing, to a great extent, that allowances payment programs were made available to them. While the respondents agreed to a very great extent that they were paid subsistence allowance and relocation allowances, realizing a mean of 4.30 and 4.32 separately, they were not sure whether they were receiving all the allowances as per pay structure and whether they were being paid allowances at the correct rate, thus scoring a mean of 2.65 and 2.62 respectively.

Lack of proper information may have caused respondents to be undecided on the allowances available and the correct rate to be used. This could have been addressed through effective dissemination of information to all employees by way of policy or circulars.

### 4.3.2. Employee Assistance Programs

Employee assistance programs cover all measures taken by employers to help their employees to resolve pressing personal problems. The respondents were asked to indicate the degree that listed statements on employee assistance programs were applicable in KRC. Data analysis yielded the results in Table 4.5.

**Table 4. 5 Employee Assistance Programs**

<b>Employee assistance programs</b>	<b>Mean</b>	<b>SD</b>
I am entitled to support for professional development.	1.50	0.761
I usually receive counselling services on work-life balance.	1.03	0.183
I am entitled to financial assistance from the corporation.	1.87	0.361
I am entitled to negotiated bank loan facilities for my needs.	1.03	0.159
<b>Average score</b>	<b>1.36</b>	<b>0.366</b>

Source: Primary Data (2019)

From Table 4.5, the average means score for employee assistance programs is 1.36 and SD of 0.366 indicating that the respondents unitedly did not perceive employee assistance programs to be available at KRC. The respondents indicated absence of support for professional development through a mean of 1.50. The absence of counselling services on work-life issues was exposed by a mean of 1.03. The same applied to financial assistance from the corporation and negotiated bank loan facilities which returned a mean of 1.87 and 1.03, disjointedly

### 4.3.3. Employee Health Programs

Employers put in place health programs to cater for the cost of medical services for an employee and his authorized dependants, if included in the medical program. Health programs help to improve employees' wellbeing, reduce their healthcare expenses, and

increase job satisfaction. A list of statements was drawn for respondents to specify the level of agreement with each regarding the provision of employee health programs by KRC. Data collected was scrutinized and the findings expressed in Table 4.6.

**Table 4. 6 Employee Health Programs**

<b>Employee health programs</b>	<b>Mean</b>	<b>SD</b>
I have a medical insurance cover secured for me and family.	1.95	0.318
The employer has an insurance cover for work injuries.	1.28	0.452
The corporation organizes wellness programs for all staff.	1.11	0.316
The company supports sports activities for personal fitness.	1.08	0.268
<b>Average score</b>	<b>1.35</b>	<b>0.338</b>

Source: Primary Data (2019)

Table 4.6 discloses an average means score for employee health programs of 1.35 and SD of 0.338. The respondents consistently indicated that they did not perceive employee health programs to be available in KRC. The respondents indicated that there was no medical cover in place for them and their families by returning a mean of 1.95. The perceived absence of insurance cover for work injuries was indicated by the respondents via a mean of 1.28. The perceived absence of wellness programs and also sports activities were indicated by means of 1.11 and 1.08, accordingly.

#### **4.3.4. Retirement Programs**

Retirement programs, which may be fully or partly funded by the employer, serve to encourage long-term savings and investments among employees as a source of income after retirement or to their surviving dependants upon the death of a qualifying employee. Retirement programs may also be used by employers to encourage continuous service by an employee where the benefits are determined by period of employment. Statements

were fronted to the respondent for them to choose the level of agreement with the availability of retirement programs in KRC. Analysis findings were as per Table 4.7.

**Table 4. 7 Retirement Programs**

<b>Retirement programs</b>	<b>Mean</b>	<b>SD</b>
I am a member of the employer's pension scheme.	1.04	0.242
I am entitled to gratuity upon retirement or end of my contract.	1.08	0.439
I am entitled to financial programs that prepare me for retirement.	1.08	0.439
I am employed on terms that allow time for retirement planning.	1.07	0.286
<b>Average score</b>	<b>1.07</b>	<b>0.351</b>

Source: Primary Data (2019)

Table 4.7 shows an average means score for retirement programs of 1.07 and SD of 0.351. The findings clearly indicate that the employees did not perceive retirement programs to be available in KRC. The respondents indicated that they were not members of the employer’s pension scheme, at a mean of 1.04. There was an indication from the respondents that there was no gratuity payment upon retirement or expiry of their employment contracts at a mean of 1.08. The respondents also laid bare the absence of financial programs to prepare them for retirement at a mean of 1.08 while the view that their contracts did not allow time for retirement planning had a mean of 1.07.

#### **4.3.5. Flexible Work Programs**

Flexible work programs allow employees to adjust their work times or location around their life for them to pursue other interests such as pursuing further studies, attend to personal or family responsibilities such as taking a sick child to hospital, or fit in life challenges such as beating traffic congestions. Several statements on flexible work

programs were presented to the respondent for them to specify the level of agreement with their application in KRC. The results are shown in Table 4.8.

**Table 4. 8 Flexible Work Programs**

<b>Flexible work programs</b>	<b>Mean</b>	<b>SD</b>
I can cover a week's job in fewer days and rest for the remaining days in the week.	1.03	0.183
I can report to work early and leave early to attend to personal needs.	1.04	0.203
I can work away from the office on an approved schedule.	1.05	0.258
I am entitled to adequate leave to prepare and sit for examinations.	1.14	0.434
<b>Average score</b>	<b>1.03</b>	<b>0.183</b>

Source: Primary Data (2019)

The findings in Table 4.8 portray an average means score for flexible work programs of 1.07 and SD of 0.269. This is an indication that the respondents did not perceive flexible work programs to be present at KRC. The respondent's mean for the ability to compress their work into fewer days of the week and take rest in the remaining days was 1.03. The mean for the ability to report to work early and leave early was at 1.04. The ability to work away from office had a mean of 1.05 while that of adequate leave to prepare and sit for examination was 1.14.

#### **4.3.6. Perceived Availability of Employee Welfare Programs**

The researcher required the respondents to rate the availability of employee welfare programs at KRC and also to list any other employee welfare programs that were not listed for rating. The additional welfare programs listed were burial assistance upon the death of an employee, and reimbursement of medical bills for employees only. Analysis of responses on the availability of employee welfare programs was as per Table 4.9.

**Table 4. 9 Perceived Availability of Employee Welfare Programs**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Average	1	0.9%
Below Average	39	33.3%
Very Poor	77	65.8%
<b>Total</b>	<b>117</b>	<b>100.0%</b>

Source: Primary Data (2019)

Table 4.9 shows that 65.8% (77) of the respondents perceived the availability of employee welfare programs to be very poor, 33.3% (39) perceived the programs to be below average and 0.9% (1) rated the availability of the programs as average. The findings conclusively depicted a state of very poor availability of employee welfare programs at KRC.

#### **4.4. Assessment of Employee Job Satisfaction**

Respondents were asked to express their degree of concurrence, on a 5-level Likert Scale, with listed statements regarding measures of job satisfaction at KRC. There were two sets of questions, one set meant to measure facets of job satisfaction on a scale ranging from strongly agree to strongly disagree while the other set measured overall job satisfaction on a scale ranging from very satisfied to very dissatisfied. Points were allocated to the responses to enable the researcher to carry out analyses. Where applicable, strongly agree or very satisfied was allocated 5 points; agree or satisfied had 4 points; undecided had 3 points; disagree or dissatisfied had 2 points; strongly disagree or very dissatisfied was allocated 1 point.

##### **4.4.1. Employee Job Satisfaction**

Responses on statements to measure various facets of job satisfaction were analysed and the results presented in Table 4.10.

**Table 4. 10 Employee Job Satisfaction**

<b>Measure of job satisfaction</b>	<b>Mean</b>	<b>SD</b>
<b>Pay</b>		
I am satisfied with my pay structure.	1.90	0.443
I am always paid my salary in good time.	2.67	0.947
I always receive annual cost of living salary adjustment.	1.03	0.183
The pay I get reflects my knowledge, skills, and years of service.	1.06	0.238
<b>Average score</b>	<b>1.66</b>	<b>0.453</b>
<b>Supervision</b>		
My supervisor is friendly and approachable.	3.62	0.889
My supervisor is supportive of my work.	3.62	0.917
I openly discuss problems with my supervisor.	3.56	0.875
My supervisor shares relevant information from top management.	3.41	0.892
<b>Average score</b>	<b>3.55</b>	<b>0.893</b>
<b>Promotion</b>		
There are chances for promotion within the corporation.	1.57	0.661
There is equity and openness in promotions.	1.54	0.595
Employees are given priority in filling vacant positions.	1.58	0.710
There is a clear organizational structure and career paths for all.	1.62	0.753
<b>Average score</b>	<b>1.58</b>	<b>0.680</b>
<b>Working conditions</b>		
The management tries to understand and address my needs.	1.97	0.636
I am provided with the right tools and equipment for my duties.	2.15	0.466
My work area is easily accessible and has emergency exits.	2.14	0.600
I am provided with clean drinking water and office tea.	2.10	0.607
<b>Average score</b>	<b>2.09</b>	<b>0.578</b>

Source: Primary Data (2019)

From Table 4.10, the aspect of supervision had an average means score of 3.55 and SD of 0.893 indicating that the respondents agreed with statements expressing satisfaction with supervision, with a small degree of variability. Following in the hierarchy of satisfaction based on responses received was the working conditions which had an average means score of 2.09 and SD of 0.578 indicating that the respondents disagreed with statements of satisfaction with their working conditions. Measures of promotion ranked the least in the hierarchy, at an average means of 1.58 and SD of 0.680, followed by pay which had a means score of 1.66 and SD of .453.

#### **4.4.2. Rating of Employee Job Satisfaction**

Respondents were required to rate the level of employee satisfaction at KRC. The results are in Table 4.11.

**Table 4. 11 Rating of Employee Job Satisfaction**

<b>Employee job satisfaction</b>	<b>Frequency</b>	<b>Percentage</b>
Satisfied	2	1.7%
Undecided	3	2.6%
Dissatisfied	37	31.6%
Very dissatisfied	75	64.1%
<b>Total</b>	<b>117</b>	<b>100.0%</b>

Source: Primary Data (2019)

The outcomes in Table 4.11 show that 64.1% (75) of the respondents were very dissatisfied, 31.6% (37) were dissatisfied, 2.6% (3) were undecided, and 1.7% (2) were satisfied. Overall, a greater part of the respondents was very dissatisfied.

#### 4.5. Regression Analysis

The study purposed to derive the relationship between the dependent variable, employee job satisfaction, and the predictor variables, allowances payment programs, employee assistance programs, employee health programs, retirement programs, and flexible work programs, using multiple linear regression analysis, at 95% confidence level ( $\alpha = 0.05$ ). The study used Microsoft Excel 2016 for the regression analysis and the outcomes are shown in Table 4.12.

**Table 4. 12 Regression Summary**

Multiple R	R Square	Adjusted R Square	Standard Error
0.6204	0.3849	0.3572	0.2799

Predictors: Employee Welfare Programs  
Dependent Variable: Employee Job Satisfaction

Source: Primary Data (2019)

From Table 4.12, the coefficient of determination is 0.3572 denoting the extent to which the regression line from the model derived fits the data collected. Therefore, the independent variables in the model of the study could collectively predict 35.7% of the variability in employee job satisfaction, while 64.3% could be predicted by variables that were not considered in the model; random error term, subject to a standard error of 30%. This level of outcome is found to be acceptable for studies in humanities. There was a strong positive linear correlation between the independent variables of the study and the dependent variable, employee job satisfaction, of 62%.

The analysis of variance (ANOVA) was done using Microsoft Excel 2016 and the results shown in Table 4.13.

**Table 4. 13 Analysis of Variance**

	df	Sum of Squares	Mean Square	F	Significance F
Regression	5	5.4411	1.0882	13.8906	0.0000
Residual	111	8.6959	0.0783		
Total	116	14.1370			

Predictors: Employee Welfare Programs  
 Dependent Variable: Employee Job Satisfaction

Source: Primary Data (2019)

As per Table 4.13, the significance level of p-value was 0.000 which was far below a p-value of 0.05 required for 95% confidence level testing. This indicates that the predictor variables in the model were statistically significant in predicting the dependent variable.

The model, therefore, met the threshold since p-value was less than 0.05

The regression analysis produced regression coefficients shown in Table 4.14.

**Table 4. 14 Regression Coefficients**

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	0.156	0.292	0.535	0.594	-0.423	0.736
Allowances payment programs	0.160	0.044	3.611	0.000	0.072	0.247
Employee assistance programs	0.118	0.181	0.652	0.516	-0.241	0.478
Employee health programs	0.540	0.170	3.183	0.002	0.204	0.877
Retirement programs	0.242	0.094	2.574	0.011	0.056	0.427
Flexible work programs	0.337	0.162	2.087	0.039	0.017	0.658

Dependent Variable: Employee Job Satisfaction  
 Source: Primary Data (2019)

From the findings in Table 4.14, the regression equation was derived and used to explain the influence of employee welfare programs on employee job satisfaction.

The regression equation was derived as follows:

$$Y = 0.156 + 0.160X_1 + 0.118X_2 + 0.540X_3 + 0.241X_4 + 0.337X_5$$

Where:

Y = Employee job satisfaction

X<sub>1</sub> = Allowances payment programs

X<sub>2</sub> = Employee assistance programs

X<sub>3</sub> = Employee health programs

X<sub>4</sub> = Retirement programs

X<sub>5</sub> = Flexible work programs

From the regression equation, Y-intercept ( $\beta_0$ ) is 0.156 denoting a constant, that is, the level of job satisfaction that can be achieved without all the welfare programs in the study. A  $\beta_1$  of 0.160 meant that every unit change in payment of allowances, employee job satisfaction is expected to change by 0.160 on average, holding other variables constant. Likewise, a  $\beta_2$  of 0.118 meant that every unit change in employee assistance programs leads to a change in employee job satisfaction of 0.118 on average, holding other variables constant. A unit change in employee health programs, holding other variables constant, would, therefore, cause employee job satisfaction to change by 0.540 as denoted by  $\beta_3$ . A  $\beta_4$  of 0.240 meant that every unit change in retirement programs is expected to cause employee job satisfaction to change by 0.240 on average, other variables remaining constant. Finally, a unit change in flexible work programs, all other variables constant, is expected to cause employee job satisfaction to change by 0.337 as shown by  $\beta_5$ .

An assessment of the predictor variables revealed that employee health programs had the greatest influence on employee job satisfaction at KRC trailed by flexible work programs,

retirement programs, advance payment programs and the least was employee assistance programs. The most effective predictors of employee job satisfaction were advance payments programs followed by employee health programs, and retirement programs. Employee assistance programs and flexible work programs emerged the least significant predictors of employee job satisfaction at KRC, with the least t-statistic of 0.652 and 2.087 respectively, but highest probability of their coefficients occurring due to random chance.

#### **4.6. Discussion of Research Findings**

The researcher analysed data collected using Microsoft Excel 2016 and presented the outcomes as Tables and, where possible, Figures. A regression analysis was performed to establish the correlation between employee welfare programs and job satisfaction. Responses collected indicated the highest number of respondents had technical credentials at 31.6% followed by diploma at 23.1%. This was the case because railway operations, which are labour intensive, employ a lot of technical skills usually drawn from technical training institutions such as RTI.

The study findings pointed to serious concerns about the lack of employee welfare programs for MGR Operations employees at KRC. There was evidence from the study findings that employees were not getting support for professional development despite Falola, Osibanjo and Ojo (2014) proposing that training and capacity development increases worker's job satisfaction. There was also, no evidence of the availability of health insurance cover for employees and their families or even insurance cover for work injuries though they were essential requirements for improved job satisfaction and productivity in an organization (Choudhary, 2017). The respondents also indicated they were not members of a pension scheme contrary to recommendations by Chen, Yang,

Shiau, and Wang (2006), and were also not due for gratuity at the end of their employment contracts which were not long enough for retirement planning. However, the respondents indicated they were satisfied to a great extent, with allowances payment programs. Accordingly, 65.8% of respondents rated the availability of employee welfare programs as very poor while 64.1% of the respondents indicated they were very dissatisfied.

The study supports empirical studies done by Neog and Barua (2014) on the factors influencing levels of job satisfaction. The study findings confirm that employee welfare programs greatly influence employee job satisfaction.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1. Introduction**

This chapter summarizes the whole study, the resulting interpretations, and gives propositions to the stakeholders who could find the study findings useful to them while pointing out the limitations and suggesting extents for further study. The study covered all employees of KRC, MGR Operations.

### **5.2. Summary**

The intention of the study was to investigate the influence of perceived employee welfare programs on employee job satisfaction at Kenya Railways Corporation. The population was all the 1,214 employees of KRC, MGR Operations, spread in towns along MGR line and clustered into 4 regions: Coastal, Eastern, Headquarters (HQ), and Western. The sample size was 123 respondents, approximately 10% of the population. The study used descriptive cross-sectional survey design. Use of multistage stratified random sampling method was applied to obtain a sample from management and non-management cadres in the 4 regions designated by KRC. Self-administered questionnaires were used to collect primary data which was analyzed using Microsoft Excel 2016 to establish frequencies, mean and standard deviations. Microsoft Excel 2016 was also used for regression and analysis of variances to established the correlation between the predictor and target variables. The data was presented in Tables and Figures.

The study established that the relationship between employee welfare programs and employee job satisfaction is statistically significant. Majority of the respondents had high

levels of education, and were therefore able to comprehend and correctly fill the questionnaire. The study findings pointed to serious concerns about the lack of employee welfare programs for MGR Operations employees at KRC. The findings revealed that the employees were satisfied with allowance payments programs to a very great extent but they were not satisfied at all with employee assistance programs, employee health programs, retirement programs, and flexible work programs. Overall, the respondents rated the availability of welfare programs as very poor, and job satisfaction as very dissatisfied.

### **5.3. Conclusions**

The study examined the correlation between perceived employee welfare programs and employee job satisfaction at Kenya Railways Corporation. The positive correlation between employee welfare programs and employee job satisfaction established in the study supports the conclusion that employee welfare programs greatly influence one's job satisfaction. The study outcomes determined that employee welfare programs were largely unavailable to KRC, MGR Operations employees. Whereas allowances payment programs were greatly available to employees, the responses revealed that employee assistance programs, employee health programs, retirement programs, and flexible work programs, were not available to them at all.

The study also concluded that worker's health programs had the greatest positive influence on job satisfaction. Medical insurance cover, work injuries cover, wellness, and fitness programs are all necessary components of employee health programs. Flexible work programs had the second-highest positive impact on job satisfaction trailed by retirement programs. Employee assistance programs returned the least positive influence on job satisfaction followed by allowances payment program.

## **5.4. Recommendations**

The study recommends that employers should roll out as many employee welfare programs as possible because they greatly influence job satisfaction among employees. All allowances payable should be communicated and applied in a fair, transparent, and equitable manner for employees to derive satisfaction. The study also recommends that organizations should embrace employee assistance programs to support employees in coping with individual difficulties and achieve job satisfaction. Support for professional development through training and development, coaching and mentorship equip the workers with the right skills and talents essential for their work, thus increasing their competences, productivity, and job gratification.

The study recommends employers to provide health programs to their employees, and where possible their families. These programs may include medical insurance cover for employees and their families, work injuries benefits, wellness, and fitness activities. These programs help to keep employees healthy, reduce financial strain, and absenteeism, therefore increasing employee's fulfilment and output. The study also recommends organizations to adopt flexible work programs, where possible, especially in this era of internet technology to help employees pursue personal interests like attending evening classes. This helps employees to attain work and life balance and satisfaction.

The study further recommends the implementation of retirement programs by organizations to assist employees to prepare for a decent life after retirement. Where employees are engaged on contract, the study recommends long-term contracts, minimum of 5 years, and payment of service gratuity at the expiry of the contract where the employees are not members of a pension scheme.

## **5.5. Limitations of the Study**

Several challenges were faced by with the study beginning with the use of a cross-sectional research design since it was a one-time study. This research design was limiting as data was collected from the respondents in a snapshot and not at several points in time which could have been more accurate in measuring outcomes and exposures. The study also faced response limitations whereby a response rate of 95% was attained with 6 respondents not submitting their questionnaires, and 3 respondents not indicating their gender thus affecting the analysis of findings.

Time constraint was another limitation of the study which led to the use of closed-ended questions in the questionnaire for ease of data analysis instead of open-ended questions or an interview guide for an in-depth collection of qualitative data. Another constraint in the study was not obtaining the age groups of the respondents. The researcher had not foreseen the need to associate some variables to age group such as flexible work programs and retirement programs which are likely to be affected by age.

Another restriction to the study was relying on self-reported data that could not be independently verified and therefore prone to exaggeration, telescoping, and selective memory. The researcher had no option in this case but to take the responses at face value. The shortage of existing research studies on the subject was another limitation of the study as a great number of available studies were occupied with the connection between welfare programs and performance. The researcher, therefore, had limited empirical studies within the scope of the study to build on and therefore encourages researchers to carry out surveys on railways operations in Kenya and help KRC improve service delivery.

## **5.6. Suggestions for Further Study**

The study concentrated on employee welfare programs and employee job satisfaction at Kenya Railways Corporation, MGR Operations. Future studies should endeavour to address the shortcomings encountered in this study especially by using longitudinal study which is more accurate in measuring outcomes and exposures, and if possible, shift focus from employee satisfaction to employee engagement which is said to achieve both employee satisfaction and performance in organizations.

Future studies should also be done on SGR Operations, and other state corporations, to reveal more employee welfare programs that the organizations should embrace for enhanced employee job satisfaction and efficient service delivery.

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# APPENDICES

## Appendix I: Introduction Letter



### UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS

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Telephone 020-8095398  
Telegrams "Varsity", Nairobi  
Telex 22095 Varsities

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Nairobi, Kenya

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**DATE:** 4<sup>th</sup> November, 2019

#### TO WHOM IT MAY CONCERN

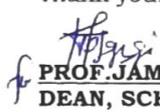
The bearer of this letter **Geoffrey M. Munywoki** of Registration Number **D61/87129/2016** is a Master of Business Administration (MBA) student of the University of Nairobi, Human Resource Management Option.

He is required to submit as part of his coursework assessment a research project report

We would, therefore, appreciate if you assist him by allowing him to collect data within your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organization on request.

Thank you.

  
**PROF. JAMES NJHIA**  
**DEAN, SCHOOL OF BUSINESS**

An oval-shaped stamp from the University of Nairobi School of Business. The text inside the stamp reads "UNIVERSITY OF NAIROBI" at the top, "SCHOOL OF BUSINESS" at the bottom, and "04 NOV 2019" in the center. There are small stars on either side of the date.

## Appendix II: Questionnaire

### Introduction

Please fill out, with honesty, all the required information in the spaces provided or mark only one correct answer using (√) or (x).

### 1. Background Data

1.1. Select your gender.

Female  Male

1.2. Select the region where your workstation is located.

Coastal  Eastern  Western  Headquarters (HQ)

1.3. State your highest level of education.

Master's Degree  Post-graduate Diploma

Bachelor's Degree  Diploma

Technical  Others

1.4. Which cadre best describes your job level?

Management (Grade M3 – S2)

Non-management (Grade S3 – S4)

### 2. Employee welfare programs

2.1 As an employee of Kenya Railways, kindly indicate the extent to which you agree with below statements regarding how Kenya Railways has offered the listed employee welfare programs to you. Mark the correct box using (√) or (x).

Employee welfare programs	Very Great Extent	Great Extent	Undecided	Very Little Extent	Not at All
<b>Allowances payment programs</b>					
I am paid subsistence allowance as per policy.					
I am paid relocation allowance as per policy.					
I am paid all the allowances as per the corporation's pay structure.					
I am paid the correct allowances for my cadre as per policy.					

<b>Employee welfare programs (cont....)</b>	<b>Very Great Extent</b>	<b>Great Extent</b>	<b>Undecided</b>	<b>Very Little Extent</b>	<b>Not at All</b>
<b>Employee assistance programs</b>					
I am entitled to support for professional development.					
I usually receive counselling services on work-life balance.					
I am entitled to financial assistance from the corporation.					
I am entitled to negotiated bank loan facilities for my needs.					
<b>Employee health programs</b>					
I have a medical insurance cover secured for me and family.					
The employer has an insurance cover for work injuries.					
The corporation organizes wellness programs for all staff.					
The company supports sports activities for personal fitness.					
<b>Retirement programs</b>					
I am a member of the employer's pension scheme.					
I am entitled to gratuity upon retirement or end of my contract.					
I am entitled to financial programs that prepare me for retirement.					
I am employed on terms that allow time for retirement planning.					
<b>Flexible work programs</b>					
I can cover a week's job in fewer days and rest for the remaining days in the week.					
I can report to work early and leave early to attend to personal needs.					
I can work away from the office on an approved schedule.					
I am entitled to adequate leave to prepare and sit for examinations.					

2.2 List other employee welfare programs available at Kenya Railways.

.....

2.3 How do you rate the availability of employee welfare programs at Kenya Railways?

Excellent [ ] Above Average [ ] Average [ ]  
 Below Average [ ] Very Poor [ ]

### 3. Employee job satisfaction

3.1. As an employee of Kenya Railways, to what degree are you in agreement with the following statements regarding the listed measures of employee job satisfaction at Kenya Railways? Mark the correct box using (√) or (x).

<b>Employee job satisfaction</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Undecided</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>Pay</b>					
I am satisfied with my pay structure.					
I am always paid my salary in good time.					
I always receive annual cost of living salary adjustment.					
The pay I get reflects my knowledge, skills, and years of service.					
<b>Supervision</b>					
My supervisor is friendly and approachable.					
My supervisor is supportive of my work.					
I openly discuss problems with my supervisor.					
My supervisor shares relevant information from top management.					
<b>Promotion</b>					
There are chances for promotion within the corporation.					
There is equity and openness in promotions.					
Employees are given priority in filling vacant positions.					
There is a clear organizational structure and career paths for all.					
<b>Working conditions</b>					
The management tries to understand and address my needs.					
I am provided with the right tools and equipment for my duties.					
My work area is easily accessible and has emergency exits.					
I am provided with clean drinking water and office tea.					

3.2. How do you rate employee job satisfaction at Kenya Railways?

Very satisfied [ ] Satisfied [ ] Undecided [ ]  
 Dissatisfied [ ] Very dissatisfied [ ]

**Thank you**