

The Role of Employee Benefits on Organizational Productivity in Some Selected Companies in Mogadisho - Somalia

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Abstract: *The purpose of this study was to investigate the role of employee benefits on organizational productivity in some selected companies in Mogadishu -Somalia. The study was carried out at three selected companies. The study objectives were: to examine the role of job security, benefits on the organizational productivity of selected companies,; to examine the role of health protection benefits on the organizational productivity of selected companies and to establish the role of retirement benefits on the organizational productivity of selected companies. A sample of fifty two respondents was randomly chosen from the population to take part in the study. A five point Likert scale was used to collect data. The data gathered from the field were organized and presented quantitatively in the form of frequency schedules, counts and percentages for the purposes of analysis. The results of the study were analyzed using the person's linear correlation method and standard multiple regression methods in spss version 20. From the model summary, it showed that the adjusted R² was 0.725 indicating that a combination of Job security benefits, Health protection benefits and Retirement benefits explained by the variation in the organizational productivity Dahabshül Bank in Mogadishu Somalia. Likewise, the person's linear correlation method the results generally indicate that, except for Job security benefits, other independent variables (Health protection benefits and Retirement benefits) were found to have positive significant correlations on organizational productivity at 5% level of significance. There was a weak positive, but insignificant organizational productivity Performance correlation Health protection benefits ($r = 0.247, P < 0.05$). There was a weak positive and significant correlation between Job security benefits ($r = 0.817, P < 0.05$). There was positive and highly significant correlation between Health protection benefits and organizational productivity ($r = 0.933, P < 0.01$). There was positive and highly significant correlation between retirement and organizational productivity ($r = 0.690, P < 0.01$). The results imply that Job security benefits, Health protection benefits and Retirement benefits influenced organizational productivity of the selected foam factory in Mogadishu Somalia. In conclusions, this study examined the role of employee benefits on organizational productivity of any selected organization in Mogadishu. The target population of this study was 52 and sample size was 52 contains employees and management; the instrument used in this study was a questionnaire. The study was conducted through a descriptive design; the objective of the study to ascertain the role of Job Security Benefits on Organizational Productivity, To find out the Health Protection Benefits Organizational Productivity and To find out the Retirement Benefits on Organizational Productivity. The study recommends that organizations should continue providing health protection benefits to their employees since it will help them create a sense of loyalty and encourage their productivity in the organization. Finally the study recommends that Mogadishu organizations need to improvise retirement benefits, this will motivate employees thus enhancing organizational productivity. Suggestions for future studies and researches were proposed.*

Keywords: Job security benefits, Health protection benefits, Retirement benefits and Organizational Productivity

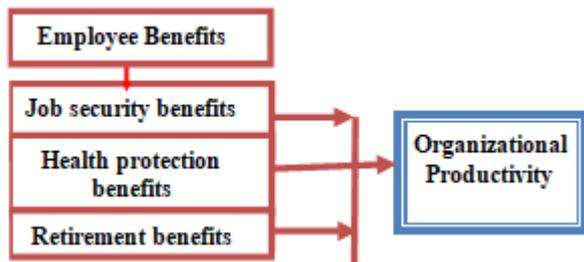
1. Introduction

Agreeing to a survey carried out by the US Chamber of Commerce in (2006), fringe benefits in the U.S., were not a significant portion of most employees' compensation packages until the mid-twentieth century. For example, in 1929, benefits comprised only about 3 percent of total payroll costs for societies. Yet, employee benefits in the U.S. now comprise about 42 percent of total payroll costs. Several things account for the enormous growth in the importance of employee benefits in the U.S. In the 1930s, the Wagner Act significantly increased the power of labor unions to unionize workers and bargain for better reward, benefits, and working conditions. Labor unions from the 1930s to 1950s took advantage of the favorable legal climate and negotiated for new employee benefits that have since become common in both organized and non-union companies. Federal and state statute law requires companies to provide certain benefits to employees. Lastly, employers may find themselves at a disadvantage in the labor market if they do not provide competitive benefit packages (Bergman and Scarpello, 2001).

In Somalia, Research into employee benefits and organizational productivity is becoming more important because some researchers have analyzed the relationship between them (Christoph, 1996) and also the relationship between employee benefits and motivation and productivity (Hong, et al., 1995). Grounded along the above prerequisite this research intended to look into whether the employee benefits (mandatory and fringe benefits) could make an impact towards the employees' organization productivity in manufacturing industry.

The principal aim of the survey was: - to investigate the purpose of employee benefits on organizational productivity, to determine the function of job security, benefits of organizational productivity, to find out the importance of health protection benefits of organizational productivity, to examine the role of retirement benefits on organizational productivity.

2. Conceptual Frameworks



Design 1.1: The Effect of Employee Benefits on Organizational Productivity

3. Literature Review

It has been set up that there is a substantial relationship between employee benefits and organizational functioning. (Shin-Rong and Chin-Wei 2012). For 19 example, Mayson and Barret (2006) found that a firm's ability to attract, motivate and retain employees by providing competitive wages and appropriate rewards is linked to firm productivity and development.

On the other hand, Inés and Pedro (2011) establish that the benefits system used for the sales people has important effects on individual salesperson performance and sales organization effectiveness. Thus, in an ever competitive business environment, many companies today are seeking to identify innovative benefits strategies that are immediately related to improving organizational productivity (Denis and Michel 2011).

According to Nebeker et al. (2001) Customer's satisfaction and organizations productivity are the consequence of its employee satisfaction. There has been research demonstrating a positive relationship between stock bonus and employee performance. The evidences in Taiwan suggest that there exist positive associations between the quantity of stock bonuses and firms' operating performance. It is also found that firms with larger house size or high growth opportunity tend to adopt stock bonus. Execution-based benefits are the dominant human Resource practice that firms use to measure and reward employees' efforts (Collins and Clark, 2003).

Celery and Doty (1996) identified performance-based benefits as the single most potent predictor of strong performance. Both performances-based benefits and merit-based promotion can be viewed as ingredients in organizational incentive stems that encourage individual performance and retention (Chou et al. 2005).

Collins and Clark (2003) studied 73 high-technology firms and showed that the relationships between the HR practices and firm performance (sales growth and stock growth) were mediated through their top managers' social networks. Chou et al. (2005) suggested that incentive plans, are effective in decreasing turnover rates. Bunker et al. 2001) conducted a longitudinal study of the effectiveness of incentive plans in the hotel industry and found that incentive plans were related to higher revenues, increased profits, and decreased cost. In a related study Paul and Anantharaman (2003) found

that benefits and incentives directly affect Organizational Productivity.

To be effective, benefits practices and policies must be aligned with organizational objectives. While performance-based benefits can motivate employees, sometimes employees perceive it as a management mechanism to manipulate their behavior (Lawler and Rhode, 1976). In such a case, employees are less loyal and committed, thus benefit plans have the opposite than desired outcome (Rodríguez and Ventura, 2003). Employee turnover can significantly slow revenue growth, especially in knowledge-intensive industries (Baron and Hannan, 2002)

Organizational Productivity is an ordinary measure of the efficiency of production <[https://en.wikipedia.org/wiki/Production_\(economics\)](https://en.wikipedia.org/wiki/Production_(economics))>. It can be stated as the ratio of output to inputs used in the production process, i.e. output per unit of input. When all outputs and inputs are included in the productivity measure it is called total productivity. Outputs and inputs are defined in the total productivity measure as their economic values. The value of outputs minus the value of inputs is a measure of the income generated in a production process. It is a standard of total efficiency of a production process and as such the objective to be maximized in the output procedure.

Organizational Productivity measures that employ one or more input or factors <https://en.wikipedia.org/wiki/Factors_of_production>, but not all factors, are called partial productivities. A common case in political economy is labor productivity, usually shown as output per time of day. At the society story, typical partial productivity measures are such things as worker hours, materials or energy per unit of output.

4. Research Methodology

The survey will be conducted through descriptive and the cross sectional plan. The researcher will utilize this attack in order to identify and to investigate the use of employee benefit on organizational productivity, utilizing information derived from the questionnaire. This invention is selected for this survey because it is effective, less costly and easily accessible for collecting data from the target population.

The target populations for this study was 52 from Dahabshil Company in Mogadishu- Somalia; (Mohamed-hadith, 2018). The target populations include the handlers and employees. The area itself is coextensive with the metropolis and is a good deal littler than the historical province of Benadir.

Validity

validity refers to the extent to which data collection method accurately measures what it will mean to measure or to the extent to which research findings are about what They are claimed to be about (Oso & Union, 2008). The cogency of the data collection instruments was performed with the aid of an expert (the research supervisor) to edit the questionnaire and the interview template. The researcher forwarded the structured questionnaire to a supervisor who is an expert in the region embraced by the research for

editing and critiquing. The validity is mostly derived from the case of instrument being used.

Reliability

Reliability the research instruments is concerned with the degree to which the research instrument will yield the same result under similar weather. To see to it that the data was reliable a measure of test re-test exercise will do before actually applying it. (Japan, 2000) Defines reliability, as the extent to which outcomes are uniform over time and an accurate representation of the entire population under study is referred to as reliability and if the terminations of a work can be reproduced under a standardized methodology, then the research instrument is believed true. Gratuitous to say, validity and reliability are very indispensable for this research to be accurate.

Correlations

		JB	HBP	RP	OP
JB	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	79			
HPB	Pearson Correlation	.933**	1		
	Sig. (2-tailed)	.000			
	N	79	79		
RP	Pearson Correlation	.247*	.376**	1	
	Sig. (2-tailed)	.028	.001		
	N	79	79	79	
OB	Pearson Correlation	.817**	.690**	.006	1
	Sig. (2-tailed)	.000	.000	.957	
	N	79	79	79	79

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

* Correlation is significant at the 0.05 level (2-tailed).

The Pearson Bivariate correlation coefficient was applied to calculate the correlation between the dependent variable the factors affecting and the independent variables employee job satisfaction. According to Sekaran (2008), this relationship is presumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship). The correlation coefficient was computed to see the intensity of the relationship between subject and independent variables (Kothari, 2013). From table 4.11, the results generally indicate that, except for Job security benefits, other independent variables (Health protection benefits and Retirement benefits) were found to have positive significant correlations on organizational productivity at 5% level of meaning. Thither was a weak positive, but insignificant organizational productivity Performance correlation Health protection benefits ($r = 0.247$, $P < 0.05$). Thither was a faint positive and significant correlation between Job security benefits ($r = 0.817$, $P < 0.05$). There was positive and highly significant correlation between Health protection benefits and organizational productivity ($r = 0.933$, $P < 0.01$). There was positive and highly significant correlation between retirement and organizational productivity ($r = 0.690$, $P < 0.01$). The results imply that Job security benefits, Health protection benefits and Retirement benefits influenced organizational productivity of the selected foam factory in Mogadishu Somalia.

5. Findings of the Study

- 1) There are several findings that have been attained in this study in which its general objective was "the role of employee benefits on organizational productivity at some selected companies in Mogadishu" the respondents agreed collectively with that statement due the result generated their responses which There was positive and highly significant correlation between **Health protection benefits** and organizational productivity ($r = 0.690$, $P < 0.01$). And that general objective was divided into the following three specific aims:
 - 2) The foremost aim of this survey was to determine the purpose of business security, benefits in organizational productivity and data analysis and results revealed the following findings under this objective. The termination of analysis showed the purpose of business security, benefits of organizational productivity is highly agreed with the respondents and the survey found that (mean 2.17) and standard deviation 1.15 which suggests that the role of job protection benefits of organizational productivity was very beneficial.
 - 3) Moreover, its Pearson Correlation is. 817 which shows high correlation.
 - 4) The second aim of the subject determines the Health Protection Benefits on organizational productivity of an establishment, the respondents were asked questions related how the Health Protection Benefits on organizational productivity and their reactions were positive way. The survey base that the mean is 2.08 and the standard deviation is 1.17 which indicates that the Health Protection Benefits in local organizations has a role on organizational productivity, and this effect indicates that the Health Protection Benefits in the selected organization were very serious. There was positive and highly significant correlation between Health protection benefits and organizational productivity ($r = 0.690$, $P < 0.01$).
 - 5) The third objective identifies the Retirement Benefits on Organizational Productivity of an organization; the respondents were answering the questions related how Retirement Benefits on Organizational Productivity and their reactions were positive way because the mean 2.23 and standard deviation 1.18 indicates that Retirement Benefits in local organizations has a role on organizational productivity, and this effect indicates that Retirement Benefits in the selected organization were very serious. There was positive and highly significant correlation between Health protection benefits and organizational productivity ($r = 0.933$, $P < 0.01$).

6. Conclusion

This work tested the use of employee benefits on organizational productivity of any selected organization in Mogadishu. The prey population of this study was 52 and sample size was 52 contains employees and management; the pawn used in this work was a questionnaire.

The survey was taken through a descriptive design; the aim of the study to determine the character of Job Security Benefits on Organizational Productivity, To find out the Health Protection Benefits Organizational Productivity and

To find out the Retirement Benefits on Organizational Productivity.

performance, absence, and total economic impact for employers. J Occup Environ Med.

7. Recommendation

- 1) It is immediately very obvious that there is a character of employee benefits on organizational productivity, such organizations can easily hold out if the job security, and employees health programs and retirement policies are properly enforced in its everyday operations. Apparently, it has some shortcomings, although this may be minimal. Thus, the process of implementing organizational productivity in the organizations should:
- 2) The survey advocates that arrangements should keep providing health protection benefits to their employees since it will aid them create a sense of dedication and encourage their productivity in the constitution.
- 3) In conclusion the survey recommends that Mogadishu organizations need to improvise retirement benefits, this will motivate employees thus enhancing organizational productivity.
- 4) Although it is rare among organizations offer job security to the employees, it is advantageous for all when the human resources are empowered through giving them assurance
- 5) Health workers think big, work hard, and produce suitable preferable activities
- 6) It is for humanitarian issue when employees are afforded them their rights as soon as they view like a patient

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