

The Effect of Employees' Health Benefits on the Performance of Commercial State Corporations in Kenya

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Abstract

This study sought to assess the effect of employees' health benefits on the performance of Commercial State Corporations in Kenya. Commercial state corporations are established by the government to offer efficient and effective citizen service delivery whilst surrendering back investment income at the end of each financial year. Despite this, most of them have performed dismally over the years, questioning their justification for continued existence. A survey research design was used to conduct this study, targeting 612 managers of various cadres in the 68 commercial state corporations in Kenya. The Yamane sampling formula was used to arrive at a sample size of 242 managers in these corporations. Data collected through structured questionnaires was analysed using both inferential and descriptive statistics. Multiple regression models and Hierarchical regression were used to test hypotheses for moderation. The outcomes of the hierarchical regression model on all the variables revealed that employees' health benefits ($\beta = 0.138$, $p = 0.000$, $p < 0.05$) had a significant positive relationship with the performance of commercial state corporations. These findings contribute novel insights into the influence of employee compensation on the performance of commercial state corporations. The study concluded that employee compensation affects the performance of commercial state corporations and that remuneration policy guidelines strengthen the positive linkage between employee compensation and performance outcomes. The study recommended that commercial state corporations should give higher priority to employee's health benefits and Remuneration policy guidelines as they are crucial in enhancing their performance.

Key terms: commercial state corporation, employees, employee compensation, health benefits, public sector performance.

INTRODUCTION

Most of the commercial state corporations in Kenya have persistently underperformed over the years and are under serious scrutiny by the government, which is their biggest shareholder. Principally, the serious repercussions of these glaring shortcomings that characterise poor strategy implementation are evident in many of them. In the 2020/2021 financial year, commercial state corporations were ranked the worst performing category at position eight (8) with a performance contracting composite score of 3.3460. In the same period, the pre-tax profit as a performance indicator reported a loss of Ksh. 9, 444 118 212.47 against a target loss of Kshs.7, 597, 996,202.12. (OPCS, FY 21/22).

The Kenyan government has, in the past, commissioned robust initiatives to reform commercial state corporations to improve investment income generation, but the performance of most of these corporations has continued to decline (GoK, Budget Policy statement, 2023). The commercial state corporation's declining performance has continued to become a liability to the government, thus hindering the realisation of positive economic growth (Riany, 2021). Due to their inability to submit surplus income to the National Treasury in the form of dividends, as expected, the government has developed robust plans to either close down or dispose of the underperforming ones (GoK, Budget Policy Statement, 2023).

Most commercial state corporations have failed to properly implement the set public service Remuneration policy guideline issued by SRC despite its availability (OAG, 2021). The way in which employee compensation enhances the output of several commercial state corporations is unclear. This is despite the critical role these institutions play as investment corporations. Like many other institutions, commercial state corporations face major challenges in the actualisation of their strategies, and this affects their performance. Consequently, because of this research problem, this study seeks to investigate the moderating effect of remuneration policy guidelines on the relationship between the performance of commercial state corporations in Kenya and employee compensation.

This research study determined the extent to which remuneration policy guidelines have contributed to the performance of commercial state corporations in Kenya. The findings from the research will be used to develop new knowledge in the government of Kenya.

LITERATURE REVIEW

Tsolmon and Ariely (2022) examined the tendency of small businesses to offer health insurance in response to high state-level unemployment insurance (UI) benefits, given that generous UI benefits reduce labour market frictions that constrain employee mobility. They exploit a unique data set of over 15,000 small private businesses in the United States and note that when state UI benefits are high, firms will provide their employees 'health insurance benefits, especially when those firms rely on human capital, which is difficult to replace. They find positive effects of health insurance policies on worker retention, worker productivity, and firm performance. The implications of our results to the development of theory on the relationship between firms 'and exogenous labour market frictions responses to those frictions.

The findings indicate that investments in employee health and well-being may give businesses a competitive advantage, particularly when labour market competition for workers is high. This study was conducted in USA private firms and measured employee labour market competition compared to the current study, which was based on employees ' performance, measured using the EFQM model that this study has used to analyse the effect of employees 'retirement benefits on performance of commercial state corporations in Kenya.

Ng'eno (2020) analysed the effect of wellness programs on the broader performance of commercial banks in Kenya. Specifically, the research aimed to assess the extent to which organisational investment in programmes for employee counselling, drug and substance abuse cessation and provision of recreational facilities affected productivity and performance within the commercial banks in Kenya. The research was guided by three theories, namely, social exchange, social comparison, and hierarchy of needs. The study was guided by a positivist philosophy and employed descriptive research designs targeting

30,903 employees of the 43 commercial banks in Kenya. Purposive sampling combined with proportionate stratified sampling was employed to identify 395 respondents for the study. Pilot research was conducted to check on the instrument's validity and reliability using Cronbach alpha (α) and expert opinion, respectively. Structured questionnaires were used as the source of primary data, while other studies, such as the World Wide Web, libraries, and organisational reports, were the sources of secondary data. Content analysis was applied, while regression models and descriptive statistics were employed to analyse quantitative data.

A response rate of 71 per cent was achieved, and the wellness programs provided by the banks were found to affect the performance of the employees positively. The highest effects were seen in recreational facilities (76.9%), employee counselling programmes (61.8%), and drug and substance abuse cessation programs (46%). The results also showed that employee performance was mediated by the job satisfaction of the employee, while employee characteristics also moderated the association between wellness programs and employee performance. The employees who would be satisfied with utilising wellness programs would perform better, as evidenced by reduced absenteeism levels, enhanced morale, enhanced punctuality, and reduced anxiety and stress among employees.

The moderating variable of employee characteristics affected the punctuality of employees, influenced the speed at which the employees performed their assignments, helped reduce employee stress, enhanced teamwork, and ultimately improved productivity and output levels. The study suggests that Commercial Banks should invest in employee wellness programmes such as counselling programmes, which should be enhanced; recreational facilities play a critical role in enhancing organisational performance and should be provided for the employees. The study also recommends that commercial banks should endeavour to enhance employee satisfaction so as to enhance their output, leading to higher organisational performance.

On the policy level, commercial banks should consider policy changes on how wellness programs are taken

into account in workplaces, either private or public. In addition, wellness programs and utilisation should be included as a measure to enhance the bank's performance through managing wellness. Which is related to costs and ensuring that they are all in compliance with the medical costs through the incorporation of the same in the Employment Laws of Kenya. The study suggests that further studies be conducted on the cost-benefit analysis of wellness programs. This is to demystify the "high" cost implication of the wellness programs, notwithstanding the benefits on the impact of employee attitude on successful wellness programs' implementation with the organisations and on the impact of employee counselling on employees and larger organisational performance as the ultimate objective. The study was conducted among commercial banks in Kenya, focusing on employee performance using the EFQM model. In contrast, the proposed study analysed the impact of employees' health benefits on the performance of commercial state corporations in Kenya.

Mustar and Yanar (2023) estimated the financial return to employers from occupational health and safety (OHS) expenditures in the Canadian province of Ontario. The study established that the average return on investment for OHS expenditures was positive and in the range of 1.24 to 2.14 for employers in the manufacturing, transportation, and construction sectors with a low work-related incidence of illness and injury. The financial benefits were estimated by combining tangible and intangible benefits associated with averted disabling work-related injury and illness, improved employee retention and morale, improved production quality, and strengthened corporate reputation.

The findings suggest that employers can benefit financially from investing in OHS, and this can improve their overall financial performance. This information can be beneficial for employers to make informed decisions regarding their OHS expenditures and for policymakers to encourage employers to invest in OHS. By implementing effective OHS programs, employers can improve their productivity, reduce healthcare costs, improve employee morale and retention, and enhance their reputation. Nevertheless, the study did not use the EFQM 2020 Model of

performance measurement that this study has applied to find out the effect of employees' compensation on the performance of commercial state corporations in Kenya.

One of the main goals of an organisation is to realise and sustain growth. Gabriel et al. (2021) postulated a relationship between employee benefits and the growth of an organisation. The study sought to evaluate how a range of employee benefits such as disability, medical allowance, retirement, and insurance benefits are linked to organisational growth and the direction of effects. The study followed a meta-analysis of different studies carried out in Britain and Germany. Information was obtained from secondary sources such as journal articles, classified publications, and research reports. It was desk-based, and all the documents were accessed through websites and other internet resources. Data analysis was done using content analysis.

The results revealed that employee medical benefits and insurance covers enhance the overall growth of an organisation and increase productivity. The researchers note that using such benefits and integrating them with other incentives contributes to a firm's growth and long-term profitability outcomes. They added that while designing these benefits, employee engagement should be a key ingredient in the process to make them more responsive, thus yielding broad-based organisational outcomes. The study did not use the EFQM 2020 Model of performance measurement that this study has applied to find out the effect of employees' compensation on the performance of commercial state corporations in Kenya.

METHODOLOGY

A survey research design was used to conduct this study, targeting 612 managers of various cadres in the 68 commercial state corporations in Kenya. The survey research design was selected for its ability to gather quantitative data efficiently from a large sample size. It aligns with the study objectives by allowing the collection of data on a wide range of variables, thereby providing insights into patterns, trends, and correlations among these variables. The survey research design also facilitated the generalisation of findings to the broader population, and this enhanced the study's external validity. The Yamane (1967) sampling formula was used to arrive at a sample size of 242 managers in these corporations. The reliability of the research instrument was determined through the test-retest method and the Cronbach Alpha test, and all items met the threshold value of 0.7. Content validity of the instrument was done during the pilot study at the pre-testing of the questionnaire stage and through the Pearson correlation coefficient, where the critical values of all questions yielded a calculated value higher than the obtained values, implying that the tool passed the validity test. Data collected through structured questionnaires was analysed using both descriptive and inferential statistics. Multiple regression models and hierarchical regression for moderation were used to test the hypotheses.

RESULTS AND FINDINGS

The response variable of the study was Employees' Health benefits. The results are shown in Table 1 below.

Table 1: Ratings on Employee's Health Benefits

Statement	SD	D	U	A	SA	Mean	Std. D
Our corporation's employees' health benefits policy is adequate to cover all aspects of employees' health	20 (10.8%)	35 (18.9%)	19 (10.3%)	73 (39.5%)	38 (20.5%)	3.40	1.299
Our corporation's employees' health benefits policy includes employees' ex-Gratia policy, with approvals determined by the Board of Directors.	15 (8.1%)	36 (19.5%)	31 (16.8%)	70 (37.8%)	33 (17.8%)	3.38	1.215

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Our corporation's employees' health benefits policy is based on reimbursements on cost included directly from employees' expenses	27 (14.8%)	42 (23%)	27 (14.8%)	65 (35.5%)	22 (12%)	3.07	1.288
Our corporation's employees' health benefits policy covers health service providers both in public and private health facilities	13 (7.1%)	11 (6%)	11 (6%)	92 (50%)	57 (31%)	3.92	1.116
Our corporation's employees' health benefits policy has a dual contribution both from employees and the government	47 (25.4%)	43 (23.2%)	31 (16.8%)	47 (25.4%)	17 (9.2%)	2.70	1.337
Our corporation's employees' health benefits policy is effective and meets employees' expectations	25 (13.7%)	28 (15.3%)	22 (12%)	78 (42.6%)	30 (16.4%)	3.33	1.297
Our corporation's employees' health benefits policy is efficient and delivers the results required	23 (12.4%)	23 (12.4%)	26 (14.1%)	81 (43.8%)	32 (17.3%)	3.41	1.261
Our corporation's employees' health benefits policy is covered within the existing legislation.	10 (5.5%)	7 (3.8%)	26 (14.3%)	88 (48.4%)	51 (28%)	3.90	1.033
Our corporation's employees' health benefits policy specifies the administration of the employees' health covers	12 (6.5%)	11 (6%)	22 (12%)	93 (50%)	46 (25%)	3.82	1.081
Our corporation's employees' health benefits policy has been the basis of the productivity of employees	23 (12.4%)	35 (18.9%)	38 (20.5%)	68 (36.8%)	21 (11.4%)	3.16	1.221
Aggregate Score						3.41	1.215

The results revealed that most (60%) of the participants agreed that their corporation's employees' health benefits policy is adequate to cover all aspects of employees' health ($M=3.40$, $SD=1.299$). Similarly, most participants (55, 6%) agreed that their corporation's employees' health benefits policy includes employees' Ex-Gratia policy, with approvals determined by the Board of Directors ($M=3.38$, $SD=1.215$). Most of the respondents (81%) indicated that their corporation's employees' health benefits policy covers health service providers in both private and public health facilities ($M=3.92$, $SD=1.116$). This could have been attributed to the response by 59 per cent of the participants who opined that their corporation's employees' health benefits policy is effective and meets employees' expectations ($M=3.33$, $SD=1.297$) and to most of the respondents (61.1%) who agreed that their corporation's employees' health benefits policy is efficient and delivers the results required. The above findings align well with Tsolmon and Ariely (2022), who postulate that health insurance policies

have positive effects on worker retention, worker productivity, and firm performance. Similarly, 75 per cent of respondents agreed with the view that their corporation's employees' health benefits policy specifies the administration of the employees' health covers ($M=3.82$, $SD=1.081$), and this could be attributed to most respondents who agreed that their corporation's employees' health benefits policy had been the basis of productivity of employees ($M=3.16$, $SD=1.221$). This finding aligns itself well with the study by Gabriel et al. (2021), who concluded that employee medical benefits enhance the overall growth of an organisation and increase productivity. The aggregate score for health benefit implementation was above average ($M=3.41$, $SD=1.215$). According to the results, the standard deviation ranges from 1.033 to 1.337, with an overall standard deviation of ($SD=1.185$). This was evidence that the dispersion was distributed around the mean and hence depicted a normal distribution.

The appropriateness of conducting factor analysis on health benefits was evaluated using the Kaiser-Meyer-Olkin (KMO) and Bartlett's Tests. These tests determine the adequacy of sampling for each individual component as well as for the overall construct. The findings are detailed in the table below.

Table 2: Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Employees Health Benefits

KMO Measure of Sampling Adequacy.		.887
Bartlett's Test of Sphericity	Approx. Chi-Square	1178.388
	df	45
	Sig.	.000

The Bartlette test and the KMO test of sampling adequacy were carried out on the data to ascertain that the matrix was not an identity matrix, which was a prerequisite test to enable factor analysis on the data. The KMO test yielded a value of 0.887 for sample adequacy and thus met the criteria proposed by Glen (2012) and Klein (2013). This value, considered commendable according to the Kaiser criterion, justifies the application of factor analysis to the dataset. Additionally, Bartlett's test of sphericity ($X=1178.388$, $p=0.000$) affirms that the correlation matrix of the data isn't an identity matrix, justifying the statistical validity for conducting factor analysis. The subsequent section details the factor analysis process to determine the number of factors and the associated variables loaded within each.

Table 3: Factor Analysis of Employees' Health Benefits

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	5.5622	4.35271	0.5562	0.5562
Factor2	1.20949	0.41965	0.1209	0.6772
Factor3	0.78984	0.13459	0.079	0.7562
Factor4	0.65525	0.17471	0.0655	0.8217
Factor5	0.48054	0.07413	0.0481	0.8697
Factor6	0.40641	0.06345	0.0406	0.9104
Factor7	0.34296	0.07308	0.0343	0.9447
Factor8	0.26988	0.07619	0.027	0.9717
Factor9	0.1937	0.10397	0.0194	0.991
Factor10	0.08973	.	0.009	1

LR test: independent vs. saturated: $\chi^2(45) = 1185.21$ Prob> $\chi^2 = 0.0000$

Based on the Eigenvalue criterion proposed by Fincham et al. (2008), factors with values exceeding one were selected for further examination. In this analysis, the initial two factors possess Eigenvalues surpassing 1, collectively accounting for 67.7 per cent of the variance in the dataset. The first factor explains 55.6 per cent of the variation, while the second factor explains 12.1 per cent of the variance. This suggests that the factors are significant in representing the underlying structure of the data, and therefore, these factors were retained for further analysis since they were key in providing meaningful insights into the relationships among the variables under this study. The loading of these two factors, subjected to varimax rotation, is detailed below.

Table 4: Rotated Component Matrix of Employees' Health Benefits

Variable	Factor1	Factor2	Factor Uniqueness	Factor Commonality
Is adequate to cover all aspects of employees' health	0.8541	0.0942	0.2616	0.7384

Includes employees' Ex-Gratia policy, with approvals determined by the Board of Directors.	0.7073	0.2755	0.4239	0.5761
It is based on reimbursements for costs included directly from employees' expenses	0.2231	0.7578	0.376	0.624
Covers health service providers both in public and private health facilities	0.6901	0.2478	0.4623	0.5377
Has a dual contribution both from employees and the government	0.0594	0.8646	0.249	0.751
Is effective and meets employees' expectations	0.8922	0.1083	0.1922	0.8078
Is efficient and delivers the results required	0.8792	0.1573	0.2023	0.7977
It is covered within the existing legislation.	0.8335	0.0692	0.3005	0.6995
Specifies the administration of the employees' health covers	0.8174	0.1386	0.3126	0.6874
Has been the basis of the productivity of employees	0.6702	0.3207	0.448	0.552

The results of the loadings of two factors were retained using the Principal Component Factor (PCF) technique. Using Kaiser Normalization, an orthogonal varimax rotation was used to minimise the likelihood of variables loading onto multiple factors. The results reveal the adequacy of health benefits to cover all aspects of employees' health, the inclusion of employees' Ex-Gratia policy, with approvals determined by the Board of Directors, covering health service providers both in public and private health facilities, effectiveness in meeting employees' expectations and efficiency in delivering results exhibit a substantial loading on factor 1. Other variables loading to factor 1 include having health benefits covered within the existing legislation, administration

of employees' health cover specification and using health benefits as a basis for the productivity of employees. The results also show that having dual contributions both from employees and the government and basing health benefits on reimbursements on cost included directly from employees' expenses aptly load in factor 2. Notably, the uniqueness analysis indicates that all factors possess a uniqueness value of less than 50 per cent and a commonality value of above 60 per cent. Subsequently, the study proposed to examine the relationship between employees' health benefits and the performance of commercial state corporations using regression analysis.

Table 5: Model Summary of Employees' Health Benefits and Commercial State Corporation Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.524 ^a	.275	.271	.63466

a. Predictors: (Constant), Employees' Health Benefits

The findings from the model summary of the univariate regression analysis between employees' health benefits and the performance of commercial state corporations yielded an adjusted R-square of

0.271. The implication of this finding was that health benefits explain 27.1 per cent of the variations in the performance of commercial state corporations.

Table 6: ANOVA^a of Employees' Health Benefits and Commercial State Corporation Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.610	1	27.610	68.546	.000 ^b
	Residual	72.906	181	.403		

	Total	100,516	182		
a. Dependent Variable: Corporation Performance					
b. Predictors: (Constant) Employees' Health Benefits					

The above table presents the Analysis of Variance (ANOVA), showing the sum of squares and evaluating the overall significance of the regression model through the f-test. The presented data demonstrates a

highly statistically significant ($F= 68.546, p=0.000$) relationship between commercial state corporation performance and employees' health benefits.

Table 7: Co-Efficients^a of Employees' Health Benefits and Commercial State Corporation Performance

Model		Unstandardised Coefficients		Standardised Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.349	.186		12.653	.000
	Employees' Health Benefits	.436	.053	.524	8.279	.000

a. Dependent Variable: Corporation Performance

Table 7 presents the regression coefficients showing the predictor variables in the model. The "t" column denotes the significance of the predictor in the model, assessing the regression null hypothesis, i.e., the lack of a significant relationship between employees' health benefits and the performance of commercial state corporations. The fitted linear regression model is described below:

$$Y (27.1\%) = 2.239 + 0.524X_1$$

Where;

Y = Performance of commercial state corporations

X_1 = Employees health benefits

Hypothesis: Employees' health benefits do not significantly affect the output of commercial state corporations in Kenya.

Discussion

From the results, employees' health benefits have a significant ($t=8.279, p=0.000$) linear relationship with the performance of commercial state corporations; thus, the null hypothesis is rejected. The regression model also shows when health benefits are held constant, state performance stands at 2.239. If health benefits increase by one per cent, commercial state corporation performance has an increase of 0.524. This finding is also averred by N'geno (2020) and Mustar and Yanar (2023), who established that facilitative

allowances positively affect organisational performance.

The results of the hypothesis, thus, showed that employees' health benefits significantly affect the performance of commercial state corporations in Kenya. Change in employees' health benefits relates to a change in the performance of commercial state corporations in the same direction. This confirms the conclusion derived from Tsolmon and Ariely (2022) that established significant positive effects of health insurance policy and, ultimately, firm performance. On employees' health benefits policy, covering employees with health service providers both in public and private health facilities, ensuring policy is covered within the existing legislation and specifying the administration of the employees' health covers are given the greatest attention by commercial state corporations. However, some participants opined that frequent breakdown of NHIF networks, poor and irregular procurement of medical items, poor management and governance and lack of adequate accredited hospitals by the provider across the country hamper the quality and rigorous benefit from the health schemes, both private and public facilities, to the corporations' employees, leading to demotivation. This finding is aligned with Tsolmon and Ariely (2022), who observed that health insurance has positive effects on worker retention, worker productivity, and firm performance.

The findings also show that efficiency and ensuring delivery of results required, adequacy of covering all aspects of employees' health, including employees' Ex-Gratia policy, with approvals determined by the Board of Directors and effectiveness in meeting employees' expectations are moderately considered by health benefits policy in commercial state corporations. Nevertheless, participants opined that the health insurance covers are relatively expensive and do not cover all illnesses, especially for outpatients. Similarly, they noted that in some cases, prolonged illnesses exhaust the annual or periodical provisions of the cover, resulting in employees' contributions to the medical bills. From this, commercial state corporations appear to follow Liu et al.'s (2022) findings that revealed a relationship between the payment rate for social health benefits and the total factor productivity of a firm. According to the study, a reduction in employers' contribution rate leaves resources needed to broaden firm investment in technology that promotes overall organisational productivity, hence creating a need to balance the benefit and organisational operational priorities. The study also observed the effect of employee social benefits on organisational factor productivity. Papakyriakou (2023) established that higher levels of social benefits funding are associated with better firm performance and higher financial gains. Similarly, Mustar and Yanar (2023) noted that averting employees' health challenges, including disabling work-related injury and illness, leads to employee retention and morale, improved production quality, and strengthened corporate reputation, hence leading to better organisational performance. Thus, from the results of this study, low investment in employee health benefits by these commercial state corporations has the potential to lower overall productivity in commercial state corporations.

From the results, the least considered aspects in commercial state corporations' health benefits policy include the productivity of employees, reimbursements on cost included directly from employees' expenses, and dual contributions from both employees and the government. Participants felt that the CBA agreements between the employer, government, and NHIF are unclear, causing a lot of uncertainty in terms of benefits, the release of funds, and coverage. Employees hired on a short-term or

temporary basis significantly contribute towards corporation performance and are left out of corporation-specific health benefits, i.e., health insurance and medical health coverage and are only entitled to the statutory health benefit. Respondents noted that the recent suggestion to change the National Health Insurance Fund coverage to the Social Health Insurance Fund has created a lot of uncertainties regarding the future of employees' health coverage. In addition, as a new scheme, the Social Health Insurance Fund is not well understood by the contributors and the employers. This may affect its efficiency, as established by Kong et al. (2023), who found that corporate expenditure on social benefits manifests an inverted U-shaped association with organisational sustainability performance. The study further established that excessive social benefit burden could negatively affect internal value creation and environmental performance. However, Gabriel et al. (2021) findings depart from this postulation. The study established a positive relationship between employee benefits and the growth of an organisation, noting that employee medical benefits and insurance coverage enhance the overall growth of an organisation and increase productivity. The researchers note that using such benefits and integrating them with other incentives contributes to a firm's growth and long-term performance outcomes. They added that while designing these benefits, employee engagement should be a key ingredient in the process to make them more responsive, thus yielding broad-based organisational outcomes.

The potential limitation of this study is the limitation of self-reported data, which may introduce social desirability bias and potentially lead to inaccuracies in participants' responses. Moreover, generalising findings beyond Kenya might overlook cultural and contextual differences, limiting the study's applicability to other regions or populations.

CONCLUSION AND RECOMMENDATIONS

Conclusion: The study results reported a positive and significant effect between Employees' Health Benefits and the performance of commercial state corporations ($\beta = .524, p=0.000, p < .05$). The findings of the study show that employee health benefits significantly influence the performance of commercial state corporations by enhancing employee

satisfaction, reducing absenteeism, and presenteeism, attracting and retaining talent and ultimately leading to long-term cost savings. Further, it is important that employees' health benefits policies cover employees under both public and private health service providers, ensuring policy alignment with existing legislation. Therefore, adequately enhancing and covering all aspects of employees' health is prioritised with schemes such as ex-gratia medical policies for all. Mustar and Yanar (2023) opine that this will ensure the accessibility of this benefit to all employees. Further, it is important to specify the administration of employees' health plans as this will enhance the uptake of this benefit.

Recommendations: Firstly, commercial state corporations should sensitise all their employees to SRC remuneration policy guidelines and their impact on designing competitive compensation packages that lead to improved organisational performance. This dissemination, in the form of an approved curriculum, could be done through planned training, seminars, and

workshops. This enables organisations to focus on and prioritise job descriptions geared towards the achievement of organisational strategies, thereby enhancing organisational performance. The study indicates that employee compensation practices adopted by commercial state corporations should be focused on employee productivity, leading to enhanced organisational performance. Failure to do this may result in employee compensation components that are irrelevant to employees and could lower organisational performance. Second, commercial state corporations need to give higher priority to remuneration policy guidelines because they are crucial in enhancing organisational performance. Corporations should integrate remuneration policy guidelines into the core of their management practices so as to enhance their performance. Future research should engage external stakeholders such as the shareholder, (Government) suppliers and relevant development partners using a three-sixty approach.

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