

# **THE EFFECT OF EMPLOYEE WELFARES MANAGEMENT ON EMPLOYEE PERFORMANCE OF AN ANONYMOUS ELECTRONIC COMPANY IN THAILAND 4.0 ERA**

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## **Abstract**

This research aimed at 1) comparing employee performance categorized by personal factors including gender, education, age, position, employment status, and monthly income, and 2) investigating the effect of employee's welfare management on employee performance of an anonymous electronic company in Thailand 4.0 era. The samples used in this research were of 300 employees working in an anonymous electronic company. Questionnaire was used to collect data. The statistics used for data analysis included frequency, percentage, mean, standard deviation, t-test, One-Way ANOVA and multiple linear regression at the statistically significant level as of 0.05. The results showed that the employees had opinion towards employee welfare in terms of recreation and learning aspects in moderate level and accommodation and economics aspects in high level. In addition, they had opinion towards employee's performance in terms of personal performance and work performance in high level. The hypothesis testing resulted that employees with different educational level, age, working status, working position and monthly income had different opinion towards employee performance. Moreover, the multiple regression analysis showed that the employees' welfares in terms of recreation, education, accommodation, and economics affected work performance at the statistically significant level as of 0.05. The result of this study can help the managerial committee members of the organization to manage the welfares for the employees in order to increase the organizational performance.

**Keywords:** Recreation Welfares, Education Welfares, Accommodation Welfares, Economics Welfares, Employee Performance

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## **Introduction**

Organizational welfare is a process of human resource management that aims to provide comfort, satisfaction, and peace of mind for employees and gives employees the work morale and confidence in the organization. The organizational welfare is very important for the organization that every organization essentially considers arranging for their employees. Although it is not the main task of the organization, it can be one of various matters affecting the success or failure of the organization (Tiwari, 2014; Keitany, 2014). The organization needs to find a way to encourage all employees to have a sense of security and happiness in their work; when employees can feel that, they can then work effectively and lead to achieve the organizational objectives and goals. In facts, not only welfare can give the motivation and inspiration for employees, but it can also help employees to feel relaxation. When employees spend time in working for some period, they perhaps feel that they are bored and exhausted. As a result, the organizational welfare therefore is considered as one of many factors to build employees work performance in terms of effective time consumption, work quality, and work volume (Chaimongkol, et al., 2018; Chienwattanasook, Onputtha, & Fugkum, 2018) that can finally link to better the organizational performance both in terms of financial and non-financial aspects. In addition, it is also implemented to reduce employees' turnover and increase number of potential employees (Chen, Wang, & Chu, 2010; Gallie et al., 2012).

In line with this, it is essential that there should be a study to understand about what organizational welfare can build employees work performance. The study hereby focuses on manufacturing and service companies in Phatum Thani, Thailand. The result of this study can be advantageous for the higher level of organizational members such as managers and executives that they can put high attention in order to create effective welfare that can build employees work performance because the right welfare for employees' demand can give the right results.

## **Objectives**

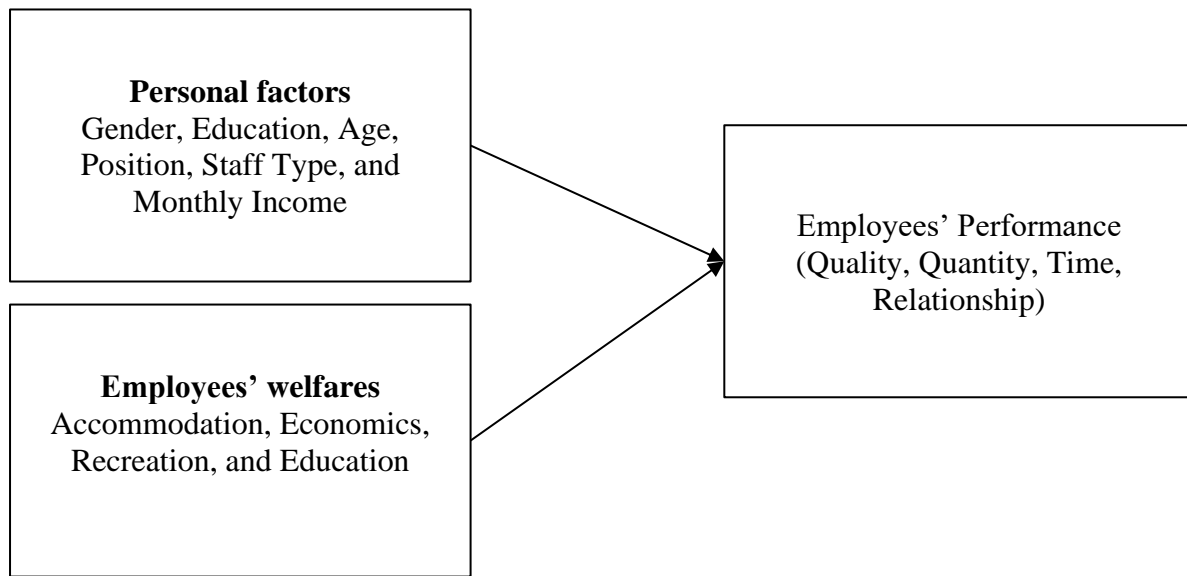
- 1) To compare employee performance categorized by personal factors including gender, education, age, position, employment status, and monthly income
- 2) To investigate the effect of employee's organizational welfare on employee performance in an anonymous electronic company in Thailand 4.0 era.

## **Hypotheses**

Hypothesis 1: Employees with different personal factors had different degree of employee performance.

Hypothesis 2: Organizational welfare had an effect on employee performance.

### Conceptual framework



**Figure 1** Conceptual framework

### Literature reviews

#### Organizational welfare

Welfare refers to any service or activity, besides salary or wages received on a regular basis, that a government agency or private organization provides for the civil servants, employees or persons working in that organization in order that they can feel comfortable and secured in their work, career, and life. In addition, welfare is an incentive for workers to have good morale (Hassan, 2014), so that they can use their physical strength, encouragement and intelligence, and their ability to perform their work fully (Tiwari, 2014; Keitany, 2014) without feeling worried about any difficult problems (Chandola, 2010), in personal matters, family side or organization aspect leading finally to less job satisfaction, less happiness, and less organizational performance. It also creates high rate of employee' turnover (Elci et al., 2012). The elements of organizational welfare can consist of four main dimensions related economic, accommodation, education, and recreation aspects. The related economic welfare aims at supporting the employees to feel secured life by mostly focusing on related-to-finance matters such as bonus, allowance, provident fund, health check-up, and others. Meanwhile, the related accommodation welfare provides places to live and facilities such as work equipment, transportation, medical assistance, and others for employees to smoothly work. In addition, the related education welfare attempts to achieve knowledge and skills related to work for employees by providing in-site and on-site trainings, workshops, and seminars. This also includes the opportunity to further having higher educational level. Lastly, related recreation welfare arranges fun and relaxing activities such as sports, exercises, dancing, party, and others aiming to strengthen employees' physical attributes and tie stronger relationship among employees. Accordingly, Hassan (2014) studied employee welfare

programmes: panacea towards improving labour productivity in the service sector In Nigeria and found that at employee welfare benefits and services have positive effects on labour productivity. They are capable of attracting and holding employees, assisting employees in meeting their needs, better helping in lowering unit cost of production, improving morale, increasing employee security and blunting the sharp edges of managerial autocracy. Also, Gallie et al. (2012) studied about teamwork, skill development and employee welfare and found the relationship among them. In pharmaceutical sector, Parvin, & Kabir (2011) studied about the factors affecting employee job satisfaction of pharmaceutical sector and found that the welfare provided by the organization can link to create job satisfaction. In addition, Hanaysha, & Tahir, (2016) studied about the effects of employee empowerment, teamwork, and employee training on job satisfaction and found that the welfare in terms of training can create positive effect for employees.

### **Employees performance**

Employee performance means the ability of employees to work according to the time setting, numbers of works determined by the organization, and work quality (Chaimongkol, et al., 2018; Chienwattanasook, Onputtha, & Fugkum, 2018). Regarding this, the employees must finish the work as assigned by higher authorized persons, or job description within the timeframe. At the same time, the work that has been done by employees should be highly qualified as customers' command as well as the volume of works should reach the set objectives. In addition, some researchers advocated that employee performance is also related to relationship building in the organization. When employee can achieve both matters related to work and society surrounded in the workplace can be then called as employee performance. Indeed, employee performance is very important point for the organization because it can lead to organization success both in terms of financial and non-financial views. For example, the organization can reduce cost of production, increase customer satisfaction, increase organizational internal improvement, enhance organizational innovation, organizational network, organizational profits as well as organizational reputation. Therefore, the organization is required to oversee the factors affecting the employee performance as well as find the way how to create it. The factors that can influence the employee performance can include personal characteristics such as gender, age, education, marital status, attitudes, and others (Chaimongkol, et al., 2018; Chienwattanasook, Onputtha, & Fugkum, 2018). The organizational management such as welfare, recreation, training, compensation, work environment, and others can be also considered as influential factors (Hameed, & Waheed, 2011; Shahzadi et al., 2014; Pawirosumarto, Sarjana, & Muchtar, 2017). Moreover, the factors derived from outside organization such as technology changes, political issues, economic concerns, as well as industrial competition can be taken as the issues for employee performance.

### **Methodology**

Population in this study are employees working at an anonymous electronic company developing, designing, producing, and assembling electronic circuits and finished electronic products

as well as searching and supplying raw materials for a wide range of customers and manufacturers, such as the medical industry, automotive industry or telecommunication industry. There were 200 employees being randomly selected through judgmental sampling to collect the data (Silpcharu, 2005).

In terms of research tool, the researcher used close-ended questionnaires divided into 3 parts. The first part consisted of check-list questions asking about the personal factors including gender, education, age, position, staff type, and monthly income. The second, third, and fourth part consisted of rating scale questions (1-5 Likert's scale) asking about organizational welfare and employee performance.

For validity check, the researcher had experts in related fields to inspect the accurate and consistency of contents and questions used in the questionnaires and recommend for improvement and edition. For reliability check, the finding discovered Cronbach's alpha coefficient as of 0.954 for organizational welfare and 0.885 for employee performance. This meant that the data derived from this survey questionnaire can be proceeded to have further study (Hajiar, 2014).

Researchers analyzed the data derived from samples by using descriptive statistics including frequency, percentage, mean and standard deviation and inferential statistics consisting of independent sample t-test, One-way ANOVA, and stepwise multiple regression model analysis. The study results were presented in tabulated description.

## Results

### Personal factors of respondents

The results showed that most of respondents were female (65.7%), graduated lower than bachelor's degree (68.0%), aged between 21-40 years old (74.7%), worked in operational staff (93.7%), were temporarily staff (72.0%) and earned lower than 10,000 baht per month (47.0%).

### Organizational welfares and employee performance

**Table 1** Mean, Std. Deviation, and Interpretation of organizational welfares and employee performance

Variables	Mean	Std. Deviation	Interpretation
Accommodation	3.88	0.55	High
Economic	3.53	0.70	High
Recreation	2.82	0.97	Moderate
Education	2.99	0.90	Moderate
Overall	3.31	0.78	High
Employee Performance			
Individual Aspect	4.08	0.51	High
Working Aspect	4.14	0.52	High
Overall	4.11	0.48	High

From the Table 1, it is found that the study related to the overall organizational welfare revealed the high level. However, when considering into each aspect, the accommodation and economic aspect were rated in high level with mean scores as of 3.88 and 3.53, respectively. These implied that employees highly agreed on facilities: provided hygiene and qualified canteen, clean restrooms, drinking-water service points, health checkup, as well as accidental insurance and economic motivation: life insurance, provident fund, bonus, free t-shirt, lunch coupon, accommodation, and diligence allowance. Meanwhile, recreation and education were rated in moderate level, with mean scores as of 2.82 and 2.99, respectively. This implied that the employees moderately agreed on recreation: annual travelling, annual party, relaxing places like coffee café, company sport day and corporate social responsibility and education: reading room, seminar and workshop, further education, knowledge exchange room, and learning encouragement competition. In addition, the study related to overall employee performance was also revealed in high level with mean score as of 4.11. When considering into each aspect, both aspects, individual aspect and working aspect, were rated in high level with mean scores as of 4.08 and 4.14, respectively. This meant that the employees highly agreed on personal aspect: personal skills and capability and working aspect: proper time completion, less mistake, high standardized products, as well as saved company resources.

**Hypothesis 1: Employees with different personal factors had different degree of employee performance.**

**Table 2** Study results related to independent sample t-test and One-way ANOVA analysis

Personal Factors	Employee Performance		
	Overall	Personal Aspect	Working Aspect
Gender	t = 1.96 p = 0.05	t = 1.85 p = 0.07	t = 1.81 p = 0.07
Age	F = 3.40 <b>p = 0.04</b>	F = 4.39 <b>p = 0.01</b>	F = 2.03 p = 0.13
Education Level	F = 15.50 <b>p = 0.00</b>	F = 8.78 <b>p = 0.00</b>	F = 18.93 <b>p = 0.00</b>
Position	F = 4.78 <b>p = 0.04</b>	F = 5.94 <b>p = 0.01</b>	F = 2.72 p = 0.13
Staff Type	t = -6.51 <b>p = 0.01</b>	t = -4.26 <b>p = 0.00</b>	t = -7.43 <b>p = 0.07</b>
Monthly Income	F = 11.23 <b>p = 0.00</b>	F = 10.16 <b>p = 0.00</b>	F = 9.25 <b>p = 0.00</b>

From the Table 2, the study revealed that employees with different age, education level, position, staff type, and monthly income had different degree of employee performance in terms of overall, individual and working aspects because p-value is lower than 0.05; but, employees with different age and position did not have different degree of employee performance in terms of working aspect because p-value is higher than 0.05. In addition, employees with different gender did not have different degree of employee performance in terms of overall, individual, and working aspects because p-value is higher than 0.05.

### **Hypothesis 2: Organizational welfare had an effect on employee performance.**

**Table 3** The result of stepwise multiple regression model analysis of organizational welfare and employee performance

Organizational Welfare	Overall employee performance				
	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	2.04	0.15		13.38	0.00
Accommodation	0.37	0.06	0.42	6.18	0.00
Economics	0.19	0.05	0.27	3.50	0.00
Recreation	-0.17	0.04	-0.35	-4.17	0.00
Education	0.16	0.05	0.29	3.37	0.00

R = 0.67; R Square = 0.45; Adjusted R Square= 0.44; S.E.E. = 0.36,

Durbin-Watson = 1.86, Tolerance = 0.25 - 0.40, VIF = 2.45-3.98

From the Table 3, the multiple regression model analysis was conducted to study the effect of organizational welfare on employee performance by stepwise method. The result indicated that 4 variables including accommodation, economics, recreation, and education have appropriate tolerance, VIF and Durbin-Watson. As a result, it can be concluded that the 4 variables including accommodation, economics, recreation, and education can be employed to predict the dependent variables. After using stepwise multiple regression models to explore the most appropriate values for model prediction, the result indicated that there were 4 variables including accommodation, economics, recreation, and education that have an effect on the customer's satisfaction at the significant level as of 0.05. Overall, the model has correlation coefficient (r) as of 0.67 and adjusted R square as of 0.44 this means that the model can accurately predict the employee performance as of 52%. In addition, the model has the unstandardized coefficients (b) ranging from -0.17 to 0.37 and standardized coefficients ( $\beta$ ) ranging from -0.35 to 0.42. Align with these values; the first is accommodation can most significantly affect the

employee performance with weight as of 0.42 or accounted for 42%. Then, the second is education can significantly affect the employee performance with weight as of 0.29 or accounted for 29%. The third is economics can significantly affect the employee performance with weight as of 0.27 or accounted for 27%. Lastly, recreation can reversely significantly affect the employee performance with weight as of 0.35 or accounted for 35%. Consequently, the model can generate the equation as of follow.

$$Y = 2.04 + 0.37(\text{Accommodation}) + 0.16(\text{Education}) + 0.19(\text{Economics})$$

## Discussion

From the investigation of the first hypothesis, the study revealed that employees with different age, education level, position, staff type, and monthly income had different degree of employee performance. This is because that employees' performance: both in terms of (1) individual aspect referring to individual skills and capabilities and (2) working aspect referring to proper time completion, less mistake, high standardized products as well as saved company resources requires knowledge varying on educational degree, maturity varying on age and experiences, responsibility varying on type of staffs and position, and income leading to work motivation. When employees had higher knowledge can also link to get higher position and responsibility which they have to consider more about the outcome and outputs after they spend their time in working. However, the study revealed that employees with different gender did not have different degree of employee performance. This is because the employees with any gender need to reach the work quality and quantity at the right time setting (Balouch, & Hassan, 2014; Chaimongkol, et al., 2018; Chienwattanasook, Onputtha, & Fugkum, 2018).

From the investigation of the second hypothesis, the study revealed that the organizational welfare including accommodation, economics, and education had an effect on employee performance in the same direction, meaning that the higher degree the organization manage and provide the welfare for their employees, their employees will then work more in order to create work quality and quantity. This is because that the employees who are desiring to reach the set goals related to work quality and quantity within the timeframe as well as to gain good relationship with other colleagues within the organization needs to feel secured and relaxed life as well as to receive enough work knowledge and skills which can be provided by the organization from their welfare program designed for their employees (Tiwari, 2014). This matched with the study done by Gallie et al. (2012) who study about teamwork, skill development and employee welfare and found that employee welfare had relationship with teamwork and skill development. In addition, welfare organized by the organization can reduce employees' stress towards life difficulty, which can be one of many factors ostracizing employee performance. Therefore, the organization should attempt to increase the degree of welfare management because it can link to increase the higher degree of employee performance. However, from the study, recreation was revealed to give the reversed outcome of employee performance, meaning that the higher degree of conduction recreation for employees, the less the outcome and outputs will be. This is because the employees feel only relaxed from the work does not directly link to create employee performance



because the time that has been set for recreation activities negatively affect the outcome and outputs, the organization is required for the day-off for that. Nevertheless, the recreation can reduce the employees stress, which also highly negatively affect the work quality and quantity (Shahid et al., 2011).

### **Recommendations from the study**

The results of this research can be used in the management of employee welfare, which the details are portrayed as follows.

1. The organization should consider providing more accommodation welfare for employees, which they can include hygiene and qualified canteen, clean restrooms, drinking-water service points, health checkup, as well as accidental insurance.
2. The organization should consider providing economic welfare to motivate employee performance, which they can include insurance, provident fund, bonus, free t-shirt, lunch coupon, accommodation expense, and diligence allowance.
3. The organization should consider providing education welfare including reading room, seminar and workshop, further education, knowledge exchange room, and learning encouragement competition because these can give enough knowledge and skills for employees to achieve the organization objectives and goals.

### **Recommendations for future researches**

From the study, it is found that there are still some limitations which there should be some suggestions in the future, guiding the future research as follows.

1. The future study should focus on studying the employees' perception towards welfare provided by the organization in order that the company can then communicate with the employee in the right direction.
2. There should be a comparative study related to other companies' welfare regulations and specifications in order that there can be an appropriate welfare programs providing right to the employees.
3. There should be a study on organizational members' participation, this participation should include from the operational staff and managerial level, because the more participation can link to receive the mutual understandings and ideas which finally can result in creating the right welfares for employees.
4. The future study can also employ the qualitative approach by using in-depth interview to conduct the study. This can assist the study to obtain the deep information about the employees' needs towards the right welfares, which it can finally result in having good employee performance as well as organizational performance.

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