DEPENDENT CARE PROGRAMS AND EMPLOYEE PERFORMANCE IN COMMERCIAL BANKS IN NYERI COUNTY, KENYA

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ABSTRACT

The study sought to determine the effect of dependent care programs on employee’s performance in commercial banks in Nyeri County. The research anchored on the spill over theory, the role balance theory and border theory. The study targeted a total population of 427 employees working in commercial banks in Nyeri County. The study used a semi-structured questionnaire to collect data. The researcher adopted a descriptive research design. A stratified random sampling technique was used to get a representative sample of the population. A sample of 207 was taken to be the representative sample. Analysis of the data was done by use of SPSS and the results were presented using, percentages, bars graphs. The multiple regression analysis results indicated that dependent care programs had a statistically significant, positive effect on employee performance. Pearson correlation analysis results established that dependent care programs as a work life balance variable was strongly, positively and significantly related with employee performance. The study makes recommendations on need to enhance the state of dependent care programs which was found to be poorly implemented. Specifically, the study recommends establishment of working frameworks that allow employees to attend to emergency family matters and establishment of on-site baby day care services for employees. The banks should also consider a lactating center for mothers with suckling babies. Such strategies would help to enhance employee commitment, morale and focus.

Key Words: work life balance, dependent care programs, employee performance, commercial banks

INTRODUCTION

Organizations in the recent changing work environment have devised a variety of ways in an attempt to improve performance of the individual, group and organization level (Muli, 2014). Owing to various external factors, organizations are experiencing a lot of competition hence the inevitability of considering human resources as a very crucial resource for clinching competitive advantage. In fact, banks have moved their business activities outside the conventional banking halls to mediums like mobile internet banking, satellite banking agencies and internet self-service banking applications. Actually, 17 commercial banks in Kenya are offering these channels which leads to convergence of product thus calling for a staff with performance standards that can bring out differentiation (KBA, 2017). As many organizations endeavor to attract and retain employees deemed as talented and at the same time try embrace emerging issues of work life conflicts, it calls for managers to apply a number of strategic human resource (HR) practices for organizational goals to be attained (Guest, 2002). As a result, managers are instituting tested work-life balance programs that minimize operational costs and at the same time enhance competitive advantage. The programs are resource makers and commitment enablers that foster employee’s commitment and improve their performance at work (Ferris, 1998).
Bui, Liu and Footner (2016) describes work life balance (WLB) programs as employer instituted benefits or working environment that enable employees to comfortably balance between work place duties and non-work commitments. Work-life balance is a concept that assists employees to conveniently share their time and effort between job tasks and other commitments in the family. Work-life balance enables an employee to afford time for family, friends, social gatherings, spiritual nourishment, community engagements, self-grooming, and other personal errands hand in hand with the demands at place of work (Crooker, Smith & Tabak, 2002). Employers who have strategic policies and practices that enable employees to conveniently lead a balanced life between work and family are deemed to be providing WLB programs.

Work life balance programs refer to practices strategically sponsored by organizations which enable employees to reconcile job demands and personal lives (McCarthy, Darcy & Grady, 2010). Researchers have generally agreed that work-life balance engenders a person’s psychological well-being, better self-esteem, satisfaction, and a harmonized life and all these reveal a successful balance between work and personal roles (McDonald, Townsend & Wharton, 2013). However, there is yet no consensus as to the proper definition of work-life balance nor its metrics of measure and hence theories of what really work-life balance is, its development, and which variables engender or stifle it, are still being researched on (Dunne, 2007).

Research has shown that workplace practices and culture can adversely impact on the needs of individual employees and negatively affect their health—both physiological and psychological (Gitahi, 2014). Employees who are unwell physiologically and psychologically will definitely not perform their tasks efficiently thus their performance is bound to be on a diminishing trend. Lockwood (2003) argues that there are three major factors that influence a firm in considering and putting in place WLB programs. These are global competitiveness, informed care in personal lives and an aging workforce. Researchers suggest organization’s competitive advantage in the marketplace can be achieved through WLB programs that though initially costly will provide a win-win solution. It is also worth noting that Sheppard (2016) has a different view that it is an assumption that existing work-life balance programs may not automatically enhance employee performance at place of work since the concept has for now only amorphous definitions that cannot authoritatively be relied on to answer the empirical question.

It is evident that staff performance is affected by different variables at their place of work. Job done gives an assessment as to whether a person undertook his or her task well or not. Performance of an employee indicates how well he or she is focused on attaining organizational goals. It entails the way one performs the work tasks in accordance to the job description (Naithani, 2010). Performance of an employee is the art of accomplishing assigned tasks within predetermined timelines and boundaries. Managers are under endless competitive pressure of enhancing their work environment to get employees post improved results. It has been observed that a committed and high performing staff is a vital resource that enables the organization’s
sustainability and achieving of a competitive niche (Kiura, 2010). Implementing the WLB programs can offer staff relief from non-work concerns through wellness programs, flexible work arrangement rosters, paid time-off programs, employee assistance programs and dependent care programs (Shein & Chen, 2011).

Far sighted organizations need to not look at WLB programs as an investment as they will be gainers because they will benefit from the higher workplace productivity of employees with enhanced work-life balance. Arising from the empirical research reviewed, majority of studies have been undertaken in the developed economies and there arises a need for a study to confirm whether the WLB programs can replicate in developing economies in particular Kenya. Indeed, there seems to be inadequate research on WLB programs such as dependent care and wellness programs in Africa and specifically Kenya. Dependent care is a variable that takes an inevitably central position in any discourse of work-life balance. It emerges as a critical factor that disrupts employee presence at work thus affecting productivity in organizations in this era of competition. The common types of dependent care benefits include paid or unpaid leave, dependent care assistance plan, dependent care resource and referral services, onsite child care, and backup childcare (SHRM, 2008). A task force formed at University of Chicago (2008) found that failure to address the care-giving employee’s needs would indicate absence of organizational commitment that would dishearten current employees and, over time, affect the organizations competitiveness.

Zimmer and Campbell (1989) defines employee performance as the extent to which the workforce accomplish their tasks to standards already set in the appraisal system. An organization sets goals to be met by employees which ultimately translate to organizational goals that propel the firm towards achievement of a competitive advantage (Frese, 2002). According to Dissanayaka and Ali (2013) performance entails achievement of pre-agreed targets allocated to employees to be realized within a particular timeframe. Organizational success therefore depends on the employee performance. The current study assessed the effect of dependent care programs, a work life balance issue, on employee performance.

**STATEMENT OF THE PROBLEM**

Turner (2013) underpins a poor state of employees’ performance in the banking sector with most employees registering below targets’ performance. Although a range of work life balance programs have been pursued in the banking sector, past studies indicate that dependent care programs are still underutilized. This is despite empirical studies indicating a link between dependent care programs as a facet of work life balance on employee performance. Muli (2014) established a positive influence between dependent care programs and performance of employees and recommended that management in the banking sector pursue dependent care programs that will engender employee performance. Past studies demonstrate that most employees work for more than 8 hours a day with poor dependent care programs offered
(Laigong, 2015). It is against this backdrop of unsatisfactory employee performance and limited empirical research that this study sought to provide empirical evidence on the influence of dependent care programs on performance of employees in commercial banks within Nyeri County.

**OBJECTIVE OF THE STUDY**

The study sought to establish the effect of dependent care programs on performance of employees in commercial banks in Nyeri County, Kenya.

**RESEARCH QUESTION**

What is the contribution of dependent care programs on performance of employee in commercial banks within Nyeri County?

**THEORETICAL REVIEW**

The Spill Over Theory

Spill over theory by Guest (2002) postulates the situations that allow spill-over to occur between the work micro system and the family micro system. Two perspectives of spill-over have been identified. Edwards and Rothbard (2000) identified positive relation between life and work satisfaction an employee experiences; the cross transference of skills and behavior’s between the two domains such as when stress from workplace is transferred home or when family concerns negatively affect work obligations. Work and family life are not only segmented and integrated at some instances; the two also compensate each other, depending on a situation. Dissatisfaction in one facet may motivate a person to seek satisfaction from a higher level in the other segment of life. A situation of interdependence between work and life domains is formed. Naithani (2010) summarized that interrelation of work and life segments is affected by the spillover from one segment to the other which can be positive or negative.

Sheppard (2016) noted that balance between work and life can be attained in a situation where equal effort is allocated to work and home or, when home demands or work demands dominates depending on option preferred. Spill over occurs by the presence interference of one sphere of life with other. Dependent care programs offered by banks would therefore help in controlling spill over effect. The theory was relevant to the study in that it presents a case for dependent care programs as a facet of work-life balance policies for organizations. The spill over that occur is an interdependence of each other, therefore, organizations are expected to adopt positive work life balance policies that will enable employees to balance between work and life which will make them be effectively committed to achieving the goals of the organization and where work-life does not interfere with family and home life. Banks have a role to play by
providing assistance programs that will ensure family issues like child care and elder care of dependants does not spill over to work place.

**Role Balance Theory**

Work-family research has majorly been based on role stress theory; where the negative effects of work-family interaction has been put under the spotlight. In the recent past, researchers have shifted focus towards the positive interaction between work and family roles. Following role balance theory Kluczyk (2013) have referred work-life balance as “the level to which a person is mutually engaged in – and satisfied with – work and family role”. Work life conflict emerges when roles at place of work and out of work life roles are not easily balancing such that engaging in one role becomes difficult by attempting to fulfill the other role (Beers & Walter, 2001).

In addition, these scholars seemed to recognize three dimensions of work-life balance where time balance refers to equal hours of engagement, involvement balance entails equal mental effort employed and physical presence committed, and satisfaction balance involves equal satisfaction attained both for work and family roles. Greenhaus, Collins, and Shaw (2003) viewed work-family balance as a continuing situation where imbalance tilted towards work role is on one end, and imbalance towards family role is on the other end, and balance pivots at the middle with no bias to work or family role. Arising from the above conceptualization, WLB and Work life imbalance are not essentially beneficial or detrimental, respectively, for psychological wellness and life quality. Ideally, scientific studies should be done whether equal time, involvement, and satisfaction balance is beneficial to a person than imbalance tilted towards work or family role. Theorists have held it that positive role balance leads to role ease and that negative role balance leads to role strain.

Marks and MacDiarmid (1996) conclude that the ease of a role and its strain corresponds with role balance and role conflict respectively. Presence of positive role balance is characterized by role conflict either being cushioned or neutralized before serious issues of role conflict become part of management; this is best arrived at by catering for demands of each role timely and committedly. In the study of Lankau (2006) it is concluded that if the role conflict is reduced, the level of job satisfaction and organizational commitment will be increased. Role theory has evident relevance to this study where positive role balance yields to role ease and on the contrary negative role balance leads to role conflict. Through this theory the roles of caring for dependents should be considered by the employer in order not to create role conflict. The latter directly affects productivity and performance of an employee.

**EMPIRICAL LITERATURE REVIEW**

Several studies have observed that family issues such as the number of children and childcare demands culminate to a situation of skewed balance between work and family roles.
Researchers have also upheld that fathers get stressed in child caring when employed wives are absent in the house. That increased number of children who definitely depend on the care of the parent will lead to greater demands at home front resulting to higher level of stress and finally work family conflict will ensue. Hatten (2012) aver that when it comes to the effects of dependent care-related absenteeism, statistics point to enormous losses being incurred by organizations. The report on productivity losses to U.S business revealed that day long absenteeism alone attributed to family care giving costs on employers more than $5 billion a year. Partial absenteeism added another $1.9 billion to the annual tab.

Further research indicated that a 2007 national survey commissioned by Workplace Options, found that 59% of employees who were dual working couples missed between three and 10 days of work throughout that year courtesy of in adequate backup child-care or elder-care options. As well it emerged that, child care and elderly care, imposed more burden emotionally on female workers compared to male workers. Ross and Mirowsky, (2006) further pointed those working mothers who experienced work life imbalance due to child care ended up in high depression. Child care or elder care arrangements that require increased levels of care may require more manager-employee communication and hence possible flexible work options (e.g., a change in work schedule or the use of leave during periods in which the employee is actively engaged in dependent care responsibilities).

Reddy and Karim (2014) did a study among teachers in schools within Hyderabad and Andhra Pradesh, India to examine the impact of child demographics specifically; number of children and their age on WLB. They concluded that school teachers with more children (three children) and ironically the teachers without children attained the same level of WLB. The researchers upheld that raising a child (not to mention several) is a full-time job in itself that may demand attention at any given minute in the course of the day. Consequently, those organizations that provide programs like on-site day care service and also address family related emergencies when they crop up have formalized policy that enables retention of staff members with both familial and professional ambitions. Dependent care becomes complex and pressures begin to build when the employee is from extended family environment (Blegen, Mueller & Price, 1988). For instance, as dependents in a household increases, more concerns that call for attention also rises.

It is also obvious that number and ages of children who are dependents influence the attention required (e.g., Shellenbarger, 1998b; Voydanoff, 1988). Dependent care demands for elders, both residing with the employee and those at a distance, is an emerging issue as baby boomers grow (Bond, Galinsky, & Swanberg, 1998; Minehan, 1997; Rachor, 1998; Shellenbarger, 1998). Where employee’s residence is situated complicates the care given to dependents in that, urban and rural locations will demand different levels of safety, transportation, and convenience. In summary, life complexity and dynamism is contributed to by the household type and family lineages to which one belongs and the magnitude of care required by other family members. Noteworthy is the fact that an individuals’ family demands, like caring for ailing relatives both
near and afar or assisting children in activities after-school brings great satisfaction to employees (Schor, 1992). The study unraveled the previously ignored effect of employee dependent care to the balance of work roles and family roles on overall employee’s performance

RESEARCH METHODOLOGY

Research Design

This study was conducted through explanatory and descriptive research designs. The main aim of explanatory research is to identify any causal links between the factors or variables that pertain to the research problem. Descriptive research design determines and reports the way things are. According to Kothari (2004), descriptive research studies are studies which are concerned with describing the characteristics of a particular individual, or of a group. Descriptive research design attempts to describe such things as possible as behavior, attitudes, values and characteristics (Mugenda & Mugenda, 2009). It is applicable in the study because the design discovers and measures the cause and effect of relationships between variables (Cooper & Schindler, 2003). In this particular research, descriptive design revealed and described the effect of work-life balance and the performance of employees in commercial banks within Nyeri County.

Target Population

The target population comprised of four hundred and twenty seven banking employees comprised of managers, supervisors and staff in Nyeri County. The reason for targeting the three groups was because work-life balance policies and programs affects them at different levels; each level of staff viewed the balance between work and life in a different perspective. The study used the stratified random sampling technique to select the sample from the target population.

Sampling Technique and Sample Size

Stratified sampling was used to get sample population. The population was divided into three strata i.e. managers, supervisors and staff. Stattrek (2015) formula was used to determine the sample size for a known population and a known level of confidence.

\[ n = \frac{N}{1+N(e)^2} \]

The known variables for the study are as follows: N- Total Population Size is 427; e- Level of Precision at 95% Confidence level.

The unknown variables for the study are as follows: n- Sample Size; Sample size per strata
Employing the above formula, the sample size was determined as:

\[ n = \frac{427}{1 + 427(0.05)^2} = 207 \]

The sampling frame therefore had 207 respondents selected from the target population of 427 employees. To obtain an appropriate sample size from the members a systematic random sampling was used whereby the 2.0675\textsuperscript{th} = (1 + N (e)^2) member were selected.

**Data Collection Instrument and Procedure**

Both primary and secondary data was used in the study. Primary data was collected using self-administered questionnaires. Questionnaires were preferred in this study because the responses were arranged in a standardized way and therefore more objective response compared to other tools of data collection (Mugenda & Mugenda, 1999). The questionnaires were administered through drop and pick method. The researcher developed semi-structured questionnaires to enable the respondents to easily respond to questions because each question asked was followed by alternative answers, they were easier to analyze, they saved on time and they helped the respondents to express their feelings as they permit a greater depth of response and thoughts without restrictions. Secondary data was collected on the dependent variable i.e. performance as measured by customer loyalty, service efficiency and staff turnover. Secondary data was also obtained from reports from Central Bank of Kenya (CBK) and past records of Banks under investigation in Nyeri County.

**Data Analysis and Presentation**

Data analysis entails transforming raw data as collected in the field into usable information (Selltiz, Jahoda, Deutsch, & Cook, 1975). The researcher organized the data to ensure that the raw data is edited to free them from inconsistencies. Descriptive statistics (mean s and standard deviation) were used to analyze data and describe the general state of work life balance and employee performance in the banks. Inferential statistics (Pearson correlation analysis and multiple linear regression analysis) were also applied to guide generalizations or inferences on the population. Statistical Package for Social Sciences was used to enter, store and analyze data.

The variable Y is usually defined as:

\[ Y = \beta_0 + \beta_1 X_1 + \epsilon \]

Where: Y= Employee Performance; \( \beta_0 \) = Constant; \( X_1 \) = Dependent Care Programs; \( \epsilon \) =Error term of the model; \( B_1 \)=Coefficients of independent variables.
Results of the data analysis were presented through tables and figures (bar graphs, pie charts and histograms).

**RESEARCH FINDINGS AND DISCUSSIONS**

**Response rate**

A total of 207 questionnaires were distributed to the various sampled respondents. Out of these, only 172 instruments were submitted back. This condition represented a response rate of 83.09 per cent. According to Mugenda and Mugenda (2003), a response rate of 50% would be considered adequate, 60% good and above 70% very good. The response rate for the current study was very good.

**Employee Performance in Commercial Banks**

This section covers descriptive statistics on employee performance in the banks. The information was sought, only from the management team which was considered well conversant with the details sought. The management was requested to indicate whether there was a continuous appraisal system in place. According to the research findings, all the banks had a well-established continuous appraisal systems for its employees. It was therefore possible to objectively establish the performance of the workforce. Ranking, forced distribution and use of checklists were listed as the main tools used in evaluation of employee performance. Other tools listed included use of paired comparison, confidential report and management by objectives (MBOs).

With regard to statistics on the extent to which the organization’s management team concurred with various issues on employee performance in the bank, research findings focused on the dimensions of employee performance focused on included employee turnover, ability to enhance customer loyalty and efficiency in service delivery. The mean of the means for all employee performance dimensions assessed stood at (4.24). This was indicative that the level of employee performance was generally good as shared by the organizational management. The average standard deviation for all the factors assessed stood at a low of (0.92), indicating that the responses were closely held about the mean. This affirmed the good state of employee performance in the banks as shared by the management.

**Dependent Care Programs by Commercial Banks**

This section provides descriptive statistics on dependent care programs as a variable of key interest to the study. Results established a poor state of implementation of dependent care programs in the banks. This is reflected by the mean of the means which stands at (2.80) which indicates that most respondents differed with the position of satisfactory application of dependent
care programs. This is further affirmed by the low average standard deviation (0.93) which illustrates that the observations are held close to the mean. Enhance employee commitment, morale and focus were cited as the most satisfying benefits accruing from application of dependent care programs by the banking institutions. Results indicate that the prescriptions of role theory on value of dependent care provisions as highlighted by Greenhaus, Collins, and Shaw (2003) were inadequately entrenched. The results further indicate that past empirical foundations such as Lankau (2006) on importance of dependent care programs may not be sufficiently entrenched.

**Effect of Dependent Care Programs on Performance Commercial Banks**

To effectively assess relationship between dependent care programs and employee performance, the Pearson correlation analysis was considered. Table 1 provides the statistical output of the Pearson Correlation analysis.

**Table 1: Pearson Correlation Analysis**

<table>
<thead>
<tr>
<th>Dependent Care Programs</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.895**</td>
<td>.025</td>
<td>172</td>
</tr>
</tbody>
</table>

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

The Pearson Correlation coefficient for dependent care programs (0.895) indicates a very strong, positive relationship with employee performance. The association is considered very strong as the coefficient is greater than 0.7. The statistical significance threshold is met as the P-value or Sig. (2-tailed) value of 0.025 is less than 5% or 0.05 level of significance. The results share with past indications by Hatten (2012), Ross and Mirowsky, (2006) and Reddy and Karim (2014) who demonstrated that dependent care programs are positively associated with employee performance.

From Multiple Regression Analysis Results, the coefficient for dependent care programs (0.790) demonstrated a positive effect of dependent care programs on employee performance. The effect is considered to have met the statistical significance threshold as the associated p-value of 0.020 is below the 5% or 0.05 level of significance. The implication is that a unit increase in dependent care programs would result to a 0.790 unit improvement in employee performance. In conclusion therefore, dependent care programs is a statistically significant predictor of employee performance. The results therefore indicated that all the work life balance (independent) variables under work life balance (flexible work arrangement, employee
wellness programs, employee assistance programs and dependent care programs) were useful predictors of employee performance.

CONCLUSIONS AND RECOMMENDATIONS

The study concluded that dependent care programs were key in determining the employee performance levels in the organizations. Recommendations are made on need to enhance the model of work life balance in place at the banking institutions. Particularly, with results indicating a poor state of implementation of dependent care programs in the banks, the study recommends strategies to enhance these programs as the study found their value in improving the performance of employees. The study specifically recommends establishment of working frameworks that allow employees to attend to emergency family matters and establishment of on-site baby day care services for employees. The banks should also consider a lactating center for mothers with suckling babies. Such strategies would help to enhance employee commitment, morale and focus.

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