

ARTICLE

EFFECT OF EMPLOYEES' WELFARE ON JOB PERFORMANCE OF STAFF AT THE ISLAMIC AZAD UNIVERSITY, ABADAN AND KHORRAMSHAHR BRANCHES

Najmeh Diris Aslpoor¹, Ghanbar Amirnejad^{2*}

Persian Gulf, International Branch, Islamic Azad University, Khorramshahr, IRAN

ABSTRACT

Provision of staff welfare facilities is the main factor in employees' productivity and a prerequisite of productive activity. The main aim of this study was to evaluate the effect of employees' welfare on the performance of staff at the Islamic Azad University, Abadan and Khorramshahr branches. The present research is an applied one based on the objective, and a descriptive-causal study with regard to data collection method and relationships among variables being specifically based on structural equation modeling. The study sample included 150 personnel of the Islamic Azad University, Abadan and Khorramshahr branches. Data were collected using census method. A total of 150 questionnaires was distributed and the same amount of valid questionnaires was obtained from the respondents. In order to collect research data, two questionnaires were used, namely staff welfare facilities and job performance. Data were analyzed using SPSS and LISREL software. Results of structural equation modeling indicated that staff welfare facilities and its dimensions have significant positive effects on job performance.

INTRODUCTION

Some experts define management as the process of effective and efficient use of human and material resources through planning, organizing, directing, leading and controlling in order to achieve organizational goals. What this definition and the same ones imply is that increased efficiency and effectiveness is such an issue being in the focus of management measures. Organizations have primarily been created in order to achieve the goals and the rate of success in achieving organizational goals is associated with the performance of human resources working in organizations. The performance of human in many cases reflects ones' characteristic, spirit, and attitude about the universe. The difference between successful and unsuccessful people is not in things they have, but in the things that they choose and perform with the help of their available resources and also their experiences of life. Accordingly, organizational life depends on the proper functioning of employees, and managers should recognize that they can raise employees through effective management of performance, remind them of their strengths and weaknesses, and proceed toward organizational goals and objectives [1].

Paying attention to the welfare of employees has always been one of the main factors in their productivity [2]. Employees of an organization always become particularly interested in and believe in organizations based on the value that the organization respects to provide them with well-being, comfort, and safety [3]. The provision of health and welfare of employees and compatibility of the work conditions with the requirements of their physical and mental situations are no longer solely a privilege, but a humane duty and a prerequisite for the possibility of productive activities contributing to the preservation and improvement of the workforce, enhancement of efficiency, and multiplication of capital [4]. Similarly, Bell and Menguc (2002) stated that the welfare of employees is critical to their participation in the success of organization. The facilities of employees in an organization will be fulfilled by the use of techniques for the quality of working life [2]. Providing an incentive necessary to work and paying attention to motivational forces of employees account for the most important yet most complex tasks of an administrator [5]. In this research, the amenities presentable to the studied employees are in seven facility dimensions of credit, health and insurance, transportation, housing, cultural-sports- tourism, and allowances.

For decades, job performance has been a significant issue for researchers and organizations seeking ways to improve the job performance of employees through a variety of different studies [6]. However, what is observed in the organizations of the country reflects the fact that taking advantage of human resource factor is of limited utility and the lack of efficient use of these factors has caused challenges for many of the organizations [1]. Lack of attention to the needs of employees and neglecting the provision of efficient facilities will have negative and irreversible impacts on the staffs' attitude and performance. Therefore, this study is to verify whether or not the provision of welfare facilities for employees affects the improvement of job performance of staff at Islamic Azad University of Abadan and Khorramshahr.

Job Performance

The existence of any organization is dependent upon its staff. Almost all experts have identified human resources as the most fundamental factor. Hence, human resources have pivotal roles in the evolution of organization, and massive organizational changes stem from unlimited intellectual capabilities of this

KEY WORDS
Welfare of employees,
employees'
performance, Islamic
Azad University of
Abadan and
Khorramshahr branches

Published: 15 October 2016

*Corresponding Author
Email: g.amirnejad@yahoo.com
Tel.: 09161115579

element. In order to achieve optimal job performance and effective efficiency, organizations seek ways to optimize the environment for employees such that they attain a level of ability that is more effective on their job. Spector denotes that people are able to function well in their careers when they benefit from the ability and motivation necessary for the proper performance. Motivation is an individual characteristic, but can be derived from both oneself (as character) and environmental conditions [7]. Job performance is defined as the organizational value of an employee's job behavior at different times and positions. The organizational value is an organization's estimate of its employees' activities and services such as performing job duties or having an appropriate working relationship with other employees. An important point in this definition is that job performance has been defined as a property or certain behavioral characteristic; in particular, job performance has been considered as an integrated feature of separate and distinct behavior occurring in a range of time. The second point in this definition is that the behavioral characteristic of job performance depends on the expected value of the organization. By such a definition, the job performance can be considered as a variable between a set of behaviors performed by different people and those done by the same people at different times[8].

The welfare of staff

The present time understanding of welfare is different from that of the postmodern times, and though a greater number of theorists had scrutinized the economic aspects of welfare, social and spiritual categories have also been raised in the concept of well-being in the current age. Thus, what is discussed today as well-being is more comprehensive than the past sort of and anthropocentrism has almost replaced the exclusively instrumental and materialistic thought. In other words, in the new millennium when ideas of postmodernism have gained the opportunity to be unfolded, such issues as institutional trust, social contentment, health satisfaction, and other humanistic concepts have come together under the title of social welfare. Today, organizations realize the importance of human resources as the most important source of competitive advantage. Today's organizations are competing for the presentation of welfare programs and the amount of attention to staff to attract and retain the manpower. In response to a wave of competition for human resources, organizations invest in the implementation and improvement of staff welfare programs as well as supporting the staff and try to provide facilities and amenities for their staff as much as possible [9]. Well-being is the standard levels in issues such as health, employment, housing, income, opportunities for creativity, leisure, proper physical environment, access to local and social services and amenities, a sense of security and health, the creation of appropriate conditions for social and political participations, etc. [10]. There has been a long struggle between objective and subjective approaches with respect to social welfare. In the objective approach, the emphasis goes on the measurement of "hard measures" such as earnings or adapt to live in the same condition, whereas the subjective attitude accentuates the "soft measures" such as income and housing satisfaction [11]. This study measured the variable welfare through components provided at Azad University branches, including medical and insurance, transportation, housing, cultural, sports, tourism, and allowance facilities.

The relationship between the welfare of employees and job performance

Experience has shown that an organization can be successful only by relying on employees. Therefore, benevolent organizations always pay special attention to continuous quality improvement of working by the staff, and such a behavioral pattern of managers results in reduced wastage and improved product quality ultimately leading to increased productivity. When employees understand that the organization is concerned to their happiness and supports and assists its forces, they will assign themselves as part of the organization considering it their representation thereby having a sense of adherence and allegiance to the organization. In this case, they not only have greater incentive and work more seriously, but they reduce their resistance against stressful factors [3]. It is remarkably effective to take into account the staff incentives to increase their effectiveness and efficiency. In other words, managers pay attention to the important issue that the more effective the motivation of employees, the more the efficiency of employees [2]. The human resources are responsible for the tasks of an organization to accomplish, and their performance is the organization's performance [12].

Effective provision of staff welfare facilities is a challenge for managers and researchers to meet the different needs of employees. It is an essential principle to provide welfare facilities for staff and its effects on motivation and performance enhancement, and eventually, improvement of employees' performance rendering benefits to organizations. University staff have critical roles in the development of students with different characteristics and cultures. Their behaviors and operations are not only of functional aspects, but also of education and training features. Providing university staff with welfare will lead to satisfied employees whose job performance is not only reflected in the function of the university but also in the performance of the academics. Also, Kamkari et al. (2014) showed that welfare services are effective on the employees' performance. Ajala (2012) stated that welfare affects employees' productivity. Research conducted by Niamoamo et al. (2012) and Kambouy et al. (2013) showed that welfare services played a major role in serving performance of the employees. Logasakthi & Rajagopal (2013) studied the health, safety, and welfare of chemical industry employees and concluded that the safety, health, and well-being are among the criteria for the promotion of labor productivity. Results reported by Ahadi, Fathi and Abdolmahdi (2014) suggested that various welfare measures provided by the employer promptly affect health, fitness, physical and mental health, and ultimately improvement of overall efficiency and productivity of workers. Results presented by Rajabi, Hamidi and Jalali Farahani (2014) showed that participation in budgeting by managers had an influence on their satisfaction and commitment, and

ultimately their performance. Findings by Asgari et al. (2013) showed that perceived organizational support had a significantly positive relationship with the variable of job performance and its components. Nasiripour et al. (2012) reported that an increase in facilities will result in responding to the urgent needs associated with increased employees' accountability. Taleqani et al. (2012) noted that the general well-being of employees and considering their overall satisfaction will bring about their commitment to the organization and, ultimately, an improvement in the organization's performance. The results of Naimi et al. (2012) showed that there was a significant positive correlation between the quality of working life and job performance. Outcomes of a study by Nurodini (1384) revealed that the Karaneh (reward) plan caused the satisfaction of employees and improved their performance.

Accordingly, the following hypotheses can be considered:

Main hypothesis: the welfare of employees has a significant positive impact on the job performance of staff at Islamic Azad University, Abadan and Khorramshahr branches.

Sub-hypothesis I: medical and insurance facilities have significant positive effects on the job performance of staff at Islamic Azad University, Abadan and Khorramshahr branches.

Sub-hypothesis II: transportation facility has a significant positive effect on the job performance of staff at Islamic Azad University, Abadan and Khorramshahr branches.

Sub-hypothesis III: housing facility has a significant positive impact on the job performance of staff at Islamic Azad University, Abadan and Khorramshahr branches.

Sub-hypothesis IV: cultural, sport, and tourism facilities have significant positive impacts on the job performance of staff at Islamic Azad University, Abadan and Khorramshahr branches.

Sub-hypothesis V: allowances have significant positive effects on the job performance of staff at Islamic Azad University, Abadan and Khorramshahr branches.

Conceptual model

According to the concepts and theories explained as well as the objectives and hypotheses of this research, the following conceptual model (Fig. 1) was accepted and evaluated in order to assess the impact of employees' welfare on their performance (based on the facilities available at the Islamic Azad University branches, namely medical and insurance, transportation, housing, cultural, sports, tourism, and allowance facilities).

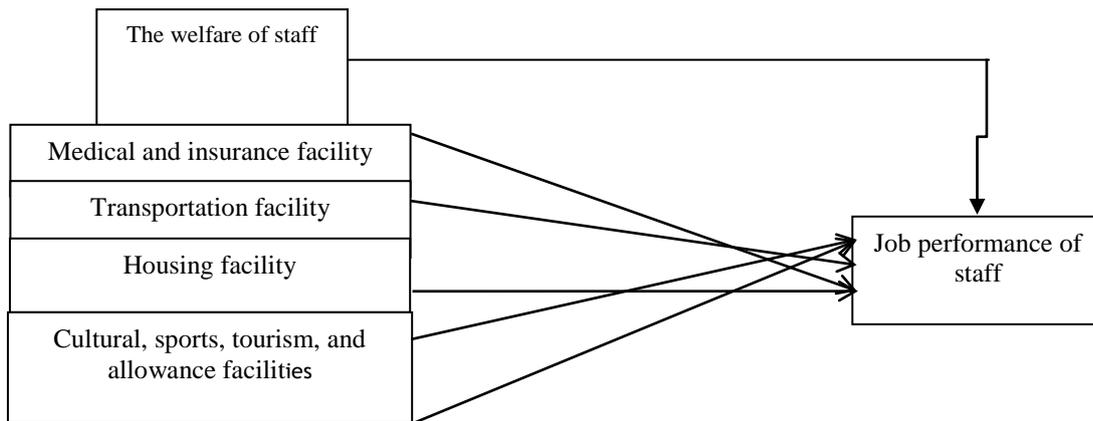


Fig.1: Conceptual model of the research (derived from research literature).

MATERIALS AND METHODS

The present research is an applied one based on the objective, and a descriptive-causal study with respect to data collection method and relationships among variables being specifically based on structural equation modeling. The study sample included 150 personnel of Islamic Azad University, Abadan and Khorramshahr branches. The census method was used for data collection. A total of 150 questionnaires was distributed and the same amount of valid questionnaires were obtained from the respondents. In order to collect research data, two questionnaires were used, namely staff welfare facilities and job performance. The questions were divided into two general and expertise questions. General questions included questions about demographic characteristics of the cognitive sample. The expertise questions were presented in the form of two questionnaires of employees' welfare and job performance.

In this study, the performance of employees was measured using Patterson's questionnaire (1992) through 15 items, which were graded based on the Likert five point scale. The questionnaire for the welfare of employees was realized based on the facilities available at the universities, namely the medical and insurance, transportation, housing, cultural, sports and tourism, and allowances amenities. This tool contains 15 items graded based on the Likert five point scale.

The reliability of questionnaires was determined by Cronbach's alpha using the statistical software SPSS. The Cronbach's alpha coefficients of 0.928 and 0.966, respectively, were obtained for welfare of employees and job performance indicating the stability and reliability of the research tool. In addition, the validity of questions was examined by two methods of content validity and factor reliability. The opinions of some specialists, academics, and experts were used to test the validity of the questionnaire content and, finally, it was ensured that the questionnaire was a measure of the characteristics meant by the researchers. The factor reliability test of the questionnaire was performed with the help of confirmatory factor analysis using LISREL software. Looking at the results of LISREL in [Table 1], it is evident that both the measurement models fulfill the mentioned conditions being appropriate models.

RESULTS

This section represents the results from confirmatory factor analysis of the measurement models and also the findings from the test of research hypotheses using the statistical software SPSS and LISREL.

Measurement model

In the structural equation modeling, it is necessary to ensure the accuracy of measurement models. Hence, the results from the confirmatory factor analysis of measurement models for the study variables are provided as follows.

Table 1. Confirmatory factor analysis of measurement models

| Measurement model | Confirmatory factor analysis | χ^2 | Df | χ^2 / df | p-value | RMSEA | GFI | AGFI | CFI | NFI | NNFI |
|-----------------------|------------------------------|----------|-----|---------------|---------|-------|-----|------|-----|-----|------|
| Welfare of staff | Second time | 93.31 | 85 | 1.09 | 0.25204 | 0.026 | 92% | 90% | 99% | 97% | 99% |
| Job performance model | First time | 387.73 | 190 | 2.03 | 0.00000 | 0.045 | 92% | 90% | 99% | 97% | 98% |

As seen in [Table 1], the results from confirmatory factor analysis of measurement models show that the main indices of fitting all latent variables are in appropriate and acceptable ranges. In other words, the conceptual models of the study are largely in accordance with the observed data.

Structural model

The structural equation modeling and path analysis were used in order to test the research hypotheses. In the implementation of structural equation model to test the hypotheses of this research, first the software output revealed the suitability of the structural model fitted ($\chi^2/df = 2.31$; RMSEA = 0.042; GFI= 0.93; AGFI = 0.91; NFI =0.97; NNFI =0.99; CFI = 0.99). In other words, the observed data are largely based on the conceptual model of research. Results of the structural equation modeling show that the welfare of employees has a significant impact on the job performance of staff at the Azad universities of Abadan and Khorramshahr ($t = 5.72$; $\beta = 0.66$). Therefore, the null hypothesis is rejected and the main research hypothesis is confirmed.

[Fig. 1] Structural model of research at the standard estimate

[Fig. 2] Significance numbers of the research structural model coefficients

Also, in the implementation of structural equation modeling to test research hypotheses, the software output indicated the suitability of structural model fitted ($\chi^2/df = 2.21$; RMSEA = 0.056; GFI= 0.91; AGFI = 0.90; NFI =0.96; NNFI =0.97; CFI = 0.98).Results from the structural equation modeling show that the medical and insurance, transportation, housing, cultural, sport, tourism, and allowance facilities significantly affect the job performance of staff at the Azad universities of Abadan and Khorramshahr. Therefore, the null hypothesis is rejected and all the research hypotheses are confirmed. However, the cultural, sport, and tourism facilities have the greatest impact on the job performance ($t = 8.96$; $\beta =0.51$) and the medical and insurance facilities have the least roles ($t = 5.31$; $\beta =0.42$).

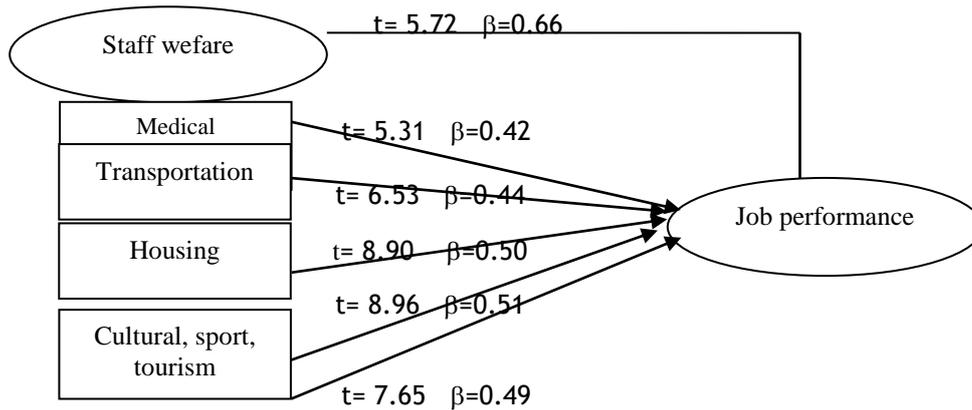


Fig. 3: The structural model of research to test the hypotheses.

DISCUSSION AND CONCLUSION

Among the most important motivational issues, which is nowadays of extensive interest in the studies of resource management and organizational behavior and affects labor productivity, is the subject of proper job functioning and the influencing predictive factors [13]. Advanced world experience also shows that human resource is the major cause of global competition that causes motivation and expedition of increased potency of organizations and, ultimately, the society [1]. Therefore, the essential resource of an organization should be administered and reared, and welfare facilities should be provided for one and the family [14] because the success rate in achieving the objectives of the organization is in connection with the performance of human resources engaged therein [1]. So, managers should afford necessary measures by improving living conditions and welfare in order for the employees' performance to increase [15].

Currently, intelligent managers know that when they invest in the field of human resources development and promotion as much as possible, they have ensured success, efficiency and competitive advantage of their organization. The success of these leading organizations depends on effective use of resources and their efficient combination in the implementation of organizational strategies [14]. Accordingly, this research tried to identify and examine the effect of amenities of employees on their performance. For this purpose, the structural equation modeling was applied to test the study hypotheses. Results of the test showed that well-being facilities had a significant positive effect on the job performance. Additionally, the components of the facility (medical and insurance, transportation, housing, cultural, sports, tourism, and allowance facilities) had significant positive impacts on the job performance.

The results indicated that the provision of medical and insurance facilities, care for the health of employees and their families, and meeting these needs of people will bring their dedication to the organization and improved performance in the organization. In order to develop medical and insurance facilities, it is recommended that employees and their dependents to benefit from insurance services even in retirement, establishment of treatment centers for university staff, expansion of knowledge in various fields of health and hygienic conditions through the creation and distribution of scientific brochures, providing information on the treatment and prevention of common diseases at the proper time. With respect to employees' transportation, paying attention and care to ease staff conveyance will lead to their comfort and peace of mind when they attend work and home on time; this in turn will cause the employees to do their job duties with timely attendance and peace of mind. Therefore, it is suggested that administrative vehicle to be allocated for the transportation of all personnel. Assigning organizational vehicle for employees working in various administrative centers and their commuting around the city. It is also important to take care of the quantity and quality of corporate vehicles for different employees of the organization.

With regards to housing, taking into account the housing and providing conditions for a better life and comfort for employees would help them with peace of mind and making all their efforts to improve organizational performance. Thus, it is important to heed employees' requests to provide quality housing with facilities. It is also recommendable to give land, housing unit or leased residential units to employees. According to the results of hypotheses testing, sports, cultural, and tourism facilities were of greatest impacts on the job performance of Islamic Azad University, Abadan and Persian Gulf branches. However, the results of t-test showed an average status of this aspect at the above universities with an interim to

achieve an optimal situation. So facilities should be provided for the development of such amenities. It is recommended that universities hold formal appreciation ceremonies for the professors and employees with the participation of academics and their families, and invest for touristic, recreational, and scientific trips of staff as needed. Moreover, seasonal scientific conferences or various programs should be held at the university. Holding artistic competitions is also a strategy that can be applied in this regard. Other suggestions have been summarized below:

- Membership at libraries affiliated to the universities for free or half-price;
- The use of sports facilities;
- Meeting the sports competitions with dependents;
- Hajj quota and trip to the Holy Shrines;
- Paying part of the cost of travel and accommodation of employees on an annual basis.

Allocation of various grants and contributions of individuals in relation to its quality not only fulfill the welfare needs of individuals and increase their satisfaction with the organizations, but expand their efforts in doing activities in the organization.

It is recommended that regulations be established for customer pay bank loans with suitable profit to the staff. ID cards should be issued to take advantage of university facilities for employees and dependents, allowances be supplied with child care costs for employees who have children, cash allowances provided is chosen and paid in accordance with the staff condition, and decisions in relation to granting allowances be done through consulting with staff and based on their requests.

Meeting the needs of individuals and providing comfort amenities for the personnel will make them feel safe and secure in the future, ultimately boosting their commitment to the organization and their sense of responsibility to do the job and stay in the organization. Therefore, the following propositions are recommended in order to improve the overall welfare effect on employees' performance:

- Care and control of the implementation of welfare programs in terms of objectives, identification of possible deviations and suggesting modifications.
- Among the activities of interest for staff are special programs for their families. Programs such as pilgrimage tours, recreation, training courses, sports and health, supply of books and pamphlets related to the organization to increase public knowledge of families about the organization, and any other program that could cover part of the social life needs to staff; whatever the organization is able to reduce staff concerns about their families the same amount can increase the effectiveness of their work.
- Providing flexible benefits plan rather than a public one with the aim that the employees are able to choose from the benefits available. Thereby, any worker will have the opportunity to choose specific sets of interested benefits depending on the type or condition in which it is required.
- Performing welfare affairs scientifically using scientific records and experiences carried out in the country in order to increase the quality of welfare services and prepare the ground for the development of these activities.
- Strengthening the programs and activities related to the participation and cooperation of staff and the use of facilities and resources resulting from staff participation in the development of activities and support services.

CONFLICT OF INTEREST

There is no conflict of interest.

ACKNOWLEDGEMENTS

None

FINANCIAL DISCLOSURE

None

REFERENCES

- [1] Ramzgooyan Gh, Hassanpoor K. [2013] The relationship between commitment and performance of employees in the Ministry of Economic Affairs and Finance, *Economic Journal*, Issues 3 and 4.
- [2] Nasiri Poor AA, Tabibi J, Habibi M. [2012] Relationship of welfare facilities with responsibility in the staff of health centers in the city of Noor, *Health & Hygiene Magazine*, Vol. III, Issue III, pp. 28-37.
- [3] Hosseini M, Mahdad A, Golparvar M. [2013] Analysis of the relationship between perceived organizational support with perceived job stress and deviant behaviors based on structural equation model, *Journal of Social Psychology*, 8th year, Issue 28.
- [4] Saghari M, Eskandari F. [2005] Professional security of nursing in the physical, mental, and social aspects from the perspective of nurses, *Birjand Quarterly Journal of Nursing and Midwifery*, 2(1).
- [5] Ann Gandalf. [2005] Why Do Nurses At A University Hospital Want To Quite Their Jobs? *Journal Of Nursing Management*, 13: three hundred twenty-seven to nine.
- [6] Tabiu A, Nur, AA. (two thousand and thirteen), *Assessing The Effects Of Human Resource Management (Hrm) Practices On Employee Job Performance: A Study Of Usmanu Danfodiyo University Sokoto*, *Journal of Bussiness Studies Quartely*, 5(2).
- [7] Naimi G, Mohammad Nazari A, Sanaee Zaker B. [2012] The relationship between quality of working life and work-family conflict with job performance of gander staff, *Career and Organizational Counseling Quarterly*, 4(10).
- [8] Egeie J, Khodapanahi MK, Fathi-Ashtiani A, Sabeti A, Ghanbari S, Sayed Mousavi P. [2009] Interaction between personality and metamotivational styles in job performance, *Journal of Behavioral Sciences*, 3(4): 301-310.
- [9] Taleghani, Gh., Divandari, A., Shirmohammadi, M. (2009). The impact of perceived organizational support on employee engagement and organizational performance:

- a study in branches of Bank Mellat in Tehran, Iranian Journal of Management Sciences, fourth year.
- [10] Zareiepoor, M., Eftekhari Ardabili, H., Azam, K., Movahed, A. (2012). Mental health status and its relationship with family welfare in pre-university students in city of Salmas in 2010, *Journal of Research Development in Nursing & Midwifery*, 9(1).
- [11] Veenhovern R. (the 2,002th), why social policy indicator subjective needs, *social indicators research*, 58: 33-45.
- [12] Isfahani S, Kamkar M, Raie M. [2005] The relationship between factors affecting the employees' performance of Islamic Azad University, Mobarakeh branch and satisfaction of students with the staff operations, *Knowledge and Research in Applied Psychology*, Issue 24.
- [13] Babaiean A. Samani, Y. Karami Z. [2014] The relationship between personality traits and job performance of NAJA mission categories, *The Scientific-Promotional Magazine*, 9th year, Issue 37.
- [14] Roghani S. Abzari, M. and Soltani, A. (2012). Identification of key indicators to measure performance for compensation, *Development and Management Process*, 25(81).
- [15] Ahadi B Fathi, A Abdolmohammadi K. [2014] Survey of Psychological Factors Affecting the Job Performance of Police Command of East Azarbaijan, *East Azarbaijan Disciplinary Knowledge Quarterly*, 4th year4 (S. 15).
- [16] Rajabi M, Hamidi M, Jalali Farahani M. [2014] The effect of budgetary participation on job attitudes and performances of physical education managers at universities, *Research Paper of Sport Management*, 6(4).
- [17] Taleghani, Gh. Tanaomi, M., Farhangj, A., Zarrinnegar, M. [2012] Factors influencing the increase in efficiency (Case study: Saman Bank), *Governmental Administration*, 3(7).
- [18] Ajala EM. [2012] The Influence of Workplace Environment on Workers Welfare, Performance and Productivity, *The African Symposium*, 12(1).
- [19] Bell SJ, Menguc B. [2002] The Employee Organization Relationship, Organizational Citizenship Behaviors, And Superior Service Quality, *Journal Of Retailing*, 78: 131-146.
- [20] Kamkari K, Ghafourian H, Ghadami MH. [2014] Welfare Services and Benefits Impact on the Performance of Staff of the Inspector General Organization, *Journal of Applied Environmental and Biological Sciences*, 4 (3):114- 119.
- [21] Kamboi, A. Ceoffrey, BK Thomas, TK Keter, CJ (2013). Staff Welfare as an Antecedent to Service Delivery among Civil Servants in Kenya a Case Study of Nandi County, *European Journal of Business and Management*, 5(22)
- [22] Logasakthi K. Rajagopal K. [2013] A Study On Employee Health, Safety and Welfare Measures of Chemical Industry in the View of Salem Region, *International Journal of Research in Business Management*, 1(1).
- [23] Nyamwamu WB, Atambo WN, Munene C. [2012] Role of Employee Welfare Services on Performance of the National Police Service in Kenya: A Case of KisII Central District, *International Journal of Arts and Commerce*, 1(7)