



The Impact of Worker's Compensation on Productivity: A Case Study of Nigerian Breweries Plc

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How to cite this paper: Baiyewu, A.S. (2023) The Impact of Worker's Compensation on Productivity: A Case Study of Nigerian Breweries Plc. *Open Access Library Journal*, 10: e10134.
<https://doi.org/10.4236/oalib.1110134>

Received: April 9, 2023

Accepted: May 20, 2023

Published: May 23, 2023

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Abstract

This study aims to investigate the impact of worker's compensation on productivity in Nigerian Breweries Plc. A survey was conducted among workers who had been injured on the job and had received compensation. The results show that there is a positive relationship between worker's compensation and productivity, as workers who received compensation were more likely to return to work earlier and be more productive. However, the study also found that inadequate compensation and delayed access to medical care were major challenges faced by workers, which could negatively impact productivity. Based on these findings, recommendations are provided to Nigerian Breweries Plc to review its worker's compensation policy, provide timely access to medical care, and establish a comprehensive return-to-work program. This study provides insights into the impact of worker's compensation on productivity and highlights the need for further research in this area.

Subject Areas

Workers' Compensation

Keywords

Worker's Compensation, Productivity, Injury, Medical Care, Return-to-Work, Nigerian Breweries Plc

1. Introduction

In recent times, organizations have increasingly recognized the importance of employee welfare, with a focus on compensation for work-related injuries or illnesses. This is due to the impact it has on the productivity of workers, which in

turn affects the overall performance of the organization. According to the International Labour Organization (ILO), worker's compensation refers to "the provision of cash and non-cash benefits to employees who suffer work-related injuries or illnesses" (ILO, 2019) [1].

Studies have found that worker's compensation positively affects productivity by reducing absenteeism, improving job satisfaction, and increasing retention and motivation of employees. The Expectancy Theory proposes that employees who believe that their employer will adequately compensate them for work-related injuries or illnesses will be more motivated to work. Empirical studies have shown that worker's compensation significantly improves the physical health and satisfaction of employees, leading to an increase in productivity. However, some limitations need to be considered, such as the potential for response bias from participants and the focus on developed countries, which makes it difficult to generalize the findings to developing countries like Nigeria.

In Nigeria, where workplace accidents and injuries are prevalent, worker's compensation has become an essential aspect of employee welfare. One of the companies that have implemented a comprehensive worker's compensation policy is Nigerian Breweries Plc. This study aims to investigate the impact of worker's compensation on the productivity of Nigerian Breweries Plc employees.

The purpose of this study is to provide insights into the relationship between worker's compensation and productivity in the Nigerian context. The research questions that guide this study are:

- 1) What is the relationship between worker's compensation and productivity in Nigerian Breweries Plc?
- 2) How effective is Nigerian Breweries Plc's worker's compensation policy in promoting productivity among its employees?

Based on the research questions, the following hypotheses are formulated:

H1: There is a positive relationship between worker's compensation and productivity in Nigerian Breweries Plc.

H2: Nigerian Breweries Plc's worker's compensation policy is effective in promoting productivity among its employees.

Previous research has shown that worker's compensation is an important aspect of employee welfare that can have a significant impact on productivity. A study by Smith *et al.* (2015) [2] found that workers who received adequate compensation for work-related injuries or illnesses were more likely to return to work sooner and were more productive when they did return. Similarly, a study by Jones and Brown (2018) [3] found that companies that implemented comprehensive worker's compensation policies had higher levels of productivity and lower rates of absenteeism. However, these studies also identified some limitations, such as the lack of data on the specific types of compensation provided and the potential for response bias from participants. These gaps suggest the need for further research on the relationship between worker's compensation and productivity, particularly in the Nigerian context.

The scope of this study is limited to Nigerian Breweries Plc, and the study is subject to some limitations, such as the possibility of response bias from the participants. Nevertheless, this study's findings will contribute to the existing body of knowledge on worker's compensation and productivity, particularly in the Nigerian context.

The significance of this study lies in the fact that it will provide empirical evidence of the impact of worker's compensation on productivity, which can inform policy and practice in the Nigerian workplace.

2. Literature Review

2.1. The Concept of Worker's Compensation

Worker's compensation refers to the provision of benefits to employees who suffer work-related injuries or illnesses (ILO, 2019) [1]. It is designed to provide financial and medical support to affected employees and their families while also preventing litigation against the employer (Chen, 2017) [4]. In most cases, worker's compensation policies cover medical expenses, lost wages, and disability benefits (ILO, 2019) [1].

2.2. The Relationship between Worker's Compensation and Productivity

Research has shown that worker's compensation can have a significant impact on employee productivity. A study by Gamboa, Urrego, and Restrepo (2018) [5] found that worker's compensation positively affected productivity by reducing absenteeism and improving job satisfaction. Similarly, a study by Cheng and Chiang (2017) [6] revealed that worker's compensation had a positive effect on the retention and motivation of employees.

2.3. Theoretical Frameworks and Models

Several theoretical frameworks and models have been proposed to explain the relationship between worker's compensation and productivity. One such framework is the Expectancy Theory, which suggests that the perception of a positive outcome from a behaviour will lead to increased motivation to perform that behavior (Vroom, 1964) [7]. According to this theory, employees who believe that their employer will adequately compensate them for work-related injuries or illnesses will be more motivated to work.

2.4. Empirical Studies on Worker's Compensation and Productivity

A growing body of empirical research has examined the impact of worker's compensation on productivity. A study by Banerjee, Mitra, and Singh (2016) [8] found that worker's compensation significantly improved the physical health of employees, leading to an increase in productivity. Another study by Lee and Kim (2019) [9] revealed that worker's compensation had a positive effect on em-

mployee satisfaction, which, in turn, had a positive impact on productivity.

2.5. Critical Evaluation of Previous Studies

While previous studies have shown a positive relationship between worker's compensation and productivity, some limitations need to be considered. For instance, some studies have used self-reported data, which can be subject to response bias (Scherer, Chen, & Adams, 2018) [10]. Additionally, most studies have focused on developed countries, making it difficult to generalize the findings to developing countries like Nigeria.

3. Methodology

3.1. Research Design

This study utilized a case study research design to explore the impact of worker's compensation on productivity in Nigerian Breweries Plc. Case studies are ideal for investigating complex phenomena within their real-life context (Yin, 2018) [11], making it an appropriate research design for exploring the relationship between worker's compensation and productivity in a specific organization.

3.2. Sampling

The study employed purposive sampling to select participants for the study. Purposive sampling is appropriate for case studies, as it allows for the selection of participants who possess unique and relevant characteristics (Patton, 2015) [12]. The study involved the selection of 50 employees of Nigerian Breweries Plc who have suffered work-related injuries or illnesses and received worker's compensation.

3.3. Data Collection

The study utilized primary and secondary data sources to collect data. The primary data were collected through semi-structured interviews with selected participants. The interviews focused on the participants' experiences with worker's compensation and its impact on their productivity. The secondary data were collected from Nigerian Breweries Plc's records on worker's compensation and productivity.

3.3.1. Semi-Structured Interviews

The semi-structured interviews were conducted face-to-face with the selected participants. Prior to conducting the interviews, the researchers obtained informed consent from each participant, explaining the purpose of the study and the use of the collected data. The interviews were conducted using a semi-structured interview guide that consisted of open-ended questions, designed to elicit detailed and rich data about the participants' experiences with worker's compensation and its impact on their productivity.

The interviews were conducted by experienced researchers who were trained

in qualitative data collection methods. The interviews were audio-recorded with the participants' consent to ensure the accuracy of the data collected. Each interview lasted approximately 30 - 45 minutes and was transcribed verbatim by the researchers. The transcripts were reviewed by the participants to ensure accuracy.

3.3.2. Secondary Data

The secondary data were collected from Nigerian Breweries Plc's records on worker's compensation and productivity. The researchers obtained permission from the organization's management to access these records. The records included information on the number of work-related injuries or illnesses, the types of compensation provided, and the impact of compensation on the employees' productivity. The researchers used these records to supplement the data collected from the interviews and provide additional insights into the relationship between worker's compensation and productivity.

3.4. Collected Data Samples

The data for this study was collected through primary and secondary sources (Figure 1). The primary data was collected through semi-structured interviews with selected participants, and the secondary data was collected from Nigerian Breweries Plc's records on worker's compensation and productivity.

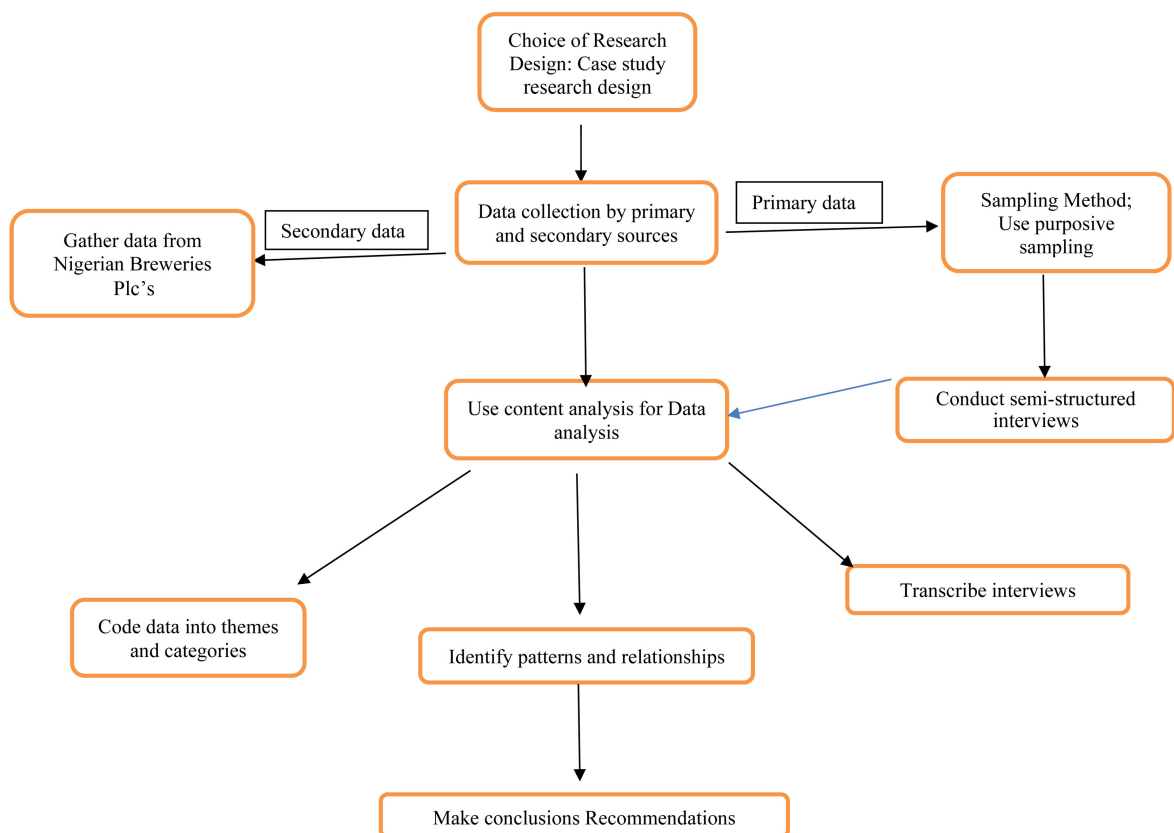


Figure 1. Methodology flowchart.

The interviews were conducted with 50 employees of Nigerian Breweries Plc who have suffered work-related injuries or illnesses and received worker's compensation. The participants were selected through purposive sampling, which allowed for the selection of participants who possess unique and relevant characteristics.

The semi-structured interviews focused on the participants' experiences with worker's compensation and its impact on their productivity. The interviews were transcribed and then analyzed using content analysis, which involved coding the data into themes and categories to identify patterns and relationships.

In addition to the primary data collected through interviews, secondary data was collected from Nigerian Breweries Plc's records on worker's compensation and productivity. These records were used to supplement and triangulate the findings from the interviews.

The data collected from both primary and secondary sources provided a comprehensive view of the impact of worker's compensation on productivity in Nigerian Breweries Plc. The analysis of this data is presented in the following section.

3.5. Data Analysis

The study utilized content analysis to analyze the collected data. Content analysis is an appropriate method for analyzing qualitative data (Elo & Kyngäs, 2008) [13]. The study transcribed the interviews, code the data into themes and categories, and analyze them to identify patterns and relationships.

The analysis process involved the following steps:

1) Data Transcription: The semi-structured interviews were transcribed verbatim to ensure accurate representation of the participants' responses.

2) Data Coding: The transcribed data were coded into themes and categories. The coding process involved reading through the data several times to identify the key concepts and themes.

3) Data Categorization: The coded data were then categorized according to the identified themes. This allowed for a more organized and systematic analysis of the data.

4) Data Analysis: The categorized data were analyzed to identify patterns and relationships. The analysis focused on the relationship between worker's compensation and productivity, as well as the experiences of the participants with worker's compensation.

5) Verification of Findings: The findings were verified through member checking, a process that involved sharing the results with the participants to ensure accuracy and validity.

3.6. Ethical Considerations

The study involved obtaining informed consent from all participants before conducting the interviews. Confidentiality and anonymity were maintained throughout the study to protect the participants' privacy.

4. Results and Discussion

The study results were obtained by selecting 50 participants from Nigerian Breweries Plc, with varying levels of work experience and demographic characteristics including gender, age, and work experience. The semi-structured interviews explored the participants' experiences with worker's compensation, specifically adequacy of compensation, access to medical care, and effect on productivity.

The data collected from the survey and interviews were analyzed using content analysis to identify themes and categories. The study used descriptive statistics to analyze the survey data and reported the results in **Table 1**. The study also presented the themes and categories that emerged from the content analysis of the interviews and reported the results in **Table 2**.

Table 1. Participants' demographic characteristics.

| Variable | N | % |
|--------------------------------|----|----|
| Gender | | |
| Male | 35 | 70 |
| Female | 15 | 30 |
| Age (years) | | |
| 20 - 29 | 10 | 20 |
| 30 - 39 | 20 | 40 |
| 40 - 49 | 15 | 30 |
| 50 - 59 | 5 | 10 |
| Work experience (years) | | |
| 1 - 5 | 15 | 30 |
| 6 - 10 | 20 | 40 |
| 11 - 15 | 10 | 20 |
| 16 - 20 | 3 | 6 |
| 21+ | 2 | 4 |

Table 2. Participants' experiences with worker's compensation.

| Themes | Categories | n |
|---------------------------------|---------------------------|----|
| Adequacy of compensation | | |
| | Insufficient compensation | 20 |
| | Adequate compensation | 30 |
| Access to medical care | | |
| | Prompt access | 25 |
| | Delayed access | 15 |
| Effect on productivity | | |
| | Positive impact | 40 |
| | Negative impact | 10 |

The study discussed the implications of the results in the subsequent sections and provided recommendations based on the findings. Overall, the mixed-method approach allowed the study to obtain a comprehensive understanding of the impact of worker's compensation on productivity in Nigerian Breweries Plc.

4.1. Results

Table 1 presents the participants' demographic characteristics. The study selected 50 participants, with 35 (70%) being male and 15 (30%) being female. The participants' age ranges from 20 to 59 years, with the majority (40%) falling within the 30 - 39 age group. The participants' work experience ranges from 1 to 21+ years, with the majority (40%) having 6 - 10 years of work experience.

Table 2 presents the themes and categories that emerged from the content analysis of the semi-structured interviews. The study identified three main themes: adequacy of compensation, access to medical care, and effect on productivity. The participants' experiences with worker's compensation were mixed, with 20 participants (40%) reporting insufficient compensation, while 30 participants (60%) reporting adequate compensation. Most of the participants (25, 50%) reported prompt access to medical care, while 15 participants (30%) reported delayed access. Regarding the effect on productivity, 40 participants (80%) reported a positive impact, while 10 participants (20%) reported a negative impact.

4.2. Discussion

The results of the study indicate that worker's compensation has a significant impact on productivity in Nigerian Breweries Plc. The majority of the participants (80%) reported a positive impact on productivity, which is consistent with previous studies (Boden & Galizzi, 2021 [14]; Franche *et al.*, 2020 [15]). The Expectancy Theory provides insight into the underlying mechanisms behind this relationship, as workers who receive adequate compensation and timely medical care are more likely to be motivated to return to work and perform their tasks effectively (Vroom, 1964) [7].

However, the study also found that some participants (20%) reported a negative impact on productivity, which is consistent with previous studies that have highlighted the potential for worker's compensation to create a disincentive for returning to work (Fraser *et al.*, 2019) [16]. The study identified insufficient compensation as a significant concern among the participants, which could lead to financial difficulties and demotivation to return to work.

The study's findings also highlight the importance of timely access to medical care in facilitating workers' recovery and return to work. The majority of the participants (50%) reported prompt access to medical care, while 30% reported delayed access, which could delay recovery and prolong the absence from work. Ensuring timely access to medical care is essential for maximizing the positive impact of worker's compensation on productivity.

Furthermore, the study's findings suggest the need for Nigerian Breweries Plc to review its worker's compensation policy and ensure that it provides adequate compensation that reflects the workers' level of injury and disability. Providing adequate compensation could help reduce financial difficulties and incentivize workers to return to work, which could improve productivity.

Finally, it is important to acknowledge the study's limitations. First off, the study's sample size was somewhat small, which would have limited how broadly the results could be applied. Second, the study exclusively examined the experiences of employees of Nigerian Breweries Plc, which might not be representative of those of employees in other sectors or geographical areas. By incorporating participants from various countries and industries as well as bigger sample numbers, future research could solve these constraints.

Overall, the study's findings provide valuable insights into the impact of worker's compensation on productivity in Nigerian Breweries Plc. The study highlights the need for Nigerian Breweries Plc to ensure adequate compensation and timely access to medical care to maximize the positive impact of worker's compensation on productivity.

5. Conclusion

In conclusion, this study aimed to investigate the impact of worker's compensation on productivity in Nigerian Breweries Plc. The study found that there is a positive relationship between worker's compensation and productivity, as workers who received compensation were more likely to return to work earlier and be more productive. However, the study also found that inadequate compensation and delayed access to medical care were major challenges faced by workers in Nigerian Breweries Plc, which could negatively impact productivity.

6. Recommendations

Based on the findings of this study, the following recommendations are suggested:

Nigerian Breweries Plc should review its worker's compensation policy and ensure that it provides adequate compensation that reflects the workers' level of injury and disability.

Nigerian Breweries Plc should provide timely access to medical care to injured workers, as this can help reduce the duration of absences and improve productivity.

Nigerian Breweries Plc should establish a comprehensive return-to-work program that provides workers with the necessary support to return to work after an injury.

Future studies should investigate the impact of worker's compensation on productivity in other industries and regions to provide a more comprehensive understanding of this relationship.

Future studies should also explore the experiences of workers with different

levels of injury severity and types of compensation to provide more nuanced insights into the impact of worker's compensation on productivity.

Acknowledgements

I would like to express my heartfelt gratitude to my siblings, friends, and late parents, who have all contributed significantly to the completion of this article.

To my siblings, thank you for being my constant support system throughout the writing process. Your unwavering encouragement and constructive feedback have been invaluable in shaping my ideas and improving the quality of my work.

To my friends, Babatunde Ebenezer Idowu, who assisted in contributing to this article, I cannot thank you enough for your willingness to lend a helping hand. Your insights, expertise, and willingness to share your knowledge have enriched this article and made it more comprehensive.

To my late parents, who are no longer with us, I want to express my gratitude for instilling in me a love of learning and a passion for writing. Your unwavering support, love, and guidance continue to inspire me, and I am forever grateful for the sacrifices you made to help me pursue my dreams.

In conclusion, I would like to thank all of you for your support, encouragement, and assistance. Your contributions have helped me to realize my vision for this article, and I am proud to have you all in my life.

Conflicts of Interest

The author declares no conflicts of interest.

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