FINANCIAL REMUNERATION AND EMPLOYEE PRODUCTIVITY IN PUBLIC UNIVERSITIES IN UGANDA: A CASE STUDY OF KYAMBOGO UNIVERSITY

BY

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DECLARATION

I declare to the best of my knowledge that this research report is my original document that I prepared based on the research I carried out to establish issues related to financial remuneration and employee productivity at Kyambogo University. Where materials from other people are used, their contribution is duly acknowledged in form of references and citations.

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APPROVAL

We have reviewed the research report prepared by Ms. Adongo Mary Annuciata and hereby approve that it has met all the requirements of a good research report worthy of a Masters Degree in Business Administration (MBA). We therefore forward this report for examination purposes with our approval as research supervisors at Kyambogo University.

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DEDICATION

This work is dedicated to my parents Bernard Noah Owino and Frances Theresa Nyachwo for modelling me to a different class and i thank them for shaping me into a person of some use to the society. GOD Bless You All.

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I would like to extend my gratitude and appreciation to my supervisors, Dr. Maurice Olobo and Mr. Owino Phillip for their patience and time they spent making constructive and critical comments without which I would not have been able to complete this report on time. I also appreciate with gratitude the help from all those who supported me in this study. Thanks to my daughters Caroline Awor, Mary Immaculate Akoth, my sister Winifred Keko, my maid Florence Zerida Athieno for their continuous support. Thanks to my lecturers for the skills and knowledge they gave me and to my classmates; Paul, Felix, Dorothy and Barbara, who contributed in one way or another to the success of this study. Finally, I would like to appreciate the efforts of Mrs. Psenjeni Evelyn for the skills exhibited in typing this report and above all the almighty God who guided me through this exercise.

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#### ABSTRACT

The study sought to establish the effect of financial remuneration on employee productivity at Kyambogo University. The study adopted a cross sectional survey design from which a population of 522 from which a sample of 307 was drawn. A self-administered questionnaire and an interview guide were used to collect responses. Measurement of the variables of the study were done and subjected to rigorous data processing and analysis using the relevant statistical computer software packages. The findings on financial remuneration indicated that most staff members were employed elsewhere to supplement their incomes from the University, were unable to develop themselves out of the salaries they earned from the university, staff were unhappy with the way they were remunerated by the university and therefore, felt that they needed to spend their valuable time elsewhere. The findings on employee productivity revealed that, staff members lectured what they knew best, were always available to supervise students allocated to them much as administrators in charge of registration for instance did not perform their tasks as expected sighting delays in registering students even when all the schools dues had been cleared by the students, on the other hand, there was regular cases of students' marks missing. Findings indicated that there were positive and significant relationships between financial remuneration and employee productivity. Results from regression analysis findings revealed that the model could only explain 54.5% in variance of employee productivity. In conclusion, the findings revealed that financial remuneration was significant predictors of employee productivity. This is in confirmation that financial remuneration is a key determinant of employee productivity of the university. The study recommends that the management of the university should develop strategies that foster employee productivity with emphasis on financial remuneration. Likewise, the management should put a lot of attention on financial remuneration as a determinant of employee productivity since it was the strongest predictor of employee productivity. Similarly, in order to promote desirable employee productivity, the university needs to put in place effective internal controls that support financial remuneration.

#### **CHAPTER ONE**

#### **GENERAL INTRODUCTION**

#### 1.0 Introduction

This chapter has information in relation to the beginning of the study. The main reasons for carrying out this research are summarized in this chapter. The chapter has information in relation to the background of the study, statement of the problem, research objectives, research questions, scope of the study and justification of the study. Through these subsections of the chapter, the main reasons for carrying out the study and what to do when carrying out the research were expressed.

### 1.1 Background of the Study

Employee productivity is an important component for the success and continuity of an entity. Whereas all the other resources may be present in abundance, the absence of employees to operate the raw materials and turn them into useful products, they are likely not be transformed (Abonam, 2011). The same scenario is applicable in Public Universities. With focus on public universities, the employee productivity has not been at its best. This scenario is more evident in developing countries as compared to developed countries (Sanderson, Harshak and Blain, 2009). Apart from low productivity levels of staff in public universities in developing countries, there have also been unfavourable working conditions as well as poor financial remuneration directed towards university employees in public universities. Amidst this, the university staff members are expected to have the same level of productivity as per the required standards of universities. This has however not been possible (Aronowitz, 2000).

Employees have continuously had productivity which is below standards and in some instances even perform unethical practices with a motive of having personal gain (Kagari,

Munene and Ntayi, 2013). Considering a case of Kyambogo University in Uganda, tendencies of low productivity in form of low service delivery can be manifested by poor hygienic conditions, delay in release of results and dodging of lectures by teaching staff and students. These events have had a bad impact on the entity. Reports indicate that there has been tendencies of this nature manifested through challenges in admission of students and awarding of marks, questionable procurement practices, tendencies of financial mismanagement, indiscipline and lack of action on some indiscipline cases, fraudulent fees payment and theft of university property, among others (Kagari, Munene and Ntayi, 2013).

The low productivity of University staff members is further coupled with poor working conditions of these staff. The academic and support staff have constantly got involved in strikes with an aim of showing the management their grievances and their level of discontentment to the way they are treated at work place (Uganda Radio Network 2011). The staff members are further reported to have experienced huge differences in their wages (remuneration) making them feel that they are not fairly financially remunerated by the university. The productivity of staff members of the University has also been reported to be deteriorating. Lecturers have also been thinking of getting alternative sources of income (Jarmogi 2011; Monitor Publications 2007). All these end up affecting the progress of students. Focusing on events in Kyambogo University, fighting for improved employee performance as manifested through good service delivery by the staff as well as their working conditions are very necessary for the success of institutions. It is based on this background that this study is being carried out.

#### 1.2 Statement of the problem

The productivity of faculties at Kyambogo University has continuously declined which has made the University's status to continuously be low as seen in the webmetrics rankings (Mamdan, 2007). According to Mamdan (2007), the declining staff productivity in public universities like Kyambogo University may be attributed to inequitable remuneration of staff despite the growing students' numbers and work load which has resulted into poor quality university products, non completion of syllabi and delays in task accomplishment (Visitation Committee Report 2007). The Association of Commonwealth Universities report (2009) revealed that there is no uniform remuneration of staff in public universities sighting a case of Makerere University and Kyambogo University.

Position	Makerere University monthly salary (US\$)	Kyambogo University monthly salary (US\$)
Associate Professor	5,913	2,673
Senior Lecturer	4,995	2,150
Lecturer	4,079	2,314
Assistant Lecturer	3,198	1,605
Teaching Assistant	3,158	1,376

**Table I: Monthly Salaries for Selected Teaching Staff** 

The Visitation Committee Report (2007) also revealed that as away of promoting staff productivity, Makerere University Business School had introduced the 13th check which is paid to staff as a bonus but this was not the case with Kyambogo University yet the senior officials of the university continue to pay themselves large sums of money in allowances. For instance, about Ugshs 61 million was reported to have been illegally paid to about 5 top staff members of Kyambogo University as allowances in 2011. If this situation continues, the problem of faculty productivity at Kyambogo University could persist.

# 1.3 Purpose of the study (General/Main objective)

The study sought to establish the influence of financial remuneration on employee productivity in public universities in Uganda using Kyambogo University as a case study.

#### 1.4 Research objectives

The study was governed by the following research objectives;

- i) To examine the level of financial remuneration at Kyambogo University.
- ii) To determine levels of employee productivity at Kyambogo University.
- iii) To establish the relationship between financial remuneration and employee productivity at Kyambogo University.

### 1.5 Research questions

The study was governed by the following research questions;

- i) What is the level of financial remuneration at Kyambogo University?
- ii) What are the levels of employee productivity at Kyambogo University?
- iii) What is the relationship between financial remuneration and employee productivity at Kyambogo University?

#### 1.6 Scope of the study

**Geographical scope:** The study was carried out at Kyambogo University in Nakawa Division Kampala District. The study comprised of only the academic staff and administrative staff working at the university. These were selected because they have the responsibility of delivering the core activities of the University to the public.

**Content scope:** The study sought to investigate the level of financial remuneration, levels of employee productivity and the relationship between financial remuneration and employee productivity at Kyambogo University.

**Time scope:** The study covered a period of 5 years from 2009-2013. The researcher considered that period to be long enough for proper assessment of staff productivity at the University.

### 1.7 Significance of the study

The study would be beneficial to different groups of people. These are explained in the subsections that follow;

- i) The management body of Kyambogo University: These are expected to benefit since they will be able to have an insight to some of the issues that can bring about low employee performance in their institution. This way, they will be in position to implement the solutions that will have been obtained from this study.
- ii) The management bodies of other public universities: These would be able to learn from the findings of the research so that they can avoid such kind of scenarios in their respective universities. This way, good performance of the different universities is expected to be realized.
- iii) The students of Kyambogo and other public universities: These students would be in position to enjoy the benefits of the study. This is expected to be the case because once the university employees improve their performance; the students stand to benefit better with improved services. This is expected in Kyambogo as well as in other public universities.

### 1.8 Conceptual framework and theoretical review

According to Sarantos (1988), a conceptual framework is described as either a graphical or narrative form of the main dimensions to be studied or the presumed relationship among them. Sekaran (2003) states that a conceptual framework helps postulate or hypothesize and test certain relationships which improve the understanding of the situation. The figure below examines the relationship between remuneration and employee productivity. Additional remuneration plays a fundamental role in the enhancement employee productivity. Therefore, the study attempted to establish how remuneration impacts on employee productivity with emphasis on Kyambogo University.

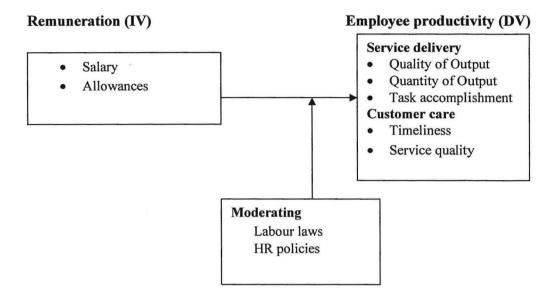


Fig I: Conceptual Framework

Source: Derived from existing literature of Dickmann Petra (2011), Mtazu & Mey (2009) and German Ordinance on Remuneration in Financial Institutions (2011)

The above conceptual framework was underpinned by the relationship been remuneration and employee productivity. Remuneration was conceptualized according to salaries and allowances whereas, employee productivity was measured according to quality of output, quantity of output, task accomplishment and timeliness.

# 1.9 Operational Definitions

- Remuneration: Remuneration refers to the consideration that is given for a job well done (Blumenthal, 2012) or compensation that employees get whether it is quid-proquo or non-quid-pro-quo (Ornstein, 2011).
- Financial remuneration refers to the financial component of the payment that employees get for the work that they do (Liu and Taylor 2008).

• Labour productivity refers to the results of the efforts that employees put in when carrying out a certain given task (Marelli & Pastore 2010).

# 1.10 Structure of the Report

The thesis was organized in five chapters. Chapter one, comprised the introduction to the study which included; background to the study, statement of the problem, purpose of the study, research objectives, scope of study, significance of the study, conceptual framework, and organisation of the study. Chapter two consisted of a review and critique of relational literature of the study variables. Chapter three was the methodology of the study. It included the research design, survey population, sampling design, data collection, measurement of variables, data analysis and limitations of the study. Chapter four comprised the presentation and interpretation of findings. Lastly, the discussion of the findings was carried out, conclusions drawn and recommendations made.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Introduction

This chapter looks at the previous research works that are related to the current research work. The review of literature is organized in four subsections. There is a subsection of definition of key terminologies, subsection of financial remuneration, subsection of employee productivity and a section that indicates a collaboration of financial remuneration and employee productivity.

#### 2.2 Level of Financial Remuneration

From the legal point of view, remuneration refers to the consideration that is given for a job well done. This is considered to be the quid-pro-quo payment that is commensurate to the work done by an employee. It is considered to incorporate items such as salary, commission, bonus, overtime payment, payment in kind and even situations of allowances such as medical allowance and housing allowances. This is therefore a combination of all the returns that an employee gets as a result of occupying a particular official position. Though there is no global standard of determining adequate remuneration, there are some key aspects that different countries of the world consider in determining appropriate remuneration (Blumenthal, 2012).

Remuneration is further considered to be that compensation that employees get whether it is quid-pro-quo or non-quid-pro-quo. This is considered to be the case from the business point of view because of the fact that different entities have a different approach towards determination of what is considered to be remuneration (Ornstein, 2011). Following from the discussions of Ornstein (2011) and Liu and Taylor (2008), quality of remuneration can be referred to that remuneration level that can stimulate employees to give in their best at work place. Since there is need for there to be productivity, there is need for management to think of employee retention and better still, the retention of the right talent for the work to be done. This can successfully be achieved through having in place the most appropriate financial remuneration package for employees in a particular entity.

Financial remuneration is considered to include all those items of compensation or reward that can be given out in form of monetary rewards. This is considered to include items such as basic salary, allowances such as food allowance, medical allowance and even bonuses where necessary. The content of financial remuneration is however not standard since different entities consider different items of financial remuneration as adequate for their employees. For instance, there are some entities with a policy that they will never pay any allowance as long as employees have a good salary to cover all that could be paid for using allowance money. However, there are other entities with management that considers the other forms of payments as necessary such as bonuses to boost the morale of employees. Eventually, the content of financial remuneration is considered to be entirely dependent on the management of a particular entity (Berry, 2006; Marques, 2006)

Often than not, the concept of financial remuneration has been considered to be part of the working conditions that employees are often subjected to from time to time. However, financial remuneration can be a standalone explanation for the behaviour of employees at workplace (HR Consulting Associates, 2009). According to HR Consulting Associates, there are a number of financial remuneration packages that entities can consider to look at. Whichever package that an entity may consider making operational, there is need for the entity to know how the financial remuneration package is rolled out and how it is indeed beneficial to the business where it is being used.

Out of the many packages that happen to be in existence, they all (the packages) have a common inclination of being hinged on performance of employees. The pay systems have

been made to ensure that employees get what they disserve. Payment systems in position to address this are those referred to as performance based payment systems. This is an indication that once the payment of workers or employees is about to be done, close attention should be given to how much they have been able to achieve as employees (Human Resource Development Working Group, 2013).

Whereas attaching pay to performance is a good move to motivate employees to work harder, there is need to have a minimum basic pay. In some entities, this is referred to as retainer salary before an employee starts delivering. This too is a form of financial remuneration package (or system) that can assist in operations of entities of both public and private nature. In both forms of organizations, the need to have basic pay or basic salary is highly considered to be appropriate (Berry, 2006).

The HR Consulting Associates (2009) further indicate that entities need to have a well laid out plan on how remuneration of employees shall be carried out. This is expected to range from the employment terms, how remuneration shall be paid out, how and when the remuneration policy shall be reviewed and even considering the possibilities of designing new and better remuneration structures to consider.

Making decision on what to pay and how much to pay has never been an easy task though it is something that entities need to ensure that they do. There is however no one particular form of pay that has been considered to be appropriate to all groups of people. Research indicates that the remuneration schemes are subjective to factors such as the type of industry, size of the entity as well as the wealth the entity in question has to effect a particular form of pay system. This leaves the whole situation into a state of chance and most importantly in the hands of management who are considered to be in control of what is happening in the different entities (Australian Securities and Investments Commission [ASIC], 2004).

The strength that management bodies have in deciding the level and type of remuneration is considered to follow a certain pattern in most of the reported entities especially in the developing countries. The commonly identified forms of payments (patterns of payment) include the basic pay, combination of basic pay and form of bonus and even a pay system that is inclusive of commissions only (commonly referred to as allowances). All these forms of payments indicate some form of inclination. Some of the payments are inclined towards performance whereas others are inclined towards the time that someone is spent at work (Ornstein, 2011; Taylor, 2008).

Performance based forms of payment have been one of the newest and commonest forms of payment that organizations use in the current periods. These are considered to be very useful in ensuring that the employees are in position to deliver what is expected of them while at work place. This form of payment (remunerating employees) is commonly used by financial institutions or an entity that has some element of manufacturing in it. This way, it becomes easy to attach the efforts of employees to a particular level of output which becomes payable to the employee (Productivity Commission Inquire Report, 2009).

The widely known financial remuneration packages have been very influential in determining the risk behavior of employees. Employees have been found to be in position to take risk on behalf of an entity as long as the pay package given to him or her indicates so. This has been found to be a behavioral effect and not contractual at all. Research indicated that there is certain levels of payment in terms of the quality of pay that can make an employee feel as if he or she is part of the entity. This feeling is likely to

influence someone to take up risky decisions on behalf of the entity to justify the remuneration received (Executive Remuneration Discussion Paper [ERDP], 2012).

Good as it may sound, taking up risky decisions is something that may or may not benefit an entity. This comes about as a result of the fact that the entities for which these individuals work may end up reaping big as a result of the risk or they may end up making losses as a result of the same risk. This then calls for the regulated behavior of employees especially when it comes to taking risks for the entities they work for. Considering taking risks is then something that employee(s) concerned need to really study carefully and consider all possible ways of succeeding in such a decision. This involves but is not limited to calculating the possible risk of the decision to be taken by an employee (Ornstein, 2011; Taylor, 2008).

Review of work of Sykes (2012) reveals that there is indeed a possibility of there being a loss when risk is taken. In her discussion, she points out the global recession of 2008. According to her, the recession was as a result of taking risky decision with no proper knowledge of the level of risk that such kind of decisions could have in their dealings and world over. Basing on the findings of Sykes (2012), there is a great need to know all the possible outcomes and where possible the probability of such outcomes to become true. This way an entity is likely to have an upper hand on the type of risk and the possible causes. With the causes known, possible solutions are likely to be part of decision for the future (Kakabadse, Kakabadse and Kouzmin, 2003).

Apart from having an impact on the decision making process, there is need for there to be balanced pay in an entity. Basing on the past literature information, employees are fond of getting information about remuneration of their colleagues through grapevine. This tends to make them feel cheated especially when there is no salary structure of the same. This has been considered to be very disastrous to many of the companies making it difficult for some employees to work together as a team (Card, Mas, Moretti and Saez, 2011).

Findings presented by Card, Mas, Moretti & Saez (2011) follow another set of findings that the researchers got in the research published before that. According to the earlier findings, the payment disparity is further strengthened by the behavioral responses of employees. Whereas some indicate that they are satisfied, others indicate that they are not satisfied with the pay. However, a further scrutiny into the matter reveals that there is a possibility that the effect of getting satisfied and not getting satisfied could be linked to the behavior that the financial reward (salary) instills in an employee (Dainty, Raiden & Neale, 2004). Whereas someone may start feeling responsible for the higher pay, another may feel that it is just the beginning of a better pay in the near future. These behavioral aspects of employee are said to be greatly influenced by the quality of the financial remuneration received (Card, Mas, Moretti & Saez, 2010).

The behavioral reaction of employees towards disparity in the level of remuneration indicates that there is need for there to be a better remuneration package or yet still a better way of handling employee remuneration that can make employees of different entities satisfied with what they get at the level they operate in (Sims & Schraeder, 2005). This represents some form of incentives towards remuneration package to be given to employees to cater for the new changes in the job market (Okon, 2012).

In line with the findings of Okon (2012) the study revealed that, focus on the modern forms of remuneration (or probably the researched forms) leaves out a number of payment systems that could be applied in the current work environment out of creativity and innovation (Jensen & Murphy, 2004). This is mainly common in the new areas of business development with an intention of making new businesses continue surviving creating a win-win situation between the employees and employers. Additionally, these kinds of creativity and innovation related to new mechanisms of payment are related to project arrangements (CIMA Discussion Paper, 2010).

New developments as presented through project activities indicate that different entities in different localities have emerging trends in their financial remuneration packages befitting their entities in the particular places where they are located. This indicates the need for there to be constant review of the financial remuneration packages of entities to address any possible changes that there may be (Kulno, 2005). This is expected to have an impact on employee productivity.

#### 2.3 Level of Employee Productivity

Discussion on employee remuneration cannot be reliably conclusive without considering how employees may take the outcomes of a remuneration policy in case there is one being designed. This makes employee productivity an equally important aspect to consider when looking at remuneration systems of employees (Public Officials Guide to North Dakota, 2011).

Looking at the productivity of employees, it is an aspect that all employees focus to try to increase in the different entities where they are attached (or where they operate). Both employees and management are entitled to review their productivity from time to time in order to find out whether they have managed to achieve the objectives of working so hard or not. This is something that the human resource offices in the different entities have to focus on so as to be able to come up with a vibrant team of employees (HR Consulting Associates, 2009). To a greater extent, this is attached to working conditions that employees are subjected to in their different work places.

Working conditions are referred to the general terms and conditions that employees are subjected to when they accept to start working in a particular organization or entity. Some organizations find it necessary to include pay or wage as a component of working conditions though in reality the conditions that the employees are subjected to in the day to day discharging of their duties at work place may not include the wage the employees get on a periodic basis (monthly, weekly or daily) (Treaty on the functioning of the European Union [TFEU], 2011).

From a general point of view, working conditions refer to those situations and circumstances that employees face as part of the work or things that happen in a work environment. Employees put much emphasis on the environment that they operate in which largely includes the people they interact with and possibly how they interact with such people (Stringer, 2013). Concurring with TFEU (2011), Stringer indicates the need to put employees in a good state of operation with an aim of making profits out of them. According to Stringer, a satisfied employee is worth more than satisfied goal of the organization since it is the employees who bring about the money from sales of output (employee productivity).

The fact that they are that important, employees have always advocated to be listened to. However, circumstances of entities and organizations where these employees work may be hard to change making most of the employees accept the minimum conditions presented by the different places where they work as employees. Though the conditions may not be those that the employees may wish to be working in, the employers believe that they have done their best to provide even the existing working environment (Theo & Voordt, 2004). Theo & Voordt (2004) further highlight that contradicting as they may seem to be, working conditions are things that have not been easy to handle in the operations of public universities globally. According to the article, there are many disparities in the working conditions of staff members in public universities and yet they are subjected to relate if not the same operations as other public institutions.

Still focusing on public entities, a research conducted in Tanzania amongst employees of a public health institutions revealed that the employees there are not happy with the way their work environment is. Informants reported unfairness with reference to factors such as salary, promotion, recognition of work experience, allocation of allowances and access to training as well as to human resource management. The study also revealed that many health workers lack information or knowledge about factors that influence their working conditions (Songstad et al, 2011). This is an indication that working conditions in most public entities are not desirable.

Like for the case of public universities, other entities of public nature are also affected by the working conditions not being the best. In line with the working conditions, research conducted by Burke & Hsieh (2005) reveals that employees can increase their productivity depending on the way they get the perceived benefit of working in a particular place. This perceived benefit is also considered to be related to the psychological contract that is attached in the overall employee contract. In one way or the other, the employees tend to get a boost to have their productivity increase.

In developed countries for instance, the productivity of employees is also related to tendencies of drug abuse. By drug abuse here it means un-authorized use of drugs making employees weak and hence leading to their reduced productivity. This was further reinforced by the drug testing programme that was introduced by the concerned entities to check whether there could be anything in the system of employees that could make them reduce in their productivity. The findings of the programme revealed that the drug abuse practices have a great impact on the reduced productivity that different entities had started to experience (Mercer, 2013).

Proponents of employee productivity further advance the concept of ownership of an entity by the employee. This is considered to have an impact on the level of productivity of employees. In a research conducted by Park, Kruse & Sesil (2004) revealed that the sense of belonging that employees tend to have has a great impact on the level of productivity of that entity. This however does not reflect the degree to which the entity can survive. Nevertheless, once the productivity is good and indeed favourable, the issue of going concern becomes guaranteed (Hosie & Sevantos, 2009).

With great emphasis on employee productivity, it is argued that there are a number of challenges in measuring the productivity itself. These challenges are mainly presented at the point of measuring productivity of those in white collar jobs. Unlike the blue collar jobs which can easily be checked by the input-output relationship, the white collar jobs are not easy to measure since the types of outputs are sometimes abstract and mainly of service nature. This therefore calls for a great deal of subjectivity in measuring the level of output and hence productivity (Donkin, 2005).

The views of Donkin (2005) are also echoed by the works of Price, Wilkinson & Demack (2003). According to these researchers, workplace productivity is synonymous to workplace utility. Once there is no productivity, there is no utility that can be derived from employees making the whole organization become considered as that without utility. The findings further indicate that there is need for entities to develop tailor made models

to measure productivity of employees in white collar jobs since there is no one single model that can realize this.

#### 2.4 Financial Remuneration and Employee Productivity

From the theoretical point of view, economist and practitioners indicate that financial needs indeed have a big role to play in relation to the performance of employees. Whereas people work for many reasons, the main reason that has stood the taste of time is that of searching better economic well being. This has been translated into financial remuneration in most organizations if not all (Baker, Jensen & Murphy, 1988). Considering the strategic point of view, many employees have ceased to have an objective mind in what they decide to do at work place. They tend to operate in line with a prospective benefit at a particular point in time. All decisions tend to be made in line with that objective in mind (Gopalan et al, 2010).

This theoretical review suggests that there is indeed a relationship between financial remuneration and employee productivity. In behavioral work theories like that propounded by Herzberg indicate that the work behavior of employees is embedded within their behavioral reactions to policies at work especially those of critical nature touching aspects like remuneration. From this analysis, it can be inferred that there is indeed a relationship between the productivity of employees (with components of possible dysfunctional behaviour embedded) and the pay they receive in form of financial remuneration.

Measuring employee productivity successfully is the beginning point towards getting a better understanding of the productivity of employees in a specific field of operation. From the scientific point of view, this is expected to help management to know the number of man-hours input by an employee into the work done and hence creating a fairly better factor to consider when deciding how much to pay as a wage or remuneration. This is what is commonly referred to as the Activity Based Costing (ABC) system. Though it has commonly been used in private organizations, public entities are slowly growing into the acceptability of the same principle (Stefano & Filho, 2013)

The concept of Activity Based Costing brings to light the fact that discussion on employee remuneration cannot be reliably conclusive without considering how employees may take the outcomes of a remuneration policy in case there is one being designed. Most likely, employees would like to know how their efforts are going to be rewarded and whether the reward is commensurate to their worth though this is sometimes considered to be more of perceptual rather than being real. This makes employee productivity an equally important aspect to consider when looking at remuneration systems of employees (Public Officials Guide to North Dakota, 2011).

To further highlight how closely employee productivity is associated to financial remuneration of employees, a study conducted in Tanzania amongst the health workers revealed that there was a strong association between their behaviour at work and how much they were paid. Most of the employees there reported unfairness in their salaries making them feel demotivated to continue working. Eventually, this feeling developed into dysfunctional work behaviour amongst the health workers which greatly affected their productivity (Songstad et al, 2011).

Perception of unfairness in salaries and any other form of payments at work place can indeed be demoralizing. This is an indication that employees are aware of what is happening around them as far as the work place remuneration and conditions of work are concerned. This therefore calls for a need to carefully design remuneration packages and link them to productivity of employees. There are a number of these packages which are also referred to as systems. Payment systems in position to address the challenge of employee behaviour and the feeling of unfairness are those referred to as performance based payment systems. This is an indication that once the payment of workers or employees is about to be done, close attention should be given to how much they have been able to achieve as employees (Human Resource Development Working Group, 2013).

Performance based forms of payment have been one of the newest and commonest forms of payment that organizations use in the current periods. These are considered to be very useful in ensuring that the employees are in position to deliver what is expected of them while at work place. They however have their own shortcomings as well. Research indicates that these forms of payments are limited to those entities that are in position to reliably measure the output of an employee. They have therefore been considered to be appropriate for use in financial institutions and manufacturing entities (Productivity Commission Inquire Report, 2009).

Whereas it is important to concentrate financial remuneration at work place, they are likely not to form the most important component of compensation that employees prefer getting from their work places. This does not however rule out the fact financial remuneration has a power of motivating employees to work harder though it is important to notice that financial remuneration needs to be augmented by the non-financial components of remuneration referred to as employee benefits. Though they are not common in most of African businesses and probably government entities, employee benefits have a very powerful way of making employees get stuck to a particular organization even when the financial remuneration is low (Adeoti & Isiaka, 2006). The commonest non-financial benefits include things such as health insurance, fuel benefit, being given lunch at work place and even an option of being given office car for private errands. All this makes an employee feel important and valuable in the eyes of the employer and hence a possibility of this employee to make a commitment to remain in this particular work place even when other opportunities with better pay arise (Association of British Insurers [ABI], 2011).

# 2.5 Conclusion

The review of literature conducted reveals that there is a challenge in measuring work place productivity in white collar jobs. This could partly explain why the remuneration for the same productivity seems to also be hard to adequately determine. This creates the gaps that this current research intends to fill. With these gaps however there are tendencies of employees wanting certain levels of status as highlighted in the review of literature. Employees are also reported to behave in a certain way as a result of the pay to be received. All these present challenges at work place in relation to employee productivity and financial remuneration of employees. With this review, the researcher is convinced that there is indeed a problem in relation to employee productivity as well as financial remuneration. Considering public universities in Uganda as the testing ground, this research is expected to be carried out to provide relevant explanation.

#### **CHAPTER THREE**

#### **RESEARCH METHODOLOGY**

#### 3.1 Introduction

This chapter addressed the documented methodology that was followed when conducting this study. It includes information about the research design, data type and source, population of the study, sampling and sampling design, data collection, reliability and validity tests, data collection procedure, data analysis and ethical consideration.

#### 3.2 Research design

The research design describes the pattern followed during the study. A cross sectional research design was used to investigate the impact of financial remuneration on employee productivity of staff at Kyambogo University at a particular point in time (Amin 2005). The researcher further considered quantitative, qualitative and triangulation approaches for this study.

### 3.2.1 Quantitative approach

This design was considered useful in handling quantitative data related to the financial remuneration of the employees considered in the study. The quantitative approach involved transforming questionnaire data into codes basing on which the necessary analysis was performed. The codes were obtained with the aim of enabling ease of handling of data instead of dealing with long sentences. The analyses were to involve correlation and regression analyses as well as coming up with necessary tables to summarize the mean and standard deviation output data.

#### 3.2.2 Qualitative approach

This design was considered useful in handling qualitative data of the study given the nature of the study in line with employee productivity. This is because the employee

productivity aspects are more qualitative than quantitative. The study followed this approach by the means of an interview guide whereby the respondents were required to respond qualitatively. The researcher used thematic approach for data analysis.

### 3.2.3 Triangulation approach

To be able to attain results, the study considered both interview technique and questionnaire technique to test the same set of data. This way, results from both approaches were compared to check for consistency. Any variation in responses was noted to check the authenticity of variation. This was to eliminate any chances of error in the results of the study as much as possible.

# 3.3 **Population of the study**

Population for the study was 522 comprising of 314 academic staff and 208 administrative staff (Kyambogo University Staff Payroll, 2012).

#### 3.4 Sample size and sampling design

A sample was selected to represent the population given that the study population is large. The sample size was determined scientifically using the table for determining sample size developed by Krejcie and Morgan, (1970). The table provides a sample size for a given population of the study. The sample size was 307 taken from a population of 522 academic staff and administrative staff.

### Table II: Sample Size

Category of Respondents	Population	Sample Size
Academic Staff	314	175
Administrative staff	208	132
Total	522	307

#### 3.5 Sampling Techniques

The study adopted the simple random sampling method to select respondents. Simple random sampling was used because it allocates equal chance for each respondent during the selection process. This was used during the selection implementation of the two categories of staff. This method of sampling involved giving a number to every respondent in the accessible population, placing the numbers in a container and then picking any number at random.

#### 3.5 Data Sources

The research was carried out using both primary and secondary data. Considering the nature of study, primary data was considered to be appropriate in obtaining key information from targeted respondents. Secondary data was collected to supplement primary data. The main sources for this data were academic and administrative staff of Kyambogo University. This questionnaire technique was found appropriate by considering the fact that the respondents for the study are many. The technique selected is good in circumstances of this nature and hence its appropriateness for use. The questionnaires were closed ended. This was carried out by issuing out the questionnaires to the respondents with instructions of how to answer the questions and agreeing with them on the duration in which to collect the questionnaires after filling them.

#### 3.7 Data Collection Procedure

The researcher obtained an introductory letter from Kyambogo University introducing her to the respondents to allow her to carry out research. The researcher then introduced herself to the respondents, where the study was carried out. On being granted permission the researcher first of all carried out a pilot study of the questionnaire and finally collected data from the respondents. The researcher personally distributed, administered and collected data from the respondents.

#### 3.8 Validity and Reliability of Instruments

#### 3.8.1 Validity Test

According to Mugenda & Mugenda, (2003), there are three techniques of validity in data; construct validity, content validity and criterion-related validity. Content validity is a measure of the degree to which data collected using a particular instrument represents a specific domain of indicators or content of a particular concept. Content validity can be assessed by using two different instruments which must measure the same concept. If the measurements are consistent with the theoretical expectation, then the data have construct validity. Validity was measured basing on a factor analysis which confirms the dimensions of the concept that have been operationally defined, to ensure appropriateness of results. According to Nunnally (1972), values of 0.6 were acceptable when testing for validity. Validity of the instrument was obtained using the Content Validity Index (CVI) as presented in table III.

Table III: Validity Test

Anchor	<b>Content Validity Index</b>
5 Point	.789
5 Point	.854
	5 Point

Source: Primary data

According to Nunnally (1972), content validity indices of 0.7 and above are considered adequate.

## 3.8.2 Reliability Test

Reliability in research is influenced by random error (Mugenda and Mugenda, 2003). They continue to argue that random error may arise from inaccurate coding; ambiguous instructions to the subjects, interviewer's fatigue and interviewer's bias to mention a few and these errors are deviations from a true measurement due to factors that have not been addressed by the researcher. The researcher therefore has to ensure that the instruments minimize random error and hence increase the reliability of the data collected. In order to measure reliability, a score obtained in one item is correlated with scores obtained from other items in the instrument. Cronbach's Coefficient Alpha is then computed to determine how items correlate among themselves. Reliability of the instrument was ascertained using the Cronbach's coefficient alpha (Cronbach's alpha ( $\alpha$ ) 0.6) test (Cronbach, 1946). To test for the internal consistencies of the scales used to measure the variables.

Anchor	<b>Cronbach Alpha Value</b>
5 Point	.858
5 Point	.897

Table IV:	Reliability	Test

Source: Primary data

According to Cronbach (1950), coefficient alpha of 0.7 and above is considered adequate.

# 3.9 Data Processing and Analysis

Data from the field was compiled, sorted, edited and coded to have the required quality, accuracy and completeness for research. It was then entered into the computer with the facilitation of Statistical Package for Social Sciences (SPSS) for analysis. SPSS is a data management and analysis program. It allowed the researcher to store and analyze very large amounts of large data. The statistics that SPSS is capable of handling are far more complex than the statistics that are provided by excel which makes it more desirable as an analysis tool. Also, SPSS allows us to store our data, protocols (syntax) and results (output) in separate files, which makes analysis of large amounts of data much less cumbersome than excel. The data was cleaned and analyzed according to the research objectives and specific analytical tools were used during the analysis. For summary statistics, item means, frequency tabulation, correlations and regression analysis were generated to describe the sample characteristics and the objectives of the study.

#### 3.10 Ethical considerations

The study was carried out with an ethical mind. This was expressed by ensuring high level of confidentiality in the research exercise as it was part of the ethical principles of a researcher. The researcher handled all the data as confidentially as possible. Additionally, for the case of materials used in the research work, the researcher acknowledged all the materials that are not owned by her. This was done in form of referencing the source of the materials and even documenting all the help got in form of acknowledgement section.

# 3.11 Limitations to the study

The researcher encountered the following limitations

- Bias from the respondents who simply filled the questionnaires to please the researcher. The researcher conducted a face to face interaction to clarify the purpose and objective of the study.
- ii) The scales in the questionnaire that were adopted from other studies conducted in different environments from that of Uganda, this could have caused bias among the respondents. Here the researcher indulged experts in the field of human resource to moderate the scales adapted to fit the local environment.
- iii) Fear of giving confidential information by respondents, the researcher ensured at most good faith and anonymity by providing the letter seeking permission to carry out the study and also assured them that the information they provided would remain confidential and their permission would be sought in case it was to be published.

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#### **CHAPTER FOUR**

#### DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

# 4.0 Introduction

This chapter has details of the findings that the researcher managed to get from the study carried out to establish whether the financial remuneration had any impact on the productivity of employees in public universities. The contents of this chapter have been organized in line with the research objectives that were set at the beginning of this study. In this chapter, there are four (4) distinct sections. The first section has information in relation to the background information of the respondents who were considered in this study. Next to that section is a section of the status of the remuneration in Universities followed by a section with findings in relation to employee productivity. The last section has information in relation to the relationship between remuneration and productivity of employees.

## 4.1 Background information

Background information has been presented here as part of the findings to the study with an aim of indicating the kinds of respondents that the researcher encountered in the process of carrying out the study. In this section, the researcher reported findings in relation to the age of the respondents, their gender, the type of work they do, the time they have spent working at the University as well as the level of education of these respondents. This was reported to indicate that the respondents considered were actually fit to give responses to the study. These findings are further elaborated in the sub-sections that follow. These subsections are preceded by Table V which summarises all the findings in this section.

Gender	Frequency	Percent	<b>Cumulative Percent</b>
Male	98	46.7	46.7
Female	112	53.3	100.0
Total	210	100.0	
		17 ¹⁰	
Age	Frequency	Percent	<b>Cumulative Percent</b>
20-30	60	28.6	28.6
30 - 40	84	40.0	68.6
40 - 50	62	29.5	98.1
50 - 60	4	1.9	100.0
Total	210	100.0	
		a the share	
Categories of staff	Frequency	Percent	<b>Cumulative Percent</b>
An academic staff	159	75.7	75.7
Administrative staff	51	24.3	100
Total	210	100.0	
Experience of employees	Frequency	Percent	<b>Cumulative Percent</b>
1 year	36	17.1	17.1
1-3 years	97	46.2	63.3
3-6 years	54	25.7	89.0
6 – 9 years	4	1.9	91.0
> 9 years	19	9.0	100.0
Total	210	100.0	
Academic qualification	Frequency	Percent	<b>Cumulative Percent</b>
PhD	2	1.0	1.0
Masters	75	35.7	36.7
Degree	70	33.3	70.0
Diploma	63	30.0	100

Table V: Background characteristics of respondents

Source: Primary data

Table V indicated that there were 46.7% males and 53.3% of females among the respondents. This gender distribution ensured that the element of gender bias in the responses was taken care of which implies that there was almost equal representation of both female and male respondents. Considering the age of respondents, majority of the respondents belonged to the 30 - 40 years age group. These were reported to represent

40.0% of all respondents contacted for the study while the respondents aged between 40 - 50 years were reported to represent 29.5% of all the respondents contacted in the study. The results above indicate that the majority of the respondents representing 40% were aged 30 - 40 years and hence were mature enough to take an informed decision in regard to the study. According to the results on the categories of staff, the academic staff (75.7%) were more responsive compared to their female counterparts the administrative staff indicating that academic staff were more in number compared to administrative staff.

In regard to the experience of the staff, the majority of the respondents (46.2%) had served the institution for 1-6 years accounting for 71.9%. This indication that the majority of the staff at the university which is implication that they had acquired enough experience to performance their duties and could therefore provide the required information for the study. From the results in the table above, 35.7% of the respondents were holders of masters, 33.3% had obtained degree level of education, 30% were diploma holders. This therefore confirms that majority of the respondents are educated and are likely aware of the issues discussed. The background information of respondents so far presented indicated that there was a good group of respondents for the study basing on the information got in relation to the main findings for the study.

#### 4.3 Specific Results

The findings were presented using summary statistics, frequency tabulation, correlations and regression analysis in line with research objectives as below.

#### 4.3.1 Level of Financial Remuneration

The first objective of the study that the researcher went out to establish was to examine the level of financial remuneration. With regard to this research, the financial remuneration components considered were salary and allowances.

# 4.3.1.1 Salary

Item mean analysis was used to show the average response from the respondents for each item in relation to salary. The items were rated on the 5 point Likert Scale ranging between strongly disagree, disagree, not sure, agree and strongly agree. The findings are shown in table VI. The standard deviations were used to ascertain whether this was the case among the respondents or not. The findings are shown in table VI:

<b>Table VI: Salary</b>	Ta	ble	VI:	Sal	lary
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	Min	Max	Mean	Std. Dev
Staff of University hardly engage in strikes because of salaries	1	5	2.6972	1.22855
Majority of staff members of Kyambogo have managed to build their houses using the salaries they get from Kyambogo	1	5	2.8241	1.15870
Most of staff members of Kymbogo are also employed somewhere else to supplement their income from Kyambogo	1	5	3.7095	1.08924
Employees of Kyambogo like spending much of their time at work	1	5	3.2936	1.09123
Employees of Kyambogo like spending much of their time at work because of the way they are remunerated	1	5	2.7196	1.14755
Whenever Kyambogo staff members think of their salaries, they become happy	1	5	2.8190	1.25408

Source: Primary data

The results in table VI, indicated that most staff members were employed elsewhere to supplement their incomes from the University (mean = 3.7095; S.D = 1.08924). This is an indication that the income they get from their work places was not sufficient to make them concentrate at their jobs. Similarly, there are staff who love spending much of their time at work. The findings further indicated that majority of the respondents do not agree that staff members of the University have managed to build their houses using the salaries they got from the university (mean = 2.8241; S.D = 1.15870). Additionally, the findings

indicated that it is not true that whenever staff members think of their salaries, they become happy (mean = 2.8190; S.D = 1.25408). To supplement on the findings of insufficient salaries, majority of the respondents indicated that employees do not like spending much of their time at work because of the way they are remunerated (mean = 2.7196; S.D = 1.14755). The results in table VI indicated that majority of respondents disagree that staff of the University are disgruntled because of salaries (mean = 2.6972; S.D = 1.22855).

The findings in relation to the salary for staff members indicated that the staff members were not happy with the amounts they received as salary. The general point of view summarised all the other findings to point out that the staff members from all the two key categories of staff (*Administrative and Academic staff*) were not happy with the salaries they got working at the University.

#### 4.3.1.2 Allowances

In relation to the salaries, the researcher reviewed the allowances that the staff get. This review was based on item mean analysis results which were used to show the average response from the respondents for each item in relation to salary. Findings in relation to this are presented in table VII below.

#### **Table VII: Allowances**

	Min	Max	Mean	Std. Dev
Registration activities of students are carried out upon receipt of registration allowances by responsible staff members	1	5	2.9541	1.28658
Marking allowance is paid to staff members 6 months in arrears	1	5	2.8981	1.12690
Marking allowance is paid to staff members in time	1	5	2.4308	1.07484
Invigilation allowance is paid six months in arrears	1	5	2.8131	1.10855
Invigilation allowance is paid in time	1	5	2.9211	1.21943
In this institution, employees get both allowances on top of the monthly salaries they get	1	5	3.3056	1.08910
Employees in this institution get housing allowance as part of their allowances	1	5	3.0734	1.30318
Employees in this institution get transport allowance	1	5	3.0094	1.16697
In this institution, employees get relocation allowances in case they are to carry out tasks outside their duty station	1	5	3.2476	1.19116
Employees in this institution receive lunch allowance	1	5	3.3486	1.14161
For every student supervised by a lecturer, a lecturer earns some money	1	5	3.5429	1.17693
For every meeting attended, the staff members receive meeting allowance	1	5	3.0180	1.29321
Employees in this institution get medical allowance	1	5	3.2963	1.23242
Employees in this institution get transport allowance in time	1	5	2.8108	1.10793
Employees in this institution get medical allowance in time	1	5	2.8929	1.20328

Source: Primary data

From the table VII, the study revealed that lecturers got supervision allowances at the University (mean = 3.5429; S.D = 1.17693). This was mainly entitled to academic staff since they are the ones who are given supervision, marking, setting and invigilation allowances. Similarly, the analysis also revealed that the staff got more of lunch allowance (mean =3.3486; S.D = 1.14161) as compared to allowances of other forms. Furthermore, the results revealed that the staff received both salaries and allowances as part of their financial remuneration package (mean = 3.3056; S.D = 1.08910). From results, the study also revealed that majority of the respondents were not happy with the allowance schemes. For instance, big proportion of respondents were not in agreement to a statement that registration activities of students were carried out upon receipt of

registration allowances by responsible staff members (mean = 2.9541; S.D = 1.28658). The same applied to invigilation allowance (mean = 2.9211; S.D = 1.21943). This was an indication that allowances the staff of the University got were not remitted to them in time as expected.

Considering the allowances that are not provided to the staff, they were found to be transport allowances (mean = 2.8108; S.D = 1.10793) and medical allowance (mean = 2.8929; S.D = 2.8929). They (*respondents*) further disagreed that, marking allowance was paid to staff members in time (mean = 2.4308; S.D = 1.07484). in support of the quantitative results, the interview results revealed that majority of the staff were not happy with the financial remuneration they got. The results also revealed that the main reason was that, the money received as the financial remuneration was not enough for their well being. Other issues were to do with the image in the public being known as someone who earns little amongst the peer.

### 4.3.2 Employee productivity of Staff Members

The second objective that guided this study was "to determine the level of employee productivity of staff". This was determined by looking at two important determinants namely service delivery and customer care. These two were important in the study since the staff mainly handled service related activities. Additionally, responses in relation to service delivery were also reviewed. Findings in relation to this study were revealed in the sub-section that follows.

#### 4.3.2.1 Service delivery

The most obvious way of checking productivity was through service delivery that someone has as a result of performing a particular task in regard to quality of output, quantity of output and task accomplishment. A number of findings were obtained in relation to this aspect. These findings are displayed in table VIII.

	Min	Max	Mean	Std. Dev
Lecturers in this university lecture what they know best	1.00	5.00	3.6216	1.00954
Student registration in this university is carried out at the beginning of the semester	1.00	5.00	2.8807	1.30331
Academic staff members are always available to carry out supervision of the students allocated to them	1.00	5.00	3.4220	1.03900
Marking of exams is carried out within the stipulated time frame	1.00	5.00	3.1560	1.25591
Lecturers enable students to graduate in time	1.00	5.00	3.2569	1.14991
Students rarely complain for their results	1.00	5.00	2.2075	1.23995
Productivity of lecturers in this institution is measured by looking at the number of students that have passed in a particular academic year	1.00	5.00	3.0000	1.15735
Productivity of lecturers in this institution is measured by considering feedback forms filled in by students in every semester	1.00	5.00	2.7431	1.04884

#### Table VIII: Service delivery of staff

Source: Primary data

Table VIII revealed that, staff members lectured what they knew best (mean = 3.6216; S.D =1.00954). Additionally, it is indicated that through the findings of this study academic staff members were always available to carry out supervision of the students allocated to them (mean = 3.4220; S.D = 1.03900). This complied with the university policies which advocate for effective and efficient service delivery. However, the results pointed out that the administrators in charge of registration for instance did not perform their tasks as expected sighting delays in registering students (mean = 2.8807; S.D = 1.30331) even when all the schools dues had been cleared by the students. The registration exercise was not usually commenced early by the registrar's office due to the perception that students pay towards the end of the semester irrespective of whether they have paid their fees.

Additionally, the results indicated that the students do complain for missing marks most of the time (mean = 2.2075; S.D = 1.23995). This is evidence of lack of due diligence on

the part of the teaching staff and faculties which process the results. Further more on productivity; the researcher established how the staff were evaluated specifically on how they delivered their services. Considering the key group of lecturers, the respondents indicated that their productivity was not measured using the feedback forms filled in by students (mean = 2.7431; S.D = 1.04884). Whereas the feedback mechanism may be one of the best in the situation of measuring productivity, the University officials have not been in position to consider it as such.

# 4.3.2.2 Customer Care

As part of the measure of productivity, the researcher established the customer care component in the University. This was done by examining the responses obtained from the research survey in relation to the study. The findings are displayed in table IX below.

<b>Table IX</b>	: Custon	ier care	review

	Min	Max	Mean	Std. Dev
Support staff members in this university have a good relationship with the students	1.00	5.00	3.4727	1.02007
In this institution, students' complaints are attended to promptly	1.00	5.00	2.6757	1.12138
In this institution, students get feedback of the evaluation they conduct of the different staff members per semester	1.00	5.00	2.6697	1.20227
In this institution, parents easily manage to pay the school fees with little or no trouble	1.00	5.00	2.4815	1.31477
In this institution, students get lecturing services in time	1.00	5.00	3.2762	1.16434
This institution has a specialized desk to handle customer related issues of the institution	1.00	5.00	2.9808	1.13189
Making a customer happy is considered to be a top priority issue in this institution	1.00	5.00	2.9524	1.21988
Customer care is an aspect that every employee of this institution regards highly	1.00	5.00	3.1574	1.20095
Every employee of this institution takes trouble to ensure that they successfully attend to the issues of students that fall in their power	1.00	5.00	3.1308	1.10815
Lecturers respect their students	1.00	5.00	3.4057	1.05811
The relationship between lecturers and students is good	1.00	5.00	3.4955	1.00791
The administration of Kyambogo responds to students problems in time	1.00	5.00	2.8532	1.26070
All staff members in this institution take the concerns of students to be a priority	1.00	5.00	2.7500	1.12843
Few staff members in this institution take the concerns of students to be a priority	1.00	5.00	3.1441	1.07743
Most of the staff members in this institution take the concerns of students to be a priority	1.00	5.00	3.0185	1.11892

Source: Primary data

The results in table IX indicated that there was a good relationship between lecturers and students at the University (mean = 3.4955; S.D = 1.00791). This is evidence that they had natured relationship which enhanced their service delivery and staff productivity. This is supported by results which revealed that lecturers respected students (mean = 3.4057; S.D = 1.05811) and a good number of the respondents further indicated that the students got lecturing services in time (mean = 3.2762; S.D = 1.16434). Despite the good customer care findings, there were also findings that portrayed that customer care is not at its best.

These findings indicated that there were some staff who wanted their customers happy. Their main focus and definition of a customer is a student and any other person assisting the stay of that student. However, there were some staff members who did not care whether the students were happy or not. Further findings revealed that the staff referred to here as not being supportive of the customers were those in charge of administration mainly composed of administrative staff. Most respondents pointed to the administration as not having a good relationship with the students which was a big challenge. On the other hand, the findings revealed that the students were happy with the way the lecturers handled them.

Still focusing on customer care, a big number of respondents indicated that students' complaints were not attended to promptly (mean = 2.6757; S.D = 1.12138). Additionally, they indicated their disagreement to the students getting feedback of evaluation of the staff members who conducted classes every semester (mean = 2.6697; S.D = 1.20227). This rhymes properly with a comment that most Universities do not have a specialized desk to handle customer related issues (mean = 2.9808; S.D = 1.13189). This therefore meant that the administration did not consider making customers happy to be a top priority issue (mean = 2.9524; S.D = 1.21988) making it hard for them to respond to students' problems in time (mean = 2.8532; S.D = 1.26070). This therefore led to the conclusion that whereas there were some staff members who wanted students to be happy and to be treated well, there were some staff members who did not take the concerns of students to be a priority (mean = 2.7500; S.D = 1.12843).

A combination of findings related to customer care and employee delivery revealed that there was an average level of productivity of employees. Whereas at one point delivery was considered to be there, there was a situation that portrayed that the staff and students were not getting feedback of that productivity. The same situation is also portrayed in the section of customer care which was very crucial in determining the level of productivity. The findings indicated that there were staff that indeed cared for students (customers) while the others did not care. A combination of all these findings pointed to an average level of productivity with a combination of both positive and negative outcomes of employee productivity. The findings in relation to employee productivity were obtained from the questionnaire responses and interviews that were conducted with the aim of identifying the exact comments that the respondents wanted to make in relation to the productivity at the institution.

In agreement with quantitative results, the interview results revealed that employee productivity were not good. Indicating that;

'I would personally inform you that this University has been going through a number of challenges including students accusing staff. To me, this is a sign of inefficiency'

'Considering the recent scandals at the University and what is still going on, there is still a lot to be desired'

'Look at the buildings for instance, they indicate that the institution is too old. This is a manifestation of low productivity of staff especially the administrative ones who are supposed to handle renovation activities'

These findings portrayed that majority of the respondents were not happy with the level of productivity in the University. It is generally reported to be unfavourable to the way they would expect it to be being an academic institution.

#### 4.4 Financial Remuneration and Employee Productivity

In this section, the results that addressed the research objectives are presented and Pearson's Correlation Test was used to answer the research questions of the study. Correlation is a measure of association between two variables. To investigate the relationship among the constructs a Zero-order correlation table was generated. The Pearson correlation coefficient (r) was employed to establish the relationship between financial remuneration and employee productivity.

**Table X: Correlation Results** 

	Financial remuneration	Employee productivity
Financial remuneration	1	
Employee productivity	.545**	1

Source: Primary data

The correlation results in table X indicate a significant positive relationship between financial remuneration and employee productivity ( $r = 0.545^{**}$ , p<.01). The correlation results between financial remuneration and employee productivity are supported by the multiple regression results in table XI, Beta .545 which revealed that financial remuneration determined a change in employee productivity. This is an implication that a unit change in financial remuneration would cause a corresponding 54.5% change in the employee productivity. This is evidence that for the university to achieve favourable employee productivity, management needed to pay staff salaries that equitable in terms of the changes in the market and allowances for any extra roles that are signed to staff.

# 4.5 Multiple Regression Model

A regression analysis was carried out to examine the extent to which financial remuneration determined employee productivity. The overall ability of financial remuneration to explain employee productivity was presented using the regression model in table XI.

	UnstandardizedStandardizedCoefficientsCoefficients			
В	Std. Error	Beta	t	Sig.
1.532	.165	,	9.309	.000
.496	.053	.545	9.376	.000
Employee pro	ductivity			
0.545		<b>F-Statistics:</b>	87.905	
0.297		<b>Model Significance:</b>	0.000	
0.294				
	Coeffi B 1.532 .496 Employee pro- 0.545 0.297	Coefficients           B         Std. Error           1.532         .165           .496         .053           Employee productivity         0.545           0.297	CoefficientsCoefficientsBStd. ErrorBeta1.532.165.496.053.545Employee productivity0.545F-Statistics:0.297Model Significance:	Coefficients         Coefficients           B         Std. Error         Beta         t           1.532         .165         9.309           .496         .053         .545         9.376           Employee productivity         0.545         F-Statistics:         87.905           0.297         Model Significance:         0.000

# Table XI: Prediction Model

Source: Primary data

According to the results, there was a linear relationship between financial remuneration to explain employee productivity. The model revealed that 29.4% of the increment or decrease in employee productivity can be explained by salary and allowances since the Adjusted R Square value is .294. This indicated that there could be other factors influencing changes in employee productivity at the University apart from financial remuneration although financials could influence a significant proportion of the changes on employee productivity.

#### **CHAPTER FIVE**

#### DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATION

#### 5.0 Introduction

This chapter presents the discussion, conclusion and recommendations based on the study findings. The presentation in this chapter is divided into four main sections. The first section has information in relation to the discussion of the findings of research that were obtained in the process of carrying out the study. The second section has information about the main conclusion of the study basing on the discussion conducted. The third section has information about the recommendations to the study and the last section has information about the suggestions of the future areas of the study.

#### 5.1 Summary of the Findings

The study sought to investigate the relationship between financial remuneration and employee productivity. This was carried out by way of unpacking the factor components of financial remuneration and thereafter related them to employee productivity. Data was collected by way of a self administered questionnaire and interview guide which were both open and closed ended and the data was analyzed with use of the Statistical Package for Social Scientists which was used to present results in tabulations of frequencies, item means, correlations and regression analysis.

From the findings on the demographic characteristics, the majority of the respondents were female, with the results showing that the majority of the respondents were in the 30-40 years age group. According to the results, a sizeable number of respondents were academic staff. The majority of the respondents were masters' holders.

The findings on the level of financial remuneration revealed that most staff members were employed elsewhere to supplement their incomes from the University, were unable to develop themselves out of the salaries they earned from the university, staff were unhappy with the way they were remunerated by the university and therefore, felt that they needed to spend their valuable time elsewhere.

According to the findings on the level of employee productivity, staff members lectured what they knew best, were always available to supervise students allocated to them much as administrators in charge of registration for instance did not perform their tasks as expected sighting delays in registering students even when all the schools dues had been cleared by the students, on the other hand, there regular cases of students' marks missing.

The association between financial remuneration and employee productivity revealed a significant relationship between the study variables. The findings posit that the more the university would increase staff salaries and allowances, this would culminate into improved employee productivity. The correlation results are in agreement with the regression analysis findings which revealed that financial remuneration predicted employee productivity.

#### 5.2 Discussion of findings

A discussion of the findings was carried out following the study objectives. Here the researcher assessed how the findings of the study were in agreement or disagreement with extant literature that was reviewed

#### 5.2.1 Financial remuneration of employees

The findings on salary as a measure of financial remuneration indicated that most staff members were employed elsewhere to supplement their incomes from the University, were unable to develop themselves out of the salaries they earned from the university, staff were unhappy with the way they were remunerated by the university and therefore, felt that they needed to spend their valuable time elsewhere. In line with the findings, HR Consulting Associates (2009) posit that entities need to have a well laid out plan on how remuneration of employees shall be carried out. This is expected to range from the employment terms, how remuneration shall be paid out, how and when the remuneration policy shall be reviewed and even considering the possibilities of designing new and better remuneration structures to consider. Research indicates that the remuneration schemes are subjective to factors such as the type of industry, size of the entity as well as the wealth the entity in question has to effect a particular form of pay system. This leaves the whole situation into a state of chance and most importantly in the hands of management who are considered to be in control of what is happening in the different entities (Australian Securities and Investments Commission [ASIC], 2004).

In regard to allowances the findings revealed that teaching staff got supervision allowances which comprised of supervision, marking, setting and invigilation allowances much as they were unhappy with the allowance schemes. From the findings it is clear that there were delays in the payment of allowances of administrative staff such as registration, marking and invigilation allowances. On the other hand, some allowances were not being paid to staff which included; transport allowances and medical allowance. According to Taylor (2008), the strength that management bodies have in deciding the level and type of remuneration is considered to follow a certain pattern in most of the reported entities especially in the developing countries. Some of the payments are inclined towards performance whereas others are inclined towards the time that someone is spent at work (Ornstein, 2011). In line with the findings of Okon (2012) the study revealed that, focus on the modern forms of remuneration (or probably the researched forms) leaves out a number of payment systems that could be applied in the current work environment out of creativity and innovation (Jensen & Murphy, 2004).

#### 5.2.2 Employee productivity of staff

The findings on service delivery revealed that, staff members lectured what they knew best, were always available to supervise students allocated to them much as administrators in charge of registration for instance did not perform their tasks as expected sighting delays in registering students even when all the schools dues had been cleared by the students, on the other hand, there regular cases of students' marks missing.

In regard to customer care as a measure of employee productivity, the findings revealed that there was a good relationship and respect between lecturers and students at the University much as there students who were being miss handled by staff through tossing them or resolving the complaints. On the other hand, the findings revealed that the students were happy with the way the lecturers handled them. Additionally, students did not get feedback of evaluation of the staff members who conducted classes each semester, there was no help desk to handle students' complaints and therefore, there were delays in handling their complaints. In support of the findings, Songstad et al (2011) concur that employees do not react in the same way to the same stimuli affecting their work environment. These differing levels of reactions were very instrumental in the determination of the varying levels of employee productivity at the university. This was evident in the university that led to the employees registering varying levels of productivity.

Likewise, Mercer (2013) concurs with some employees who have very negative employee productivity levels as a result of reacting to working conditions by taking drugs. This, like any form of addiction as result of lost hope for better future, had very negative impact on the overall productivity of employees. The institutions need to understand that there are different causes of changes in employee productivity levels and address them to ensure that the levels of productivity are maintained at a reasonable position.

#### 5.2.3 Financial remuneration and employee productivity staff

The study found that there was a clear link of financial remuneration to employee productivity. Similarly, employee productivity had a bearing on financial remuneration that employees got from their employers. This explains the behavioural reaction employees had on their employers was a way of communicating their happiness or discontentment. According to the study there was a positive and strong relationship between financial remuneration and employee productivity according to the study. Stefano & Filho (2013) in support highlighted that there is need to consider employee productivity from a scientific point of view. They further recommended the use of Activity Based Costing approach where employees got paid in relation to the value they created to the entity as well as the number of assignment they accomplished. One of the new innovations in the field of management that would help to minimize significantly wastage of resources as well as help entities realize value for money.

According to regression results of the study, there were other factors that had an impact on employee productivity. Though financial remuneration had about 29.4% influence on to the changes in the employee productivity, there was a very high chance that there could be other factors to fill up the remaining 70.6% of the influencers for example the image of the university, environment of the work place and general perception that employees have at work place to mention but a few. The study highlighted that there were a number of factors considered when it came to determining employee productivity as well as factors that influence an employee to work hard or to resign (Human Resource Development Working Group, 2013) for example employees resign from well paying jobs because of factors outside the financial element. This therefore indicated that financial element was not the only component that can entice an employee to work hard. The fact is that many people think that financial remuneration has an impact on employee leaving an institution.

#### 5.3 Conclusion

In this study concerning the relationship between financial remuneration and employee productivity, a number of conclusions were made by the researcher. It was concluded that there was a positively strong relationship between financial remuneration and employee productivity. This therefore meant that the more financial remuneration is improved the better will be the level of employee productivity.

The many reactions that the employees had in relation to financial remuneration were a revelation that they are not happy with the salary as well as allowances received. Hence the financial remuneration was not good.

Though there was a combination of good and bad levels of productivity, the employees were considered to have had moderate productivity. Further to that, the study concluded that there was a relationship between financial remuneration and employee productivity. This was reflected by the way the employees reacted because of the low pay as manifested in findings and discussion of the study. This relationship was further reinforced by the influences that financial remuneration has on employee productivity. Employee productivity is at an average level.

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#### 5.4 Recommendations

Basing on the conclusion reached, the following recommendations were considered as good for the case of the University and employee productivity levels.

- The University should find the means of enhancing the financial remuneration of the University staff to enable them cope with the changing inflationary conditions in the country especially Kampala. One important consideration could be establishing a project section where all staff in different departments could have a hand and develop projects that can attract huge finances for the University and individuals involved in the process.
- Concerning the employee productivity issue, it is necessary for the management to take into consideration the importance of motivating staff so that they can do a good job in the University. This is likely to become very valuable in the future for both the staff and management at large.
- The management of the University needs to take into consideration the conclusion reached in this research and plan to have the financial remuneration revised to enable to improve the productivity of employees in the University even if it is by 31%. Other factors that can be found to have effect on employee productivity need to also be brought on board so that the productivity of staff in the University can improve for the better.

# 5.5 Areas for further study

In the process of carrying out this research exercise, the researcher faced a number of challenges which made it hard to include some aspects in the current study. These areas can be embarked on by future researchers. The areas are;

- This study concentrated on financial remuneration and employee productivity.
   Future research should attempt to collect data from other universities and academic institutions to ascertain and compare the findings.
- ii) The study adopted a cross sectional survey design which studied the state of affairs at the University at a point in time. To study the true nature and quality of financial remuneration and employee productivity, a longitudinal study is more appropriate.
- iii) The study concentrated on Kyambogo University as the area scope. Further studies carried out on the education sector could comprise of a wider area scope including other universities.
- iv) The model could only explain 29.4% of the variance in employee productivity failing to account for 71.6% of the variance in employee productivity. Future studies should comprise of other variables that were not part of the model to predict the variance in employee productivity.

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# **APPENDIX I**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

# TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

Note: "N" is population size "S" is sample size.

Krejcie, Robert V., Morgan, Daryle W., "Determining Sample Size for Research Activities", Educational and Psychological Measurement, 1970.

#### **APPENDIX II**

### **QUESTIONNAIRE**

# FINANCIAL REMUNERATION AND EMPLOYEE PRODUCTIVITY IN PUBLIC UNIVERSITIES

Dear respondent,

Thank you for taking this moment to provide information in relation to a study to establish the impact of financial remuneration on employee productivity in public universities in Uganda. This research is conducted as a requirement towards the award of a degree of Masters of Business Administration (MBA) of Kyambogo University. Your honest response to this questionnaire is needed to enable the success of the whole research process. The research data shall be used specifically for academic purposes. All the data provided shall be kept confidential and shall not be used for any other purpose apart from the intended purpose.

#### SECTION A: Background information/Sample characteristics In this section tick the most appropriate answer that best explains you as a respondent

- 1. I am a
  - a. Male []
  - b. Female [ ]
- 2. My age is between
  - a. 20 and 30 years [ ]
  - b. 30 and 40 years []
  - c. 40 and 50 years [ ]
  - d. 50 and 60 years []
- 3. In this university I work as
  - a. An academic staff [ ]
  - b. Administrative staff [ ]
- 4. I have worked in this institution for a period of
  - a. One year []
  - b. Between One year and Three years []
  - c. Between three years and 6 years [ ]
  - d. Between 6 years and 9 years [ ]
  - e. Above 9 years [ ]
- 5. Academic qualification
  - a. Phd [ ]
  - b. Masters []

- c. Degree []
- d. Diploma [ ]
- e. Certificate []
- f. Any other -----

In the sections that follow, there are question items in form of statements. As a respondent, you are supposed to show your level of agreement with the statement by ticking appropriately in one of the 5 columns labeled SD (Code 1), D (Code 2), NS (Code 3), A (Code 4) and SA (Code 5). These abbreviations mean SD = Strongly disagree, D = Disagree, NS = Not sure, A = Agree and SA = Strongly agree

#### **SECTION B: Financial remuneration in public universities**

This section is further subdivided into the measures of financial remuneration. For the purpose of this study, the measures considered are giving of salary, remunerating employees with allowances and giving of refunds where need be. The details of these question items are indicated in the respective subsections hereby referred to as parts

Salary	SD	D	NS	A	SA
<ol> <li>Staff of Kyambogo University hardly engage in strikes because of salaries</li> </ol>	1	2	3	4	5
<ol> <li>Majority of staff members of Kyambogo have managed to build their houses using the salaries they get from Kyambogo</li> </ol>	1	2	3	4	5
3) Most of Staff members of Kyambogo are also employed somewhere else to supplement their income from Kyambogo	1	2	3	4	5
4) Employees of Kyambogo like spending much of their time at work	1	2	3	4	5
5) Employees of Kyambogo like spending much of their time at work because of the way they are remunerated	1	2	3	4	5
6) Whenever Kyambogo staff members think of their salaries, they become happy	1	2	3	4	5
Allowances	SD	D	NS	A	SA
<ol> <li>Registration activities of students are carried out upon receipt of registration allowances by the responsible staff members.</li> </ol>	1	2	3	4	5
2) Marking allowance is paid to staff members 6 months in arrears	1	2	3	4	5
3) Marking allowance is paid to staff members in time					
4) Invigilation allowance is paid six months in arrears	1	2	3	4	5
5) Invigilation allowance are paid in time					
<ol> <li>In this institution, employees get both allowances on top of the monthly salaries they get</li> </ol>	1	2	3	4	5
<ol> <li>Employees in this institution get housing allowance as part of the allowances</li> </ol>	1	2	3	4	5
8) Employees in this institution get transport allowance	1	2	3	4	5
9) In this institution, employees get relocation allowances in case they are to carry out tasks outside their duty station	1	2	3	4	5
10) Employees in this institution receive lunch allowance	1	2	3	4	5

<ol> <li>For every student supervised by a lecturer, a lecturer earns some money</li> </ol>	1	2	3	4	5
12) For every meeting attended, the staff members receive meeting allowance	1	2	3	4	5
13) Employees in this institution get medical allowance	1	2	3	4	5
14) Employees in this institution get transport allowance in time	1	2	3	4	5
15) Employees in this institution get medical allowance in time	1	2	3	4	5

**SECTION C: Employee productivity in public universities** This section is further subdivided into the measures of employee productivity. The details of these

question items are indicated in the respective subsections hereby referred to as parts

Ser	Service delivery		D	NS	A	SA
1)	Lecturers in this university lecture what they know best	1	2	3	4	5
2)	Student registration in this university is carried out at the beginning of the semester	1	2	3	4	5
3)	Academic staff members are always available to carry out supervision of the students allocated to them	1	2	3	4	5
4)	Marking of exams is carried out within the stipulated time frame	1	2	3	4	5
5)	Lecturers enable students to graduate in time	1	2	3	4	5
6)	Students rarely complain for their results	1	2	3	4	5
7)	Productivity of lecturers in this institution is measured by looking at the number of students that have passed in a particular academic year	1	2	3	4	5
8)	Productivity of lecturers in this institution is measured by considering feedback forms filled in by students in every semester	1	2	3	4	5
Cu	Customer Care		D	NS	A	SA
1)	Support staff members in this university have a good relationship with the students	1	2	3	4	5
2)	In this institution, students' complaints are attended to promptly	1	2	3	4	5
3)	In this institution, students get feedback of the evaluation they conduct of the different staff members per semester	1	2	3	4	5
4)	In this institution, parents easily manage to pay the school fees with little or no trouble	1	2	3	4	5
5)	In this institution, students get lecturing services in time	1	2	3	4	5
6)	This institution has a specialized desk to handle customer related issues of the institution	1	2	3	4	5
7)	Making a customer happy is considered to be a top priority issue in this institution	1	2	3	4	5
8)	Customer care is an aspect that every employee of this institution regards highly	1	2	3	4	5
9)	Every employee of this institution takes trouble to ensure that they successfully attend to the issues of students that fall in their power	1	2	3	4	5
10	) Lecturers respect their students	1	2	3	4	5
11	) The relationship between lecturers and students is good	1	2	3	4	5
12	) The administration of Kyambogo responds to students problems in time	1	2	3	4	5
13	) All staff members in this institution take the concerns of students to	1	2	3	4	5
					1	

be a priority					
14) Few staff members in this institution take the concerns of students to be a priority	1	2	3	4	5
15) Most of the staff members in this institution take the concerns of students to be a priority	1	2	3	4	5

# SECTION D: Financial Remuneration and Employee productivity

Items	SD	D	NS	A	SA
Kyambogo University employees work hard because of the salary they get					
Administrators of Kyambogo handle students' complaints fast enough because they are happy with the pay they get	1	2	3	4	5
The salary paid to staff members of Kyambogo makes them feel committed to work hard in the University	1	2	3	4	5
The salary paid to staff of Kyambogo makes them feel like spending a lot of time at the University	1	2	3	4	5
Medical allowances received have made staff of Kyambogo feel a great attachment to the institution	1	2	3	4	5
Transport allowances given to staff of Kyambogo have made it easy for them to arrive at work on time	1	2	3	4	5
The invigilation allowances given to staff of Kyambogo have encouraged them to execute their invigilation services seriously	1	2	3	4	5
The marking allowances have encouraged the academic staff of Kyambogo to mark the students professionally	1	2	3	4	5
The teaching allowances have influenced the staff of Kyambogo to lecture all the classes allocated to them in time	1	2	3	4	5

# Thank you so much for taking time to fill this questionnaire. GOD Bless You !!!

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# **APPENDIX III**

### **INTERVIEW GUIDE**

# FINANCIAL REMUNERATION AND EMPLOYEE PRODUCTIVITY IN PUBLIC UNIVERSITIES

# **Financial Remuneration**

- 1. Are you happy with the financial remuneration that you get in this institution?
- 2. If you are happy, what is that motivating aspect about it?
- 3. If you are not happy, why?

# **Employee productivity**

- 4. In your View, do you see productivity of the University staff being good?
- 5. What do you have to say about the opinion you have just given? Please provide a comment in line with your response.