

**REWARD AND EMPLOYEE PERFORMANCE IN PUBLIC SECTOR  
ORGANISATIONS IN UGANDA: A CASE STUDY OF KIBOGA DISTRICT**

**BY**

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## DECLARATION

I, Namaganda Kiyengo Mary, declare to the best of my knowledge that this Dissertation is my original work and has not been presented for any degree in any other university.

Sign:..........

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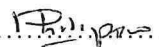
## APPROVAL

This is to certify that the dissertation presented by Namaganda Kiyengo Mary, under the title "*Reward Management and Employee Performance in Public Sector organizations in Uganda: A Case Study of Kiboga District*" was done under our supervision and is now ready for examination by the Board of Examiners as a requirement for the award of a Masters Degree of Business Administration of Kyambogo University.

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## **DEDICATION**

I dedicate this research to my late mother for her care, guidance and tireless support throughout my career aspirations.

**May the Almighty God bless her soul.**

## ACKNOWLEDGEMENT

I am deeply indebted to many people without whose assistance; I would not have succeeded in completing my research. First and foremost, I wish to extend my heartfelt thanks to my supervisors Dr. Kyamanywa Teopista and Mr. Owino Philip who tirelessly guided me during this study may the almighty God generously reward them.

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## **LIST OF ABBREVIATIONS**

<b>CIPD</b>	:	Chartered Institute of Professional Development
<b>PSO</b>	:	Public Service Standing Order,
<b>PAC</b>	:	Public Accounts Committee
<b>FIT</b>	:	Feedback Intervention Theory
<b>FY</b>	:	Financial Year
<b>MPs</b>	:	Members of Parliament
<b>HRM</b>	:	Human Resource management
<b>PE</b>	:	Performance Evaluation
<b>FI</b>	:	Financial Intervention

## ABSTRACT

The purpose of the study was “*to examine the relationship between Rewards and Employee Performance in the public sector organization a case study of Kiboga District*”. The study was guided by the following specific objectives to: analyze the relationship between monetary rewards and employee performance in Kiboga District, assess the relationship between non-monetary rewards and employee performance in Kiboga District and assess the effect of reward strategies on employee performance in Kiboga District. In this research a case study design with a triangulation of methods of data collection was used. A case study design was used data was collected by administering self-close ended questionnaires to 101 respondents who comprised of operatives and support staff. Interviews were conducted for 10 administrators using the interview guide to collect data for supplementing the questionnaires .The quantitative data was coded and analysed using the Statistical Package for Social Scientists (SPSS) while qualitative data was interpreted using thematic areas.

The findings indicated that, there is a positive relationship between monetary rewards and employee performance because the two variables are moving in the same direction (Pearson (r)= .246\*\*) sig value P(value) being 0.01>.000. There existed a positive relationship between non-monetary rewards and employee performance because the two variables are moving in the same direction (Pearson (r)= .276\*\*) sig value P(value) P < 0.05=000. there is a positive relationship between reward management and employee performance because the two variables are moving in the same direction (Pearson (r)= .252\*\*). inadequate monetary rewards, insufficient non-monetary rewards and improper implementation of reward strategies have led to decrease in quality and quantity of services, work excellence and commitment of employees and limited client satisfaction in the District. It was also established that the unfair and unreliable rewards system, lack of flexible remuneration system led to low performance of employees. The study also found out that there was great need for the public sector to invest in the remuneration programmes if they are to improve employee commitment and realize efficient and effective employee performance.

The study recommends that The Central Government should consider salary increment for employees commensurate to their value to the organization and timely payment of salaries, the District should endeavor to advance allowances to employees that they are entitled to, the management of non-monetary rewards should be improved and transparent and the development and implementation of reward strategies should be improved/reviewed in order to improve employee performance.

The study suggested that further research should be conducted to; assess the challenges faced in the development and implementation of reward strategies, analyze the factors that hinder advancement of allowances to the employee in public sector and examine the Procedure for determining rewards in organisations.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

Reward has been a topical issue that affects employee performance in both private and public sectors. As a result, the researcher feels that there is need to identify the specific reward management systems affecting employee performance. This chapter covers the background to the study, statement of the problem, purpose of the study, specific objectives, research questions, scope and significance of the study and definition of terms.

#### **1.1 Background to the Study**

The notion of rewarding employees for ‘a job well done’ has existed since the 19th Century when piece-work systems were first implemented (Kotelnikov, 2010). Reward management is one of the Human Resource Management (HRM) strategies aimed at improving employee performance (Maund, 2001). Organizations seek to design reward management systems that enables the organizations to achieve strategic objectives and individual employees’ goals (Zaherawati et al 2011).

According to Harvey-Beavis (2003), the reward management system in an organization consists of its integrated policies, strategies, processes, programs and practices for rewarding its employees in accordance with their contribution, skills, competences and value to the organisation. There are two basic types of rewards, financial and non-financial and both can be utilized positively to enhance performance behaviors of employees. Financial rewards mean pay-for performance such as salary, allowances, commission, tips, gratuities and pension. Non-financial rewards are non-monetary/non cash and it is a social recognition such



as acknowledgement, certificate and genuine appreciation, reassignment, career advancement (Luthans,2000).

Rewards can be very motivating by helping to build feelings of confidence and satisfaction (Mahaney & Lederer, 2006).Employees can be rewarded for working overtime, taking initiative, team work, reliability, regular attendance, exceptional customer feedback, meeting deadlines and productivity.

An effective reward program should have three components: immediate, short-term and long term. This means immediate recognition of a good performance, short- term rewards for performance could be offered monthly or quarterly and long- term rewards are given for showing loyalty over the years (Schoeffler, 2005).

Immediate reward are given to employees repetitively so that they can be aware of their outstanding performance. Immediate rewards include being praised by an immediate supervisor or it could be a tangible reward. Short term reward are made either monthly or quarterly basis depending on performance such rewards include cash benefits or special gifts for outstanding performance. Incentives given for good behavior usually improve the relationship between the employees and management because employees feel that they are being appreciated for their efforts and good work. This leads to increased employee morale, better customer care as well as increased productivity.

Long-term rewards are awarded to employees who have been performing well. Such an employee will become loyal to his or her organization and it reduces employee turnover. Long term rewards include being made partner or cash benefits that mature after many years

of service or at retirement like pension. These rewards are very strategic for retaining the best human resources (Yokoyama, 2010).

The main objective of rewarding is to reward people according to their value in the organization, promoting fairness, equity, consistency and transparency in compensation of employees for ensuring achievement of organizational goals, develop a positive employment relationship and psychological contract (Armstrong, 2005). Armstrong (2005) further argues that reward the right things to express the right message about what is important in terms of behaviour and outcomes and develop a performance culture of employees.

When employees exceed their target, they should be rewarded immediately as a way of motivating them. Effective reward management always attribute to positive reinforcement which leads to performance (Torrington & Hall, 2006). To achieve desired goals, reward systems should be closely aligned to organizational strategies.

Performance is realized when an institution achieves intended objectives. In the public sector, performance is achieved when the community realizes impact of the public goods and services delivered. Performance is measured in terms of input-output ratio (Feinstein, 2000).

Many large organizations today spend large amounts of money trying to make their employees more productive. However, investing money in the productivity of employees is useless if the administrators do not understand how to recognize and reward them appropriately. Although the Public Sector reward system comprises of remuneration which is the driving force behind pay reforms, which are meant to address pay disparities that have

emerged within the public sector (Iheriohanma, 2006). This has not been achieved in the Public sector of Uganda.

Mbogu, and Ezulike (2001), established that low performance in the public sector in developing countries is due to poor reward systems. Similarly, Muhakanizi (2014), observed that Uganda's public sector is doing badly especially in education and health sector and this has led to low employee performance and decline in delivery of public goods and services.

Kiboga District derives its powers and mandate from the 1995 Constitution under article 211, 212 and the 1997 Local Government Act cap 243. The mission of the district is to deliver public goods and services to the community in bid to improve life and the population quality. Kiboga district has a well-developed strategic reward system for its employees that enhance retaining of results oriented and competent employees for sustainable development. Nevertheless the district experiences low performance resulting into poor service delivery and client satisfaction is not achieved. Employees lack commitment and loyalty, making work excellence unrealistic. District employees experience low motivation which result into; irregular attendance, lateness, poor quality output, abscondment and low customer service (Ivana, 2009), as a result of unfair, inconsistency and lack of transparency in reward management. It was against this background that further research was conducted to examine the relationship between reward and employee performance in Kiboga District.

## **1.2 Statement of the Problem**

Employee performance in terms of service delivery is low, client satisfaction is inadequate, the level of innovativeness and commitment among employees is low in Kiboga District and it was reported that employee performance was static at 50% (Kiboga District National Assessment Report 2013). Decreasing employee performance has attributed to slow speed of service, laxity in job accomplishment, long queues, poor livelihood of the population and generally inefficiency in service delivery. Absenteeism, lack of commitment and loyalty, lateness and increased number of grievances seemed rampant among the civil servants in the district. This was characterized by high salary arrears of over One billion Uganda shillings (Fourth Quarter Human Resource Department Report, 2013/2014). Further still, Public sector employees experience difficulties to obtain authorized allowances and non-monetary rewards are well defined and structured but not effectively implemented. The reward strategies are not practical to enhance employee performance. The Ministry of Public Service has tried to provide reforms, through introducing the Integrated Personnel and Payroll System but civil servants' names keep appearing and disappearing on payroll. If the situation persists employee performance problems would reoccur and instigate continuous low morale, dissatisfaction of employees and poor service delivery. It is upon this basis that the researcher was compelled to conduct a study to examine the relationship between rewards and employee performance in Kiboga District.

## **1.3 General Objective**

The general objective of the study was to examine the relationship between rewards and employee performance in Kiboga District.

Effective Service delivery is a key issue in every organization. Hence there is need to develop reward to acquire and retain the competent workforce to improve employee performance to

directly influence employee performance. If public sector organization fails to reward employees, it will directly hamper employee performance though an efficient reward system can be a good motivator but an inefficient reward system will demotivate the employees and this will in turn lead to low performance.

#### **1.4 Specific Objectives**

To assess the relationship between monetary rewards and employee performance in Kiboga District.

To analyze the relationship between non-monetary rewards and employee performance in Kiboga District.

To assess the effect of reward strategies on employee performance in Kiboga District.

#### **1.5 Research Questions**

The study was guided by the following research questions:

What is the relationship between monetary rewards on employee performance in Kiboga District?

What is the relationship between non-monetary rewards and employee performance in Kiboga District?

How do the reward strategies on the employee performance in Kiboga District?

#### **1.6 Scope of the Study**

##### **1.6.1 Content Scope**

The study focused on the effect of reward systems on performance of employees in public sector organizations taking Kiboga District as a case study. It assessed the relationship between monetary and non-monetary rewards and employee performance and assessed the



effect of reward strategies on employee performance as well as the effect of Government policy on reward and employee performance. On the other hand while measuring employee performance; the study considered the rate of service delivery in terms of commitment level of public servants, goals client satisfaction, quality of work, quantity of output, level of innovativeness and work excellence.

### **1.6.2 Geographical Scope**

The study was conducted in Kiboga District which is in Central Uganda, 124 kilometres along Kampala-Hoima road. The District was chosen because it was one of the underperforming districts in Uganda.

### **1.6.3 Time Scope**

The study focused on the period between July 2013 to August 2014.

### **1.7 Significance of the Study**

The results of the study will benefit management and staff of Kiboga District and other Local Governments by providing information on how to improve their methods of rewarding employees, in order to achieve effective employee performance.

The study results may also be used by Government to design future staff reward management strategies that enhances productivity. It would also help policy makers especially in the Ministry of Public service to come up with informed policies on how rewards should be appropriately accorded to public servants for effective service delivery. Non-Government Organizations, manufacturing firms and service industries might utilize the study findings to improve present and future employee performance. The study may further help employers to draw up proper performance reward systems to increase on the employee performance.

Finally, the study findings are expected to be used as a basis for further research in the area of reward systems.

### **1.8 Definition of Key terms**

Rewards are everything employees perceive to be of value resulting from the employment relationship (Hai-Ming Chen and Tamkang, 2006).

Reward systems are outcomes or events in the organization that satisfy work related needs.

Rewards systems are much more than bonus plans and stock options. They often include intrinsic incentives and extrinsic types like promotions and re-assignment,(Ryan/ACCA, 2013).

Non-Monetary Rewards is used to refer to rewards to an employee in form of career development, working environment, or recognition.

Monetary Rewards these are types of rewards given to employees in form of cash.

Employee Performance this is the extent to which staff meets expected set targets and accomplish goals and objectives of the organization.

Reward Strategy this is what the organization intends to do in the long term to develop and implement reward policies and processes that will promote the achievement of its business goals (Reilly P & Williams T 2006).

### **Summary of Chapter One**

Organizations operate in a dynamic and competitive environment, hence the need to develop reward systems to acquire and retain the competent workforce. Many approaches such as goal setting approaches, measurement and feedback approach, job design approach and reward and recognition approach have been developed and adopted globally to improve employee

performance. Studies by Pratheepkanth, (2011) & Zaman (2011), document how reward systems cause satisfaction of employees to directly influence performance. According to Perry (2006), rewards refer to all forms of financial and nonfinancial benefits an employee receives as part of an employment relationship. “Reward is the benefit that arises from performing a task, rendering a service or discharging a responsibility”. Reward package influence employee performance by enhancing employee skills, knowledge and abilities in order to achieve organizational objectives. Based on the aforementioned, rewards directly influence employee performance. If public sector organization fails to reward employees, it will directly hamper their performance though an efficient reward system can be a good motivator but an inefficient reward system will demotivate the employees and this will in turn lead to low performance. The next chapter reviewed related literature in relation to the study objectives.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter reviews related literature by different authors available on the problem under study. The information is a combination of extracts, paraphrased statements from textbooks, pamphlets, journals, magazines, websites, publications and other official reports related to reward management and employee performance in the Public Sector. The literature review focuses on the monetary rewards, non -monetary rewards and strategies that affect employee performance.

#### **2.1 Theoretical and Conceptual Review**

##### **2.1.1 Reward Systems**

The study focused on reward theories and employee performance which were reviewed and these are basically related to the motivation theories aimed at how employees can be motivated to perform through rewarding them appropriately.

Equity Theory Adams (2007), put forward his equity theory which emphasises equity and sense of fairness in rewarding employees this theory is dependent on the comparison a person makes between his or her reward investment ratio with the ratio enjoyed or suffered by others considered to be in a similar situation. Adams called personal efforts and rewards and other similar 'give and take' issues at work respectively 'inputs' and 'outputs'. Equity theory thus helps to explain why pay and conditions alone do not determine employee performance. In terms of how the theory applies to work and management, it seeks a fair balance between what we put into our job and what we get out of it. The equity theory explains why giving one person a promotion or pay-rise demotivates others staff. Adams uses the terms inputs and

outputs, which more appropriately cover all aspects of what a person gives, sacrifices, tolerates, invests, etc., into their work situation, and all aspects of what a person receives and benefits from their work and wider career. The equity theory highlights the need to reward employees equitably however the issue whether the equality is practiced when rewarding employees needs to be researched about. The table below illustrates the equity theory.

**Table 2.1: Illustrating Equity theory in relation to input-output**

<b>Inputs</b>	<b>Equity</b> Dependent on comparing own ratio of input/output with ratios of 'referent' others	<b>Outputs</b>
Inputs are typically: effort, loyalty, hard work, commitment, skill, ability, adaptability, flexibility, tolerance, determination, heart and soul, enthusiasm, trust in our boss and superiors, support of colleagues and subordinates, personal sacrifice, etc.	People need to feel that there is a fair balance between inputs and outputs. Crucially fairness is measured by comparing one's own balance or ratio between inputs and outputs, with the ratio enjoyed or endured by relevant ('referent') others.	Outputs are typically all financial rewards - pay, salary, expenses, perks, benefits, pension arrangements, bonus and commission - plus intangibles - recognition, reputation, praise and thanks, interest, responsibility, stimulus, travel, training, development, sense of achievement and advancement, promotion, etc.

The intrinsic and the 16 basic desires theory was developed by Professor Steven Reiss. He proposed that all human behaviour is motivated by the 16 basic desires as listed below: a) Acceptance, the desire for approval b) Curiosity, the desire to learn c) Eating, the desire for food d) Family, the desire to raise one's own children e) Honour, the desire to be loyal to one's traditional values of one's social group f) Idealism, the desire for social justice g)

Independence, the desire for self-reliance, h) Order, the desire for organized, stable, predictable environments)Power, the desire to influence others j)Saving, the desire to collect things, k) Contact, the desire for companionship, l)Status The desire for social standing, m)Vengeance, the desire to get even, n) Romance, the desire for sex and beauty, o)Physical activity, the desire for exercise of muscles,p) Tranquillity, the desire for emotional calm, (Kelly, Phil and Cole, (2011).The rewards given to employees should cater for basic human desires to be able to perform better. As evidenced from the review, there is need to provide basic human desires for employees through rewards however to some extent these desires cannot be met by organisations to enhance employee performance.

Vroom's Valence x Expectancy theory this is the theory that connects motivation and rewards Vroom argues that the strength of a predisposition to act in a certain way is directly related with the strength of the expectations or the rewards that are expected from this act (Geoff and Druker 2005). When it comes to employee motivation, this theory is of the view that an employee will be motivated to perform better when they are convinced that their improved performance will lead to "a better performance appraisal" (Pierce 2007). It is expected that this better performance appraisal will lead to the attainment of personal goals. The goals are conceptualized in forms of rewards. Vroom uses the following formula to determine motivation of the employee:  $Motivation = Valence \times Expectancy$ . However Vroom's Valence x Expectancy Theory does not explain how employees can be motivated to perform better.

### **2.1.2 Employee Performance**

Low levels of productivity in public sector are largely due to low levels of facilitation (man/capital ratio), understaffing, poor work culture, and ill-health issues. Smitheret *al.*

(2004) showed that increasing the connection between performance and pay can be very effective for improving performance. Locke et al. (1980) concluded, “Money is the crucial incentive, no other incentive or motivational technique comes even close to money with respect to its instrumental value”.

Although organizations conduct performance evaluations for many reasons, the most basic one is to improve performance (Murphy & Cleveland 1995). Performance in turn is believed to be a joint function of both motivation and ability. Consistent with this notion, performance evaluation is believed to be capable of improving performance in two ways: through developmental feedback (directed primarily at improving ability to perform), and through administrative decisions that link evaluated performance to organizational rewards and punishments such as pay, promotion, or discharge aimed primarily at enhancing employee performance. This relative neglect of the administrative functions of PE is unfortunate because performance is likely to improve most when employees both (*a*) receive information that will enable them to perform better and (*b*) have an incentive to act on that information. According to the performance evaluation (PE) and pay for performance (PFP) theory, a need that is deprived acts as a primary motivator (i.e., “monopolizes consciousness”), while a need that is satisfied has less motivational impact. Performance Evaluation has two distinct functions: to develop employees through such mechanisms as feedback and goal setting, and to evaluate employees for purposes of making administrative decisions e.g., pay increases or promotions (Murphy & Cleveland 1995).

Meyer et al (2005) argued that these two functions of performance appraisal should be kept completely separate from one another that are; evaluations of performance and discussions of pay should be separated in time from discussions of how to improve performance. Interviews designed primarily to improve a person’s performance should not at the same time weigh his

or her salary or promotion in the balance, (Meyer et al. 1989, p. 26). Boswell & Boudreau (2002) found that employees reported higher intentions to use developmental feedback when developmental feedback was combined with evaluation.

Another theory related to performance reviewed was Feedback Intervention Theory, by Kluger & DeNisi (1996) proposed that following Feedback Intervention, “effort is increased if the feedback sign is negative, and decreased or maintained if the sign is positive”. In other words, people work harder when they find out that they are not performing up to expectation and relax when feedback suggests that performance is adequate, consistent with cybernetic or self-regulating theories of motivation (Kanfer, 1990). On the other hand, Kluger & DeNisi also found that despite the generally positive effect of feedback, in more than one third of the cases, performance decreased following feedback.

In light of the non-uniform effects of feedback on performance, Kluger & DeNisi proposed and tested a Feedback Intervention Theory (FIT) suggesting that different types of performance feedback differentially affect people’s locus of attention among three hierarchically organized levels of control: task learning, task motivation, and meta-task processes (including focus on the self). Thus Meyer et al. (1989) contention that negative feedback can impair performance. (journals. annual reviews.org by McMaster University). Show that individuals generally improve their performance following 360-degree feedback, at least in terms of subsequent ratings by the same observers (Reilly et al. 1996, Smith et al. 1995; Atwater et al. 2000).

Pay for Performance theory is more attractive to those higher in academic achievement need for achievement and self-efficacy (Cable & Judge 1994). Trank et al. (2002), also shows that high performers are most likely to seek other employment if performance is not sufficiently

recognized with financial rewards. Conversely, low performers are more likely to stay with an employer when PFP relationships are weaker (Harrison et al. 1996).

In deciding on performance measures that will be used to determine pay, there are at least three key choices: (a) How much emphasis can or should be placed on results-oriented performance measures (e.g., number of units produced) relative to behaviour-based ones (e.g., supervisory evaluations of effort or quality)? (b) How strong (or intensive) should incentives be and how will risk aversion influence their effectiveness? (c) How much emphasis should be placed on individual contributions relative to collective contributions?

The performance theories emphasise feedback and pay as determinants of employee performance however the unanswered question remains that how can these theories be used to ensure improved employee performance.

### 2.1.3 Conceptual Framework

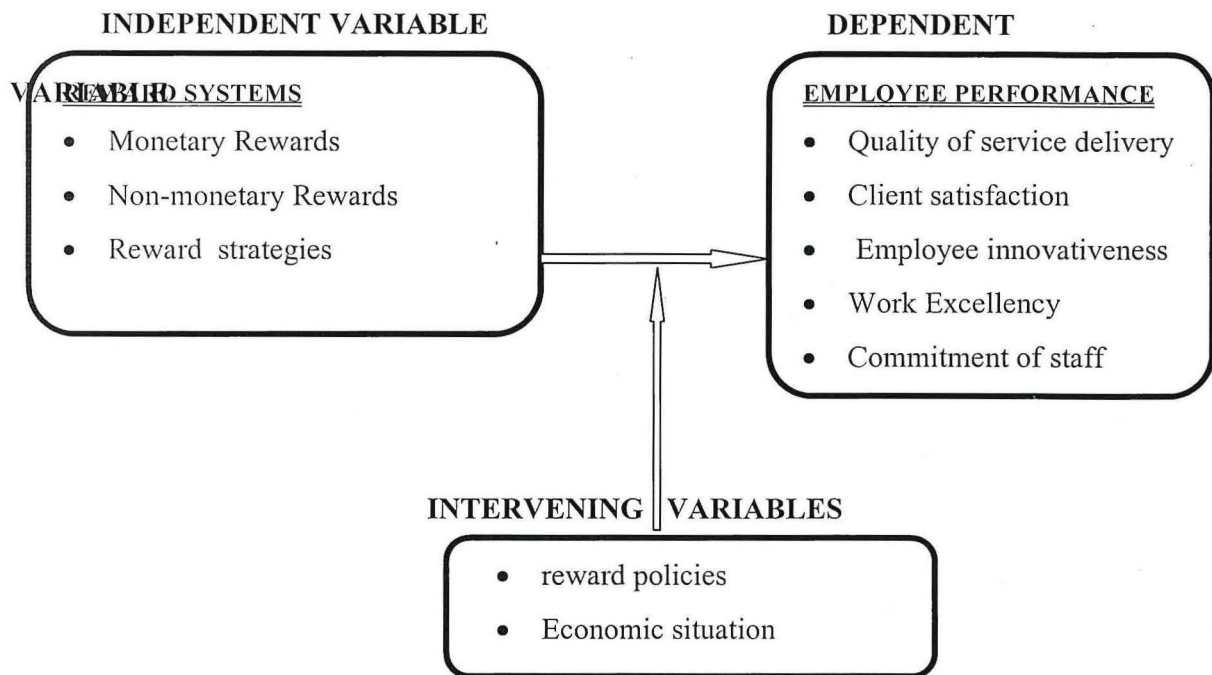


Figure 1: Conceptual Framework illustrating the relationship between Reward Management and Employee Performance

**Adopted and modified from:** *International Journal of Business and Social Science, Vol. 2 No. 1; (Amstrong, 2011)*

Figure 1 indicates that the Independent Variable which is reward systems affects the Dependent Variables employee performance. It indicates that reward strategies, rewards in form of monetary and non-monetary such as; salary, allowances, promotions, training opportunities, fringe benefits, career development, recognition and appreciation may affect employee performance and overall productivity of the organization by influencing quality of service delivery, work excellence, employee innovativeness, commitment and quantity of outputs produced by employees.



## **2.2 Monetary Rewards and Employees Performance in the Public Sector**

According to Heng (2012), and (Agwu, 2013), Monetary rewards include salary, pension schemes, allowances which include night, safari day, travel and special allowances among others.

### **2.2.1 Salary**

Salary usually connotes a set wage based on a set of expected duties to be performed. Hourly wages may fall under the category of salary and usually are based strictly on time spent on the job. A base salary or hourly guarantee provides employees with security, knowing they will receive at least a minimum pay for their time. Conversely, the safety net of a fixed salary can lead to satisfaction, with employees knowing they'll get paid no matter how much they produce. Pay raises based purely on time spent with the organization can be a disincentive for employees to improve, while salary raises based on performance encourage higher productivity.

According to the New Vision, Pay raise awaits public servants Publish Date: July 26, 2014, by Samuel Sanya Public servants are set to reap big in the new financial year that starts in July. According to the national budget framework paper, staff in public service will get between 6% and 30% increment in salary, depending on their scale and work station. According to the framework paper, civil servants, between salary scales U7 and U8 (including primary school teachers), will get a 15% increment, those between salary scales U6 to U4 will get 8% and those in U3 to U1, 6%. University lecturers will get 10%. Science teachers in universities and post primary institutions will get 30% increment.

Those who argue against higher pay for workers in both public and private sectors look at salaries as a costly recurrent that should be at minimal if firms are to be efficient. Yet, better



pay has potential to expand fortunes of governments through its ability to stimulate productivity of the workforce. The above literature review clearly reveals that salary contributes to employee performance. The question unanswered, is to what extent do salary enhances employee performance.

### **2.2.2 Pension Schemes**

Pension is the pay made by employers to former employees based on their final salary and the number of years that the employee worked for the organisation. A typical example is that the former employee receives 1/60ths of their final salary for every year of service. An employee who works for 40 years for the same organisation would therefore receive a pension equal to 40/60ths of their final salary from the date of retirement to the date of death, (World Bank, 2006). The Pensions Act (Cap 281, Laws of Uganda), regulates the arrangements of pensions for traditional civil servants , primary and secondary school teachers, police officers, prison officers, doctors and public employees in the judiciary.

The scheme commonly called public service pension scheme covers therefore civil servants in both central government and local authorities. The scheme provides for normal retirement age at 60 years with a benefits vesting period of ten years save for the disciplined forces whose vesting period is 12 years. The scheme has a generous full pension based on gross salary with an accrual factor of 2.4% multiplied by the number of years in service capped at 89% of final gross salary. The scheme also promises a commuted pension equivalent to 1/3 of the full pension to new retirees. The pensions are indexed to wages unlike price indexation in a number of countries, (Kunsa, 2009).

Pensions play a fundamental role in the realization of socio-economic right by providing a replacement of income to citizens who lose their regular income owing to old age, disability or death of a wage earner in the family. Pension aims at achieving the following objectives 2, i.e. (i) consumption smoothing during the lifetime of a person (ii) insurance against longevity risks (iii) reduction of old age poverty (iv) and redistribution either between generations or from those who are the less privileged in the society through taxes. Other secondary objectives of the pension scheme include enabling economic growth specifically in a given country.

A pension scheme should be inclusive and provide adequate, affordable, sustainable, and robust benefits. In designing a pension scheme specific objectives intended to be achieved by the system should be clearly analyzed and understood. This will enable development of a pension scheme which will address specific objectives in a given country, (David B Nyakundi , Retirement Benefits Authority, Kenya,2010). The above literature review clearly reveals that pension contributes to employee commitment to the organisation. However how pension enhances employee commitment and performance has not been explained by the current literature.

### **2.2.3 Allowances**

Allowances are elements of pay in the form of a separate sum of money for such aspects of employment as overtime, shift working, extra work done, housing and health these allowances are sometimes consolidated, organisations which are simplifying their pay structure may 'buy out' the allowance and increase base pay accordingly.

According to the national budget FY2014/15, Public servants in hard-to reach and hard-to-live areas will also get a 30% hardship allowance. The budget framework notes that these

workers have until recently started to get this allowance and already staff numbers in hard-to-reach areas are increased to 19,754 in 2012 from 14,000 in the previous years.

The public service standing Orders (2010) provides for allowances that employees are entitled to which include travel allowances consisting of night allowance, lunch allowance, kilometrage, disturbance, settling-in-allowances, training allowance is another category of allowances, extra duty allowances is also a form of allowances and these include: duty, sitting and overtime allowance honoraria and another form of allowances provided to employees is foreign services allowance which consists of climatic clothing, children, education, holiday allowances. Although the literature review has provided an understanding that the allowances affect employee performance, very little is understood about the effect of allowances on employee productivity in public sector.

### **2.3 Non-monetary Rewards and Employee performance**

#### **2.3.1 Career Development and Career Growth**

According to Kepner& Karl (2001), Career mapping tools are gaining prominence as a way to communicate and guide employees and their managers through productive discussions of career advancement opportunities and to facilitate development planning discussions. This is in response to the growing recognition that employees place a high value on an organization's ability to demonstrate commitment to employee advancement. Career growth element is an important driver of employee engagement but neglected by many employers, investing in employee's careers can also be a cost effective way of increasing employee engagement.

Dessler (2003) adds to the notion of career development and employee productivity when he emphasizes that those HRM activities that support employee development, promotion from

within a career advancement should be devised to enhance employee motivation. Wayne (2006), notes that promotions help satisfy employee's needs for security, belonging and personal growth. Promoted individuals tend to increase their commitment; conversely those who are by passed for promotion feel they have not been treated fairly, their commitment decreases and their absenteeism increases. Tzabber et al., (2003) observe that employee and performance evaluation take a central part in overall organizational career strategy and practice.

The Public sector provides training and development to enable career opportunities and prepare employees for changing organizational needs with the aim of developing a competent work force. But they lose scarce-skilled talent because they are unable to accelerate career growth. The Districts are now working to provide attractive career paths and career opportunities so that people with scarce skills will stay after the District has invested in their training. However they have failed to achieve this due turnover of the employees in Public sector. Although literature has discussed career growth and development their relationship on employee performance has not been discussed.

### **2.3.2 Recognition**

Recognition programs are in use, but many employee acceptances of these programs are difficult to achieve required significant culture change in the organization. Of those who offered recognition, only half felt the programs were unequivocally successful. Most employees say that recognition just makes sense to keep employees motivated and engaged. Civil servants note that designing recognition programs requires creativity in defining approaches that fall within funding or statutory limits. Recognition is overrated in the public sector. Since they have very little money to provide real compensation, they think employees will be happy and satisfied with a little 'recognition'.



Employee recognition is a powerful tool to reinforce the specific actions, efforts, behaviour and results targeted by an organization. Recognition of achievements can be highly motivating, and in some cases can even be more effective than financial rewards. Forms of recognition include; verbal feedback, letter of appreciation from the relevant Director or General Manager, certificate of appreciation, acknowledgement at staff meetings or other appropriate functions, implementation of a staff idea or proposal. Successful recognition programs include both formal and informal options to fit the needs of an organization and the employees. It should be noted that recognition does not have to be complicated. A simple, genuine thank you can go a long way in making an employee feel valued. As evidenced from the review, recognition affects employee performance; however the extent to which recognition affects employee performance is not discussed.

### **2.3.3 Fringe benefits**

Naukrihub (2009), Defines Fringe benefits as those non-taxable payments or services which are provided by the employers in addition to basic pay for time worked. Fringe benefits include; payments for time not worked, security and welfare plans, employee service. Fringe benefits are elements of remuneration given in addition to the various forms of cash pay. Wright (2003) also includes items that are not strictly remuneration, such as annual holidays. He further divided the fringe benefits as personal security, financial assistance, personal needs, company cars and fuel, other benefits which improve the standard of employees such as subsidized meals, clothing allowances, refund of telephone costs, mobile phones and credit card facilities and other intangible benefits. In the Uganda's public sector the common benefits provided to employees are car, fuel, housing and security although limited to senior staff. Although literature provides for fringe benefits as form of reward the extent to which they enhance employee performance is not reviewed.

### **2.3.4 The Working Environment and Employee Performance**

Woodruffe (2006:29) identified the working environment as one of those non-financial factors that is an important motivator of employee performance. In this study the researcher has identified the elements of working environment as: physical environment, flexible working hours, and supportive supervision.

According to Cummings (2008), characteristics of physical environment, such as the indoor climate (temperature, lighting and acoustics-hearing and being heard), air quality (humidity, draughts, and pollution-ventilation), office space, and work place lay out affects the performance of employees. He notes that favourable lighting, the functionality of modern furniture and high-tech ICT, comfortable chairs and attractive and stylish layout contributes significantly to positive employee performance.

According to Brill et al,(2001)on office employees identified some of the factors affecting employee performance as; work place comfort, enough space to put things, good relation areas, access to technology, quality lighting, temperature and air quality.

To sustain the work force, it's important to ensure a hazard free and safe environment. Managers should therefore ensure a safe working environment to enhance greater employee efficiency and productivity. Jobs must be designed in such a manner that musculoskeletal disorders do not happen. Tools and equipments must be designed with the worker in mind and for the job being performed. Mini-breaks or coffee/tea breaks must be given to employees so that body parts are not over exerted. Production quotas, excessive supervision, machine paced work rotation must be avoided so as to reduce musculoskeletal injuries. According to (Bonlander and Snell, 2004), flexible hours permit employees the option of choosing daily starting and quitting times, provided that they work a set number of hours per day or week.

Employees are given chance in scheduling their work. However, there is a “core period” during the morning and afternoon when all employees are required to be on the job. By allowing employees greater flexibility in work scheduling, employers can reduce some of the traditional causes of tardiness and absenteeism. Employees can adjust their work to accommodate their particular lifestyles and, in doing so, gain a greater job satisfaction. Employees can also schedule their working hours for the time of the day when they are most productive. From the employer’s stand point, flexitime can be most helpful in recruiting and personnel. It has proved invaluable to organizations wishing to improve service to customers by extending operating hours.

Thomson (2008), VanderVoordt(2004), note that flexitime working hours can have a positive impact on the performance measures of reliability, quality and quantity of employee work.

However, flexible work schedules may not be suitable for some jobs where for instance a work station must be staffed at all times. Secondly, it may create problems for managers in communicating with and instructing employees. Pettinger and Friths (1999), emphasized the role of supportive supervision to employee productivity when they noted that a supportive style of supervision, general sense of personal worth, importance and esteem in belonging to a group will lead to high performance.

Greerberg (2005) notes that job satisfaction is highest among employees who believe that their supervisors are competent, treat them with respect and have their best interests in mind. Similarly, job satisfaction is enhanced when employees believe that they have open lines of communication with their supervisors. Although the literature review has provided an understanding that the working environment affects employee performance, very little is

understood about the influence of the working environment on employee performance in public sector.

The rewards discussed are supposed to be used in the public sector to improve employee performance however some of them end on paper practically they do not exist, and even those that are given the criteria for selecting those to benefit is not known by all the employees hence the need to analyze the relationship between non-monetary rewards and employee performance.

#### **2.4 Effect of Reward Strategies on Employee Performance**

Reilly & Williams (2006), stress that Reward strategy defines what the organization intends to do in the long term to develop and implement reward policies and process that will further the achievement of its business goals. They further argue that Reward strategy establishes priorities for developing reward plan that can be tailored to business and human resources strategies.

According to Armstrong (2008), Reward strategy is ultimately a way of thinking that you can apply to any reward issue arising in an organization, to see how value can be created from it. To him, it is necessary to recognize that effective reward strategies have three components: They need to clearly define goals and a well-defined link to organizational objectives, there is need to have a well- designed pay and reward programs tailored to the needs of the organization and its people and consistent and integrated with one another and there is need to be effective and supporting human resources and reward process in place.

According to Michael Armstrong writing in Employee Reward (CIPD, 2002), a reward strategy is: ‘the alignment of the reward policies and practices with the business and human



resource strategies of the organization, its culture and its environment', providing a 'set of goals and declaration of intent as to what the organization wants to reward, and how critical reward issues will be addressed.' It's a pathway in other words, which links the needs of the business and the staff with the reward policies and practices in the organization, communicating and explaining those practices in the process.

Brown(2005), observed that, people are rewarded for doing the things that support the delivery of the organisation's strategic goals, increasing the chances of those goals being achieved. The key steps in this strategic reward pathway that an institution needs to define, progress from: the organisation strategy, mission and goals, the cultural and people requirements to deliver these goals, the HR strategy and principles, the reward goals and the specific reward policies and practices.

Duberg & Mollen (2010), A reward strategy therefore: Aims to ensure that reward programmes are driven by the needs of the organisation, rather than being based on historical and possibly out-dated practices, or simply reflecting fads or fashions in those practices (a common criticism by chief executives of their HR programmes);Ensures a coherent direction to reward and HR practices, preventing mixed messages and uncoordinated initiatives; Acts as a framework to guide reward practices in different parts of the organisation, establishing how much consistency there should be, for example; Sets out the core principles underlying how the organisation rewards its people, what it values, what it recognises and what it rewards; Clarifies accountability and ownership for the various reward policies and practices in the organisation, defining not just what success looks like but also who is responsible for which aspects.

Heng (2012), commented that, there are five key requirements in developing an-effective and tailored reward strategy for an organisation: Clear reward goals and priorities derived from the business-strategy and its requirements, often referred to as ‘vertical-alignment’; A strong organisational fit of reward policies and practices with the structure and design of the organisation; Alignment of the reward practices with each other in a total-reward approach, and with the other HR programmes in the organisation, known as ‘horizontal alignment’; Aligning with, and involving employees in the development and delivery of the reward strategy and Treating the reward strategy development as a process of continuous improvement and interaction between principles and practices.

According to Kotelnikov (2010), a well-integrated total reward strategy considers the components and relative emphases in the reward package across four major categories: the financial rewards, such as base pay and incentives, the benefits, such as pension and life cover; the learning and development provided, career development or training programmes; the working environment, including the level of autonomy, work–life balance, feedback from management and level of communication and involvement (admittedly more difficult to cost and value than financial rewards, but often highly valued by staff and the prime determinant of why they leave an organisation). These rewards can be achieved by an organisation through development and implementation of strategies like capacity building, succession planning, and recruitment among others.

Employee involvement is equally important for building understanding and trust, developing commitment and ensuring that strategic aims can be delivered in the realities of day-to-day working in the organisation. Many organisations are now using opinion surveys and focus group discussions to help measure their staff’s views on the strengths and weaknesses of

existing reward arrangements. Other methods of developing understood and accepted reward strategies that are delivered in practice include: involving employees and their representatives in project design groups; using employee groups to, for example, determine recognition scheme award winners, and to communicate progress against bonus scheme targets; using technology to better support pay decision-making by line managers (for example, with pay-modelling facilities) and to communicate more effectively with employees (letting them, for example, select their own benefits online and/or model pension savings options and outcomes) and training and coaching line managers in reward management processes and skills, (Purkayastha&Chaudhari, 2011).

A truly effective reward strategy is not just a pristine document and set of goals approved by the board. The concept of alignment and 'fit' tends to imply that there is some form of perfect fit between business and employee needs, and reward, that can be achieved, and then you can-relax-and do something else. In reality, today's fast-moving organisation is that the development and delivery of a reward strategy is a continuous and evolving process, with constant interplay between principles, policies and practices.

However the organizations that do not have proper reward strategies that link to corporate objectives are usually associated with poor productivity, high staff turnover and low morale, strategic approach to reward and human resource management should be associated with successful performance outcomes. Literature provides for good reward strategy formulation and implementation but the effect of reward strategies on employee performance has not been discussed.

## **2.6 Summary of Literature Review**

Though various scholars wrote about reward systems and employee performance. The gaps that remain unanswered are; to what extent do monetary rewards, non-monetary reward and reward strategies affect employee performance in developing countries like Uganda. At times, researchers overlook the studies showing that pay is not as important as organizational, career, and job factors for motivating and engaging employees. Some institutions provide competitive salary levels, no financial incentives and do a good job of addressing non-pay motivational and engagement factors could achieve the same performance levels as employers rely primarily on financial incentives, such as merit pay plans. When pay becomes the important goal, an individual's interest tends to focus on the goal rather than the performance of the task which is an important source of intrinsic satisfaction. In addition, studies noted a major shortcoming of research supporting the use of financial incentives, most of it deals with simple tasks and may not apply to civil servants in the public sector setting.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter presents the methodology that was used during the study. It involves the Research design, study population, sample size and selection, sampling techniques, data collection methods, data collection instruments, procedure of data collection, reliability and validity of instruments, data analysis, measurement of variables, data presentation and analysis and the limitations to the study.

#### **3.1 Research Design**

The research was carried out using a case study research design with specific reference to Kiboga District. The case study approach is applicable because only traditional civil servants within the District were selected for the study, in order to place more emphasis on a full and in depth contextual analysis of fewer events and their interrelationship. A combination of quantitative and qualitative approaches was used to generate statistical data and descriptive information respectively. Quantitative research helps in getting an in-depth analysis of the problem under investigation and quantitative research was applied in order to describe current conditions and obtain the relationships between the variables while the qualitative method captures a lot of data in a relatively short time (Creswell et al,2003).

#### **3.2 Area of Study**

The study was conducted in Kiboga District located in central region of Uganda. The district is bordered by Nakaseke District to the north east and, Mityana District to the south, Mubende District to the southeast and Kyankwanzi District to the North west. The district

headquarters at Kiboga are located approximately 124 Kilometres (78m), by road, northwest of Kampala. The area was chosen because it was easily accessible to the researcher.

### **3.3 Target Population**

The study population comprised of Kiboga District civil servants who are approximately 130 employees and these included the Chief Administrative Officer, heads of departments, operatives and support staff. Administrators were targeted because they are directly involved in reward management which entails determining employees who receive both monetary and non-monetary rewards, formulation and implementation reward strategies and implementation of Government policies related to reward and they also part of staff who are rewarded. Operatives and support staff are targeted because they were direct beneficiaries of the rewards.

### **3.4 Sampling Technique and sampling selection**

#### **3.4.1 Sample size**

In this study the number of individuals in the targeted population was known in advance as staff lists indicating members for each category are readily available at the office of Principle Human Resource Officer and the list is exhaustive. The ultimate sample size of 111 respondents from a target population of 130 was derived using sample table (Appendix III) developed by R. V. Krejeie D. W Morgan table cited in Amin (2005).

**Table 3.1: Sample selection and Sampling Size of the respondents**

Category of respondents	Target Population	Sample size	Sampling strategy
District Administrators`	10	10	Census
Operatives	90	73	Stratified random sampling
Support staff	30	28	Simple random sampling
Total	130	111	

*Source:* Kiboga District Human Resource Report 2014

### **3.4.2 Sampling Technique**

The study used stratified random sampling, simple random sampling and census. The operatives were selected using a probabilistic technique of stratified random sampling technique because respondents were sampled from different departments, for the administrators census were applied because accessible population was equal to the sample size, this method was adopted also due to small number of the population. Simple random sampling was adopted for support staff in order to ensure more representative sample size of support staff.

### **3.5 Data Collection Tools**

Data for the research was collected using two methods. These included; the self-administered close ended questionnaires which were applied because they enabled easy collection of large amounts of data in a short period of time. Interview guides were used because they facilitated collection of data within the social context to enable researcher hear from the respondents thus this enriched the quality of information.

### **3.5.1 Questionnaire**

Self-administered questionnaire were used in the study (Appendix:1) and all selected respondents under the operative and support staff categories were considered. Mugenda and Mugenda (2005) stated that questionnaires are used to obtain vital information about the population and ensure a wide coverage of the population in a short time. In addition Sekaran (2003) states that questionnaires are efficient data collection mechanisms where the researcher knows exactly what is required and how to measure the variables of interest, they are also less expensive and save time and they do not need much skills to administer them. Closed ended questions were used with detailed guiding instructions as regards the way respondents wererequired to fill them independently with minimal supervision. This was possible because the respondents were literate and were given enough time to fill the questionnaires.

Rensis Likert's scale statement having five category response continuums of 5-1 was used, strongly disagree(1), Disagree (2),Not sure (3), Agree(4), Strongly agree(5) with assertion. In using this each respondent selected a response most suitable to him/her in describing each statement and the response categories were weighed from 5-1 and average for all items was computed accordingly.

### **3.5.2 Interview guide**

The interview guide (Appendix: II) was used to collect qualitative information from the Administrators which was used to cross validate information which was got from the questionnaire. The meetings for the respondents under this category were all considered including both male and female administrators. This method was used because it was faster to use in the field work study because it gave the researcher a chance to interact with Senior Public Servants with authority and detailed information about the interrelationship between



reward management and performance of employees and study their behaviour thus were able to come up with the facts provided in the course of the interview.

### 3.6 Validity and Reliability of data

#### 3.6.1 Validity

Validity refers to the extent to which research results can be accurately interpreted & Generalized to other populations. Research tools were first prepared, presented to the supervisors who checked on their correctness. The supervisors' comments were used to improve the questionnaire by eliminating all errors. Pretesting of questionnaires also was done by administering questionnaires to 10 respondents within the target population but outside the sample this helped to identify the gaps and made modifications accordingly. The researcher ensured that questions are relevant in order to have meaningful and reliable results represented by variables in the study, (Mugenda and Mugenda 2005).

The researcher used the formula below to establish validity of the research tool;

$$\text{Content validity index (CVI)} = \frac{\text{agreed items by all judges as suitable}}{\text{Total number of the items judged}}$$

$$= \frac{30}{33}$$

$$= 0.90$$

If the overall content validity Index of the instrument is equal 0.90 which is above the average acceptable index of 0.7 or above for the instrument to be accepted as valid (Amin, 2005).

#### 3.6.2 Reliability

Reliability is the measure of the degree to which a research instrument yields consistent results after repeat. Cronbach's Alpha coefficient was used to measure reliability of the instrument. According to Amin (2005) an alpha of 0.5 or higher is sufficient to show

reliability the closer it is to 1 the higher the internal consistency in reliability, (sekaran2003).The questionnaire were pretested using respondents within Kiboga District and reliability was computed using statistical Package for Social Scientists (SPSS)and scores were evaluated.

**Table 3.2: Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.833	.888	33

SOURCE: SPSS output

To ensure reliability of quantitative data, the Cronbach’s Alpha Reliability Coefficient for Likert-Type Scales test was performed. In statistics, Cronbach’s alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. According to Sekaran (2003) some professionals as a rule of thumb, require a reliability of 0.70 or higher (obtained on a substantial sample) before they use an instrument. Upon performing the test, the results that were above 0.7 were considered reliable.

### 3.7 Research Procedure

The researcher obtained an introduction letter from Kyambogo University introducing herself to the Top management of Kiboga District, The letter introduced the researcher as a student of Kyambogo University and explained the purpose of the research. In addition, the letter requested for assistance to be offered to the researcher. The researcher recruited a research assistant to ensure that the influence of personal factors of the research during data collection are minimised by bringing a person who was neutral about the research variable relationships and the selected organization of study. The researcher trained the research assistant for three days before going to the field to ensure quality work. The researcher made contact with

various staff and together they made appointments when to carry out the study. This approach enabled the researcher to make proper planning and mobilisation of resources. The researcher together with the research assistant went to the respondents to collect data on the agreed dates.

### **3.8 Data Analysis**

#### **3.8.1 Quantitative data Analysis**

The qualitative data involved data from the questionnaires only. The data was put in order and structured to get meaning from data. The raw data was cleaned, sorted and coded. The data coded was entered into the computer, checked and statistically analyzed using the statistical package for social scientists (SPSS) software package to generate descriptive and inferential Statistics. Descriptive analysis was applied to describe the primary variables and associated indicator item related to the study objectives by generating percentages, mean and standard deviation. The Pearson product correlation coefficient was used to determine the relationship among variables and regression coefficient models were also used to determine the extent to which the independent variable impacts on the dependent variable. The results are presented in form of tables and charts then discussed in relation to existing literature, conclusions and recommendations were drawn in relation to the set objectives of the study.

#### **3.8.2 Qualitative Data Analysis**

Qualitative data was collected using interview guide during the discussion with the administrators and documentary review. Descriptive statistics was categorized and organized based on pattern, repetitions and commonalities into different themes and sub-themes using critical judgmental approach and quotations, (Rwomushana, 2005). This kind of data was

interpreted by explanations and substantiated using open responses from the field. The data was analyzed based on study variables and information was recorded and summarised.

### **3.9 Measurement of Variables**

The variables were measured using the five Likert scale. Different variable were measured at different levels. The variables were measured at nominal and ordinal Scale. The nominal scale measurement was used in the first part of the questionnaire (demographics) which had items of gender, age, level of education and experience of employees. According to Mugenda and Mugenda (1999), nominal scales are assigned only for purposes of identification but not comparison. The researcher used the ordinal scale measurement which categorized and rank variables that were measured in statements like strongly agree, agree, not sure, disagree, and strongly disagree (Amin2005).

### **3.10 Limitations of the study**

#### **3.10.1 Time factor**

The research was affected by limited time factor since the researcher had to carry out the study at the same time conducting practicum and working. Balancing the three tasks was not easy. The researcher thus established a system time schedule apportionment for the available time to accomplish the different activities accordingly.

#### **3.10.2 Information**

Some the respondents were not willing to give complete information as they looked at research as a threat to the organizational status. The researcher endeavored to make her questions and interview as objective as possible and also obtained an introductory letter from the university to introduce her to the organization where she conducted the research.

### **3.10.3 Area of study**

The boundaries within which the researcher conducted the study were wide in such a way that, narrowing down the study to suit the researcher's ability was not easy. The researcher however used an appropriate sampling technique convenient for the research by choosing one district out of the 112 districts in Uganda and later generalize the findings.

## CHAPTER FOUR

### DATA PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

#### 4.0 Introduction

This study was conducted to examine *the effect of Reward Systems on Employee Performance in Public Sector organizations in Uganda: A Case Study of Kiboga District*. Specifically the study aimed at analyzing the relationship between monetary rewards and employee performance in Kiboga District, It also focused at assessing the relationship between non-monetary rewards and employee performance in Kiboga District and also assessing the effect of reward strategies on employee performance in Kiboga District. This chapter presents the findings from the study, their analysis and interpretation .First it presents coverage of demographic characteristics of the respondents and then empirical results on research variables.

#### 4.1 Response Rate

A total of 101 questionnaires were distributed of which 98 were returned. However, 3 of those returned were eliminated as damages and 95 questionnaires were considered for the final analysis. This gave the response rate of 94%. An analysis was conducted on the justification of this rate which showed that it was well above 50% which is acceptable as argued by Mubanzi (2009). Unstructured interviews were also administered where all the 10 respondents participated.

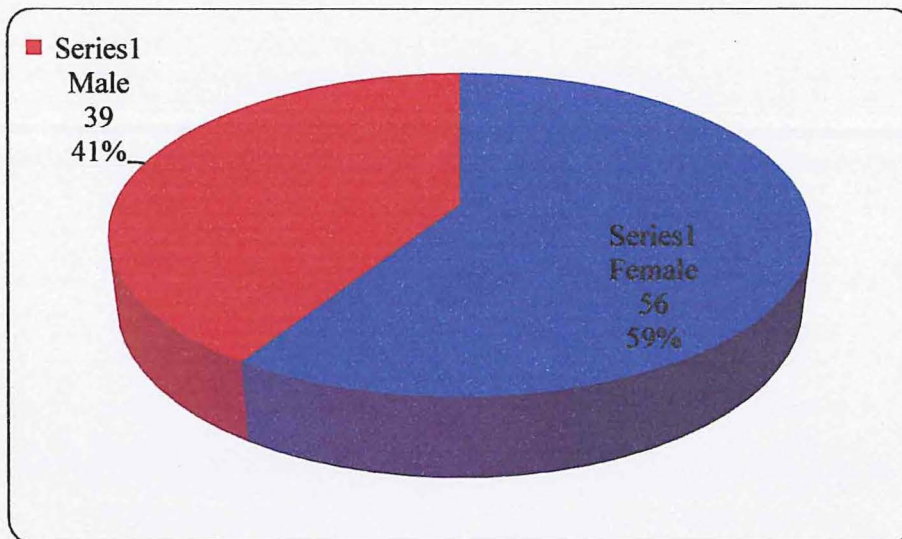


## 4.2 Demographic Data of the respondents

The researcher set out to find out characteristics of the respondents and these included gender, age, level of education and length of service in Kiboga District.

### 4.2.1 Gender

The researcher requested respondents to indicate their gender and below is the figure showing the results.



*Source: Own computation from survey data*

**Figure 4.1 Showing respondents by gender**

Figure 1 above shows that out of 95 respondents majority 56(58.9%) of the respondents who participated in the study were female compared to their counter parts (male respondents) who were 39 (41.1%). The implication of the above finding is that the study was dominated by female respondents. This reflects that the study was gender imbalance. Although this was the case, the ideas and opinions of all the respondents were taken and thus considered very essential to accomplish the study.

#### 4.2.2 Age of Respondents

Table 4.1 Showing respondents by Age Bracket

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 24 years and below	19	20.0	20.0	20.0
25-34 years	29	30.5	30.5	50.5
35-44 years	35	36.8	36.8	87.4
45 years and above	12	12.6	12.6	100.0
Total	95	100.0	100.0	

**Source: Primary data**

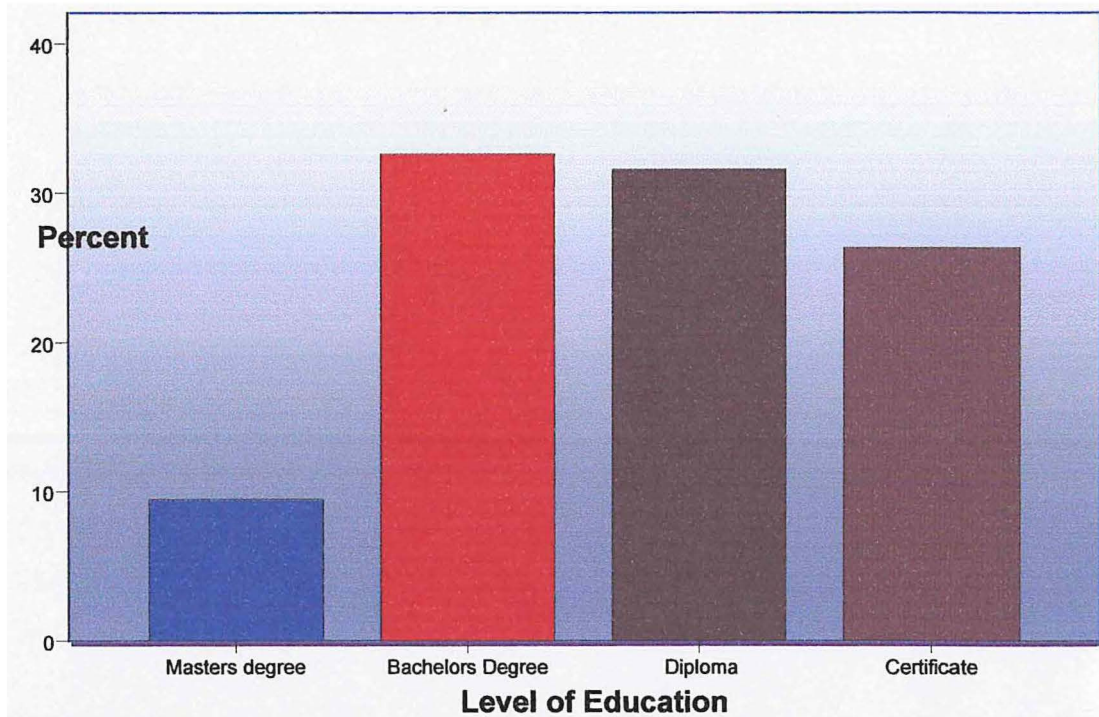
From the above table it is illustrated that, 35 (36.8%) of the respondents were aged 35-44 years, 29 (30.5%) were in the age group between 25-34 years, 19 (20%) of the respondents were of the age group of 24 years and above while 12 (12.6%) were aged between 45 years and above. The implication of the above finding is that, majority of the employees of Kiboga district were adults and resourceful in providing information about the relationship between reward management and employee performance.

#### 4.2.3 Level of Education

The researcher asked the respondents to indicate their levels of education and below is the figure showing the results.



### Level of Education



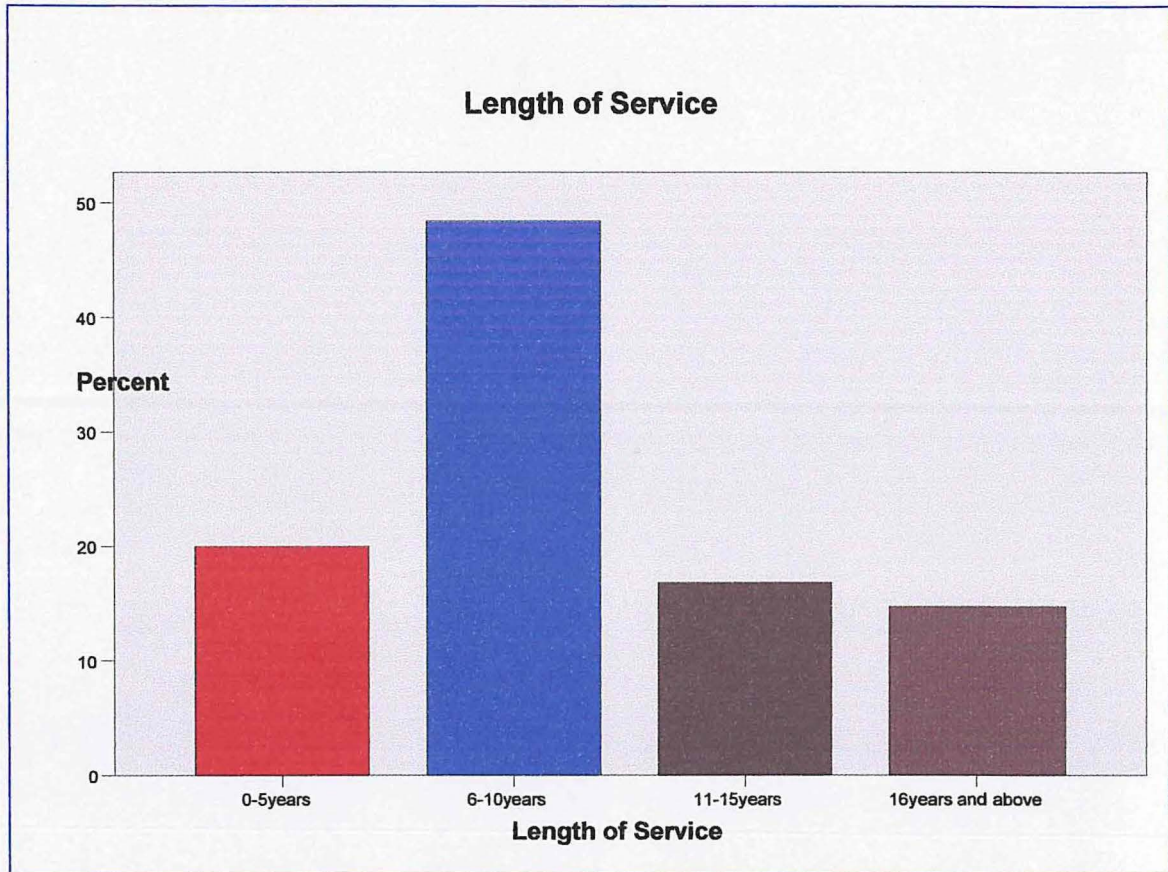
*Source: Own computation based on survey data*

**Figure 4.2 Showing respondents by level of Education**

Figure 4.2 above indicates that, majority 31(32.6%) of the respondents held Bachelor's Degrees, 30(31.6%) were diploma holders, 25 (26.3%) were certificate holders whereas 9(9.5%) had masters degrees. The implication of the findings is that, majority of the respondents were literate and clearly understood the questions and interpreted them correctly without interventions of the researcher. This helped to save time taken on administering questionnaires and conducting the interviews to elicit data about the effect of reward management on employee performance.

#### 4.2.4 Length of Service

The researcher asked respondents to indicate the period they have worked with Kiboga District and below is the figure 3 showing the results



*Source: Own computation based on survey data*

**Figure4.3: Showing respondents work experience with Kiboga District**

Results in figure 4.3 above suggest that 46(48.5%) of the respondents had worked at Kiboga District for a period between 6-10years, 19 (20%) had served in the district for a period between 0-5 years,16 (16.8%) had served for a period between 11-15year, while 14 (14.7%) of the respondents had worked 16 years and more.

The implication of these findings is that majority of the respondents had worked for a considerable period of time (6years and more). This means that employees were familiar with the reward management system and how it influenced their ability to deliver services.



### 4.3 The relationship between Monetary Rewards and Employee Performance in Kiboga District

In bid to establish the findings on the first objective, which was to analyze the relationship between monetary rewards and employee performance in Kiboga District; Respondents provided their view in relation to the extent to which they; strongly disagree (1), Disagree (2), Not sure (3), Agree (4), strongly agree (5). This was presented and analysed in the table below; The interpretation of the results is based on the mean and the S.D.

**Table 4.2: Showing Descriptive views of employees on Monetary Rewards**

Descriptive statistics					
Statements on relationship between Monetary Rewards on Employee performance	N	Minimum	Maximum	Mean	Std. Deviation
I am contented and motivated with the salary I receive from Kiboga District	95	1	5	2.47	1.610
I endeavour to save my organizational resources because of the monetary rewards I get	95	1	5	2.44	1.562
I feel part of Kiboga District undertakings because of the salary and allowances I receive	95	1	5	2.49	1.494
Adequate salary increments are provided for employees of Kiboga District	95	1	5	2.62	1.645
I am committed to working with Kiboga District because of the monetary rewards I am given	95	1	5	2.68	1.678
The employees' expectation to receive pension enhances their commitment to the Kiboga District service	95	1	5	2.54	1.486
Increase in salary arrears affects achievement of employees' motivation to perform	95	1	5	3.34	1.499
Transport, extra duty and overtime allowances I receive compel me to work harder	95	1	5	2.37	1.399
I am able to save and meet my needs using the salary I get from Kiboga District	95	1	5	2.05	1.348
				23	13.721

*Source: Own computation based on survey data*

Table 4.2, explores whether there relationship between Monetary Rewards and Employee Performance in Kiboga District. Results showed that I am contented and motivated with the salary I receive from Kiboga District (Mean=2.47, S.D=1.610). The findings means that majority the employees were not contented and motivated with the salary received from Kiboga District. The implication of the above finding is that, insufficient basic salary demotivated employees to serve diligently and remain committed to their work. Those who were not sure were the kind of employees who were unemployed and had no option but to accept and be exploited at the ruling salary. Interview with administrators revealed that the district pays an average salary to employees which do not motivate them to be committed. respondents also agreed that I endeavour to save my organizational resources because of the monetary rewards I get (Mean=2.44, S.D=1.562). The implication of the above finding is that, monetary rewards did not build performance morale of most employees. The Human Resource Officer noted that *“the monetary rewards offered to employees are very inadequate and unreliable due to minimal resources in the district employees do not receive what they are entitled to”*. In the long run employees since they are not contented with the rewards they receive they do not mind about saving district resources.

respondents further agreed that I feel part of Kiboga District undertakings because of the salary and allowances I receive (Mean=2.49, S.D=1.494). The results imply that majority of the civil servants in Kiboga district do not feel part of District undertakings because of the salary and allowances they receive. However, to some extent least of public servants felt being part of Kiboga District undertakings because of the salary and allowances they receive, the district has a well-organized compensation management system in place which is applicable to all the employees but the input of individual employees is not necessarily equal to the reward they received and additional input does not get rewarded most time by the organization.

The study also found out that, Adequate salary increments are provided for employees of Kiboga District (Mean=2.49, S.D=1.400). respondents also agreed that, I am committed to working with Kiboga District because of the monetary rewards I am given (Mean=2.62, S.D=1.645). The results imply that majority of the staff (62.1%) did not agree that they were committed to working with Kiboga District because of the low monetary rewards provided and one of the administrators noted that *“due to limited resources most employees are not monetarily rewarded beyond their salaries which demolises them.”*

The implication of the above finding is that, salary increments were not adequate to create impact amongst employees and to motivate them to work harder. The Chief Administrative Officer remarked that *“annual salary increments for the employees are hard to be implemented though the provision is given because the decision is made depending on guidelines of public service and wage bill provided by the Ministry of Finance, economic planning and development.”*

Results showed that The employees' expectation to receive pension enhances their commitment to the Kiboga District service (Mean=2.68, S.D=1.678). The implication of the above finding is that, though pension is one of the monetary rewards expected to motivate employees in the long run majority of them do not agree with it and this is because many fail to realize it at their retirement so this has not managed to make employees committed to Kiboga District more to this is employees leave the District before retirement age meaning they donot commit themselves because of pension expectation

The study also found out that Increase in salary arrears affects achievement of employees' motivation to perform(Mean=3.34, S.D=1.499). This meant that increase in salary arrears affects achievement of employees' motivation to perform while 66.3%(44.2%+22.1%)

accepted the idea and 2.1% of the respondents are not sure. The implication of the above finding is that, increase in salary arrears affects employees' performance in Kiboga District because majority of the respondents agreed that increase in salary arrears affects achievement of employee motivation to perform. "*The Principal Human Resource Officer noted that, there was tremendous increase in salary arrears in financial year 2013/2014 which made performance of employees decline.*" The employees spent most of the time chasing for their arrears.

Findings also revealed that, Transport, extra duty and overtime allowances I receive compel me to work harder (Mean=2.37, S.D=1.399). On analysis of the above finding it implies that Transport, extra duty and overtime allowances were awarded to fewer staff whose efforts alone could not solve employee performance problems in Kiboga District this could be the reason for having majority of the employees not agreeing allowances compel employees to work harder.

I am able to save and meet my needs using the salary I get from Kiboga District (Mean=2.05, S.D=1.348). The results imply that base pay received by employees is so minimal to satisfy their needs and to have something to save and one of the administrators noted that "*the salary we receive can only help someone to meet the basic needs*"

The overall mean was 2.55 on the Likert scale as indicated in table 4.2 which implies that majority of the respondents agreed that monetary rewards are a key ingredient for good employee performance thus the need to give them top priority in reward management if good employee performance is to be realized.

**Table 4.3: Showing Descriptive views of employees on Non-Monetary Rewards**

Descriptive statistics					
Statements on relationship between non-monetary rewards and employee performance	N	Minimum	Maximum	Mean	Std. Deviation
Promotions extended to workers at Kiboga District help to motivate them to work harder	95	1	5	2.26	1.298
The working environment at Kiboga District enhances productivity	95	1	5	2.60	1.476
Leave with pay given to all workers at Kiboga District motivates us to perform better	95	1	5	3.06	1.649
Medical services extended to me enhances my productivity	95	1	5	3.18	1.701
I am happy with training opportunities given to me by Kiboga District	95	1	5	2.87	1.639
Fringe benefits like vehicles, housing given to Kiboga District employees enhance their commitment to work	95	1	5	2.75	1.509
Staff recognition at Kiboga District helps to build loyalty and work excellence	95	1	5	2.27	1.356
I am able to manage my family better because of the fringe benefits I get as an employee of Kiboga District	95	1	5	2.19	1.363
Employees are highly motivated because of the fringe benefits extended to them Kiboga District	95	1	5	2.40	1.432
Overall Mean Value= $\sum$ mean/n= 2.62				23.58	13.423

*Source: Own computation based on survey data*

Table 4.3 findings revealed that, established the existing relationship between non-monetary rewards and employee performance.

Table 4.3 Results revealed that Promotions extended to workers at Kiboga District help to motivate them to work harder (Mean=2.26, S.D=1.298). The implication of the above finding



is that, limited staff promotions in Kiboga District discouraged employees to work harder to attain organisational goals.

Respondents also agreed that the working environment at Kiboga District enhances productivity (Mean=2.60, S.D=1.476). The results imply that the working environment at Kiboga does not enhance productivity because findings revealed that employees are not provided with all that is required in their work place like well furnished offices, being recognized and valued by the organization

respondents further agreed that Leave with pay given to all workers at Kiboga District motivates us to perform better (Mean=3.06, S.D=1.649). The results imply that leave with pay given to all workers at Kiboga District averagely motivated staff to perform better because those who agreed with the view were at 50.5% meaning leave with pay is prevails and is valued by majority employees.

The study also found out that, Medical services extended to me enhances my productivity (Mean=3.18, S.D=1.701). The results imply that provision of free medical services to the employee only enhanced performance by 52.6% at Kiboga district which is just average.

respondents also agreed that, I am happy with training opportunities given to me by Kiboga District (Mean=2.87, S.D=1.639). The implication of the above finding is that though training opportunities were available, they satisfied less than half of the staff in Kiboga district due to some loopholes embedded in them and the limited funding which gives a few employees an opportunity to train.



Results showed that Fringe benefits like vehicles, housing given to Kiboga District employees enhance their commitment to work Staff recognition at Kiboga District helps to build loyalty and work excellence (Mean=2.19, S.D=1.363). Fringe benefits like vehicles, housing given to Kiboga District employees enhance their commitment to work. The implication of the above finding is that, few staff that belonged to top administration enjoyed the privileges available

The study also found out that I am able to manage my family better because of the fringe benefits I get as an employee of Kiboga District (Mean=2.19, S.D=1.363). The implication of the above finding is that, employees' assistance like loans, house purchase scheme and health insurance were still minimal or not in existence in Kiboga District to enable employees live a better life.

This means that, though recognition is one of the non-monetary rewards that can help to build loyalty and work excellence employees do not agree with it because it's not practiced in the District. *The District Health Officer noted that in provision of services to the people complaints are more than appreciations received which demolishes health workers"*

Findings also showed that, Employees are highly motivated because of the fringe benefits extended to them Kiboga District (Mean=2.40, S.D=1.432). This means that, approximately a quota of staff received fringe benefits that enticed them to provide adequate services and majority that is 70.5% were not in agreement because a few staff are in position to get the fringe benefits so this leaves many employees unrewarded with fringe benefits.

The overall mean was 2.6 on the Likert scale as indicated in table4.3 which implies that majority of the respondents agreed that non-monetary rewards are a key ingredient for good

employee performance thus the need to give them top priority in reward management if good employee performance is to be realized.

#### 4.5 The effect of Reward Strategies on Employee Performance in Kiboga District

In bid to elicit data about the effect of reward strategies District on employee performance in Kiboga, the researcher administered research tools whose findings about the extent to which respondents; Strongly disagreed (1), Disagreed (2), were not sure (3), Agreed (4), Strongly agreed (5), were presented as in the table below;

Descriptive statistics					
Statements on effects of reward strategies on employee performance	N	Minimum	Maximum	Mean	Std. Deviation
Reward strategies used by Kiboga District serve to improve employee performance	95	1	5	2.62	1.370
Reward strategies motivate employees to achieve organisational goals	95	1	5	2.83	1.596
Succession planning strategy conducted by Kiboga District improves employee commitment	95	1	5	2.34	1.419
Capacity building plan helps to get innovative employees	95	1	5	2.72	1.463
Recruitment plan aims at attracting competent staffs who can deliver quality services	95	1	5	3.63	1.551
Kiboga District strategies need to be improved	95	1	5	3.94	1.319
Overall Mean = $\sum \text{mean}/n=3.01$				18.08	8.718

*Source: Own computation based on survey data*

Table 4.4 indicates that, results on the effect of reward strategies District on employee performance in Kiboga. The interpretation of the results is based on the mean and the S.D.

Table 4.3 Results revealed that Reward strategies used by Kiboga District serve to improve employee performance (Mean=2.62, S.D=1.370). The implication of the above finding is

that, the strategies like recruitment strategy, capacity building strategy and succession planning strategy benefit a few employees so this leaves the majority unsatisfied and those who were not sure delivered services. irrespective of the amount or quantity of rewards provided by the district.

Respondents also agreed that Reward strategies motivate employees to achieve organisational goals (Mean=2.83, S.D=1.596). This means that, reward strategies used in Kiboga District to a big extent do not motivate the employees however to some extent employees accept that reward strategies motivate employees because some strategies like recruitment ,capacity building give employees a chance to be rewarded.

Respondents further agreed that Succession planning strategy conducted by Kiboga District improves employee commitment (Mean=2.34, S.D=1.419). This means that the district's succession plan takes long to be implemented because of the many years; 60years recommended by public service for retirement so in this case succession planning implementation is limited hence making majority of employees disagree with the view that succession planning strategy improves employee commitment

The study also found out that, Capacity building plan helps to get innovative employees(Mean=2.72, S.D=1.463). The Human Resource Officer during the discussion noted that *"The District can serve only a quarter of the demands of the staff and even those supported a given half of the tuition"* which makes capacity building inefficient to enable employees to become innovative. This implies that many employees are not innovative because of capacity building received from the District; many of the employees support themselves for further studies.

respondents also agreed that, Recruitment plan aims at attracting competent staffs who can deliver quality services (Mean=3.63, S.D=1.463). The implication of the above finding is that, majority of the serving staff in the district know that recruitment is aimed at attracting competent staff who can offer quality service.

The Principal Human Resource Officer noted that *“for the reward strategies to be effective the district needed to adopt strategies that target immediate rewarding of the employees and proper implementation of the existing strategies.”*

The implication of the above finding is that, the reward strategies need to be improved in order to cater for all employees and to have strategies that have immediate impact on their performance.

The overall mean was 3.01 on the Likert scale as indicated in table4.4 which implies that majority of the respondents agreed that reward strategies are a key ingredient for good employee performance thus the need to give reward strategies top priority in reward management if good employee performance is to be realized.

#### 4.6 Employee Performance

The study also elicited data about the following performance indicators among the employees of Kiboga District. Respondents provided their views on the extent to which they strongly disagree (1), Disagree (2), Not sure (3), Agree (4), Strongly agree (5); as tabulated below; The interpretation of the results is based on the mean and the Standard Deviation:

Table 4.4: Showing Descriptive views on Employees Performance.

Descriptive statistics					
Statements on Employee performance	N	Minimum	Maximum	Mean	Std. Deviation
Employees are able to produce out puts in the right quantity because of rewards extended to them by Kiboga District	95	1	5	2.58	1.649
I am able to deliver quality service at Kiboga District because of the attractive salary offered to me	95	1	5	2.33	1.701
Our clients are satisfied with the delivered public goods and services because of committed staffs	95	1	5	2.19	1.639
The work we deliver as a team is rated excellent by the community we serve because of its quality	95	1	5	2.59	1.509
All staffs at Kiboga District are committed to deliver because of the fair reward strategy extended to them	95	1	5	2.73	1.356
We are able to deliver innovative ideas because of the refresher courses offered by Kiboga District	95	1	5	2.46	1.363
Total				14.88	9.217
Overall Mean Value= $\sum$ mean/n= 2.48					

*Source: Own computation based on survey data*

Table 4.3 Results revealed that Employees are able to produce out puts in the right quantity because of rewards extended to them by Kiboga District (Mean=2.56, S.D=1.649). This

implies that, there are other factors that determine employee output apart from the rewards because 67.4% disagree with the view that quality of output depends on rewards.

Respondents also agreed that I am able to deliver quality service at Kiboga District because of the attractive salary offered to me (Mean=2.33, S.D=1.701). The above findings imply that, the salary offered to employees was inadequate to influence desirable performance results.

Respondents further agreed that Succession planning strategy conducted by Kiboga District improves employee commitment (Mean=2.19, S.D=1.639). The District Health Officer noted that *"its hard to know what exactly the people what and can appreciate because whatever is done in their communities they criticize it."*The implication of the above finding is that the services provided by the district employees did not satisfy the community served because the community people show full appreciation for the services delivered to them.

The study also found out that,Our clients are satisfied with the delivered public goods and services because of committed staffs (Mean=2.19, S.D=1.63). This means that the employees are not appreciated as expected by the community for the services and goods they deliver and this could be as a result of the failure to realise full satisfaction by the people of Kiboga community.

respondents also agreed that,The work we deliver as a team is rated excellent by the community we serve because of its quality (Mean=2.59, S.D=1.509). The implication of the above finding is that the employees do not recognize the reward strategy present as a fair strategy.

Results showed that All staffs at Kiboga District are committed to deliver because of the fair reward strategy extended to them (Mean=2.73, S.D=1.356).

The study also found out that We are able to deliver innovative ideas because of the refresher courses offered by Kiboga District (Mean=2.46, S.D=1.363). This implies that the employees' innovative ideas are as a result of combination of experience and other trainings not only refresher courses this is the reason for majority 67.4% being in disagreement with the view that employees are able to deliver innovative ideas because of the refresher courses offered by Kiboga District.

#### 4.8 Relationship between the variables

**Table 4.5: Showing correlation between the Monetary Rewards and Employee performance**

		Monetary reward	Employee performance
Monetary Reward	Pearson Correlation	1	.246(**)
	Sig. (2-tailed)		.000
	N	95	95
Employee performance	Pearson Correlation	.246(**)	1
	Sig. (2-tailed)	.000	
	N	95	95

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

#### Source: Primary data

The relationship between monetary rewards and employee performance is statistically significant since .000 is less than 0.05(95% confidence level). The table shows that there is a positive relationship between monetary rewards and employee performance because the two variables are moving in the same direction (Pearson  $r = .246^{**}$ ) sig value P(value) being  $0.01 > .000$ , N is the sample size (95) with a sig value .000 meaning that the relationship between monetary reward and employee performance is statistically significant since .000 is



less than 0.05(95% confidence level).This would imply that as monetary rewards are improved the employee performance would also be enhanced therefore monetary rewards should be improved to enhance employee performance.

**Table 4.6:Showing Regression coefficient model between monetary reward and employee performance**

**ANOVA(b)**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	136.198	1	136.198	168.833	.000(a)
	Residual	75.023	93	.807		
	Total	211.221	94			

**a Predictors: (Constant), Monetary Rewards**

**b Dependent Variable: Employee performance.**

The table above shows that predictor variables of Monetary Rewards explain 64.5% of variations in employee performance in Kiboga district.

**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	1.419	.174		8.154	.000
	Monetary rewards	.732	.056	.803	12.994	.000

a Dependent Variable: Employee performance

Source:Primary data

Individual contribution by independent variable

Monetary rewards (independent variable) have a significant effect on employee performance.

According to the table above the effect of monetary rewards at Kiboga District was

established that ( $\beta=0.732$ ,  $t=12.994$ ,  $P<0.000$ ) employee performance. This implies that provision of effective monetary rewards will enhance employee performance.

**Table 4.7: Showing Correlation between the Non-Monetary Rewards and Employee Performance**

**Correlations**

		<b>Non-monetary Reward</b>	<b>Employee performance</b>
Non-monetary Reward	Pearson Correlation	1	.276(**)
	Sig. (2-tailed)		.000
	N	95	95
Employee performance	Pearson Correlation	.276(**)	1
	Sig. (2-tailed)	.000	
	N	95	95

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

Source: Primary data

The relationship between non-monetary rewards and employee performance is statistically significant since .000 is less than 0.05(95% confidence level). The table shows that there is a positive relationship between non-monetary rewards and employee performance because the two variables are moving in the same direction (Pearson ( $r$ )= .276\*\*) sig value P(value)  $P < 0.05=000$ , N is the sample size (95) with a sig value .000 meaning that the relationship between non-monetary rewards and employee performance is statistically significant since .000 is less than 0.05(95% confidence level). This would imply that as non-monetary rewards are improved the employee performance would also be enhanced therefore non-monetary rewards should be improved to enhance employee performance.

Table 4.8: Showing Regression coefficient model between non-monetary rewards and employee performance

Coefficients (a)

**Model Summary**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.244(a)	.595	.595		.121

a Predictors: (Constant), Non- Monetary rewards

**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	141.11	1	141.113	758.245	.000
	Residual	17.308	93	.186		
	Total	158.42	94			

a. Predictors: (Constant), Non-Monetary Rewards

b. Dependent Variable: Employee Performance

The table above shows that predictor variables of Non-Monetary Rewards explain 59.5% of variations in employee performance in Kiboga district.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	.105	.090		1.166	.247
	The working environment at Kiboga District enhances productivity	.830	.030	.944	27.536	.000

a Dependent Variable: Non-monetary

Source: primary data

Non-monetary rewards (independent variable) have a significant effect on employee performance. According to the table above the effect non-monetary rewards at Kiboga District was established that ( $\beta=0.830$ ,  $t=27.536$ ,  $P<0.000$ ) employee performance. This implies that provision of adequate non-monetary rewards will enhance employee performance.

**Table 4.9: Showing correlation between Reward strategies and Employee Performance**

		Reward strategies	Employee Performance
Reward strategies	Pearson Correlation	1	.905(**)
	Sig. (2-tailed)		.000
	N	95	95
Employee Performance	Pearson Correlation	.905(**)	1
	Sig. (2-tailed)	.000	
	N	95	95

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

The relationship between reward strategies and employee performance is statistically significant since .000 is less than 0.05(95% confidence level). The table shows that there is a positive relationship between reward strategies and employee performance because the two variables are moving in the same direction (Pearson  $(r)= .90.5^{**}$ ) sig value  $P(\text{value}) P \leq 0.05=000$ , N is the sample size (95) with a sig value .000 meaning that the relationship between Reward Strategies and employee performance is statistically significant since .000 is less than 0.05(95% confidence level). This would imply that as reward strategies improve the employee performance would also be enhanced therefore reward strategies should be improved to enhance employee performance.

**Table 4.10: Showing Regression coefficient model between reward strategies and employee performance**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.905(a)	.819	.817	.586

a Predictors: (Constant), Reward strategies

The table above shows that predictor variables of Reward strategies explain 81.9% of variations in employee performance in Kiboga district.

**ANOVA(b)**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	144.470	1	144.470	421.347	.000(a)
	Residual	31.888	93	.343		
	Total	176.358	94			

a Predictors: (Constant), Reward strategies

b Dependent Variable: employee performance

**Coefficients (a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	.421	.123		3.426	.001
	Reward strategies	.777	.038	.905	20.527	.000

a Dependent Variable: Reward strategies

Source: Primary data

Reward strategies (independent variable) have a significant effect on employee performance.

According to the table above the effect of reward strategies at Kiboga District was established that ( $\beta=0.777$ ,  $t=20.527$ ,  $P \leq 0.000$ ) employee performance. This implies that effective implementation of reward strategies will enhance employee performance.

**Pearson Correlation Relationship between reward management and employee performance**

Pearson Correlation was used to examine the relationship between reward management and employee performance.

**Table 4.11: Showing correlation between the reward management and Employee Performance**

		<b>Reward Management</b>	<b>Employee Performance</b>
Reward Management	Pearson Correlation	1	.252(**)
	Sig. (2-tailed)		.000
	N	95	95
Employee Performance	Pearson Correlation	.252(**)	1
	Sig. (2-tailed)	.000	
	N	95	95

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

Source: Primary data

The table shows that there is a positive relationship between reward management and employee performance because the two variables are moving in the same direction (Pearson (r)= .252\*\*) sig value P(value)  $P < 0.05=000$ , N is the sample size (95) with a sig value .000 meaning that the relationship between reward management and employee performance is statistically significant since .000 is less than 0.05(95% confidence level). This would imply that as reward management is improved, the employee performance would also be enhanced therefore reward management should be improved to enhance employee performance.

Regression Analysis

Regression Analysis was used to show the extent to which employee performance depends on reward management the independent variable, the relationship below is the table showing the results.

**Table 4.12: Showing Regression coefficient model between reward management and employee performance**

Linear model	Unstandardized coefficient		Standardized coefficient	T	Sig.
	B	std. Error	Beta		
(constant)	26.188	12.248		2.138	.122
Employee Performance	.677	.184	.965	3.686	.35
R Square = .276					
Adjusted R Square = .255					

Source: Primary data

Reward management (independent variable) has a significant effect on employee performance. According to the table above the effect of reward management at Kiboga District was established that ( $\beta=0.677$ ,  $t=3.686$ ,  $P=0.35$ ) employee performance. This implies that effective reward management provision of monetary and non-monetary rewards and proper implementation of reward strategies will enhance employee performance.



## **CHAPTER FIVE**

### **DISCUSSION OF FINDINGS, SUMMARY, CONCLUSIONS, RECOMMENDATION**

#### **5.0 Introduction**

This chapter presents discussion of the major findings, summary of the findings, conclusions, recommendation based on the study findings in chapter four and answering the objectives of the study spelt out in chapter one. The recommendations and suggestions for further research are also given.

#### **5.1 Discussion of the Research Findings**

The study findings presented were based on the three research questions in chapter one. These findings are discussed using objective by objective approach.

##### **5.1.1 The Relationship between Monetary Rewards and Employee Performance in Kiboga District**

This section is in relation to the first objective of the study that looked at the effect of monetary rewards on employee performance in Kiboga District a number of responses ranging from 1 to 10 were discussed as follows;

Findings indicate that there was a positive relationship between monetary rewards and employee performance because the two variables were discovered to be moving in the same direction which meant that the relationship between monetary rewards and employee performance was statistically significant and as a result of improved monetary rewards; employee performance would also be enhanced.

The study findings also revealed that, majority of the employees 61.1% at Kiboga District were not contented with the salary they received though the Ministry of Public Service approved salary increments according to the FY 2014/15 Budget estimates. Staff stated that

the increment in salary was insignificant to give them sufficient morale to serve diligently, remain loyal and committed to service delivery. Staff claimed that Pay was not reasonable as compared to workload. This finding is in agreement with Agwu (2013), who revealed that pay is a direct reward for performance and hence may compel staff to perform poorly especially when it is inadequate to satisfy their needs and suit to cover inputs adequately. The Public service need to align pay and set it in accordance to one's responsibility.

The study further indicated that the 65% of the employees in Kiboga District did not feel part of District undertakings because of the low salary and allowances they receive. The study also showed that employees earned meagre monetary benefits in return for the services they provided to the district. Civil servants revealed that in the past decade, government used to provide monetary benefits that included; basic salary, house rent allowance, transportation, leave travel allowance, medical reimbursements, special allowances, bonus, gratuity among others which isn't the case in the 21st century. This trend has distorted by introducing the consolidated salary system whereby the salaries paid are inadequate to carter for their needs and propelled staff to believe that they are not valued as an asset by the public sector they serve which caused dissatisfaction among the employees hence leading to poor quality of service and goods provided by the employees in the public sector and employee are forced to commit some of their time to look for other sources of income. These findings concur with Armstrong (2004), who noted that poor remuneration policies characterized by low base pay, retards staff motivation leading to low employee performance. He adds that, Poor pay implies abuse of employee effort and thus employers should pay enough salaries in order to have their employee motivated to perform better.

Furthermore results revealed that, 62.1% of the staff in Kiboga district were not dedicated to work because of the low monetary rewards provided. The district pays little salary to its

workers and this retarded their morale. This finding is contrary to Armstrong, (2006), who noted that it is important for organizations to understand the basis of rewarding workforce that can have a serious impact on an organization's growth and survival. Further still, the result contravenes Shoaib, and Bashir (2009), earlier finding, which recognized that employee rewards are very important since they have lasting impression on the employee and continue to substantiate the employees' perception of their value to the organizations they work with. Moreover, they contend that employees judge the quality of their job in the intrinsic satisfaction and the personal reward they earn from their work. Rewards provided to staff in the district reduced employee commitment and retention.

The study results also revealed that although 29.5% of the respondents concurred that pension expectation enhanced their service delivery commitment level however majority 62.1% did not agree with the view, this could be as a result of the delay, failure to access pension when the employees retire and the bureaucratic tendencies in the system, initially in the late 90s, pension earners in the public service were able to make investments in profitable ventures. Unlikely today in the 21st century where civil servants subscribe to pension schemes but rarely earn it due to bureaucratic procedures accompanied by poor records management. This has attributed to low satisfaction of the pension scheme policy. Therefore, the Public sector should not only offer competitive wages, but also there is need to increase pension. Similarly, Ahmed (2008), noted that, even a small increase is important to keep the best performing staff onboard. Pension review to uplift workers satisfaction and commitment needs to be considered.

Finding also indicated that,66% of the respondents agreed that increase in salary arrears reduced employees' performance and most of the employees agreed with the view because employees are likely to always come to work late, absent themselves and lack customer care

for clients. Reward systems characterized by payment delays over two months late payments ought to have significant effect on employees' performance. The findings concur with Pratheepkanth (2011), who suggests that reward management has a positive impact on employee performance. Newstrom and Davis (1997), also supported the view that money is a vital factor in rewarding employees because of the goods and services that it will purchase. It can be regarded as a status symbol and it represents to employees what their employer thinks of them.

Study results revealed that 70% of the employees of Kiboga District were not contented with Transport, extra duty and overtime allowances provided to them which affected employees in their work. This implies that, there was often poor restructuring of pay systems within the public sector to pay a fixed consolidated fund that does not serve the interest of staff. This is what exactly Shoaib et al. (2009), advocated for that it is important for employers to know the value employees place in their reward systems and to formulate strategies that address equitable and adequate reward for their employees. Similarly, Shechtman;(2008), noted that, when appropriate reward strategies are understood and embedded in the organization's culture, productive employees remain and performance improves.

Besides the study findings also showed that 80 % of the respondents revealed that the salary paid to Kiboga District staff was so minimal to the extent that it could not satisfy the employee needs and to also make some savings. Armstrong (2008), stated that, when institutions find committed employees, they should appropriately recognize them. Having appropriate pay structures is important to better attract and retain employees and to ensure equity in public workplaces and Beardwell&Claydon, (2010), is in agreement with this and

noted that institutions need to adopt numerous factors to consider when developing pay levels as spelt out below;

Market pay surveys these represent a form of benchmarking where a business compares its own practices against those of the competitors.

Developing a job structure - based on the principles of job analysis and evaluation, it is useful to develop a job structure so that the relative worth of various jobs in the business can be compared.

Levels of pay are likely to differ in relation to geographic regions. It is important when establishing or revising pay structures to encourage employees to participate and communicate their requirements and knowledge of the wages within the industry. Job-based pay structure - this method sets a rate of pay which relates to the job. The particular role and responsibilities of a job attract a particular rate of pay and all employees undertaking that job will receive the same rate of pay.

Person-based pay structure - where an employee has particular skills or knowledge the pay structure may be based on the value of their knowledge and skills and not necessarily on the tasks that he or she will be undertaking. Pay rates may be subject to negotiation between the employer and the employee.

Performance-based pay structure - these include merit-based profit sharing and group-based profit sharing. Employees may be remunerated depending upon their own or their team's performance against set criteria or goals For example, where sales exceed a predetermined threshold the employer may pay bonuses or above agreed rates.

It is important to note that, monetary rewards emanate mainly from the fact that it provides income to workers and constitutes an important cost item to the employers and is the largest single cost item for many organizations. For the workers, salary provides the means of satisfying their wants and needs in order to improve their performance capabilities.



### **5.1.2 The Relationship between Non-monetary rewards and Employee Performance in Kiboga District.**

The study focused on examining the effect of non-monetary rewards on employee performance in the public sector using a case of Kiboga District. The findings are discussed as follows;

Result findings revealed that majority 71.5% of the employees at Kiboga District had never been promoted which hindered their career growth and performance. The non-monetary rewards of work include many of the facets related to employee engagement and promotions are inclusive Seigts and Crim (2003) reported that good leaders recognize frequently by congratulating, promoting, coaching and conveying recognition.

According to the findings, majority of the employees 69.5% disagreed with the view that the Working Environment at Kiboga District enhances employee performance. The results imply that the working environment did not display good Human resource management behaviour. Management did not encourage self-reliant teamwork which would help to meet the district performance standards. The finding further meant that, staff were not empowered to work flexibility in discharging their roles, responsibilities and commitments especially the support staff were not involved in decision making yet they provide support to officers . The results contradict Buchanan (2010), who noted that, leadership responsible for creating the knowledge vision of the organization, communicating that vision, and building a culture that regards organization success is a resource and must prevail in organizations.

Furthermore results indicated that provision of medical services enhanced performance of the employees in Kiboga district to a level of 52.6% which is average. The employees are able to access medical services from the public health facilities in the areas where they serve but the challenge remains that most of the health requirements are not available in some

health facilities hence forcing employees to incur costs on medical services which is a burden because of their little pay received as salary this could be the reason for the 44.2% of the respondents disagreeing with the view.

The study also found out that training opportunities available satisfied less than half of the staff in Kiboga district, 53.7 % were not satisfied with the training opportunities provided only 46.4 were satisfied. Training addresses personal development rather than simply the skills needed for the job. Hence limiting training opportunities for employee personal and professional growth to decreased knowledge, skills, self-confidence and promoted negative attitude towards work in Kiboga district. The finding concurs with Mullins (2002), who established that the cause of job dissatisfaction includes poor leadership styles characterized by limited training opportunities achievement to improve knowledge, skills and capacity to do the job itself. The wealth of the firm or any business organization does not only depend on its physical resource but the quality of its human resource, says (Balunywa 2000). Kiboga District was not genuinely committed to enhancing the skills and competencies of their workforce. Training should be carefully developed and appropriately implemented to have a desirable impact on the bottom line.

Results provided that Fringe benefits like vehicles, housing given to Kiboga District employees enhanced their commitment to work to 40%, and to 58.9% employees were not satisfied with the fringe benefits. However, it was established that only those who were receiving the fringe benefits referred to them as motivating, boost for hard work and a factor for job retention with the organisation. Further findings revealed that fringe benefits are very important to an organization as they improve the employees' welfare, help the organization to establish employee stability, improves the motivation of the workers, induce the workers



to remain loyal and committed to their jobs and helps to increase the rate of productivity of workers. This is in line with Lawler (2008), who stated that if the business wants to expand its output and efficiency of labour, there is need to facilitate and strength its fringe benefits policy. Lawler adds that, fringe benefits do not only play a leading role in increasing retention but also contributes towards, reducing labour turnover, protecting and maintaining employees physical health hence promoting efficiency.

Findings also show that fringe benefits are a systematic development of the attitude, knowledge, skills and behavioural pattern required by an individual in order to perform adequately a given task aimed at achieving the objectives of the organization through increased efficiency and effectiveness hence competitive success geared towards pride and confidence. This is in agreement with Kallaus, (2009), who argued that the aims of employee fringe benefits are to contribute to the provision of a competitive total reward package, to provide for the needs of employees in terms of their security and, sometimes, their requirements for special financial help, thus demonstrating to them that they are members of a caring organization, to increase the commitment of employees to the organization.

Staff recognition in Kiboga District helped to build loyalty and work excellence of employees but majority of the employees 68.4% disagreed with the view that staff recognition built loyalty and work excellence based on the findings its evident that recognition is not adequate in the District because only 24.4% agreed with the view that staff recognition built loyalty and work excellence .Rath & Clithrefton, (2004), noted that strong, healthy organizations show recognition and praise for small and large contributions to the organization on a frequent basis which serves to boost worker self-esteem. Similarly, Feldman & Schwartz, (2002), observed that, when supervisors care, listen, help, and protect their employees, the

employees feels supported, (Care includes; affirmation, support, respect, and trust, which are viewed as necessities).Care creates cohesion or emotional bonding which also provides supportiveness, psychological safety, and a sense of identification for enhanced performance.

The study also revealed that few of the employees of Kiboga district had ever been recognized. This meant that recognition programs were not taken as an important component of an employee performance plan, which led to reduction in the level of service delivery at the district. Recognition and reward are part of a more comprehensive effort at keeping workers or adopting good workplace practices, which can contribute to increased retention and performance. Therefore, Non-monetary benefits are valued by employees because the staff recognition built loyalty and work excellence staff recognition built loyalty and work excellence y enhance the quality of working life, reward their efforts and make them feel valued and add value to the employment contract.

### **5.1.3 The effect of Reward Strategies on Employee Performance in Kiboga District**

Results indicated that the 63.2% of the staff disagreed with the view that Reward strategies used by Kiboga District served to improve employee performance and this could be because the strategies are not implemented as expected so they do not help to improve performance. Hence negligence to implement effective reward strategies like succession planning strategy, capacity building strategy and recruitment strategy act as an integral part of human resources management deterred civil servants from improving organizational effectiveness. The finding contravenes Naukrihub, (2009), who revealed that reward strategies succession planning strategy, capacity building strategy and recruitment strategy induce Job satisfaction involving employees feeling valued by their organizations for their contributions and accomplishments, being able to take decisions that affect their job role and performance, having opportunities to

grow in their career, having a flexible work schedule, working in a friendly and pleasant work environment and having good relationship with their leaders and colleagues, as complemented by (Branham, 2005).

The findings revealed that majority of the respondents, 54.7% disagreed that reward strategies succession planning strategy, recruitment strategy, capacity building strategy motivate employees to achieve organizational goals. This meant that, weaknesses in the succession strategy did not allow employees to perform well towards realization of the district performance standard. There was lack of participative management practices to enable employees develop a sense of belonging for improved performance. The finding is in disagreement with Mobley et al (2000), who stated that the management's major task in boosting employee retention is to create, develop and sustain a climate or environment in which workers will feel safe and healthy to be productive and contribute to the organizational goals.

Furthermore findings revealed that 74.8% of the employees disagreed with the view that succession planning strategy conducted by Kiboga District helped to improve commitment. In practice, the formulation of strategy is seldom of rational and linear process as the model implies. According to Brown in Armstrong (2010), compensation strategy is ultimately a way of thinking that you can apply to any reward issue arising in your organization, to see how you can create value from it. To him, it is necessary to recognize that effective compensatory strategy have three components: They need clearly define goals and a well-defined link' to business objectives; There need to be well designed pay and reward programs tailored to the needs of the organization and its people and consistent and integrated with one another and Perhaps most important and most neglected, there is need to be effective and supporting human resources and reward process in place. The results also correspond with



Mintzberg (2006), who perceives strategy as a pattern in a stream of activities. It is not necessarily a rational and continuous process. Quinn (2006), believes that organizations typically construct their strategy with a process that is fragmented, evolutionary and largely intuitive. Having a well developed succession planning strategy enables an organization to build careers for its employees and to avoid decline in performance due to employee gaps that might arise if the strategy is not developed and implemented properly.

Capacity building plans when developed and implemented well help staff to become innovative employees. However, according to the results, findings revealed that only 38% of the employees believed that capacity building strategy implemented made them innovative. The Public sector provides training and development to enable career opportunities and prepare employees for changing organizational needs with the aim of developing a competent workforce. But they lose scarce-skilled talent because they are unable to accelerate career growth. The Districts need to provide attractive career paths and career opportunities so that people with scarce skills will stay after the District has invested in their training. However, they have failed to achieve this due to the turnover of the employees in the Public sector.

Results revealed that 66.3% of respondents accepted that Recruitment strategy aims at attracting competent staff who can deliver quality services. The implication of the finding is that the serving staff in the district were competent enough to deliver services despite the fact that they hold back their efforts due to a poor rewarding system. The study also established that recruiting and training new employees cost approximately 50 percent of the worker's annual salary (Johnson, Griffith and Griffin 2000). It is again estimated that each time an employee leaves an organization, it is presumed that productivity drops due to the learning curve involved in understanding the nature of the job and the organization, (Sutherland, 2004)

According to the findings 82.2% of the employees in Kiboga District recommended that reward strategies needed review and improvement. Civil servants added that about 74.7% of their clients were dissatisfied with the delivery of public goods and services because of uncommitted staff, (Workers in mainly public hospitals and in both primary and secondary schools received miserable rewards to influence desirable performance. Kiboga District staff were not committed to deliver because of the unfair reward strategy characterized with numerous loopholes. The finding is supported by Armstrong et al. (2011), who found that HR managers were reluctant to measure the efficiency of their reward practices. The unwillingness to measure the reward efficiency was explained by the lack of analytic skills, lack of common measurement tools of the relationship between rewards and performance, lack of information, senior management indifference or the pure denial of admitting that the measurement results might prove totally different results than the reward practices are so hard trying to reach. The finding is also complemented by Sarvadi, (2010) who noticed that recession and costs associated to rewards were highlighting the importance put on the reasoning why certain reward practices took place and whether these were efficient or not.

Basing on the relationship findings between Reward Management and Employee Performance revealed that there was a strong relationship between the variables it was also observed that, a good reward system should focus on rewarding employees and their teams to serve as a driving force for employees and to have higher performance. Hence they end up achieving the organizational goals and objectives. An effective reward system may have three components: immediate, short-term and long term. This means immediate recognition of a good performance, short- term rewards for performance could be offered monthly or quarterly and long- term rewards are given for showing loyalty over the years,

(Zuriawati&Zakaria 2011). Immediate rewards are given to employees repetitively so that they can be aware of their outstanding performance. Immediate rewards include being praised by an immediate supervisor or it could be a tangible reward. Short term rewards are made either monthly or quarterly basis depending on performance. Examples of such rewards include cash benefits or special gifts for exceptional performance, which need to be observed function in all public sector institutions and agencies.

## **5.2 Summary of the research findings**

The purpose of the study was to examine the effect of reward management on employee performance in Public Service a case of Kiboga District. The study was specifically guided by three objectives which included; examining the effect of monetary rewards on employee performance, establishing the effect of non-monetary rewards on employee performance and assessing the effect of reward strategies on employee performance.

### **5.2.1 The relationship between monetary rewards and employee performance in Kiboga District**

Majority of the employees recognize monetary rewards are essential in improving employee performance but are not adequate. Basing on the discussion of findings, it is precisely revealed that, lack of adequate monetary rewards like limited salary, lack of allowances, unreliable pension affected service delivery in Kiboga district. The district monetary reward system did not include much value desirable for employees to work hard.

The overall mean was 2.55 on Likert scale as indicated on the table 4.2, which shows that majority of the respondents agreed that monetary rewards were key element for good employee performance which implies that they should be accorded top priority by management if good performance is to be achieved.

### **5.2.2 The relationship between non- monetary rewards and employee performance in Kiboga District**

The study findings indicated that, the District lacked adequate resources to put up non-monetary rewards that enhance performance of employees.

In addition it was discovered that most of the non-monetary rewards were irregular for most of the employees in the district although they are supposed to be given these rewards they end up not getting them, majority of the respondents noted that non-monetary rewards are limited and need to be improved to have better performance.

The overall mean was 2.62 on the Likertscale as indicated in table 4.3 which shows that majority of the respondents agreed that non-monetary rewards are key ingredient for good employee performance hence the need to improve on non-monetary rewards to enhance employee performance.

### **5.2.3 The effect of Reward strategies on Employee Performance in Kiboga District**

Majority of the employees recognize reward strategies like recruitment, succession, capacity building are essential in improving employee performance. Basing on the discussion of findings, it is precisely revealed that, lack of full involvement of employees in development and implementation of reward strategies affected service delivery in Kiboga district. Most of the district reward strategies did not compel employees to work hard apart from the recruitment strategy which majority of the respondents agreed with to be effective in promoting quality service delivery.

The overall mean was 3.01 on Likert scale as indicated on the table 4.4, which shows that majority of the respondents agreed that reward strategies were a key element for good employee performance which implies that they should be accorded top priority by management if good performance is to be achieved.



The study findings revealed that there was a positive relationship between reward management and employee performance because the two variables are moving in the same direction (Pearson (r)= .952\*\*) sig value P(value)  $P < 0.05=0.000$ , N is the sample size (95) with a sig value .000 meaning that the relationship between reward management and employee performance is statistically significant since .000 is less than 0.05(95% confidence level). This would imply that as reward management is improved, the employee performance would also be enhanced therefore reward management should be improved to enhance employee performance.

### **5.3 Conclusions**

The study indicated that proper reward management is one of the core ingredients for successful improvement of employee performance and as such; stakeholders need to seriously ensure that functions like proper implementation of monetary rewards, non-monetary rewards and reward strategies should be done by the organizations.

#### **5.3.1. The Relationship between Monetary Rewards and Employee Performance**

Majority of the respondents noted that monetary rewards were used to reward employees and employees to a certain level are given monetary rewards. This emphasizes the importance of having fair and reliable monetary rewards in order to have improved employee performance. Basing on the summary of the findings, Kiboga District did not consider reviewing the base pay per annum and this hindered employee efforts and the constant salary paid could no longer match the inflationary rates nor allow them meet their basic needs. It was found out that low pay of salaries and wages, low job security, low job satisfaction decreases quality of job performance and as a result many employees have left their jobs and searched for greener pastures elsewhere. Low pay influenced low performance as workers were employed for a

short period of time usually 3 years or less and leave due to personal initiative or due to pull and push factors.

The study point out that monetary reward improves employee commitment and as such the managers need to constantly consult and involve them at different times and levels.

Further, the lesson learnt is that as monetary rewards improve; the employee performance would also be enhanced and organizational goals can be achieved hence administrators need to ensure fair appropriation of monetary rewards to achieve good performance.

Although rewards enable Human resource to provide a basis for an organization to achieve sustainable competitive advantage, public servants in Kiboga district receive meager remunerations which contributed towards low service delivery among staff as well as the district. However, different rewards seem to have a different impact on employee attitude, satisfaction and performance. There are mixed findings when it comes to individual rewards and their effect on performance. Reward management is one of the ways used by organizations for attracting and retaining suitable employees as well as facilitating them to improve their performance, ‘impact of reward and recognition on motivation and satisfaction for diverse groups of people’ example gender, race and disability.

### **5.3.2. The Relationship between Non-monetary Rewards and Employee performance**

It was realized during the study that the District lacked adequate non- monetary rewards which could help to improve employee performance, the limited resource in the District do not allow provision of adequate rewards like capacity building, recognition to the employees hence affecting performance. The study findings established a need to constantly improve on the reward practices so as to improve performance of the employees in Kiboga District.

The study also clearly showed that employees were not contented with the non-monetary rewards due to the imbalances in advancing them most of the employees were not considered

which was unfair so the District needs to balance the few rewards available so that all employees benefit hence improved service delivery.

It was also discovered that building the capacity of employees helps to improve the innovativeness of the employees. There was need to have a balance in selecting those to benefit from capacity building programme and also to consider career growth of those who have the relevant qualifications this creates hope among the employees that they will advance in their career within the organization and to become dedicated as they serve hence improved service delivery.

Basing on the research findings it can be concluded that there is positive relationship between non-monetary rewards and employee performance and this implied that as adequate non-monetary rewards are given to employees their performance would also be improved.

### **5.3.3. The effect of Reward Strategies on employee Performance in Kiboga District.**

The study results indicated that Reward strategies like succession planning strategy, capacity building strategy and recruitment strategy are needed to bridge the gap between organizational objectives and individual expectations and aspirations. For Kiboga district to deliver effective services to the public, its reward strategies should provide five things: Clear reward goals and priorities derived from the business-strategy and its requirements; a strong organisational fit of reward policies and practices with the structure and design of the organisation; Alignment of the reward practices with each other in a total-reward approach, and with the other HR programmes in the organisation; Aligning with, and involving employees in the development and delivery of the reward strategy and treating the reward strategy development as a process of continuous improvement and interaction between principles and practices.

Analysis of results showed a support for a positive relationship between reward management and employee performance. It is well-known that employee performance can be improved when employees are motivated to achieve their goals. Rewarding is essential as an incentive and an unbreakable motivator to realize the outright service delivery or outstanding performance.

The study results revealed that, the reward strategies in Kiboga district were not administered in line with the principles of fairness and equity. Hence this limited the district to realize one of the primary responsibilities of management which is to optimize the potentials of employees. Hence human resources manager or practitioners should ensure that, reward strategies implementation is done in an efficient and effective way in order to achieve employee performance.

The study findings indicated that there was a positive relationship between reward strategies and employee performance and as such reward strategies affected performance of the employees which implies that any improvement in reward strategies would result in improved service delivery by the employees.

#### **5.4 Recommendations**

In human Resource Management whether in Public or Private sector there is need to pay attention to reward management in form of monetary, non-monetary ,reward strategies and the policies related to rewarding order to have effective employee performance.

In Uganda, the government has taken an initiative to put in place reward policies and strategies to enable the employees be motivated and deliver services as expected by the communities they serve. It's therefore necessary that Administrators in Kiboga District comes up with remedies on how to improve employee performance. Considering the above

conclusions, the following recommendations may address the reward management factors that affect the employee performance in Kiboga District.

#### **5.4.1 The Relationship between Monetary rewards and Employee performance in Kiboga District**

The administrators of Kiboga District should always reward their employees where they deserve to be rewarded and the little resources available should be shared equally in rewarding employees so as to make the employees more committed to their work and to improve service delivery. When rewards are general, employees do not value them. Organizations can use rewards to improve employee performance by rewarding basing on performance. District administrators together with the human resource department should be on the lookout for employees who perform well. This view is seconded by Mendoca and Kanugo cited in Bowman (2006), who noted that, management practices concerning reward systems relate to both the kind of rewards offered to employees for their services and the manner in which such rewards are administered in performance contingent manner. Management practices relating to rewards are critical in determining the level of employees' performance.

The researcher recommends that the District should device means of generating enough locally raised revenue so that there are enough resources to reward employees monetarily by giving them allowances they are entitled to.

The Central Government should also continuously make reviews to have increase in the remuneration of the employees and to also endeavor to pay the salaries on timeso as to have improved employee performance in addition policy makers and labour organization should put in place the laws that govern and regulate the procedure of designing the base pay and



pension schemes so that they are favourable for all employees working in different organizations irrespective of positions held.

#### **5.4.2 The relationship between Non-monetary rewards and Employee Performance in Kiboga District**

The administrators in Kiboga District should ensure that the employees are rewarded with the non-monetary rewards provided for according to Public Service Standing Orders (2010), like leave, recognition, promotion and fringe benefits reliably and equitably and transparent so as to have improved employee performance.

Kiboga District should not only establish a clear non-monetary reward plan and should have a proper implementation mechanism to adequately manage it. In addition the human resource manager should establish non-monetary plan and sensitize the workers on these benefits such as promotion, recognition, and capacity building and leave to enable them benefit. These measures can easily ensure substantive workers stability and improved performance.

The Central Government should provide enough funds to enable the District have many staff benefit from the capacity building programme and to improve on structures for all departments so as to provide room for career growth of the employees so as to have improved performance.

#### **5.4.3 The effect of Reward Strategies on employee Performance in Kiboga District**

The District should involve all the stakeholders in the formulation of the reward strategies so as to get their ideas and have the strategies properly implemented so that they create impact among all the employees to enhance their performance.



The reward strategies in Kiboga District should be revised to include those strategies that can bring immediate satisfaction to the employees and are affordable by the District this will help the District to motivate the morale of the employees to perform better.

### **5.5 Areas for Further Research**

The study generated several findings and recommendations thus bridging the knowledge gap on the effect of reward management and employee performance .The researcher suggests that further research should be conducted in the following areas:

To assess the challenges faced in the development and implementation of reward strategies.

To examine the factors that hinder advancement of allowances to the employee in public sector.

To examine the Procedure for determining rewards in organisations.

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GRADUATE SCHOOL

**APPENDIX 1: QUESTIONNAIRE FOR OPERATIVES AND SUPPORT STAFF**

Dear Respondent,

I am Namaganda Kiyengo Mary, a student of Kyambogo University conducting a study on “*Reward Management and Employee Performance*” in the Public Sector in Uganda taking Kiboga District as a case study. Your opinion on the issues in the questionnaire is to facilitate me attain the partial fulfillment of the requirements for the award of the degree of Masters in Business Administration of Kyambogo University. The information given is purely for academic purposes and will be treated with utmost confidentiality. Your cooperation will be highly appreciated.

**SECTION A: DEMOGRAPHIC INFORMATION OF THE RESPONDENTS**

Please tick your appropriate option in a small box provides

a) Gender:

Male

Female

b) Age bracket

24 years and below

25-34years

35-44 years

Above 45 years

c) Level of Education

Masters Degree

- Bachelors Degree
- Diploma
- Certificate

d) Length of Service

- 0-5years
- 6-10 years
- 11-15 years
- 16years and above

**SECTION B:RELATIONSHIP BETWEEN MONETARY REWARDS AND EMPLOYEE PERFORMANCE**

1. Which of the following statements best explains the relationship between monetary rewards and employee performance in Kiboga District? Please indicate the extent to which you; strongly disagree (1), Disagree (2), Not sure (3), Agree (4), strongly agree (5):

N0	The relationship between monetary rewards and employee performance	5	4	3	2	1
1	I am contented and motivated with the salary I receive from Kiboga District					
2	I endeavour to save my organizational resources because of the monetary rewards I get.					
3	I feel part of Kiboga District undertakings because of the salary and allowances I receive.					
4	Adequate salary increments are provided for employees of Kiboga District					

5	I am committed to working with Kiboga District because of the monetary rewards I am given.					
6	The employees' expectation to receive pension enhances their commitment to the Kiboga District service.					
7	Increase in salary arrears affects achievement of employees' motivation to perform.					
8	Transport, extra duty and overtime allowances I receive compel me to work harder					
9	I am able to save and meet my needs using the salary I get from Kiboga District.					

**SECTION C: RELATIONSHIP BETWEEN NON-MONETARY REWARDS AND EMPLOYEE PERFORMANCE**

2. Which of the following statements best describes the relationship between Non-monetary Rewards and Employee Performance in Kiboga District? Please indicate the extent to which you; strongly disagree (1), Disagree (2), Not sure (3), Agree (4), strongly agree (5):

N0	Relationship between non-monetary rewards and employee performance	5	4	3	2	1
10	Promotions extended to workers at Kiboga District help to motivate them to work harder					
11	The working environment at Kiboga District enhances productivity					
12	Leave with pay given to all workers at Kiboga District motivates us to perform better					
13	Medical services extended to me enhances my productivity					

14	I am happy with training opportunities given to me by Kiboga District					
15	Fringe benefits like vehicles, housing given to Kiboga District employees enhance their commitment to work					
16	Staff recognition at Kiboga District helps to build loyalty and work excellence					
17	I am able to manage my family better because of the fringe benefits I get as an employee of Kiboga District					
18	Employees are highly motivated because of the fringe benefits extended to them Kiboga District					

**SECTION D: EFFECT OF REWARD MANAGEMENT STRATEGIES ON EMPLOYEE PERFORMANCE**

How do the reward strategies used by Kiboga District help to improve employee performance? Please indicate the extent to which you; Strongly disagree (1), Disagree (2), Not sure (3), Agree (4), Strongly agree (5)

N0	Reward management strategies and employee performance	5	4	3	2	1
19	Reward strategies used by Kiboga District serve to improve employee performance					
20	Reward strategies motivate employees to achieve organisational goals					
21	Succession planning strategy conducted by Kiboga District improves employee commitment					
22	Capacity building plan helps to get innovative employees					
23	Recruitment plan aims at attracting competent staffs who can deliver quality services					
24	Kiboga District strategies need to be improved					

## SECTION E: EMPLOYEE PERFORMANCE

How are the following performance indicators observed among the employees of Kiboga District? Please indicate the extent to which you; Strongly disagree (1), Disagree (2), Not sure (3), Agree (4), Strongly agree (5)

	Employee performance	5	4	3	2	1
25	Employees are able to produce out puts in the right quantity because of rewards extended to them by Kiboga District					
26	I am able to deliver quality service at Kiboga District because of the attractive salary offered to me					
27	Our clients are satisfied with the delivered public goods and services because of committed staffs					
28	The work we deliver as a team is rated excellent by the community we serve because of its quality					
29	All staffs at Kiboga District are committed to deliver because of the fair reward strategy extended to them					
30	We are able to deliver innovative ideas because of the refresher courses offered by Kiboga District					

**“Thanks for your Cooperation”**



## **APPENDIX II: INTERVIEW GUIDE FOR ADMINISTRATORS**

Are the monetary rewards offered to Kiboga district staffs in line with their performance?

Which types of monetary rewards are most likely to affect employee performance?

What are the effects of monetary rewards on employee performance in Kiboga District?

How do non-financial rewards affect employee performance in Kiboga District?

Which reward management strategies are used to improve employee performance in Kiboga District?

How do reward management strategies affect employee performance in Kiboga District?

How do government policies affect employee performance?

In your own opinion, what strategies can be adopted to improve service delivery in the public sector?

**“Thanks for your Cooperation”**

**APPENDIX III: TABLE FOR SAMPLE DETERMINATION**

Populati on size	Samp le size	Populati on size	Samp le size	Populati on size	Samp le size	Populati on size	Samp le size	Populati on size	Samp le size
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

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Office of the Dean, Graduate School

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Your ref : .....

Our ref : KYU/GSch/01/14

23<sup>rd</sup> September, 2014

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

**REF: LETTER OF INTRODUCTION**

This is to introduce to you **Namaganda Kiyengo Mary** Registration Number REG NO: 12/U/296/GMBA/PE who is a student of Kyambogo University pursuing a Master of Business Administration of Kyambogo University

He is carrying out a research on *“Reward Management and Employee Performance in the Public Sector in Uganda: a case study of Kiboga District”* in partial fulfillment of the requirements for the award of Master’s degree of Business Administration of Kyambogo University.

This is to kindly request you to grant him permission to carry out this study in your establishment.

Any assistance rendered to him will be highly appreciated.

Yours faithfully,

Dr. M.A. Byaruhanga Kadoodooba

Dean Graduate School

Bk/nmb