

**THE CONTRIBUTION OF ORGANISATIONAL FACTORS TO THE  
PERFORMANCE OF THE PUBLIC SERVICE PENSION SCHEME IN  
UGANDA**

**BY**

**NELIMA LYDIA**

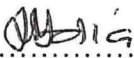
**2011/U/HD/382/MBA**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF  
MANAGEMENT AND ENTREPRENEURSHIP IN PARTIAL  
FULFILMENT OF THE AWARD OF THE DEGREE OF MASTER OF  
BUSINESS ADMINISTRATION OF KYAMBOGO UNIVERSITY**

**JANUARY 2014**

## DECLARATION

I Lydia Nelima declare that to the best of my knowledge this research work is original and has neither been presented nor been published for any other degree to any University before.

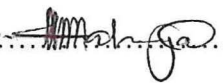
Sign..........

Date. 29/07/2014.....

## APPROVAL

This is to certify that this thesis was submitted with our approval as the authorized and nominated supervisors.

**Dr. Maurice Mukokoma**

Sign..........

Date.....29/01/2014.....

**Dr. Teopista Nalule Kyamanywa**

Sign..........

Date.....29/1/14.....

## **DEDICATION**

This research work is dedicated to my husband for his care and stout hearted nature that put academics above all

## ACKNOWLEDGEMENT

I would like to express my gratitude to Dr. Maurice Mukokoma and Dr. Teopista Nalule Kyamanywa who saw me through this book; to all those who provided support, talked things over, read, wrote, offered comments, allowed me to quote their remarks and assisted in the editing, proofreading and design.

Above all I want to thank my husband, and the rest of my family, who supported and encouraged me in spite of all the time it took me away from them. It was a long and difficult journey for them.

I would like to thank my classmates for helping me in the process of editing.

Last and not least: I beg forgiveness of all those who have been with me over the course of the years and whose names I have failed to mention."

## TABLE OF CONTENTS

DECLARATION .....	i
DEDICATION .....	iii
ACKNOWLEDGEMENT .....	iv
LIST OF TABLES .....	viii
CHAPTER ONE .....	1
INTRODUCTION .....	1
1.1 Background to the Study.....	1
1.2 Statement of the Problem.....	3
1.3 Purpose of the study.....	3
1.4 Specific Objectives .....	3
1.5 Research Hypotheses .....	4
1.6 Scope of the study.....	4
1.6.1 Content Scope .....	4
1.6.2 Geographical Scope .....	5
1.6.3 Time Scope .....	5
1.7 Significance of the study.....	5
1.8 Limitations of the study .....	6
<b>CHAPTER TWO .....</b>	<b>7</b>
<b>LITERATURE REVIEW .....</b>	<b>7</b>
2.1 Introduction.....	7
2.2 Theoretical Review .....	7
2.3 Conceptual background .....	9
2.3.1 Conceptual Framework.....	11
2.4 Literature Review.....	12
2.4.1 Relationship between Pension Policies and performance of the Public service pension scheme.....	12

2.4.2 Procedure levels and performance of the Public service pension scheme.....	14
2.4.3 Relationship between Records management and performance of the Public service pension scheme.....	17
2.3 Conclusion .....	19
<b>CHAPTER THREE</b> .....	<b>21</b>
<b>METHODOLOGY</b> .....	<b>21</b>
3.1 Introduction.....	21
3.2 Research design .....	21
3.3 Area of the Study .....	21
3.4 Study population.....	22
Sample size and selection .....	23
3.6 Research instruments .....	23
3.6.1. Interview guide: .....	24
3.6.2. Questionnaire .....	24
3.6.3. Observation checklist.....	24
3.6.4 Documentary Analysis.....	25
3.6.5 Secondary Data .....	25
3.7 Data collection procedure .....	26
3.8 Data Analysis techniques.....	26
3.8.1 Quantitative data .....	27
3.8.2 Qualitative data: .....	27
3.9 Measurement of Variables .....	27
3.10 Data quality control.....	28
3.10.1 Validity .....	28
3.10.2 Reliability .....	28
Conclusion .....	29
<b>CHAPTER FOUR</b> .....	<b>30</b>
<b>ANALYSIS, PRESENTATION AND INTERPRETATION OF RESULTS</b> .....	<b>30</b>

4.1 Introduction.....	30
4.2 Response rate .....	30
4.2.1 Description of respondents' background .....	31
4.2.2 Respondents by job category .....	31
4.2.3 Demographic Characteristics of the respondents.....	32
4.2.4 Respondents by gender .....	32
4.2.5 Respondents by Marital Status.....	33
4.2.6 Respondents by level of education .....	34
4.2.7 Respondents by their age .....	35
4.2.8 Respondents by their job experience .....	36
4.3 Pension policies and the performance of the public service pension scheme.....	37
4.4 Procedural levels and the performance of the public service pension scheme .....	50
CHAPTER FIVE .....	66
DISCUSSION, SUMMARY ,CONCLUSION, RECOMMENDATIONS AND SUGGESTIONS .....	66
5.1 Introduction.....	66
5.2 Discussions. ....	66
5.2.1 Pension policies and the performance of the of the public service pension scheme .....	66
5.2.2: Procedural levels significantly influence the performance of the public service pension scheme.....	68
5.2.3: Records management and the performance of the public service pension scheme. ....	71
5.3 Summary .....	72
5.3.1 Relationship between pension policies and the performance of the public service pension schemes .....	73
5.3.2: Relationship between procedural levels and performance of the public service pension scheme.....	74
5.3.3: There is a significant relationship between records management and performance of the public service pension scheme.....	74
5.4 Conclusions.....	75

5.5 Recommendations.....	76
5.6 Areas for further research .....	78
REFERENCES .....	79
APPENDIX (A) .....	81
RESEARCH QUESTIONNAIRE FOR PENSIONERS .....	81
SECTION B:.....	83
PENSION POLICIES .....	83
SECTION C .....	85
PERFORMANCE.....	85
APPENDIX (B) .....	86
RESEARCH QUESTIONNAIRE FOR TOP ADMINISTRATORS AND PUBLIC SERVICE EMPLOYEES .....	86
SECTION C .....	90
Thank you for your cooperation .....	90
APPENDIX (C) .....	90
INTERVIWE GUIDE FOR PENSIONERS.....	90
APPENDIX (D) .....	92
INTERVIW GUIDE FOR OFFICIALS FROM THE PUBLIC SERVICE PENSION SCHEME AND TOP ADMINISTRATORS .....	92
APPENDIX (E).....	93
Sample size (s) for the given population sizes (N) .....	93

## LIST OF TABLES

Table I showing the target population and the sample size: .....	23
--	----

Table II: Response rate .....	30
Table III: Distribution of respondents according to job category.....	31
Table IV: Distribution of respondents according Gender.....	32
Table V: Distribution of respondents according to their Marital Status.....	33
Table VI: Distribution of respondents according to Level of Education.....	34
Table VII: Distribution of respondents according to age.....	35
Table VIII: Distribution of respondents according to number of years worked in the public service .....	36
Table IX: Frequency distribution for responses on pension practices.....	37
Table X: Descriptive statistics on pension scheme performance.....	43
Table XI: Pearson’s Correlation Co-efficient between pension practices and performance .....	48
Table XII: Regression analyzing the relationship between pension practices and performance	49
Table XIII : Analysis of variance table for pension practices .....	49
Table XIV: Descriptive statistics on procedural levels.....	50
Table XV: Pearson’s Correlation Co-efficient between procedural levels and performance.....	56
Table XVI: Regression analyzing the relationship between the procedural levels, and performance .....	57
Table XVII: Analysis of variance table for procedural levels .....	58
Table XVIII: Frequency distribution for responses on records management.....	59
Table XIX: Pearson’s Correlation Co-efficient between records management and performance	63
Table XX: Regression analyzing the relationship between the records management, and performance .....	64

Table XXI: Analysis of variance table for records management..... 64

## ABSTRACT

*The study focused on investigating the relationship between organizational factors and performance of the public service pension scheme with Ministry of Public Service as the case study. This was achieved by analyzing the relationship between pension policies and performance of the public service pension scheme; procedural levels and performance of the public service pension scheme; & records management and performance of the public service pension scheme. The study employed a cross sectional research design and both quantitative and qualitative approaches. In total, a sample of 155 respondents included top administrators, pensioners and officials in the public service pension scheme. In collecting the data, the researcher used both secondary and primary sources. Data collection methods used was questionnaires and interviews, and was analyzed using Pearson correlation coefficient, Analysis of variance and regression analysis.*

*The study findings revealed that: there is a significant relationship between pension policies and performance of the public service pension scheme; procedural levels and performance of the public service pension scheme are significantly positively related and, records management and performance of the public service pension scheme are significantly positively related. In conclusion therefore; a) A backlog in the pension scheme performance can also result from poor records; for example, when files get lost often b) Lengthy procedures results in spending too much time in locating files and attending to them. Misplacing important files and documents can incur losses in terms of expending resources in searching for these files. Customer satisfaction will also be jeopardized if procedural levels are lengthy. It was recommended that; i) There is need for reform of the schemes based on the inability of the scheme to balance its liabilities with the financing obligations. In order to address the problem of benefit financing, policymakers may consider systemic reform of the scheme from the current non-contributory defined benefit scheme to a pre-funded scheme on either defined benefit basis or defined contributory scheme. ii) The Ministry of Public Service should provide full, regular and easily accessible information about pension scheme for example publishing periodical documents with information about the pension scheme. (iii) The pension scheme should be decentralized such that cases are handled at district level to avoid lengthy procedural levels and expenses entailed in making frequent movements to Kampala*

## CHAPTER ONE

### INTRODUCTION

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

The economic depression which began in 1929, forcefully called attention to the need for an overall national and social approach to the problems caused by loss of income to the families. Prior to 1929 some attack had already begun on the problem of supplying a basic income to the family when the bread winner could no longer produce a pay check, but the pure 1929 approach was confined largely to compensating the worker for loss sustained in accidents suffered at the place of work-workers compensation. It was not until 1935 with the passage of the social security Act, that an overall program was begun to deal with loss of income because of old age, death of the bread winner or unemployment (Bailliu, 2007).

In most societies of which we have knowledge, the community assumes some responsibility for the individual in time of misfortune. It was only in the heyday of 19<sup>th</sup> century individualism that a few countries, among which England and the United States were the most prominent, rejected responsibility for their indigent citizens. Even in these countries, the indigents were never completely without governmental assistance, but it was rendered (as public charity) on such owners terms as to discourage reliance upon it (Henwood, 2004).

The spirit of the 19<sup>th</sup> century “poor relief” was dominated by the fear that such relief would be abused. A major fear of legislation was that if public assistance was made available too easily many pensioners would abandon efforts to support themselves and go on the country of the government to the cost of the tax payers.

As early as 1883, Germany adopted a system of sickness insurance and in the next few years broadened its coverage to provide old age pensions and invalidity insurance. The “Bismarckian” system of social insurance was widely studied and initiated in other European countries in the period 1890-1910. The Australia states (in the 1890s) also began to provide social insurance. In 1897, Great Britain adopted a workmen’s compensation law and in the years 1906-1911 adopted a system of unemployment assistance and begun to provide old age pensions and other measures of social security (Nsambu, 2001).

Pensions in Uganda in the 1940s during the colonial era were paid to government workers mainly who excluded blacks or if any, where a very minimal number. There was a pension (military service) (special provision) Act, pensions, Asian widows and orphans Act, which catered for only Indians and not black Ugandans (Mbeche, 2005).

In 1964, the Pension scheme received a new boost with the enactment of the 1964 Pension Act to cover the traditional civil service, the local and urban authorities, teaching service and later on the armed forces. It is a noncontributory scheme financed from the national budget which seem to have had a direct negative impact on pensioner rewards and consequently on final pensioner satisfaction (Ssemanda, 2003).

Initially the scheme operated successfully as the pensioners, especially from senior positions, were able to make some investments in profitable ventures. However, over the years, the policies under which the scheme operated failed to address the social and economic changes, which rendered the pension scheme contributions worthless (UNDP Study Report on Pension Schemes in Uganda, 1992). Inflation divested the purchasing power of the currency while family obligations and other cost structures were on the

increase. It should have been necessary therefore, to revisit the pension scheme policies in an attempt to uplift the level of pensioner satisfaction (Wamuttu, 2009).

### **1.2 Statement of the Problem**

Despite the government attempts to finance the Public Service Pension scheme, Pension scheme benefits in Uganda have generally been on the decline, being meager, coming late and irregular, and resulting into low level of satisfaction among the pensioners (Report on Government Pension Schemes, 2009). Low level of pension scheme performance to some pensioners is attributed to organizational factors (policies, procedures and record management) where as others feel organizational factors have nothing to do with the pension scheme. Therefore the issue is debatable as to whether the organizational factors have negatively impacted on the performance of the Public service pension scheme.

### **1.3 Purpose of the study**

The study investigated the relationship between the organizational factors and performance of the Public Service pension scheme in Uganda.

### **1.4 Specific Objectives**

1. To establish the relationship between Pension policies and the performance of the Public service pension scheme
2. To examine the relationship between procedure levels and the performance of the Public service pension scheme.
3. To analyze the relationship between Pension records management and the performance of the Public service pension scheme.

## **1.5 Research Hypotheses**

There is a significant relationship between pension policies and the performance of the public service pension scheme in Uganda

There is a significant relationship between procedure levels and the performance of the public service pension scheme in Uganda.

There is a significant relationship between pension records management and the performance of the public service pension scheme in Uganda.

## **1.6 Scope of the study**

### **1.6.1 Content Scope**

The study investigated the relationship between the organizational factors and performance of the public service pension scheme. These covered the relationship between Pension Policies and performance of the Public service pension scheme; Procedure levels and performance of the Public service pension scheme; and Records management and performance of the Public service pension scheme in Uganda. The independent variable of the study is organizational factors and the dependent variable is performance.

The researcher focused on all these organizational factors in order to study and come up with educated conclusions about the topic of study.

### **1.6.2 Geographical Scope**

The study was conducted at the Ministry of Public Service in Kampala where the central pension scheme office is situated and this is where all pensioners go to check on their payment regarding pension. It is also easy to access records for information during research.

### **1.6.3 Time Scope**

The study covered a period of 2008-2012 because this is the period when many pensioners complained a lot about delayed payment, pay inefficiencies and loss of their files from the registry.

## **1.7 Significance of the study**

The study may be significant in the following ways.

It may provide information to policy makers in the Ministry of Public Service, pensioners, and other stakeholders in the pension scheme system who may contribute to improvement of the public service pension scheme.

The study will highlight the importance of efficient, organized and well-coordinated pension schemes in Uganda.

The study will also contribute to the existing literature on pension schemes in the public service in Uganda

The study will act as a reference point for researchers who will pursue further research on pension schemes in Uganda.

Through the resultant interaction between the researcher and the respondents, the researcher's knowledge, skills and understanding of research will improve.

### **1.8 Limitations of the study**

The researcher is expected to be very patient with the respondents since the study touches them personally.

Access to information may be a problem since some of the information is treated with utmost confidentiality.

### **Conclusion**

In recent developments, some pension schemes are self-administered through the institution of trustees. However, there have been steps from in house management towards external management in the pension schemes. In developed countries the common models include benefit schemes, contributory schemes and private pension schemes. In most developing countries, Uganda inclusive, the prevalent model is the state funded scheme. The private pension scheme does not play an important part in pension schemes. Appropriate and effective policies are very crucial for the success of any pension scheme.

Chapter one, therefore introduced the discussion on the theory and back ground to pension schemes in relation to public service and drawing the conception about the relationships between the dependent and independent variables in the topic of study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents the review of literature; the chapter is arranged into four sections, the introduction, the theoretical, conceptual and related literature on organizational factors and performance of the Public service pension scheme.

#### **2.2 Theoretical Review**

The Life Cycle Hypothesis (LCH) was expounded by Franco Modigliani in 1954. The LCH is an economic concept analyzing individual consumption patterns. The life-cycle hypothesis considers that individuals plan their consumption and savings behavior over the long term and intend to even out their consumption in the best possible manner over their entire lifetimes. The key assumption is that all individuals choose to maintain stable lifestyles. This implies that they usually don't save up a lot in one period to spend furiously in the next period, but keep their consumption levels approximately the same in every period. The LCH provides an explanation about the motive of savings in working age in order to dis-save later for meeting the old age requirements (Modigliani et al. 1954, 1963). But this hypothesis has been criticized on several grounds. In particular, the precautionary motive of savings even can force old aged people not to dis-save as much as has been depicted by the LCH; because they may fear that the future contingency can offset the available level of income. On the other hand, because of the liquidity constraints, people cannot smooth out their consumption pattern for a long period. The existing literature on social security system has extensively used the LCH to analyze and discuss its role and impact over the household savings behavior. Aaron (1967), finds that the social security expenditure to national income ratio have a negative relationship with the household

savings ratio. Feldstein (1974) extended the LCH framework to show that presence of social security system decreases personal savings. But Leimer et al. (1982) and Eisner (1983) contradict Feldstein (ibid.). According to them, the presence of social security in the periods of unemployment enhances the consumption and thus the national income increases which in turn reinforces the savings and investment. The literature also provides the debate about the influence of age of the social security system on household savings [Feldstein (1977) and Kopits et al. (1980)]. The impact of social security on household savings can be measured through three effects: income effect, wealth effect and retirement effect. Any change in benefits or payroll taxes alters the disposable income available with the individuals and thus have an income effect. However, the income effect is neutralized in the long-run if the raised disposable income is offset by the equivalent increment in payroll taxes.

The wealth effect indicates the direct savings response of individuals to expected future benefits. It is negative if the households feel that in the presence of adequate social security provisions there is less savings requirement for future. On the other hand, the wealth effect will be positive if the social security program educates the households that it is essential to insure themselves against the old age requirements and contingencies like sickness and unemployment (Cagan, 1965). In addition to this, the retirement effect affects the savings ratio indirectly as the benefits from retirement may induce the individuals to go for early (say, voluntary) retirement than they would in the absence of it. Therefore, the retirement effect is positive when the provisions of retirement benefits induce the aged worker(s) to drop out from the labor market. However, the relative strength of the wealth and retirement effects can be leveled for criticism incorporating the possibility of existence of joint family

system whereby the working individuals support the elderly, non-workings and incapables with the hope that they will get the similar support from their children in a similar way as they are doing to their dependents.

### **2.3 Conceptual background**

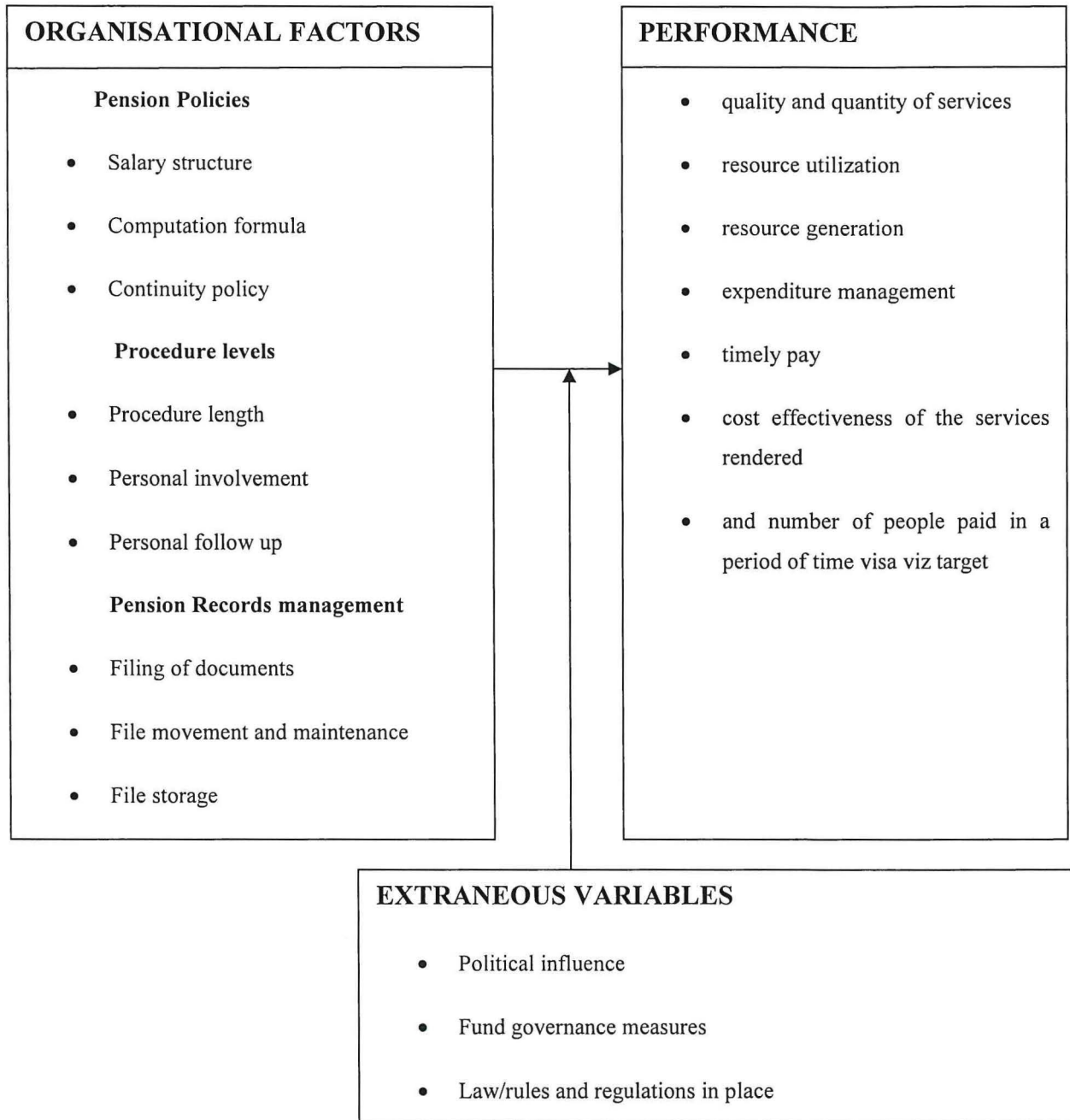
There are a number of definitions to the major concepts in this study which are directly got from the reviewed literature. Samsin (2008) defines organizational factors as elements and descriptors that define an organization's character, property, function, and impact. Examples of organizational factors include organizational leadership, structure, climate, politics, process, procedure etc. For purposes of this study organizational factors will refer to pension policies, procedure levels and pension records management.

Performance is defined in the English oxford learner's dictionary as the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. Maxwell (2010) defines performance as the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract. For purposes of this study, performance will be measured in terms of quality and quantity of services, resource utilization, resource generation, expenditure management, and timely payments, cost effectiveness of the services rendered and number of people paid in a period of time. According to ILO (Convention No. 102 of 1952), a pension comes from a fund to which the employer and employee contribute regularly in order to cater for any contingencies such as old age, death, ill health and disability. The distinctive role and importance of a pension scheme is to provide social security and income for the individual and his or her family on retirement or death. A pension is a fixed sum paid regularly to a person, typically following

retirement from service. Pensions should not be confused with severance pay; the former is paid in regular installments, while the latter is paid in one lump sum. For purposes of this study pension scheme/fund will refer to a fund established by an employer to facilitate and organize the investment of employees' retirement funds contributed by the employer and employees.

### 2.3.1 Conceptual Framework

A Conceptual Framework illustrating the relationship between the study variables



*Source: Adopted and modified from Martino (2009) Staff Pension and Assurance Scheme pp.45 (improved by the researcher)*

The independent variable is organizational factors, which refers to pension policies, procedure levels and pension records management. Pension policies referred to salary structure, computation formula, and continuity policy. Procedure levels refer to procedure lengths, personal follow up and personal involvement. Pension records management refers to filing of documents, file movement and maintenance, file storage, file retrieving and computerization management of records. The independent variable is performance which is measured in terms of quality and quantity of services, resource utilization, resource generation, timely pay and number of people paid in a period of time.

## **2.4 Literature Review**

This section is presented according to the study objectives (Pension policies, procedure levels and Pension records management)

### **2.4.1 Relationship between Pension Policies and performance of the Public service pension scheme**

Plans for pension schemes have a direct bearing on pension policy formulation and consequently pensioner satisfaction. Policies originate from the top executives of any organization and run down to be implemented at lower levels through regulations and procedures.

Steiner and Miner (2006) define policies as guides in carrying out the required actions. Policies are formulated with a long view in mind and are therefore designed to ensure consistence of purpose and to avoid decisions that are shortsighted and based on expediency. Pension policies, just like other policies, usually specify patterns and steps of actions that must be followed with minimum deviations. Management of pension schemes

must keep in mind that such planned courses of action should be followed in the implementation of pension schemes. However, the researcher notes that these policies must be coordinated in such a way that they contribute to the ultimate goals of the scheme and generate pensioner satisfaction at the appropriate time.

In this regard, Pierce and Robinson (2000) concur that policies are broad and they set precedent for decision making. They further state that policies often increase managerial effectiveness by standardizing routine decisions of empowering or expanding the discretion of managers and subordinates in implementing pension scheme strategies. ILO (Convention No.82 of 1947) provides that it shall be the policy for the responsible government authorities to arrange for adequate funds. In both developed and developing countries budgetary considerations play an important role in pension policies. Developed countries are concerned about implications for current and future outlays of existing benefits levels, past commitments and consequences of demographic ageing. Similarly developing countries are concerned about budgetary implications during the periods of economic stabilization and structural adjustments. In many situations, budgetary constraints have led to the diversion of pension funds to other urgent areas or sectors.

Martin (1989) emphasizes the management of pension schemes, and states that in the UK, the larger pension schemes are normally self-administered. This means that the trustees have full direct control over the schemes and are only assisted by professionals to whom they may delegate some of their responsibilities. He further clarifies that these schemes offer more flexibility and have the advantage of more direct communication with all the stakeholders. However, the researcher notes that the work involved is onerous and has high costs, which can only be justified if the scheme has a fairly large membership and

corresponding large funds. With this large membership and funds, the scheme will be able to enjoy economies of large scale, which normally accrue to national schemes.

However, Henwood (2004) clarifies that the problem of poverty in old age is particularly more acute in the developing countries of Sub Saharan region. In some developing countries the social security pension schemes coverage is lower than 10% of the total labor force. This is due to the fact that in the majority of these countries, Uganda inclusive, the coverage is limited to the traditional civil servants and members of the armed forces who qualify for the scheme. At the same time, this group forms a small proportion of the total working population. Hen wood (2004) concludes that governments are keen to offer incentives to approved private pension schemes in order to cater for the problem of poverty in old age. But in practice, private pension schemes have not yet played any effective role for pensioner in these developing countries.

The Public Service Pension Scheme in Uganda is not administered by Trustees and is not subject to the annual actuarial assessment and up-date by an expert team of Actuaries. The Uganda pension scheme also lacks flexibility in the sense that the only authority to approve payment to the beneficiaries is vested with the Ministry of Public Service as stipulated in the Pension Act (1964).

#### **2.4.2 Procedure levels and performance of the Public service pension scheme**

Pensioners' perceptions of a service quality will be based almost entirely upon the rules and procedures in qualifying for pension, pension payment and handling of complaints related to pensions. Stoner, et al (2006) describes the procedures as guides to action in the process of policy framework for policy implementation. A number of factors have affected

the procedures followed in the process of pension payments and one of these factors is legislation.

Green Street (2002) asserts that legislation has steadily imposed more obligations on the scheme administrators and limited freedom of choice about the design of the scheme rules and procedures. In developed countries the procedure levels are few because of the management by a small team of trustees. In Uganda, the processing of pension payments has been the major cause of irregularity in payment of pensions, which has subjected it to a lot of criticism and complaints (Nsambu, 2001).

According to the Public Service Pensions Management Information Manual (2008) there is long established tradition of strict observance of procedural red tape in handling pension payments. This results into poor service quality and less pensioner satisfaction.

However the researcher intends to emphasize the fact that the pensioner perceived quality is basically a function of the pensioner perceptions and is based on two dimensions. First the impact of the outcome or what the pensioner receives, and secondly an additional impact based on the pensioner's perception of the various interactions within the pension scheme.

Keepings (2009) points out that, bureaucratic procedures in public organizations lead to hesitancies, inefficiency and fragmentation. In many developing countries, there have been numerous allegations of corruption on the part of personnel involved in the delaying of payments.

According to Ojok (2009) corruption is an evil that spreads terror among the citizens, particularly pensioners. It affects the administration of public service and undermines effectiveness and efficiency in any action.

According to Johnston, (1995) civil behavior from management generates more favorable service quality and satisfaction perceptions from pensioners. When management is attentive, courteous, cooperative, and keen to listen to pensioners, then service quality perceptions are satisfactory. However the researcher is critical of this view because if the management appears disinterested, pensioners service quality perceptions will tend to suffer (Guidry, 2006)

In developed countries, pension schemes are administered by a body of trustees, which exercises ultimate control (Bernes, 2008). The number of trustees varies from scheme to scheme, but often they are limited to three or four people. Furthermore, the number of trustees usually depends on some factors such as the size of the scheme and the assets owned by the scheme.

Martin (2008), reports that there is use of actuaries who make actual valuations and calculations of the flow of funds in the whole life of the pension scheme. This system enhances the elements of reliability and assurance as measure of service quality. However, the researcher notes that the author does not give how the valuations are made and the procedures followed which will be a central focus of the researcher in his research.

Furthermore, ILO Convention No. 102 (1952) provides that a government shall ensure that the necessary actuarial studies and calculations are made periodically in pension schemes in order to keep scheme records up to date. When pensioners are kept abreast of the steps

being taken in the processing of pension payments, this creates an encounter between the service provider and the customer/pensioner. It also enhances the pensioner's perception of the service quality being provided and leads to pensioner satisfaction.

### **2.4.3 Relationship between Records management and performance of the Public service pension scheme**

Despite the government attempts to finance the Public Service Pension scheme, Pension scheme benefits in Uganda have generally been on the decline, being meager, coming late and irregular, and resulting into low level of satisfaction among the pensioners. The maintenance of records of the scheme has been poor. (Report on Government Pension Schemes, 2009). Low level of pension scheme performance to some pensioners is attributed to organizational factors (policies, procedures and record management) where as others feel organizational factors have nothing to do with the pension scheme. Therefore the issue is debatable as to whether the organizational factors have negatively impacted on the performance of the Public service pension scheme. According to the Report on Government Pension Schemes (2009), the scheme has limited scope of social protection in terms of the total package offered and there is lack of complete, reliable, accurate, timely and relevant information to assist pay roll managers to provide the best service quality in the scheme.

In addition the researcher notes that, the scheme has no mid-term or work life benefits. One must wait till old age to qualify unless retrenched or going for voluntary early retirement. Above all, accessibility to the benefits is difficult with many bureaucratic hurdles. As such, although most public servants are entitled to pension, it is not conceived and managed in a

manner that meets the internationally acceptable standards of a good social security system as enumerated above.

The Daily Monitor of Tuesday March 27th, 2012 in an article written by David Mafabi also confirms that there is a lot ineffectiveness and inefficiency in the social security and pension schemes in Uganda coupled with poor record management. Mafabi reports that 23 ex-soldiers cry foul of non-payment of their pension and gratuity arrears dating back to 1984 despite their payments being verified. The Army spokesperson, Felix Kulayigye, confirmed this and said that the pensioners will be paid immediately once government obtains the money.

Barya (2009) says that social security coverage is limited to only about 5% of the working population in Uganda of about 11 million. This is the case both for the Public Service Pension Scheme (PSPS), the National Social Security Fund (NSSF) and private in-house voluntary pension schemes. Otherwise, the limited social protection that exists from government covers basic education and provision of water to some citizens while most of the social goods like housing, food and clothing are only available at the initiative of private citizens and not via assistance from the state. However Barya (2009) ignores the fact that the Ugandan pension system is largely publically managed at almost all levels.

It is seen that private pensions reduce public pension spending in the longer term, once private schemes are mature. Private pensions is likely to increase budgetary pressures in the short term: if workers' contributions go into their individual pension accounts, they cannot be used to pay for the pensions of the older generation; thus, governments have to finance pensions for the transition generation through taxation or borrowing, Barr (2001). This will

in a way affect the government budget. Unsustainable pension systems can be a problem to fiscal stability, economic growth, and poverty reduction. The need for pension reform has become pressing as demographic aging has strained pension systems around the world, and this is mostly on the side of poor records management leading to large expenditures, large deficits, and high contribution rates. In many cases the pension system has become a source of fiscal and macroeconomic instability, a constraint to economic growth, and an ineffective and or inequitable source of retirement income.

Giertz (2003) suggests that not only are pension asset changes large in comparison with state budgets, they are also growing and becoming more volatile. However the biggest problem to most public pension schemes is records management. This trend is likely to continue and the relative size of state pension obligations is increasing. This suggests that pension funding is becoming an increasingly important aspect of state government. He also states that 'state pension funding' today is no sounder than in the early 1990s. This is not necessarily a cause for alarm, but it is a source of concern. Pension funding will be an increasingly important demand on state finances in the upcoming years.

### **2.3 Conclusion**

The above authors in the literature above emphasize that policy formulation in pension schemes are mainly broad guidelines initiated by top executives of the organization. Budgetary provisions are very important in order to ensure the continuity and create assurance. In recent developments, some pension schemes are self-administered through the institution of trustees. However, there have been steps from in house management towards external management in the pension schemes. The role of management in the formulation

of policy in pension scheme largely depends on the model of pension scheme. In developed countries the common models include benefit schemes, contributory schemes and private pension schemes. In most developing countries, Uganda inclusive, the prevalent model is the state funded scheme.

The private pension scheme does not play an important part in pension schemes. Appropriate and effective policies are very crucial for the success of any pension scheme. If these policies are properly implemented this will lead to the desired pensioner satisfaction. Much as the above authors are addressing generally issues to do with pension schemes and social security schemes, little do they dig deep into the contribution of organization factors towards the performance of the pension scheme which will be the center of the study

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the approaches and techniques the researcher used to collect data and investigate the research problem. The arrangement of the chapter is as follows: research design, study population, sample size, data collection methods, data collection instruments, data quality control, data analysis and measurement of variables.

#### **3.2 Research design**

A cross sectional correlation survey design was used to conduct the study. According to Ezeani (2002), a cross-sectional survey is the best because it is used to gather information on a population at a single point in time. A cross sectional survey design is simple, less time consuming and least costly alternative. The study also applied the quantitative and qualitative approaches. The mixed approach was applied in sample selection, and data collection. Amin (2003) supports the use of a mixed approach because multiple methods help to research a problem from all sides; usage of different approaches also helps to focus on a single process and confirms the data accuracy. Qualitative research enables us to explore new areas, deal with value laden-questions, build theories, and to do in-depth examination of phenomena. Quantitative research allows the researcher to measure and analyze data. It also makes the research findings more objective (Amin 2003).

#### **3.3 Area of the Study**

The study was conducted at the ministry of public service headquarters Kampala

### **3.4 Study population**

The study population of this research comprised of the staff at ministry of public service headquarters Kampala who included the administrators, employees and pensioners. This category of the population was believed to be knowledgeable about the subject under scrutiny and hence able to avail the necessary facts about the study

### **3.5 Sampling Techniques**

Sampling is the procedure a researcher uses to gather people, places or objects to study, which must be representative of the study population (Kisilu & Tromp, 2011). Therefore, since Public Service Commission was used as a case study in this research, the researcher used none probabilistic sampling techniques. The respondents were managers, employees, and pensioners of Public service commission. The sampling techniques used were purposive and simple random sampling. .

#### **3.5.1 Purposive Technique**

This is where the researcher zeroed on the respondents who can give the information that is needed (Oso, 2005). The researcher used purposive technique to sample managers, and some staff of Public service commission with information needed for research. Different managers and some staff members were selected using purposive technique. This technique was useful to the researcher because it helped in leading the researcher to respondents with reliable information in the short time that was available for research.

### 3.5.2 Simple random sampling technique

Simple random sampling was applied when sampling Ministry of Public service Staff. Best and Khan (2003) explain that this type of technique ensures that all the elements in the population have equal chances of being selected, and so this techniques helps to avoid bias.

#### Sample size and selection

The sample size was determined using Krejcie Robert, Morgan, Daryle (1970 pp. 607-610) table of sample size determination. They argue that a sample size is determined based on the population available in an area. Furthermore, Krejcie, Robert V., Morgan, Daryle W in their work (1970) assert that treat each sub-group as a population and then use the table to determine the recommended sample size for each sub-group.

**Table I Showing the target population and the sample size:**

Category	Target population	Sample size	Sampling technique
Pensioners	2200	120	Simple random sampling
Top Administrators	15	15	Purposive sampling
Employees	67	30	Simple random sampling
<b>Total</b>	<b>2282</b>	<b>165</b>	

*Report on Government Pension Schemes, (2011)*

### 3.6 Research instruments

The researcher used the following data collection instruments to collect data.

### **3.6.1. Interview guide:**

The interviews were used to collect in depth information on the evaluation of pension schemes. These interviews basically targeted the pensioners, administrators and Public service employees. Interviews were used because they have the advantage of ensuring probing for more information, clarification and capturing facial expression of the Interviewees, (Amin 2005). In addition they also gave an opportunity to the researcher to revisit some of the issues that had been an over-sight in other instruments and yet they are deemed vital for the study.

### **3.6.2. Questionnaire**

Saharan (2003) defines a questionnaire as a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. Questionnaires were used because they increase the degree of reliability due to the many items in them and they as well enhance the chances of getting valid data, (Amin 2005). The questionnaire consisted of both closed and open-ended questions. Quantitative data was obtained by closed-ended questions while qualitative data was obtained by open-ended questions. These questionnaires were administered mainly to pensioners and public service employees simply because these respondents were too many hence the questionnaires were the most convenient and cheapest means of collecting data in this case.

### **3.6.3. Observation checklist**

The researcher also utilized an observation checklist to record what is observed during the data collection. As pointed out by Mugenda & Mugenda (1999), the behaviors to be observed must be clearly defined and a detailed list of behaviors developed beforehand.

Observation is useful especially for information that is not easy to get but can be observed and to explore topics that may be uncomfortable to informants. Amin (2005) defines observation as a method of data collection that employs vision as its main means of data collection. The researcher used observation to closely examine what is happening in the ministry of public service and then record the findings as regards the objectives of the research study. Particularly observation was used in trying to analyze the efficiency of the current pension scheme in public service; hence yields first-hand information which is more valid. Amin (2005) further asserts that observation provides additional unexpected information which may be encountered during observation sessions. Wilkinson and Bhandarkar (1992) also contend that it is also used to gather supplementary materials that help in the interpretation of findings obtained by other techniques.

#### **3.6.4 Documentary Analysis**

The researcher also analyzed several documents from the ministry and these included ministry registers. The researcher also used documents from the parliament, administrator general and Ministry of Finance, Planning and Economic Development to analyze various policies and challenges pertaining to pension scheme. Sekran (2009) asserts that documents are unobtrusive and can be used without imposing on participants; they can be checked and re-checked for reliability

#### **3.6.5 Secondary Data**

Secondary data was obtained from journals, books and previous research done on pension schemes and guidelines from the Ministry of Public Service and other documentation considered useful for research will be used. According to Kothari (1998) qualitative data is

easy to use and allows the researcher access to valuable information for little or no cost to acquire.

### **3.7 Data collection procedure**

The researcher secured an introductory letter from the graduate school which she used to introduce herself before the authorities at the Ministry of Public service.

### **3.8 Data Analysis techniques**

Data was analysed both qualitatively and quantitatively. Data analysis is more than number crunching. It is an activity that permeates all stages of a study. Concern with analysis will (1) begin during the design of a study, (2) continue as detailed plans are made to collect data in different forms, (3) become the focus of attention after data are collected, and (4) be completed only during the report writing and reviewing stages. Successful data analysis, whether quantitative or qualitative, requires (1) understanding a variety of data analysis methods, (2) planning data analysis early in a project and making revisions in the plan as the work develops; (3) understanding which methods will best answer the study questions posed, given the data that have been collected; and (4) once the analysis is finished, recognizing how weaknesses in the data or the analysis affect the conclusions that can properly be drawn. The study questions governed the overall analysis, of course, but the form and quality of the data determine what analyses can be performed and what can be inferred from them. This implies that the researcher thought about data analysis at four junctures: (1) when the study is in the design phase, (2) when detailed plans are being made for data collection, (3) after the data is collected, and (4) as the report is being written and reviewed.

### 3.8.1 Quantitative data

Data was sorted using the SPSS method. The Pearson correlation coefficient and regression analysis were used to analyse quantitative data. For Pearson correlation coefficient the formula is provided below.

$$r = \frac{\sum_{i=1}^n (X_i - \bar{X})(Y_i - \bar{Y})}{\sqrt{\sum_{i=1}^n (X_i - \bar{X})^2} \sqrt{\sum_{i=1}^n (Y_i - \bar{Y})^2}}$$

According to Sekran (2005), a correlation study is most appropriate to conduct the study in the natural environment of an organization with minimum interference by the researcher and no manipulation.

### 3.8.2 Qualitative data:

Qualitative data was analyzed using both thematic analysis and content analysis. This is because the two approaches complement each other since the theme emerges from the researcher and the description summaries from the respondent.

### 3.9 Measurement of Variables

The organisation factors and performance of the public service pension scheme were measured on a five point Likert type scale (1- strongly disagree, 2-Disagree, 3-Not sure, 4-Agree and 5-Strongly agree). The choice of this measurement is that each point on the scale carries a numerical score which is used to measure the respondents' attitude and it is the most frequent used summated scale in the study of social attitude. According to Mugenda (1999) and Amin (2005), the Likert scale is able to measure perception, attitudes, values and behaviours of individuals towards a given phenomenon.

### **3.10 Data quality control**

This ensured that data collected is valid and reliable; the instruments were first tested to ensure validity and reliability.

#### **3.10.1 Validity**

To control quality of the data, the researcher endeavored to attain validity of coefficients of at least 0.70 or 70%. Kathuri & Pal (1993) say items with validity coefficients to at least 0.70 are accepted as valid and reliable in research. Upon performing the test if the results got are 70% or 0.7 and above, the instrument were considered reliable.

To establish validity for qualitative data, the instruments were given to two experts to evaluate the relevance of each item in the instrument to the objectives and rate each item on the scale of: (5) very relevant (4), quite relevant (3), somewhat relevant (2), and not relevant (1).

#### **3.10.2 Reliability**

For qualitative data, the researcher during data collection exercise ensured that the data recorded from interviews reflect the actual facts, responses, observations and events. The researcher took multiple measurements, observations or samples and also checked the truth of the record with an expert to verify response consistency and customize questions so that only appropriate questions were asked, confirm responses against previous answers where appropriate and detect inadmissible responses. She also used standardized methods and protocols for capturing observations, alongside recording forms with clear instructions. And lastly she did pretest of the instrument in a time lapse of 4 weeks to establish

consistence in responses. According to Amin (2005), test-retest reliability can be used to measure the extent to which the instrument can produce consistent scores when the same group of individuals is repeatedly measured under same conditions. The results from the pretest were used to modify the items in the instruments.

For quantitative data, the Cronbach's Alpha Coefficient tests were performed. The Cronbach's Alpha Reliability Coefficient for Likert-Type Scales was done. In statistics, Cronbach alpha is 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 Sekran (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 0.7 and above were be considered reliable

## **Conclusion**

This chapter presented the methodology the researcher will go through to assemble the data for the research. The chapter shows the research design, study population, sample size selection and procedures, data collection methods to use, data analysis techniques, tests for reliability and control and measurement of variables.

## CHAPTER FOUR

### ANALYSIS, PRESENTATION AND INTERPRETATION OF RESULTS

#### 4.1 Introduction

This chapter gives the description of the background variables, data analysis, presentation and interpretation of the findings, research hypothesis per research hypothesis from the study about the contribution of organizational factors to the performance of the public service pension scheme.

#### 4.2 Response rate

This section gives the response rate which is numerically presented as below

**Table II: Response rate**

<b>Sex</b>	<b>Frequency</b>	<b>Percentage</b>
Pensioners	120	78.7
Top Administrators	5	03
Public Service employees	30	19.3
<b>Total</b>	<b>155</b>	<b>100</b>

*Source: field data 2013*

A total of 155 questionnaires were distributed to the 155 respondents that were sampled (see sample size table I in chapter III) and 155 questionnaires were returned making a 100% response rate. The researcher carried out unstructured interviews with 20 respondents out of 155 respondents hence making a response rate of 13% out of 100.

#### 4.2.1 Description of respondents' background

This Section gives a description of the background of respondents in the following arrangement; category (position) of respondents, gender, age, level of education, places worked in before joining the government, and working experience with the Government.

#### 4.2.2 Respondents by job category

Respondents according to their job category who participated in the study are summarized in Table III below;

**Table III: Distribution of respondents according to job category**

<b>Categories</b>	<b>Frequency</b>	<b>Percent</b>
Top Administrators	05	16
Public Service employees	30	84
<b>TOTAL</b>	<b>35</b>	<b>100</b>

*Source: Primary data*

Like in any other organization, the numbers of leadership position such as: top administrators are normally small as reflected in table III above: top administrators only constituted less than 16% whereas the majority 84% were lower ranking employees of the public service and pensioners. This implied that the public service pension scheme has a variety of stake holders for example employees, pensioners and top administrators and each has an interest when it comes to the organization and performance of the public service pension scheme. In this case, the pensioners were the majority indicating that they have key stake when it comes to the performance of the pension scheme. More of the questions asked

on procedure levels went to top administrators because they had the necessary data compared to the rest of the respondents.

#### **4.2.3 Demographic Characteristics of the respondents**

The demographic characteristics of the respondents is analyzed in cross tabulation in terms of sex, marital status, age, level of highest education, number of years worked, and category as presented in tables below.

#### **4.2.4 Respondents by gender**

Respondents who participated in the study by their gender are summarized in Table IV

**Table IV: Distribution of respondents according Gender**

<b>Sex</b>	<b>Frequency</b>	<b>Percentage</b>
Male	58	37.5
Female	97	62.5
<b>Total</b>	<b>155</b>	<b>100%</b>

*Source: field data 2013*

Table IV above shows that the majority of the respondents were female constituting 97 of the 155 respondents sampled which was (62.5 %) of the total percentage. On the other hand, 58 of the 155 respondents sampled were male which was (37.5 %) of the total percentage of the respondents sampled. This indicated that when it comes to performance of the public service pension scheme women have a key stake in the performance of the scheme. This gives an interesting development concerning gender balance which seems to be in favor of the female as compared to male. While for quite some time there has been a gender imbalance as regards the education of girls and boys, this seems to be changing in

the recent times probably due to the changed perceptions of the parents towards educating the girl child.

This meant that more female respondents responded to the question of study more than men. The largest number of responses on the variable of records management in the pension office came from the female. This was like that because they are the majority in the records division. The researcher was able to get the necessary data from them since they adequately responded to the questions put before them during the interviews.

#### 4.2.5 Respondents by Marital Status

Respondents who participated in the study by their marital status are summarized in Table V

**Table V: Distribution of respondents according to their Marital Status**

<b>Marital status</b>	<b>Frequency</b>	<b>Percentage</b>
Married	108	69.6
Single	47	30.4
<b>Total</b>	<b>155</b>	<b>100%</b>

*Source: field data 2013*

Out of the total number of 155 respondents sampled, 75 respondents were married making a percentage total of 69.6%. On the other hand out of the total number of 155 respondents sampled, 47 respondents were unmarried making a percentage total of 30.4 %. This implied that most pensioners and other respondents were married; this helped the researcher to collect some information concerning how their families had derived benefits from the pension given. This implied that the married adequately responded to the questions about pensions

#### 4.2.6 Respondents by level of education

Respondents who participated in the study by level of education are summarized in Table VI;

**Table VI: Distribution of respondents according to Level of Education**

<b>Highest Education</b>	<b>Frequency</b>	<b>Percentage</b>
Bachelor's Degree	114	73.5
Diploma	41	26.5
<b>Total</b>	<b>155</b>	<b>100</b>

*Source: Primary data*

Table VI above indicates that the majority of the respondents 73.5% were degree holders and only 26.5% diploma holders. This statistics indicates that the public service pension scheme had qualified staff and these adequately responded to the questions in the questionnaire used in the survey appropriately.

#### 4.2.7 Respondents by their age

Respondents who participated in the study by their age are summarized in Table VII;

**Table VII: Distribution of respondents according to age**

<b>Age bracket</b>	<b>Frequency</b>	<b>Percent</b>
21 - 30 years	05	3.2
31 - 40 years	30	19.3
41 - 50 years	10	6.4
Above 50 years	120	80.6
<b>Total</b>	<b>155</b>	<b>100</b>

*Source: Primary data*

The majority of respondents were pensioners of the age above 50 years (80.6%) followed by 31-40 (19.3%) and very few workers were above 50. This implied that age significantly determines the performance of the pension scheme. In Uganda the retirement age is 55 years, so when they get to fifty years, they plan doing their own businesses other than being employed by the government. In addition half of Uganda's population was born after 1986 in which the age 21-30 fall. The respondents in the age bracket of 50 and above adequately responded to the questions on pension since most of them had through experience witnessed the procedural levels at the pension scheme.

#### 4.2.8 Respondents by their job experience

Respondents who participated in the study by their job experience are summarized in Table VIII

**Table VIII: Distribution of respondents according to number of years worked in the public service**

<b>Years worked</b>	<b>Frequency</b>	<b>Percentage</b>
Below 1 Year	22	14.19
1-3 Years	03	1.9
4-6 Years	03	1.9
7-9 Years	14	9.0
10 Years and Over	111	71.6
<b>Total</b>	<b>155</b>	<b>100%</b>

*Source: Primary data*

Research findings indicated that majority of the respondents had worked with the Government for 10 years and above (74.1%), the respondents who had worked for 7-9 years were 9.0%, the respondents who had worked for 4-6 years were 1.9 %, the respondents who had worked for 1-3 years were 1.9% and below 1 year were 14.19%. Since the majority had worked for 10 years and above with the government implied that the respondents had enough experience with the Government and were therefore able to draw from their wealth of experience to answer the questionnaire appropriately. The respondents who had more than 7 years of experience adequately responded to the questions on pension since most of them had through experience witnessed the procedural levels at the pension scheme.

### 4.3 Pension policies and the performance of the public service pension scheme

This section gives a description of research hypothesis one which was assessed using a variety of questions as per Section B of the Instrument (Appendix A); Pension practices influence the performance of the public service pension scheme. This research hypothesis was conceptualized using six questions which required each respondent to do self-rating on pension policies. Responses were based on Likert scale ranging from one which represented strongly disagree to five which reflected strongly agree, although these were thereafter categorized into agree and disagree sections. The resulting summary statistics are in Table IX below;

**Table IX: Frequency distribution for responses on pension policies**

Questions Responses		Frequency	Percent	Mean	Standard deviation
I am made aware about the retirement fund	Strongly Disagree	19	12.2%	2.3333	.5678
	Disagree	20	12.9%		
	Agree	30	19.3%		
	Strongly Agree	86	55.4%		
The guidelines for receiving pension are distributed to me	Strongly Disagree	25	16.1%	1.7564	.4566
	Disagree	10	6.4%		
	Agree	25	16.1%		
	Strongly Agree	100	64.5%		
The computation procedure are made	Strongly Disagree	76	49.0%	1.8665	.34555
	Disagree	24	15%		

public	Agree	20	12.9%		
	Strongly Agree	25	16.1%		
The way pension is governed and administered is transparent	Strongly Disagree	09	6.0%		
	Disagree	30	19.3%		
	Agree	30	19.3%		
	Strongly Agree	86	55.4%		
The management has made me aware of the pension law	Strongly Disagree	09	6.0%	2.3444	.7324
	Disagree	30	19.3%		
	Agree	30	19.3%		
	Strongly Agree	86	55.4%		
There is clear policy on retirement in Uganda	Strongly Disagree	19	12.2%	1.9965	.6543
	Disagree	20	12.9%		
	Agree	30	19.3%		
	Strongly Agree	86	55.4%		
The mode of distributing pension is clear	Strongly Disagree	76	49.0%	2.5454	.76231
	Disagree	24	15%		
	Agree	20	12.9%		
	Strongly Agree	25	16.1%		

The majority of the respondents (55.4%) strongly disagreed that the pensioners are made aware of the retirement fund early enough. However when the researcher went to the

pensioners themselves to verify this, there was a glaring contradiction and there was enough evidence that the pensioners are not made aware of the retirement fund early enough. Further analysis of the interviews about the same question revealed that they are not made aware.

This response signified that many pensioners are still not aware of their rights when it comes to pension scheme and how the fund operates. When the researcher asked the respondents whether guidelines for receiving pension are distributed to them, only 64.5% agreed with the question.

Furthermore, in an attempt to verify the response; a respondent said *“Those who ask for the guidelines are the ones given. The administration does not mind about us unless they are pushed.”*

Most of the pensioners felt the way pension is governed and administered is not transparent, 49.0% strongly disagreed, 16% disagreed and 12.9% agreed with this question. The mean was 2.3454 and the standard deviation was .5674. Even though during interviews many seemed to agree with the question that stated that the pension scheme is not transparent, it was very visible from the documents reviewed from the pension office that some matters are not brought in the open for the public to consume. One of the respondents said during interviews

*“The Ministry of Public Service handles the pension schemes of the former employees of the defunct East African Community who have not been paid since the 1970s. It also handles the pensions of traditional civil service, teachers, military pensioners, widows, orphans, and army veterans from past regimes. Most of them have not been paid a penny*

*for decades because officials of the Public Service ministry deliberately convolute the process to make it difficult if not impossible to claimants to access their benefits. We hope the new court case involving ministry of public service officials over the 120 billion scam will clearly serve as a lesson to some of these officers who think they are small gods in their offices”.*

This implied that the public service pension scheme is being bogged down by bureaucracy.

The majority of the respondents (49.0%) strongly disagreed with the question that stated that the computation procedures are made public, 15% disagreed and 12.9% agreed, and 16.1 strongly agreed with the question. In fact when the researcher interviewed a pension scheme senior administrator, he was honest and revealed that *“Am happy that the gap in pension of pre-and post-January 2013 and thereafter retiree will be bridged by determining the pension of pre- January 2013 pensioners on basis of notional maximum for army ranks and groups across three Services as in case of post-January 2013 retirees”*. Against the backdrop of criticism by retired military personnel, the respondent said *“the recent pension package of 1 trillion to be given to ex service men as the president revealed in February 2013 is a step towards achieving the goal of one rank-one pension (OROP) in future”*.

When the pensioner was asked to verify the remarks made by this top administrator he said *‘the computation is not a problem to us because even the little they computed for us has not been paid. Let us not focus on computation but when they will pay us our money. The whole pension scheme at this ministry looks like a film which we come and watch and go away. Queues are a very common sight at this office with pensioners complaining about governments’ inadequacy in payment of pensioner’s money. The above deficiencies*

*together with the long and cumbersome procedures which are followed in the processing of pension benefits have resulted into delayed payments, distrust and low level of pensioner satisfaction. Year in and year out pensioners continue to complain about performance of the pension scheme'. This indicates that the pension scheme in Uganda has a long way to go; it still needs serious revamping for many Ugandans to benefit from it.*

The findings indicated that, 55.4% strongly disagreed, 19.3% disagreed and 19.3% agreed with the question that stated that the management has made me aware of the pension law. This implied that although people are aware of the existence of the pension law, they are still ignorant about their rights as far as pension is concerned. However this response contradicts one of the pension scheme administrator's views about the public awareness of the pension law, he stated that *"the law is in existence but it has not been properly enforced and put to use. This explains why they are growing cases of pension fund embezzlement and failure to pay pension. For example For 20 years, a pensioner made endless trips to Kampala from Soroti in the hope of securing his pension having served the East African Community for a quarter a decade. In January, however the pensioner a resident of Kamuda Sub County in Soroti District, who had been ill for a while passed on, with his life's wish to get what was due to him never achieved. At his burial in Agama village, his children narrated how their father who had worked as a chief carpenter at the East African Civil Aviation Academy in Soroti had tried to ensure he received his pension in vain. So I believe the interdiction and eventual prosecution of the senior officers in this ministry will restore some sanity in the scheme"*

This implied that the scheme is selective to the extent some pensioners go without pension yet it is their right.

Findings revealed that there is clear policy on retirement in Uganda, when asked this question, 55.4% strongly agreed, 19.3% agreed, 12.3% disagreed and 12.3% strongly disagreed. During interviews a respondent said *“the pension Act guarantees the provision of social welfare to people 60years and above, the handicapped and those who suffer continuous ill-health. No matter what your full retirement age (also called "normal retirement age") is, you may start receiving benefits as early as age 60 or as late as age 70. If you retire early, the monthly benefit amounts will be smaller to take into account the longer period you will receive them. If you retire late, you will get benefits for a shorter period of time but the monthly amounts will be larger to make up for the months when you did not receive anything.”* The researcher went ahead to ask the respondents whether the pensioners are guided on how and when to receive their benefits, a pensioner in response during interviews revealed that *“It is funny some names on the pension role are for some people who are still active in service. A few years ago, the system for paying pension for soldiers- was overhauled and all soldiers are now paid via bank accounts because of this inefficiency. This year the teaching profession was audited to weed out non-existent workers. However, this has led to complaints because some genuine teachers have not received their salaries for up to six months. By February 2013, 60,000 retired Ugandan teachers, civil servants and soldiers had not been paid and their payments halted after an audit exposed "ghost pensioners”.*

However the researcher noted there is a discouraging quest for continuous improvement in the pension scheme. This indicates that bureaucratic delays and inefficiencies are part of the pension scheme hence halting its effective performance.

Furthermore, the respondents were asked whether the mode of distributing pension is clear, 49.0% strongly disagreed, 16.1% disagreed and 12.9% agreed and 15% strongly agreed with the question. The mean was 2.567 and the standard deviation was .67233. However when the researcher went on the ground to verify this, it was found that some pensioners had not been paid and had not known the dates when to collect their money. One of the respondents said *“A major problem of the pension fund administration in Uganda is the non-payment or delay in the payment of pension and gratuity by the government. For instance, the pension backlog was put at about 2.56 trillion as at December, 2009. In fact since 2012, the issue of pension fund administration has become a thorny issue with millions of retired Ugandan workers living in abject poverty and yet often neglected and not properly catered for after retirement.*

This implied that the administration of the pension scheme needs to be streamlined to avoid procedural levels.

**Table X: Descriptive statistics on pension scheme performance**

Questions Responses		Frequency	Percent	Mean	Standard deviation
The quality of services at the pension scheme has improved	Strongly Disagree	08	5.1%	1.7123	.5333
	Disagree	41	26.4%		
	Agree	14	9.1%		
	Strongly Agree	92	59.3%		
The scheme is utilizing the	Strongly Disagree	32	20.6%	2.4333	.4522
	Disagree	10	6.4%		

available resources to better their services	Agree	23	14.8%		
	Strongly Agree	90	58.0%		
Little time is taken for me to receive my pension benefits	Strongly Disagree	67	43.2%	1.9565	.5655
	Disagree	24	15%		
	Agree	20	12.9%		
	Strongly Agree	34	20.6%		
Many people are paid within a short period of time	Strongly Disagree	09	6.0%	3.122	.8343
	Disagree	86	55.4%		
	Agree	30	19.3%		
	Strongly Agree	30	19.3%		
The public service scheme's customer care and communication to the pensioners is ineffective	Strongly Disagree	86	55.4%	1.9111	.4445
	Disagree	20	12.9%		
	Agree	30	19.3%		
	Strongly Agree	19	12.2%		
Every month I get my pension money	Strongly Disagree	32	20.6%	2.4333	.5666
	Disagree	10	6.4%		
	Agree	23	14.8%		
	Strongly Agree	90	58.0%		

**SD = Strongly Disagree, D = Disagree, N = Neutral, SA = Strongly Agree and A = Agree,**

**F = Frequency, % = Percentage**

The majority of the respondents (59.3%) strongly agreed that the quality of services at the pension scheme has improved, 9.1% agreed and 26.4% disagreed and 5.1 strongly disagreed. The mean was 1.7123 and the standard deviation was .5333. This meant that the services delivered if improved are likely to enhance the performance of the scheme. However one of the pensioners contradicted the earlier finding, in his analysis of the quality of services delivered at the pension scheme, he said that “*Whenever I come to this office people are busy with other issues and none seems to mind about me. If they don't have the capacity to serve us let them recruit more staff or new staff to serve us. Can you imagine I came in the morning and found 35 people being served by one person? These are 3 hours since I came and am still waiting for the records division officer to serve me*”.

When asked whether little time is taken for pensioners to receive their pension benefits 43.3% strongly disagreed and 15% disagreed, 12% agreed and 20.6% strongly disagreed. The mean was 2.334 and the standard deviation .6543. This implies that bureaucratic delays coupled with administrative inefficiencies are still hindering the pension issuance at the public service. One of the respondents said in reply to this question “*This is the third time am coming here since the week began trying to tress my file and the only response am getting is that due to old age I could have forgotten where I put it. Unfortunately my file had reached a certain level close to getting my money. Starting afresh the whole process would almost be equivalent to loosing the total amount of money I am trying to process. I have moved 7 times from Kabale since the year began and every time I come around they keep on telling me that my file is being traced.*” This implied that the delays in the pension scheme are as a result of management related factors.

When asked whether many people are paid within a short period of time, 6.0% strongly disagreed and 55.4% disagreed with the question and 19.3% agreed and 19.3% strongly agreed with the question. The mean was 1.8221 and the standard deviation was .5444. This implies that very little money is issued out to pensioners at the time which leads to delays in paying off all the pensioners. A pensioner in response to the question said *“They make us cry for the little money we spent years working for. Out of the money I got after 40 years in the civil service, I was not able to put up a business. The only benefit I got from the fifteen million was to clear tuition fees for my last two daughters in Makerere University and for my grandchild in high school”*.

The respondents were further asked whether the public service scheme’s customer care and communication to the pensioners is effective, 55.4% strongly disagreed, 12.9% disagreed, 19.3% agreed and 12.1% strongly agreed. The mean was 2.6567 and the standard deviation was .4546. This implied that the customer care services at the public service pension scheme are wanting. When asked whether every month pensioners get the money, 58.0% strongly agreed, 14.8% agreed, 6.4% disagreed and 20.6% strongly disagreed with the question. This implied that despite the delay in payment, the pensioners still get the money they are supposed to be paid. Indeed when the researcher interviewed a senior pension’s officer, it was found that all of the money is paid although sometimes delays can arise. *“We have a lot of delays in payment but finally when the Ministry of Finance releases the money, everybody goes home smiling, the matter is not whether it is after a month or two or three that payments are made but the issue is whether the money is finally paid to the pensioners. We are a small country running on a small economy, so delays are part of the system”*.

Furthermore, when the chairman Former Employees of East African Community Association was interviewed he contradicted this view *“As far as I am concerned some members are not paid some times because their names keep on being deleted and reinstated. This loophole has made some of my colleagues to miss pension for some months”*

### **Pension policies and the performance of the public service pension scheme**

**There is a significant relationship between Pension policies and the performance of the public service pension scheme**

To verify this hypothesis, correlation was done where by all responses for each variable; pension policies (PP) and performance of the public service pension scheme (P) were aggregated into a single index (PP) and (P) respectively and then Pearson’s correlation Coefficient (r) technique was used to assess the nature and magnitude of the relationship.

Table XI gives Pearson’s correlation Coefficient for the two variables which include; Pension policies (PP) and performance (P)

**Table XI: Pearson's Correlation Co-efficient between pension policies and performance**

**Correlations**

		Pension practices	Performance
Pension Practices	Pearson Correlation	1	.654**
	Sig. (2-tailed)	.	.000
	N	155	155
Performance	Pearson Correlation	.654**	1
	Sig. (2-tailed)	.000	.
	N	155	155

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

Table XI shows that, Pearson's Correlation Coefficient for pension policies and performance of the public service pension scheme was  $r = 0.654^{**}$ , with probability value ( $p = 0.000$ ) that is less than  $\alpha = 0.01$  level of significance showing a strong relationship between pension policies (PP) and performance of the public service pension scheme at the one percent level of significance. Therefore, performance of the public service pension scheme (P) is significantly influenced by pension policies (PP).

**Regression Analysis**

Further analysis using regression analysis technique was made to check the level of contribution of pension policies to performance of the public service pension scheme and results are shown in the table XIII below

Table XII: Regression analyzing the relationship between pension policies and performance

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.567 <sup>a</sup>	.384	.379	.62604

a. Predictors: (Constant), pension

Policies

Table XII provides the R and R<sup>2</sup> value. The R value is 0.567, which represents the simple correlation and, therefore, indicates a moderate degree of correlation. The R<sup>2</sup> value indicates how much of the dependent variable, performance of the public service pension scheme can be explained by the independent variable pension policies. In this case, 0.384 can be explained, which is very large. The standard error of the estimate is 626.04 and the adjusted R square value is 0.384. Pension policies predict performance of the public service pension scheme; it implies that performance of the public service pension scheme is dependent on pension policies by 38.4%.

**Table XIII: Analysis of variance table for pension policies**

**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.141	3	10.047	31.453	.000 <sup>a</sup>
	Residual	44.32	119	.393		
	Total	78.919	122			

a. Predictors: (Constant), Pension policies

b. Dependent Variable: performance

This table indicates that the regression model predicts the outcome variable significantly well. This indicates the statistical significance of the regression model that was applied. Here,  $P < 0.0005$  which is less than 0.05 and indicates that, overall, the model applied is significantly good enough in predicting the outcome variable. F-value of 31.453 is greater than the critical F-value of 6.90 at the 0.01 level of significance. Pension policies therefore predict performance of the public service pension scheme. This implies that the alternative hypothesis is accepted. It means that there is a relationship between pension policies and performance of the public service pension scheme

#### 4.4 Procedural levels and the performance of the public service pension scheme

This Section gives a description of research hypothesis two which was assessed using a variety of questions as per Section C of the Instrument (Appendix A); Procedural levels influence the performance of the public service pension scheme. This research hypothesis was conceptualized using six questions which required each respondent to do self-rating on procedural levels. Responses were based on Likert scale ranging from one which represented strongly disagree to five which reflected strongly agree, although these were thereafter categorized into agree and disagree sections. The resulting summary statistics are in Table XIV below;

**Table XIV: Descriptive statistics on procedural levels**

Questions Responses		Frequency	Percent	Mean	Standard deviation
The administrative procedures are not	Strongly Disagree	13	8.3%	2.456	.6222
	Disagree	22	14.1%		

well laid out	Agree	46	29.6%		
	Strongly Agree	76	49.0%		
The age requirement for accessing pension is acceptable	Strongly Disagree	25	16.1%	2.6775	.5444
	Disagree	10	6.4%		
	Agree	40	26.3%		
	Strongly Agree	85	51.6%		
The procedure for processing the pension benefits is inefficient	Strongly Disagree	69	44.5%	1.9555	.3422
	Disagree	30	19.3%		
	Agree	20	12.9%		
	Strongly Agree	25	16.1%		
The officials at the Ministry of Public Service are ineffective and inefficient	Strongly Disagree	78	50.3%	2.4333	.4666
	Disagree	30	19.3%		
	Agree	30	19.3%		
	Strongly Agree	16	10.3%		
The Ministry's customer care and communication to the pensioners is ineffective	Strongly Disagree	19	12.2%	3.123	.8999
	Disagree	10	6.4%		
	Agree	40	26.2%		
	Strongly Agree	86	55.4%		
The benefits are processed in time	Strongly Disagree	69	44.5%	4.1234	.45656
	Disagree	30	19.3%		

	Agree	20	12.9%		
	Strongly Agree	25	16.1%		

**SD = Strongly Disagree, D = Disagree, N = Neutral, SA = Strongly Agree and A = Agree,**

**F = Frequency, % = Percentage**

The majority of the respondents (76%) strongly agreed that administrative procedures are not well laid out, 26.9% agreed and 14.1% disagreed and 8.3% strongly disagreed with the question. The mean was 2.456 and the standard deviation was .6222. This implied that the procedure is one of the organizational factors hindering the performance of the pension scheme.

*A respondent said "I'm always happy when someone is taking steps to provide for their future through a retirement plan. I'm often surprised, though, about how many times I learn that the administrative procedure is frustrating the government pension scheme. Government may have rushed to put in a plan to help reduce the pension scam by trying senior officers involved in the 2012 120 billion scam but the problem still lingers on. The internal management of the scheme is poor and instead of reorganize it early, they are instead focusing on prosecuting the officers involved in the scam which makes no point any way. The corruption will continue unabated in the scheme I tell you. Some problems are relatively serious and great attention should be paid to them. "*

This implied that corruption is a key factor that is bogging down the pension scheme in Uganda

When asked whether procedure for processing pension money is weak, 44.5% strongly disagreed, 19.3% disagreed, 12.9% agreed and 16.1% strongly agreed. The mean was 1.8989 and the standard deviation was .5667. This implied that delay in pension processing is due to other factors other than delay. Furthermore a pensioner clarified by stating that “*I am aged 78, and am a retired accounts assistant but on several occasions I have gone to the pension offices to claim for my money but am always told there is no money*”.

When the Chairman of the pensioners was interviewed he said that

*“We are planning to write to the Minister of Public Service over the matter. Some of the pensioners are sick and need the money to purchase drugs, while some have died even before they are paid their package. I want the Ministry of Public Service to send the money to the respective district accounts because pensioners from up country incur transport costs traveling to Kampala”.*

The respondents were further asked whether the officials at the Ministry of Public Service are effective and efficient, 50.3% strongly disagreed with the question, 19.3% disagreed with the question, 19.3% agreed and 10.3 strongly disagreed with the question and this implied that inefficiencies at the ministry are significantly contributing to the performance of the pension scheme. The mean was 2.3454 and the standard deviation was .7676. A retired soldier from Luweero said “*I am bitter with the way some of the officials handle matters here. The corruption in the scheme stems from the attitude of the officials and fund managers. Funds have to be well-run which needs skill at management level and an effective supervisory board. Also, the people involve need to ‘care’. The fund has to provide*

*a balance of skill and being representative of the members, but this should not be a dichotomy”, he said*

However during interviews an official senior position stated that *“we try our best to serve the pensioners but given the fact that there is inflation and other financial needs pressing them too hard, they always want us to work like a machine which is impossible. For the 18 years I have been here I have noted that pensioners don’t appreciate our services, all they need is money and go away. If we continue being pressed like this we, may end up failing to serve them. I wish government would always avail us funds on time; we would not have problems with pensioners. I also believe funds can improve our communications with stakeholders so that their decisions are sustainable, fair and understandable.”* This implied that one of the key issues that may help to bring about positive performance of the scheme is to availing the funds on time

On the question as to whether the benefits are processed in time, 44.5% strongly disagreed, 19.3% disagreed and 12.9% agreed and 16.1% strongly agreed with the question. The mean was 2.8433 and the standard deviation was .8765. This implies that there are delays in pension payment hence affecting the performance of the scheme.

Related to this, the respondents said *“the issue of delay is part of the scheme in Uganda. Personally am used because I complained and got tired. I have not had my pay for the last three month and all they tell me is that Pension will be paid for three months on the basis of the photocopy of the pensioner’s PPO at the transferee (new) branch from the date of the last payment made at the transferor (old) branch. Both the branches (old and new) are*

*required to ensure that all the required documents are received by the transferee branch within these three months. Can you imagine?"*

The chairman pensions Masaka was asked the same question and in contradiction of the earlier stated reply said *"For pensioners in Masaka are not complaining, although sometimes it comes late but we get it all the same. The major problem in Masaka used to be failing to pay the incapacitated when they failed to appear in Banks physically. However these days even If the pensioner is physically handicapped/incapacitated and unable to be present at the branch, the requirement of personal appearance is waived, she/ he get his money. In such cases, the bank official visits the pensioner's residence/hospital for the purpose of identification and obtaining specimen signature or thumb/toe impressions*

Further a senior pension officer was asked whether they pay ghost pensioners some times, in reply he said *"The account is not allowed to be operated by a holder of Power of Attorney. However, the cheque book facility and acceptance of standing instructions for transfer of funds from the account is permissible and this is aimed at avoiding paying ghost pensioners. In our pension paying banks, a pensioner, who is old, sick or lost both his/her hands and, therefore, cannot sign, can put any mark or thumb/ toe impression on the form for opening of pension account. While withdrawing the pension amount he/she can put thumb/toe impression on the cheque/withdrawal form and it should be identified by two independent witnesses known to the bank one of whom should be a bank official.*

However to supplement this finding, one of the commissioners in the Ministry revealed that *"our financial controller and auditors are very careful in handling pension issues, it is*

*unfortunate that the recent scam occurred but new measures are in place and I don't think It will ever happen again” .*

**Procedural levels and the performance of the public service pension scheme**

**There is a significant relationship between Procedural levels and the performance of the public service pension scheme**

To verify this hypothesis, correlation was done where by all responses for each variable; procedural levels and performance of the public service pension scheme were aggregated into a single index (PL) and (P) respectively and then Pearson’s correlation Co-efficient (r) technique was used to assess the nature and magnitude of the relationship; using Pearson’s correlation Co-efficient (r)

Table XV gives Pearson’s correlation Coefficient for the two variables which include; Procedural levels (PL) and performance (P)

**Table XV: Pearson’s Correlation Co-efficient between procedural levels and performance**

**Correlations**

		Procedural levels	Performance
Procedural Levels	Pearson Correlation	1	.704**
	Sig. (2-tailed)	.	.000
	N	155	155
Performance	Pearson Correlation	.704**	1
	Sig. (2-tailed)	.000	.
	N	155	155

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

Table XV shows that, Pearson's Correlation Coefficient for procedural levels and performance of the public service pension scheme was  $r = 0.704^{**}$ , with probability value ( $p = 0.000$ ) that is less than  $\alpha = 0.01$  level of significance showing a strong relationship between procedural levels (PL) and performance of the public service pension scheme at the one percent level of significance. Therefore, performance of the public service pension scheme (P) is significantly influenced by procedural levels (PL).

**Table XVI: Regression analyzing the relationship between the procedural levels, and performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.447(a)	.321	.236	6.9901

a Predictors: (Constant), procedural levels

Table XVI provides the R and  $R^2$  value. The R value is 0.447, which represents the simple correlation and, therefore, indicates a moderate degree of correlation. The  $R^2$  value indicates how much of the dependent variable, performance of the public service pension scheme can be explained by the independent variable procedural levels. In this case, 0.321 can be explained, which is very large. The standard error of the estimate is 626.04 and the adjusted R square value is 0.321. Procedural levels predict performance of the public service pension scheme; it implies that performance of the public service pension scheme is dependent on procedural levels by 32.1%.

**Table XVII: Analysis of variance table for procedural levels**

ANOVA

Model		Sum of Squares	df	Mean Square		Sig.
1	Regression	30.141	3	11.247	42.443	.000 <sup>a</sup>
	Residual	31.121	121	.393		
	Total	67.959	113			

a. Predictors: (Constant), procedural levels

b. Dependent Variable: performance

This table indicates that the regression model predicts the outcome variable significantly well. This indicates the statistical significance of the regression model that was applied. Here,  $P < 0.0005$  which is less than 0.05 and indicates that, overall, the model applied is significantly good enough in predicting the outcome variable. F-value of 42.443 is greater than the critical F-value of 6.90 at the 0.01 level of significance. Procedural levels therefore predict performance of the public service pension scheme. This implies that the alternative hypothesis is accepted. It means that there is a relationship between procedural levels and performance of the public service

#### **4.5 Records management and the performance of the public service pension scheme**

The section gives a description of research hypothesis three which was assessed using a variety of questions as per Section D of the Instrument (Appendix A); Records management influences the performance of the public service pension scheme. This research hypothesis was conceptualized using seven questions which required each respondent to do self-rating on records management. Responses were based on Likert scale ranging from one which represented strongly disagree to five which reflected strongly

agree, although these were thereafter categorized into agree and disagree sections. The resulting summary statistics are in Table XVIII;

**Table XVIII: Frequency distribution for responses on records management**

Questions Responses		Frequency	Percent	Mean	Standard deviation
The documents are filed well by the officials	Strongly Disagree	19	12.2%	3.2245	.9765
	Disagree	20	12.9%		
	Agree	30	19.3%		
	Strongly Agree	86	55.4%		
There is good file movement and maintenance	Strongly Disagree	25	16.1%	4.5677	.8654
	Disagree	10	6.4%		
	Agree	25	16.1%		
	Strongly Agree	100	64.5%		
My files are properly kept	Strongly Disagree	76	49.0%	3.456	.7654
	Disagree	24	15%		
	Agree	20	12.9%		
	Strongly Agree	25	16.1%		
There is good file retrieval	Strongly	19	12.2%	4.3411	.9876

at the Ministry	Disagree				
	Disagree	20	12.9%		
	Agree	30	19.3%		
	Strongly Agree	86	55.4%		
There computerization management of records				3.787	.7811

**SD = Strongly Disagree, D = Disagree, N = Neutral, SA = Strongly Agree and A = Agree,**

**F = Frequency, % = Percentage**

The respondents were asked whether the documents are filed well by the officials exercise 55.4% strongly agreed and 19.3% agreed, 12.9 disagreed and 12.1 strongly agreed. The mean was 3.22565 and the standard deviation was .9765. This indicated that records management division has loopholes. During interviews one of the respondents said *“my file has got lost on four occasions. Loosing files is a culture in this ministry. It took me 2months to get this new file that I am holding”*.

However when the researcher went on the ground to verify this, it was found that sometimes the pensioners take away files and fail to return them. A senior pension’s officer said *“for example recently one lady left a file on my desk and as a prudent officer I had to push it for her to the records division where files are kept. So many pensioner have claimed*

*that there files are lost yet they themselves take them away, imagine a situation where one blames us that we lost his fail only to return months later with it claiming he had forgotten it at home. It is really absurd”* When asked whether there is good file movement and maintenance, 64.5% strongly agreed, 16.1% agreed and 6.4% disagreed and 16.1% strongly disagreed. The mean was 3.657 and the standard deviation was .9876. During the interviews a respondent stated that *“we try to move the files as allocated but the biggest obstacle is that some officers take long to work on them hence leading to delays”*. Furthermore the respondents were asked whether files are properly kept, 49.0% strongly disagreed, 15% disagreed, 12.9% agreed and 16.1% strongly disagreed. A pensioner during interviews said *“the inefficiency in this scheme has even hit the records department. It is really rare to go for 3 days without a case of file disappearance. Files disappearance and loss is part of the scheme now”*.

When the respondent went on ground to verify the response, a senior pension’s officer told him *“Bad records management results in spending too much time in locating misplaced files. Misplacing important files and documents can incur losses in terms of expending resources in searching for these files. Customer satisfaction will also be jeopardized if you cannot access information promptly and meet customer needs. A backlog in the pensions can also result from poor records; for example, when processing files. Poor records management exposes us who work in the scheme to legal consequences, due to non-compliance with regulations on records management. Management decisions when it comes to issues of computation of funds are made with reference to files on records. This means that without the proper documents, an organization risks making unfounded decisions resulting in losses, corruption and mismanagement. Good records are directly*

*linked to increased transparency and effective corporate governance. However here in public service we have tried to computerize our system such that records are manually and automatically kept safe no matter the number of files that get lost. We always replace the lost files quickly because we have the computer records intact”.*

Furthermore the respondents were asked whether pensioners get pension slips every time pension is paid. A senior pension’s officer said *“Yes. As decided by the Central Government (Civil, Defense & Railways), pension paying banks have been advised to issue pension slips to the pensioners in prescribed form when the pension is paid for the first time and thereafter whenever there is a change in quantum of pension due to revision in basic pension or revision in Dearness Relief”.*

Related to the above question the pensioners were asked whether the records department issues out special information to pensioners to keep them up dated. A senior pension’s officer said *“the pensioner can visit the Official Website of the concerned ministry of public service and the district pension offices for updates”*

### **Records management and the performance of the public service pension scheme**

#### **There is a significant relationship between records management and performance of the public service pension scheme**

To verify this hypothesis, correlation was done where by all responses for each variable; records management and performance were aggregated into a single index (RM) and (P) respectively and then Pearson’s correlation Co-efficient (r) technique was used to assess the nature and magnitude of the relationship; using Pearson’s correlation Co-efficient (r)

Table XIX gives Pearson's correlation Coefficient for the two variables which include; Records management and performance

**Table XIX: Pearson's Correlation Co-efficient between records management and performance**

		<b>Correlations</b>	
		Records mana	Performan
Records management	Pearson Correlation	1	.717**
	Sig. (2-tailed)	.	.
	N	155	155
Performance	Pearson Correlation	.717**	1
	Sig. (2-tailed)	.	.
	N	155	155

Table XIX shows that, Pearson's Correlation Coefficient for records management and performance of the public service pension scheme was  $r = .717^{**}$ , with probability value ( $p = 0.000$ ) that is less than  $\alpha = 0.01$  level of significance showing a positive significant relationship between records management and performance of the public service pension scheme at the one percent level of significance. Therefore, records management significantly influences performance of the public service pension scheme.

**Table XX: Regression analyzing the relationship between the records management, and performance**

**Model Summary**

Model	R	R Square	Adjusted	Std. Error of the Estimate
1	.426 <sup>a</sup>	.333	.222	.62604

a. Predictors: (Constant), Budgetary

Prioritization

Table XX provides the R and R<sup>2</sup> value. The R value is 0.426, which represents the simple correlation and, therefore, indicates a moderate degree of correlation. The R<sup>2</sup> value indicates how much of the dependent variable, performance of the public service pension scheme can be explained by the independent variable records management. In this case, 0.333% can be explained, which is very large. The standard error of the estimate is 626.04 and the adjusted R square value is 0.333. Records management predicts performance of the public service pension scheme; it implies that performance of the public service pension scheme is dependent on records management by 33.3%.

**Table XXI: Analysis of variance table for records management**

**ANOVA**

Model		Sum of Squares	df	Mean Square		Sig.
1	Regressi	29.141	3	10.047	31.223	.000 <sup>a</sup>
	Residual	33.41	119	.393		
	Total	74.159	120			

a. Predictors: (Constant), Records management

b. Dependent Variable: Performance

This table indicates that the regression model predicts the outcome variable significantly well. This indicates the statistical significance of the regression model that was applied. Here,  $P < 0.0005$  which is less than 0.05 and indicates that, overall, the model applied is significantly good enough in predicting the outcome variable. F-value of 31.223 is greater than the critical F-value of 6.90 at the 0.01 level of significance. Records management therefore predicts performance in the public service. This implies that the alternative hypothesis is accepted. It means that there is a relationship between records management and performance in the public service.

## **CHAPTER FIVE**

### **DISCUSSION, SUMMARY ,CONCLUSION, RECOMMENDATIONS AND SUGGESTIONS**

#### **5.1 Introduction**

This chapter presents the discussion of the study findings as presented in chapter four, Summary, conclusions recommendations, suggestions plus areas for further research.

#### **5.2 Discussions.**

This subsection looks at the discussion of the findings which are discussed according to the respective research hypothesis as earlier presented in chapter one.

##### **5.2.1 Pension policies and the performance of the of the public service pension scheme**

The researcher asked respondents several questions and study findings indicated that there is a positive significant relationship between pension policies and the performance of the public service pension scheme. The majority of the respondents disagreed stating that the current pension scheme offers a lot of tailor made plans. According to Muguluma (2009) pension policies are meant to guide the existing pensioners in the scheme. When the policies are poor enacted and passed, the scheme will not be efficiently operated. In Africa, Nigeria has been a victim; poor pension policies have significantly affected the scheme in this country. This is also in line with Ahmad (2008b) who argues that policies governing a scheme should be strong and well put in place. Time and again schemes end up not performing because of the poor policies in place.

This is in line with Karyeija (2005) who states that a number of studies have shown that social security reforms are carried out for political, economic, social and symbolic reasons. It has also been noted that the World Bank is pushing for the private management of pension funds and mandatory defined contribution plans so to have improvements in pension scheme performance of various nations. According to the interim report of the STG, the call for a new social security policy in Uganda resulted from the following reasons: 1) Pension and social security provisions do not cover all employees, 2) Systems in the public and private sector differ: the private sector's available benefits are quite limited compared to the public sectors' 3) Tax treatment of contributions is inconsistent 4) Uganda's level of social security coverage and related domestic saving levels are very low (Karyeija 2005).

This is consistent with the Life Cycle Hypothesis (LCH) theory of 1954 by Franco Modigliani. The key assumption is that all individuals choose to maintain stable lifestyles. This implies that they usually don't save up a lot in one period to spend furiously in the next period, but keep their consumption levels approximately the same in every period. The LCH provides an explanation about the motive of savings in working age in order to dis-save later for meeting the old age requirements. They save with the aim that policies in place will enable them survive on what they saved in future. This calls for efficient performance of the pension scheme. The pension industry in Uganda is still being faced with a lot of challenges notwithstanding the efforts of the Ministry of Public service to make the scheme relevant to all.

This is also in line with Global Perspective on Aging and Pensions Report in Uganda (2009), the report asserted that most sub Saharan African countries do not have meaningful publicly managed pension and social security systems, though some form of pension coverage is

available in a limited number of countries. Where benefits are offered to formal sector workers, they are provided either by public service pension schemes (the public sector being by far the largest employer in most countries the region), national (usually mandatory) schemes covering private sector workers (which may also cover the public sector), occupational schemes managed by employers other than the government and individual / personal pension schemes (usually offered by insurance companies on a voluntary basis). Basic, social support can be implemented via public pension arrangements. Indeed social protection is increasingly considered as contributing to the development process in the same way as health and education (van Dullen (2007)).

This is inconsistent with the LCH by Modigliani 1953 model which defines individual behavior as an attempt to smooth out consumption patterns over one's lifetime somewhat independent of current levels of income. At one stage an individual repays any past borrowings and begins to save for her or his retirement. Upon retirement, consumption expenditure may begin to decline however income usually declines dramatically. In this stage of life, the individual dis-saves or lives off past savings until death

### **5.2.2: Procedural levels significantly influence the performance of the public service pension scheme**

The respondents were asked many questions and their feedback indicated that there is a positive significant relationship between procedural levels and performance of the public service pension scheme. This is in line with Akeni (2009) made a comparison of nine items in the old and new scheme by conducting a survey of the pension fund administrators, pension fund custodians and the beneficiaries in the public and private sector. He found that the new scheme was better than the old in terms of : procedural levels, accountability, accessibility,

ease of payment of pension and gratuity, funding, management of pension fund, transparency, stakeholders' confidence in the scheme, auditor's control and corporate governance . Although there was agreement that the new scheme was applauded as far better than the old, he discovered that the new scheme may address issues to do with performance which were being encountered in the pension industry in Nigeria. He also found out that procedure and bureaucracy were significantly related to performance of the social security scheme.

This is in consistent with the theories of bureaucracy: Weber saw bureaucracy as a threat to individual freedom, in which the increasing bureaucratization of human life traps individuals in the "iron cage" of rule-based, rational control. Weber also saw it as a threat to individual freedoms, and the ongoing bureaucratization as leading to a "polar night of icy darkness", in which increasing rationalization of human life traps individuals in a soulless "iron cage" of bureaucratic, rule-based, rational control.

This is also consistent with Life Cycle Hypothesis (LCH) of 1954 by Franco Modigliani. He extended the LCH framework to show that long procedure in social security systems decreases efficiency of the scheme. But Leimer et al. (1982) and Eisner (1983) contradict Modigliani on this view. For them they believe in procedure in social security schemes. According to Feldstein (1974), the presence of procedure in social security enhances the efficiency of the scheme and thus the national income increases which in turn reinforces the savings and investment.

Gume (2009) had consistent findings with the findings of this study; he found out that there is a significant relationship between procedural levels and performance of the public service pension scheme. A Procedure is designed to describe Who, What, Where, When, and Why by

means of establishing corporate accountability in support of the implementation of a "policy". The "How" is further documented by each organizational unit in the form of "Work Instructions" which aims to further support a procedure by providing greater detail. For example, a manufacturing facility established a policy that all overtime shall be approved. A procedure can be created to establish "Who" can approve overtime (ranks, roles & responsibilities), "What" forms/systems need to be used, "Where" they are located, "When" overtime is applicable. And the "Why" refers to the management directive established via a "Policy". The output of a procedure becomes input into a work instruction which is a set of actions or operations which have to be executed in the same manner in order to achieve intended results under the same circumstances. (for example, in the latter example, the "what" [output of procedure] could be further broken down into a work instruction to describe "how" a manager/employee access the systems for approving/reviewing overtime, i.e. click on this hyperlink, on this button, and choose these fields, and click approve/reject.

The findings are consistent with Karyeija (2005) who asserts that pension scheme benefits in Uganda have generally been on the decline, being meager, coming late and irregular, and resulting into low level of satisfaction among the pensioners. The scheme has limited scope of social protection in terms of the total package offered and there is lack of complete, reliable, accurate, timely and relevant information to assist pay roll managers to provide the best service quality in the scheme. In addition the long procedure involved is really putting down the scheme since many beneficiaries don't get the benefits at the time when they most need them

### **5.2.3: Records management and the performance of the public service pension scheme.**

The respondents were asked a number of questions and the findings revealed that there is a positive significant relationship between records management and performance of the public service pension scheme. According to Okello (2008) Poor records management exposes you to legal consequences, due to non-compliance with federal regulations on records management. Management decisions are made with reference to company records. This means that without the proper documents, an organization risks making unfounded decisions resulting in losses, corruption and mismanagement. Good records are directly linked to increased transparency and effective corporate governance.

This is consistent with the theories of bureaucracy: The trend toward increased bureaucratization continued in the 20th century, and, in the modern era, practically all organized institutions relied on bureaucracy to organize tasks. They did this by processing and controlling records and information ("the files"), and administer complex systems of rules. Weber essentially argues that bureaucracy constitutes the most efficient and (formally) rational way in which human activity can be organized, and that it is indispensable to the modern world. Good record keeping must be done in all organized institutions.

This is consistent with the Life Cycle Hypothesis (LCH) of 1954 by Franco Modigliani. The life-cycle hypothesis considers that individuals plan their retirement early based on the fact that what they have saved has been taken record of. It is on the basis of records that a pensioner will be paid his/her benefits. Savings behavior over the long term intends to even out their consumption in the best possible manner over their entire lifetimes. The key assumption is that all individuals choose to maintain stable lifestyles. This implies that they usually don't save up a lot in one period to spend furiously in the next period, but keep their

consumption levels approximately the same in every period. The LCH provides an explanation about the motive of savings in working age in order to dissave later for meeting the old age requirements.

This is also in line with Magson (2009) states that where records are poorly managed the pensioners in most cases are affected. The pensioners may take long without getting their benefits as a result of the poor records management system. Bad records management results in spending too much time in locating misplaced files. Misplacing important files and documents can incur losses in terms of expending resources in searching for these files. Customer satisfaction will also be jeopardized if you cannot access information promptly and meet customer needs. A backlog in the business operations can also result from poor records; for example, when processing checks, paying taxes, gaining tax returns and inventory management.

### **5.3 Summary**

The major findings of the study were that pension policies significantly influences performance in the public service pension scheme, procedural levels significantly influences performance of the public service pension scheme; and records management significantly influences performance of the public service pension scheme and budgetary coordination significantly influences budgetary performance.

### **5.3.1 Relationship between pension policies and the performance of the public service pension schemes**

Pearson's Correlation Coefficient for pension policies and performance was  $r = 0.654^{**}$ , with probability value ( $p = 0.000$ ) that is less than  $\alpha = 0.01$  level of significance showing a strong relationship between pension policies (PP) and performance of the public service pension scheme at the one percent level of significance. Therefore, performance of the public service pension scheme (P) is significantly influenced by pension policies (PP).

The regression analysis gave an R value of 0.567, which represented the simple correlation and, therefore, indicates a moderate degree of correlation. The  $R^2$  value indicated how much of the dependent variable, performance can be explained by the independent variable pension policies. In this case, 0.384 could explained, which is very large. The standard error of the estimate is 626.04 and the adjusted R square value was 0.384. Pension policies predict performance; it implied that performance is dependent on pension policies by 38.4%.

The  $P < 0.0005$  was got which was less than 0.05 and this indicated that; overall, the model applied was significantly good enough in predicting the outcome variable. F-value of 31.453 was greater than the critical F-value of 6.90 at the 0.01 level of significance. Pension policies therefore predict performance in the public service pension scheme. This implied that the alternative hypothesis is accepted. It means that there is a relationship between pension policies and performance in the public service pension scheme

### **5.3.2: Relationship between procedural levels and performance of the public service pension scheme**

Pearson's Correlation Coefficient for procedural levels and performance was  $r = 0.704^{**}$ , with probability value ( $p = 0.000$ ) that is less than  $\alpha = 0.01$  level of significance showing a strong relationship between procedural levels (PL) and performance at the one percent level of significance. Therefore, performance of the public service pension scheme (P) is significantly influenced by procedural levels (PL).

Regression analysis was also used and the adjusted R square value was 0.321. Procedural levels predicts performance of the public service pension scheme, it implied that performance of the public service pension scheme is dependent on procedural levels by 32.1%.

For Analysis of variance, the  $P < 0.0005$  was got which is less than 0.05 and this indicated that; the model applied was significantly good enough in predicting the outcome variable. F-value of 42.443 was greater than the critical F-value of 6.90 at the 0.01 level of significance. Procedural levels therefore predict performance of the public service pension scheme. This implied that the alternative hypothesis is accepted. It meant that there is a relationship between procedural levels and performance in the public service.

### **5.3.3: There is a significant relationship between records management and performance of the public service pension scheme.**

Pearson's Correlation Coefficient for records management and performance was  $r = .717^{**}$ , with probability value ( $p = 0.000$ ) that is less than  $\alpha = 0.01$  level of significance showing a positive significant relationship between records management and performance at the one percent level of significance. Therefore, records management significantly influences performance of the public service pension scheme.

Regression analysis was also used and the adjusted R square value was 0.333. Records management predicts the performance of the public service pension scheme; it implied that performance of the public service pension scheme is dependent on records management by 33.3%.

For Analysis of variance  $P < 0.0005$  was less than 0.05 and indicating that, overall, the model applied was significantly good enough in predicting the outcome variable. F-value of 31.223 was greater than the critical F-value of 6.90 at the 0.01 level of significance. Records management therefore predicts performance of the public service pension scheme. This implies that the alternative hypothesis is accepted. It means that there is a relationship between records management and performance of public service pension scheme.

#### **5.4 Conclusions**

Study conclusions were drawn basing on the different research hypothesis as shown below;

1. Pension policies have a significant positive relationship with pension scheme performance and indeed the research reaffirms the hypothesis postulated earlier on. The guidelines issued can help pensioners to compute their pension prior to claiming it, other areas like where to get the pension and from who to get it are also addressed.
2. There is a positive significant relationship between procedural levels and pension scheme performance. Procedure sometimes delays the process of claiming the benefits of a pensioner. When procedure is lengthy the process of claiming benefits becomes tedious and many may give up without getting their benefits. In such circumstances some die without claiming their benefits.

3. There is a positive significant relationship between records management and pension scheme performance. Poor records management exposes you to legal consequences, due to non-compliance with federal regulations on records management. Customer satisfaction will also be jeopardized if you cannot access information promptly and meet customer needs.

### **5.5 Recommendations**

The researcher recommended that;

1. Government should set a minimum pension which takes into consideration the prevailing cost of living and which is not less than the cash transfers of the Social Assistance Grant Empowerment Protection (SAGE).
2. The pension age should be flexible and not necessarily linked to actual retirement since the retirement age of 60 does not correspond with Uganda's life expectancy age of 45 years. In other words, an individual could draw the pension without actually having retired. However, the individual should be warned about the dangers of retiring too early and drawing a pension before the normal retirement age would ordinarily be restricted to those who had built up sufficiently large pension funds to provide inadequate standard of living in retirement.
3. The government should provide an adequate pension for the member in retirement and also provide some additional standard benefits such as disability benefits and possibly death-in-service benefits and a spouse's pension.

4. The Ministry of Public Service should provided full, regular and easily accessible information about pension scheme for example publishing periodical documents with information about the pension scheme. The information would cover:
  - The status of pensioners into the scheme;
  - The value and type of assets in the pension fund;
  - The method of computation of the pension
  - The fees or commissions charged by the scheme on the pension payment
  - When the pension is ready and when to pick it
5. The pension scheme should be decentralized such that cases are handled at district level to avoid lengthy procedural levels expenses entailed in making frequent movements to the headquarters.
6. Management decisions are made with reference to records. This means that without the proper documents, an organization risks making unfounded decisions resulting in losses, corruption and mismanagement. Good records are directly linked to increased transparency and effective corporate governance. Therefore the government should provide training to the records officers so that they can improve their skills in records management. On the other hand the filing system and filing storage should be computerized entirely to cater for the many complaints of missing files. It will be easier if pensioners can directly access their files on line without going physically to public service.

7. Pre-funding the scheme will trigger other necessary reforms such as scheme asset management supervision, governance and pension regulation generally to promote confidence in the system because of the heightened interest created by member contributions. Other areas which may need reforms include the capital markets because of the large savings which will require investment opportunities in the local market.

### **5.6 Areas for further research**

There is need to do research on a description of the pension system in Uganda: Need for reform

There is need also to do research on adequacy and social security principles in pension reform

There is also need to do research on social protection for Uganda's most vulnerable and chronically poor:

There is need to investigate the effectiveness and efficiency of the Public Service Pension Scheme and to examine its contribution towards social security development in Uganda.

## REFERENCES

- Amin. E, (2005) *Analysing Social Research 1st edn Kampala: Makerere University Printery*
- Barya J.(1980) *Law state and working class in Uganda, 1962-87* ph.D Thesis Warwick University
- Bentley G (2008) *The National Insurance Scheme: The Origins of welfare State* 3<sup>rd</sup> edition, Boston: Boston University Press
- Best C and Khan K, (2003) *Social Research Today* 2nd edn Kampala: Makerere University Printery
- Cassidy M.(2003) *Social Security and Reconstruction in Canada –Ontario: impex publishers*
- Ezeani T, (2002) *Quantitative and Qualitative Research Designs: Ibadan; Ibadan University Press*
- Harold A (2004) *Social Security in Britain: A History* Sussex Publisher 1968.  
Industrial Society and Social Welfare, Cambridge University Press 1954.
- Karyeija K.G (2005) *Analysis of Decision Making in Uganda's Social Security and Pension Policy Reform*, Master's Thesis: University of Bergen
- Krejcie, Robert V, Morgan, Darylew (1970) "*Determining Sample size for Research Activities*" *Educational and Psychological Measurement*.
- Krejcie, B and Morgan R (2002), *Generalized Scientific guidelines for sample size decisions*; London, Pitman Publishing, Long Acre 5th Edition. *Social Security in Australia*. Newman Publishers – 1956.

Kiyingi; A (2003) *Limitations of Social Security: The Case of the Aged in Uganda*.

Lgara M (2006) *Pension Scheme Management in the Uganda Civil Service*. Paper Presentation, at Ministry of Public Service 12/May/2006

Livingston N. (2009) *Economics of Eastern Africa* 6th edn, Heineman Internatioanl

Mendelson E (2007) *Social Security in the British Common Wealth Australia*, Ontario: , Kay Publishers

Mugenda and Mugenda (1999) *Social Research for Higher Institutions of Learning*, Nairobi.

Ssemanda, D. (2002), *Social Security and Pension Sector Reform*. Federation of Uganda Employees (FUE)

Sekran .B, (2003) *Basic Research for Social Scientists* 2nd edn London: Macmillan Publishing

Stoner J, (2006) *Management* 6<sup>th</sup> edn New york: Prentice Hall, New Delhi

**APPENDIX (A)**  
**RESEARCH QUESTIONNAIRE FOR PENSIONERS**

Dear Respondent,

I am Nelima Lydia a Student of Master Degree in Business Administration of Kyambogo University. You have been selected as a respondent in the above titled survey. **Organizational factors and the performance of the public service pension scheme in Uganda** which is being undertaken as part of an educational research for a study to be carried out in partial fulfillment for Master of Business Administration Student at Kyambogo University.

Your cooperation in administering the instrument will go a long way in ensuring the success of the said study. Note that the data collected will be for academic purposes only and will be treated with utmost confidentiality.

**In the section A below, tick only one option to indicate a true reflection of your bio data.**

**SECTION A RESPONDENTS BIO DATA**

1. Sex

Male ..... Female .....

2. Age

- Below 20-29 years ( )
- Above 29 -39 years ( )
- Above 39 – 49 Years ( )
- Above 50 years ( )

3. Level of Education

- Certificate level ( )

- Diploma Level ( )
- Degree Level ( )
- Master Level ( )
- PhD Level ( )

4. Indicate your designation:

- Pension scheme officer ( )
- Public servants ( )
- Pensioners ( )

5. Terms of Service

- Permanent Staff ( )
- Contract ( )
- Part Time ( )
- Not Sure ( )

6. Are you aware of the pension scheme in Uganda?

- Yes ( )
- No ( )

**In the section below, please, tick only one option according to how you agree or disagree with the statement given.**

**5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree 1-Strongly disagree**

SECTION B:

PENSION POLICIES

*(Please tick the appropriate answer to you.)*

		Strongly agree  5	Agree  4	Neutral  3	Disagree  2	Strongly disagree  1
1	I am made aware about the retirement fund					
2	The guidelines for receiving pension are distributed to me					
3	The computation procedure are made public					
4	The way pension is governed and administered is transparent					
5	The management has made me aware of the pension law					
6	There is clear policy on retirement in Uganda					
7	The mode of distributing pension is clear					

**PENSION PROCEDURES**

		Strongly agree 5	Agree 4	Neutral 3	Disagree 2	Strongly disagree 1
1	The administrative procedures are not well laid out					
2	The age requirement for accessing pension is acceptable					
3	The procedure for processing the pension benefits is inefficient					
4	The officials at the Ministry of Public Service are ineffective and inefficient					
5	The Ministry's customer care and communication to the pensioners is ineffective					
6	The benefits are processed in time					

### **PENSION RECORDS MANAGEMENT**

		1	2	3	4	5
1	The personnel documents are filed well by the officials					

2	There is good file movement and maintenance					
3	My files are properly kept					
4	There is good file retrieval at the Ministry					
5.	There computerization management of records					

### SECTION C

#### PERFORMANCE

		1	2	3	4	5
1	The quality of services at the pension scheme has improved					
2	The scheme is utilizing the available resources to better the services					
3	Little time is taken for me to receive my pension benefits					
4	Many people are paid within a short period of time					
5	Every month I get my pension money					

Thank you for your cooperation

**APPENDIX (B)**

**RESEARCH QUESTIONNAIRE FOR TOP ADMINISTRATORS AND PUBLIC SERVICE EMPLOYEES**

Dear Respondent,

I am Nelima Lydia a Student of Master Degree in Business Administration of Kyambogo University. You have been selected as a respondent in the above titled survey. **Organizational factors and the performance of the public service pension scheme in Uganda** which is being undertaken as part of an educational research for a study to be carried out in partial fulfillment for a Master of Business Administration Student at Kyambogo University.

Your cooperation in administering the instrument will go a long way in ensuring the success of the said study. Note that the data collected will be for academic purposes only and will be treated with utmost confidentiality.

**In the section A below, tick only one option to indicate a true reflection of your bio data.**

**SECTION A RESPONDENTS BIO DATA**

7. Sex

Male ..... Female .....

8. Age

- Above 20-29 years ( )
- Above 29 -39 years ( )
- Above 39 – 49 Years ( )
- Above 50 years ( )

9. Level of Education

- Certificate level ( )

- Diploma Level ( )
- Degree Level ( )
- Master Level ( )
- PhD Level ( )

10. Terms of Service

- Permanent Staff ( )
- Contract ( )
- Part Time ( )
- Not Sure ( )

11. Marital status?

- Married ( )
- Single ( )
- Divorced ( )

**In the section below, please, tick only one option according to how you agree or disagree with the statement given.**

**5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree 1-Strongly disagree**

**Section B:**

**POLITICAL ACCOUNTABILITY**

*(Please tick the appropriate answer to you.)*

		Strongly	Agree	Neutral	Disagree	Strongly
--	--	----------	-------	---------	----------	----------

		agree 5	4	3	2	disagree 1
1	I am made aware about the retirement fund					
2	The guidelines for receiving pension are distributed to me					
3	The computation procedure are made public					
4	The way pension is governed and administered is transparent					
5	The management has made me aware of the pension law					
6	There is clear policy on retirement in Uganda					
7	The mode of distributing pension is clear					

### **PENSION PROCEDURES**

		Strongly agree 5	Agree 4	Neutral 3	Disagree 2	Strongly disagree 1
1	The procedure of getting pension has been shortened					

2	I am part of the people who participate in the pension distribution exercise					
3	The procedure for processing the pension benefits is inefficient					
4	The procedure is helping us to eliminate or get rid of corruption					
5	I work under orders from above					
6	The benefits are processed in time					

### PENSION RECORDS MANAGEMENT

		1	2	3	4	5
1	The personnel in the records section is well trained					
2	There is good file movement and maintenance					
3	The filing is done by well-trained personnel					

4	There is good file retrieval at the Ministry					
5.	There is computerization management of records					

**SECTION C**  
**PERFORMANCE**

		1	2	3	4	5
1	The quality of services at the pension scheme has improved					
2	The scheme is utilizing the available resources to better the services					
3	Little time is taken for pension benefits to be paid					
4	Many people are paid within a short period of time					
5	Every month pensioners get their pension money					

**Thank you for your cooperation**

**APPENDIX (C)**

**INTERVIWE GUIDE FOR PENSIONERS**

1. When did you retire from public service?

2. What types of pension are you getting?
3. Have you got any tangible benefits from the pension so far got?
4. In what ways has the pension scheme helped you?
5. Does the pension scheme offer a lot of tailor made plans?
6. Have procedural levels affected your access to pension?
7. Are you paid your pension on time?
8. Have your files ever got lost from the records division?
9. Does the scheme have adequate human capacity to serve you?
10. Is the scheme adequately funded?
11. Is there equality of treatment when it comes to calculation, distribution and payment of pension?

**APPENDIX (D)**

**INTERVIEW GUIDE FOR OFFICIALS FROM THE PUBLIC SERVICE PENSION SCHEME AND TOP ADMINISTRATORS**

1. When did you join the Public Service?
2. How long has the scheme been in existence?
3. What are some of the challenges of the pension scheme?
4. Do you have many backlogs and what measures have you made to reduce them?
5. What recommendations can you make on improving the scheme?
6. What solutions have been put in place to alleviate the problems in the pension records office?
7. What are the solutions that have been put in place to handle growing cases of pension fraud and fund mismanagement?
8. Why do files get lost from the records section?
9. What measures have been put in place to ensure safe records management?

**APPENDIX (E)****Sample size (s) for the given population sizes (N)**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	256	300	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

### Required Sample Size†

Population Size	Confidence = 95%				Confidence = 99%			
	Margin of Error				Margin of Error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

† Copyright. The Research Advisors (2006). All rights reserved.