

**EMPLOYEE REWARDS AND STAFF RETENTION.  
A CASE STUDY OF WORLD VISION UGANDA.**

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**A FIELD RESEARCH SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENT FOR THE AWARD OF A BACHELOR DEGREE IN HUMAN  
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## **DEDICATION**

This work is dedicated to my parents Hon. Ojew Nahaman and my late dear mum Mr. Grace Ojwe and my uncle Mr. Okot Joe for their tireless struggle, protection and moral supports in the course of my development towards the production of this book. I would also like to acknowledge the contribution of my supervisor Mr. Hassan Sendagire Wasswa for the guidance he gave that enabled me to complete this work. In a special way, I would like to thank my father Hon. Ojwe Nahaman for the financial support in my study.

## ACKNOWLEDGEMENT

I continue to be indebted to some of you who are in various levels of studies and fellow course mates for calling attention to occasional misprints and error and for suggestions on possible additions. These suggestions where I felt in agreement with them.

I pay tribute to my father Hon. Ojwe Nahaman for my welfare and up bringing and financial support and my uncle Mr. Okot Joe for the financial support which he improvised during the time of hardship.

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## **ABSTRACT**

The project consists of five chapters and these are as summarized below.

Chapter one consist of the introduction of key terms like employee rewards, staff retention, study objectives, study questions, statement of the problem, purpose of the study, scope of the study, significance of the study and conceptual frame work. Rewards are characterized by financial rewards, non-financial rewards and staff attitude towards rewards on staff retention and staff retention is characterized by motivated workforce, reduced labour turnover and productive workforce.

Chapter two discusses the literature related to the employee rewards and staff retention. It focuses on the relationship between financial rewards, the effects of non-financial rewards and staff attitudes towards rewards on staff retention.

Chapter three presents a detailed description of the methodology used in the research and these includes the followings, the research design, population sampling techniques, sample size, data collection methods and instruments and data analysis.

Chapter four is about presenting and interpreting the findings from the fields. Here the findings gathered are analyzed and presented so as to give a clear picture of the situation in the field which in turn helps the researcher to make general conclusion of the study.

Chapter five is about discussion of the results presented and interpreted in chapter four. Here the data are discussed to confirm the actual results on the relationship between financial rewards and staff retention, effects of non-financial rewards on staff retention and staff attitudes towards rewards on staff retention in World Vision Uganda. Theses results will be used to make conclusion and recommendation for the study.

## CHAPTER ONE INTRODUCTION

### 1.0. Background

This study was guided by the theory of expectancy theory advanced by Stoner (2002). This theory postulates that, individuals are motivated when they see a favorable combination of what is important to them and what they best expect as a reward for their efforts and behavior accordingly. Wall – mart policies and such ritual as in this circumstance, they are not surprising what most organizations do both private and public sectors spend lot of time and effort in devising appropriate reward system to meet different pressures like trade union and government. It was adopted for this study because retaining of employees depend on what the employees expect in return for their contribution to the achievement of the objectives and goals of the organization.

Employees reward is defined as a mean by which organization recognize employees' contribution to the organization. These can be in form of Salaries, Wages, Benefits and Incentives (Stacey, 2000). According to Cassio (1998), employees reward is defined as any thing that is financial or non financial that is offered to employees in recognition of their services. He further suggested that reward should be based on equity principle that is fair in rewarding employees. Therefore Organizations should ensure procedure justice and distributive justice in rewarding. The working definition of Employees reward in this study is by Stacey (2000) which state that employees reward is a mean by which organization recognize employees contributions to the organization by giving them financial and non-financial rewards inform of salaries, wages, promotion, and recognition. In this study employee rewards will be characterized by financial rewards, non-financial rewards, attitudes towards rewards and staff retention.

According to Sue Browell (2003) he defined staff retention as the process of keeping those members of staff that he organization need. Staff retention also means simply keeping staff members and not losing them to competitors. ([www.bijobs.com/business.glossary.php](http://www.bijobs.com/business.glossary.php)). The working definition of staff retention for this study is staff retention Sue Browell (2003), which states that staff retention is a process of keeping those members of staff that the organization need. In this study staff retention will be characterized by motivated workforce, reduced labour turnover and productive workforce

According to Hellriegel, Jackson and Slocum (2001), they defined financial rewards as direct payments such as salary, wages and bonuses and indirect payments such as covering the cost of insurance plan. People are motivated to work by financial rewards, when organization provide the with such rewards they tend to stay with the organization hence retaining them.

According to Hellriegel, Jackson and Slocum (2001) defined non-financial rewards as rewards that are intangible and are inform of social psychological rewards, recognition and respect for other and opportunities for self-development. Some employees are motivated by non-financial like job security is that method which is use by organizations



to retain and win employees loyalty. Every worker prefers that he is secure in his job. This guarantees employees income as a result of stability on job. Security is good compensation strategy to encourage employees' satisfaction, leads to teamwork, increase performance and productivity.

Richard. L. Draft, he defined staff attitudes as cognitive an effective evaluation that predisposes a person to act in a certain way. Different employees views employees rewards indifferent ways; some feel that financial rewards is of value to them so if the organization avail them with such thing they tend to stay with the organization. However some are motivated to stay with the organization by non-financial like job security, recognition, promotion. Hence promotion of employee's rewards for staff retention such is based on the employees' attitudes of the rewards so as to come up with effective rewards system that will help retain employees for long in the organization. Employees perceives reward as fair and acceptable in exchange for their efforts invented in work, and incentives need to be provided with meaningful rewards in past the design for reward system was to attract and retain quality employees and motivate them to improve their efforts and commitment toward achieving organizational goals and objectives

Despite the World Vision Uganda effort towards employees, the organization is facing counter productive work behaviours like absenteeism (world vision report published in 2005). This is an indication that there is a problem of staff retention in world vision Uganda.

### **1.1. Statement of the Problem.**

Financial and Non-financial rewards are provided in different organizations to attract and retain, motivate quality and satisfied workforce. Despite the World Vision Uganda's effort toward employees. The organization is facing counter productive workforce behaviours like absenteeism, and labour turnover (world vision report published in (2005). Thus an indication that there is a problem of staff retention in World Vision Uganda. There is therefore need to establish the kind of relationship that should exist between employee rewards and staff retention in World Vision Uganda.

### **1.2. Purpose of the Study.**

The purpose of this study was to explore the effects of employees reward on staff retention in the World Vision Uganda, using cross sectional survey design with a view of improving the staff retention. Employee rewards will be characterized by financial rewards, non-financial rewards and staff attitude; and staff retention by motivated workforce, reduced labour turnover and productive workforce.

### **1.3. Specific objectives.**

1. To determine the relationship between financial rewards and staff retention in World Vision Uganda.
2. To assess the effects of non-financial rewards on staff retention in World Vision Uganda.
3. To evaluate the relationship between staff attitude towards rewards on Staff retention.

### **1.4. Research question**

1. What is the relationship financial rewards and staff retention in the World Vision Uganda?
2. How the non-financial rewards affect staff retention in World Vision Uganda?
3. What is the relationship between staff attitudes towards rewards and staff retention in World vision Uganda?

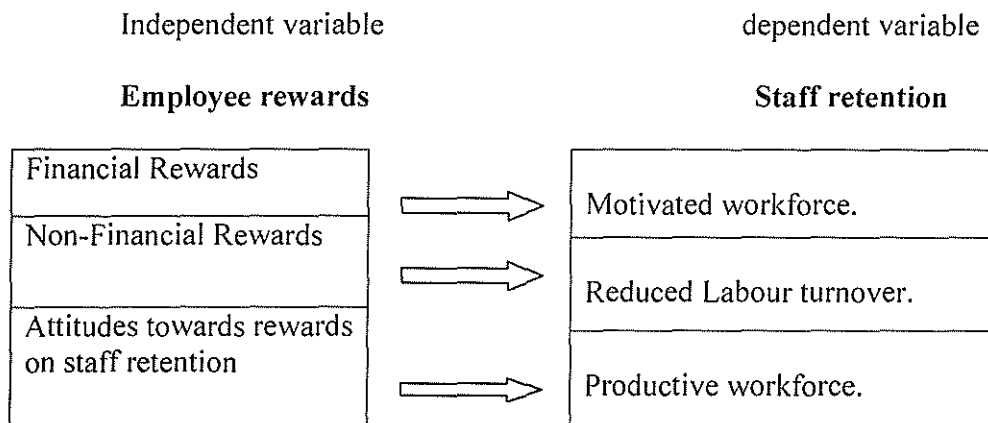
### **1.5. Significance of the Study.**

The result of the study may be used by other organizations to ensure that flexible and equitable reward system is in place so as to retain their workforce for along time. The findings of the researcher will provide an understanding of how effective rewards are in staff retention in the organization. The study may be used by other researchers to come up with solutions to the problems which are as a result of the reward systems and staff retention. The out come of the study can help Human Resource Officers to design good reward systems that is flexible and equitable to all workforces. Other researchers for further studies can also use it. The study enables students to study Business problems in the environment using the knowledge, techniques and tools acquired on the program.

### **1.6. Scope of the study.**

The study was basically concerned with employees' rewards and staff retention in World vision Uganda. It was conducted between March 2008 and June 2008 by using a sample cross sectional design. The study was conducted in the World Vision Uganda, data being collected by the researcher using questionnaire, interviews and Document analysis. The study was specifically to seek and to determine the effects of financial rewards, non-financial rewards and staff attitudes towards rewards on staff retention in World Vision Uganda.

## 1.7. Conceptual Framework.



Financial rewards bring about motivated workforce in that people are rational being who are motivated by financial rewards; they work best when their efforts are being rewarded financially. This help the organization create a motivated workforce. For people to be motivated, they have to be given financial rewards inform of salaries and wages.

Non-financial rewards reduce on labour turnover in that if people are promoted to high position they tend to stay with the organization. This is because when people feel that they are given position of high responsibility they become motivated hence no reason why they should leave the organization leading to reduced labour turnover.

The attitudes of employees arise depending on their test and preference; some are motivated to work due to financial rewards while others are motivated to work because of non-financial rewards. The retention of employees within an organization depends on the values the employees attach to the rewards that the organization give them, if the rewards is of values to them they tend to stay with the organization for along time. Most employees feel that their efforts should be rewarded so if the organization does such a thing the employees will be retained for a long time in the organization.

Atikoro, (1996), stated three reasons as to why organizations use financial rewards as away of inducing employees to work hard. Firstly money helps to satisfy the lower level physiological and esteem needs, secondly since most employees' value money suggested that pay can motivate if it's tied directly to performance. And thirdly if an increase in pay immediately follows certain kind of behaviours as reinforcement will be reflected.

## **CHAPTER TWO**

### **LITREATURE REVIEW**

#### **2.0. Introduction.**

This chapter discusses the literature related to the employee rewards and staff retention. It particularly focuses on the relationship between financial rewards, non-financial rewards and staff attitudes towards rewards and staff retention.

#### **2.1. Relationship between Financial Rewards and Staff Retention.**

According to Hellriegel, Jackson and Slocum (2001), they defined financial rewards as direct payments such as salary, wages and bonuses and indirect payments such as covering the cost of insurance plan. Financial rewards are tangible and visible payments given to employees for the services they render to the organization. Chunk Williams (1995).The working definition for this study is that financial rewards refers to recognition, inform of monetary benefit offered to staff for their performance and contribution to the organization.

Appleby (1994) argued that financial rewards like bonus is a arrangements where by the employees receives in a bonus or period payment for example weekly or annually, based upon a numbers of factors such as reduction in labour costs, total per unit, increase in total profit, or output. They are said to be economical to install and operate and encourage corporation and improve the employee interest in the business.

Davar (1973) argued that an effective reward program that consist of a basic pay and fringe benefits that compare salaries and wages prevailing outside and within the organization for similar job presents along term value of the desired conduct and performance of employees in an organization which lead to the retention of the employee in the organization.

Atikoro, (1996), stated three reasons as to why organizations use financial rewards as away of inducing employees to work hard. Firstly money helps to satisfy the lower level physiological and esteem needs, secondly since most employees' value money suggested that pay can motivate if it's tied directly to performance. And thirdly if an increase in pay immediately follows certain kind of behaviours as reinforcement will be reflected. This is aimed at retaining the competent employees within the organization.

Flippo (1980). According to the traditional view of motivation, management decides what to be done and how much to be done because man is viewed as economically rational and motivated by financial rewards. Fredrick Taylor the father of scientific management was of the view that workers in order to be motivated have to be given financial rewards. Henry Gantt (1861-1919) also worked on with Taylor on a number of projects at Simon and Bethlehem steel for them they regarded financial rewards in terms of salary and wages as unfair and come up with idea that every work completed and also supervisors could earn bonuses for each worker who completed a day assignment which revealed productivity.

Atikoro, (1996), stated three reasons as to why organizations use financial rewards as away of inducing employees to work hard. Firstly money helps to satisfy the lower level physiological and esteem needs, secondly since most employees' value money suggested that pay can motivate if it's tied directly to performance. And thirdly if an increase in pay immediately follows certain kind of behaviours as reinforcement will be reflected.

## **2.2. The Effect of Non-Financial Rewards on Staff Retention.**

According to Hellriegel, Jackson and Slocum (2001) defined non-financial rewards as rewards that are intangible and are inform of social psychological rewards, recognition and respect for other and opportunities for self-development. According to (essential of HRM and Industrial Relations), non-financial are benefits that are given to the employees informs of canteen facilities, medical care, paid vacation, paid seek leaves, recognition, and promotion. The working definition of non-financial for this study is non-financial rewards refers to non-monetary benefits to staff provided in recognition of their performance and contribution to the organization.

Elton mayo suggested that for organization in order to motivate people they have to satisfy their social needs. They also have to satisfy the need for belonging, need for friendship, need to be loved and need for good interpersonal relationship. People want to feel useful therefore organizations should treat workers as special (Hawthorne effect) and recognized their contributions. They should make workers free to make decisions (participative approach).

Mc Nerney (1995) argued that non-financial rewards like job security are method which is use by organizations to retain and win employees loyalty. Every worker prefers that he is secure in his job. This guarantees employees income as a result of stability on job. Security is good compensation strategy to encourage employees' satisfaction, leads to teamwork, increase performance and productivity. While Schuler advanced his view that job security has become important in this era of substantial and continuous lay off by large employers. Therefore most organizations provide job security in exchange for increased monetary values.

Abraham Maslow proposed that people's needs are in hierarchy. He argued that each level has to satisfied before one strive for higher needs. The needs cited is physiological needs, which are shelter, clothing's, food and sex. Safety needs are safety of property safety of job. Social needs, needs for belonging, love and friendship. Esteem needs that are need for status and recognition and self actualization need for fulfillment.

Davar (1988) suggested F. Hertzberg's two factor theory advocated for better working, achievement, recognition, and achievement. M.c Gregory theory X and Y also suggested Y people are responsible and gain satisfaction from work, work is like playing in such circumstances management is participative and allows workers to be involved in decision making process. Davar identified non financial rewards as providing responsibility through job enlargement, proving involvement or participation, creating a sense of achievement, providing recognition for accomplishment, offering inducement of promotion and growth as a result of effective performance.

Cole (2002) defined employees' participation in general terms, as participation of non-managerial employees in the decision-making process of an organization. The British Institute of Management (1977) described participation as the practice in which employees take part in management decisions of a community of interest between employer and employee in furthering the long-term prospects of the enterprise and working in it. While Pylee (1999) argued that workers feel valued and satisfied with their work when they are allowed to participate in issues concerning their business. They like active participation more than being merely recipients.

### **2.3. Staff Attitudes Towards Rewards and Staff Retention.**

According to Sue Browell (2003) staff retention began long before individual members of staff join an organization. The image an organization portrays and how attractive it is to potential employees is crucial. Asking why some people do not want to work for an organization or reject job offers is a useful starting point in trying to determine whether an organization has a staff retention problem. Means simply keeping staff members and not losing them to competitors. Modern companies realized that it's far more expensive to find new employees than keep existing ones, and so put sufficient investment into looking after and growing existing accounts ([www.bizjobs.com/business\\_glossary.php](http://www.bizjobs.com/business_glossary.php))

Armstrong (2002) argued that employee rewards consist of organization policies, processes and practice for rewarding its employees in accordance with their contribution, skills, competence and their market worth. He argued that it's developed within the framework of the organization reward philosophy, strategies and policies and contains arrangements in the form of process, practice structures and procedures which will provide and maintain appropriate type and levels of pay benefits and other forms of rewards. Reward is one of the loudest and clearest ways leaders of organizations can send a message about what they consider important. If staff feels they are rewarded for the contribution they make to the organization they tend to stay with that organization for a long period.

Stoner (2002), on the expectancy theory he suggested that individuals are motivated when they see a favorable combination of what is important to them and what they best expect as a reward for their efforts and behavior accordingly. Well-mart policies and such ritual as in this circumstance, they are not surprising what most organizations do both private and public sectors spend a lot of time and effort in devising appropriate reward systems to meet different pressures like trade union and government. He emphasized that reward is the most important motivator to employees, reward must be suitable for the individuals involvement managers can determine what rewards their employees seek by observing their reaction in different situations and by asking them what rewards they desire. Motivated employees are very easy to retain than those who are demotivated.

Wayne (1991) argued that employees perceive reward as fair and acceptable in exchange for their efforts invested in work, and incentives need to be provided with meaningful rewards in place. The design for reward system was to attract and retain quality employees and motivate them to improve their efforts and commitment toward achieving

organizational goals and objectives (Scarpello, 2001). Reward system to be effective it need to be designed with the long-term plan and be cost effective in term of inputs / output ratio.

Walker (1980) argued that performance of the organization is due to personal reward in form of pay, benefits, job security, growth and opportunities. He emphasized that employee measurement of their satisfaction largely depend on rewards hence making them to stay with the organization. On the other hand Flannery et al (1996) argued that restructuring of reward practices, which are aligned with organization goals and cultures which give the organizations the focused energy they need to succeed in challenging times like during labour turn over. Organizations that use relevant rewards as strategic resource tools will be able to realize the tremendous potentials of their employees which in turn lead to their retention.

G.A Cole (1997) suggested that the single most important obligation owed by an employer to an employee is to reward the fulfillment of his or her duty such kind of rewards include wages, salaries and related cost that add up to 60% of the total costs of running a major business on attractiveness to individual. Some people have high valence for money or power. The reward system should be appropriate and according to the performance should be attainable not too difficult to give. Employees who feel the management is rewarding them appropriately tend to stay with the organization than those who feel they are not rewards for their contribution toward the achievement of the company objectives and goals.

#### **2.4. Staff Retention.**

Sue Browell (2002) defined staff retention as the process of keeping those members of staff that the organization wants to keep whilst accepting that some will leave. At one time, employers were concerned about keeping all staff regardless of their quality or potential but this view has changed quite radically and understandably so. The process was very much one of attract, recruit, induct, develop, reward and retain. The fundamental addition of this process is separation. Acknowledging that separation is inevitable and separating positively so that staff can return if necessary and if not, that they at least have a positive view of the organization when they leave, is important. Staff retention means simply keeping staff members and not losing them to competitors. Modern companies realize that it's far more expensive to find new employees than keep existing ones, and so put sufficient investment into looking after and growing existing accounts ([www.bizjobs.com/business\\_glossary.php](http://www.bizjobs.com/business_glossary.php))

The working definition of staff retention adapted is staff retention is the process of keeping the qualified, skillful, and productive workforce within the organization other than losing them to the competitors.

Walker (1980) argued that performance of the organization is due to personal reward in form of pay, benefits, job security, growth and opportunities. He emphasized that employee measurement of their satisfaction largely depend on rewards hence making them to stay with the organization. On the other hand Flannery et al (1996) argued that restructuring of reward practices, which are aligned with organization goals and cultures

which give the organizations the focused energy they need to succeed in challenging times like during labour turn over. Organizations that use relevant rewards as strategic resource tools will be able to realize the tremendous potentials of their employees which in turn lead to their retention.

The social action theory as developed by sociologists such as Bowey, A.M. (1976) gives a thorough explanation of why organizations provide social and welfare services in form of rewards. To them the social action theory looks to the individual's own definition of the situation as a basis for explaining his behaviour. Therefore, this theory indicates that if a worker is not satisfied with the work situation, it would affect the services the worker renders to the organization. Hence concluding that provision of adequate social welfare services may increase the workers' satisfaction and thus retaining their services.

Change in the organization and work over the past decades or two in terms of downsizing, cost reduction, restructuring, outsourcing, mergers/acquisitions and other organizational changes have eroded staff loyalty and resulted in a number of staff retention issues (Sue Browell (2002).

Sue Browell (2002) defined staff retention as the process of keeping those members of staff that the organization wants to keep whilst accepting that some will leave. At one time, employers were concerned about keeping all staff regardless of their quality or potential but this view has changed quite radically and understandably so. The process was very much one of attract, recruit, induct, develop, reward and retain. The fundamental addition of this process is separation. Acknowledging that separation is inevitable and separating positively so that staff can return if necessary and if not, that they at least have a positive view of the organization when they leave, is important.



## **CHAPTER THREE**

### **3.0. Introduction**

This chapter present a detailed description of the selected research design. It describes in details what was done and how it's done.

### **3.1. Research Design.**

The research design employed both qualitative and quantitative strategies. Within these a case study is an intensive descriptive and holistic analysis of a single entity. So World Vision Uganda is the case study which is studied in depth in order to gain insight into the large cases.

### **3.2. Geographical Location.**

World Vision Uganda is an NGO organization it has it headquarter in Nakasero Kampala Uganda.

### **3.3. Population Sample Techniques.**

World Vision Uganda employs over 200 employees and 60% of the population were asked questions through giving them questionnaires and face-to-face interviews with the managers, supervisors and employees of World Vision Uganda in getting data.

### **3.4. Sample Size.**

A sample of 20 staffs and employees of World Vision Uganda is taken out of population of 200 employees.

### **3.5. Data Collection Methods.**

Data collection was based on both primary and secondary sources. Primary source is where by data are collected during field visit where both questionnaires and interviews are both used to collect data. Secondary source here data was collected by use of existing documents like books, journals and magazines of World Vision Uganda.

#### **3.5.1. Methods.**

##### **Questions procedures.**

Here questions were designed and administered to the staff of World Vision Uganda. The questions were both oral and informal questionnaires.

##### **Interviews.**

An interview was used to collect data from different respondents. This included managers, supervisors and employees of World Vision Uganda. In this method data was collected by interviewing the respondents face-to-face, on telephone.

### **3.5.2. Instruments.**

#### **Questionnaire.**

These are questions formulated and administered to the employees and staffs of World Vision Uganda. This was mainly used to obtain the needed information from the respective individuals and it was mainly inform of respondents.

#### **Interview guide.**

Interview involves face-to-face, interactions, or questions formulated inform of questionnaire that guided the researcher in collecting required data from the employees and staffs of World Vision Uganda.

Interviews were used to collect data from different respondents. This included the managers, supervisors and employees of World Vision Uganda

#### **Documents.**

Documents were used to collect the relevant information for example in literature review documents like books, journals and magazines were used. Documents are secondary source of data.

### **3.6. Data Analysis and Presentation.**

Data analysis mainly involves coding, editing and analysing.

#### **(a). Coding**

This was the methods of data processing that enabled the researcher to isolate the unnecessary elements from the ones especially in the use of structured questions.

#### **(b). Editing.**

Here the researcher ensured that data is checked for completeness, cleaned and edited at the end of the day to come up with the needed information for the study.

#### **(c). Data Analysis.**

Data was analysed using both qualitative and quantitative grouping in order to ensure easy interpretation of the data.

## **LIMITATIONS OF THE STUDY.**

The greatest hindrances were inadequate resources in terms of finance, time and assessing the required data.

Time frame within which the report was completed was not enough because gathering information and data required from different sources was not easy.

There was also some difficulty from some respondent who were unwilling to give information for the study. The project also incurred a lot in printing and binding the final report.

## CHAPTER FOUR

### PRESENTATION AND INTERPRETATION OF DATA

#### 4.0. Introduction

This study explored the effects of employee rewards on staff retention in World Vision Uganda. Employee rewards was characterized by financial rewards, non-financial rewards and staff attitudes towards rewards and staff retention. Staff retention was characterized by motivated workforce, reduced labour turnover and productive workforce. This was in view of improving the staff retention.

The data was analyzed using questionnaire; the researcher used both structured and open ended questions, and beside interviews was used. This instrument was used to get information direct from the respondents through face-to-face conversation with both the managers, supervisors and employees.

Document analysis guide, this instrument was employed to attain records relevant to the study. This chapter presents the results of analysis.

#### 4.1. To determine the relationship between financial rewards and staff retention in World Vision Uganda.

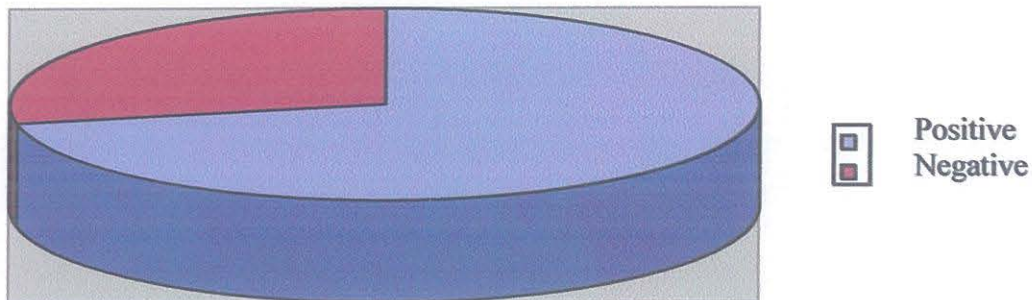
The first objective of this study was to determine the relationship between financial rewards and staff retention in World Vision Uganda. To achieve this objective the respondents were asked the following questions. Do financial rewards have impacts on staff retention? Is there any relationship between financial rewards and staff retention? To what extent are financial rewards important towards staff retention? Data was analyzed under the relationship between financial rewards and staff retention; the results are as presented in the subsections below.

**Table.1. The relationship between financial rewards and staff retention**

Do financial rewards have impacts on staff retention?	positive	negative	total
Frequency (fo)	8	3	11
Percentages (%)	72	28	100

**Source field research.** the results shows that 8(72%) of the employees, supervisors and managers of World Vision Uganda indicates that financial rewards has got a positive outcome on staff retention, 3(28%) indicated that financial rewards was negative. The data was analyzed using the graphically significant difference and the figure below summarizes the results of the analysis.

**Figure.1.**



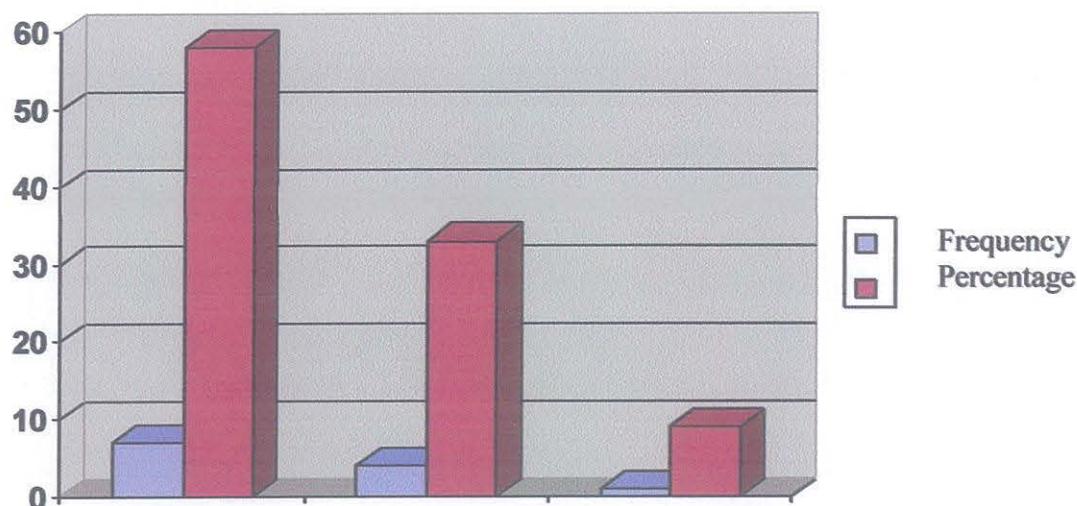
The results show a graphical significant difference where 72% of the managers, supervisors and employees indicated that there was positive outcome of financial rewards on staff retention in World Vision Uganda. According to the above results it means there is a great impact of financial rewards on staff retention hence indicating one of the benefits of financial rewards in staff retention. This has motivated the workforce.

**Table.2. Is there any relationship between financial rewards and staff retention**

Is there any relationship between financial rewards and staff retention?	Excellent	Good	Fair	Total
Frequency (fo)	7	4	1	12
Percentage (%)	58	33	9	100

**Source field research.** This results shows that 7(58%) of the employees indicated that financial rewards was excellent, 4(33%) indicated that financial rewards was good while only 1(9%) indicated that financial rewards was poor. The data was analyzed using graphically significant difference and the figure below summarizes the results of the analysis.

**Figure.2.**



This result showed a statistically significant difference in relationship between financial rewards and staff retention especially there was excellent financial rewards 58% showing that the retention of staff had something to do with financial rewards. Thus it can be said that managers financially rewards their employees according to the findings in order to retain them. Findings on staff retention were excellent because the majority responded positively and it has led to productive workforce. Staff retention.

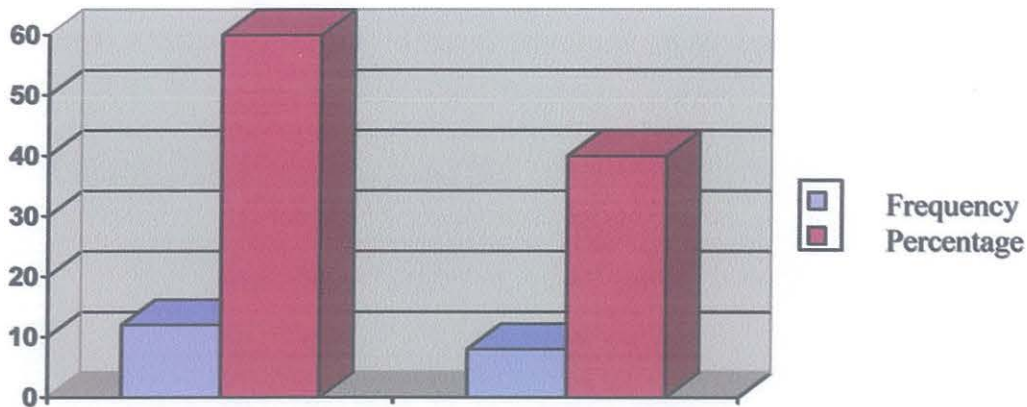
**Table.3. To what extent is financial rewards important towards staff retention.**

To what extent are financial rewards important towards staff retention?	yes	No	Total
Frequency (fo)	12	8	20
Percentage (%)	60	40	100

**Source field research.** The results shows that 12(60%) of the employees indicated that financial rewards is clearly important in retention of staff by the managers, while 8(40%) indicated that No which means that financial rewards was not important at all in retention of staffs. The data was analyzed using the graphically significant difference as summarized in the figure below.



**Figure.3.**



The results shows statistically significant difference where 60% said that, financial rewards is important in staff retention, this indicates that World Vision Uganda know what their employees want so it becomes easy to retain their staffs.

#### **4.2. To assess the effects of non-financial rewards on staff retention in World Vision Uganda.**

The second objective of this study was to assess the effects of non-financial rewards on staff retention in World Vision Uganda. To achieve this objective the respondents were asked the following questions. How do non-financial rewards affect staff retention? Do you think financial rewards are the appropriate way of staff retention?

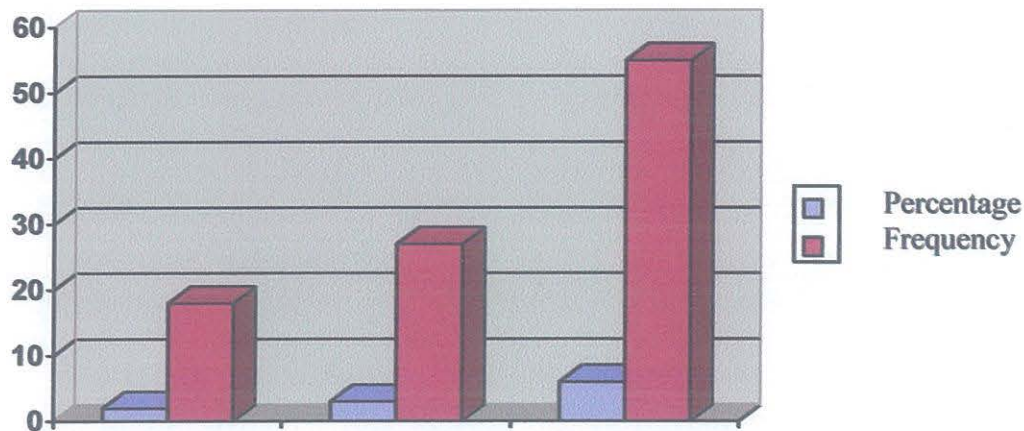
**Table.4. The effects of non-financial rewards on staff retention.**

How do non-financial rewards do affects staff retention?	Very effective	Effective	Ineffective	Total
Frequency (fo)	2	3	6	11
Percentage(%)	18	27	55	100

**Source field research.** The results shows that 6(55%) indicated that non-financial rewards was ineffective in staff retention in World Vision Uganda, 3(27%) indicated that

non-financial rewards was effective in staff retention in World Vision Uganda while 2(18%) indicated that non-financial rewards was very effective in staff retention. The data was analyzed using graphically significant which is summarized in the figure below.

**Figure.4.**



The results shows statistically significant difference in effects of non-financial rewards on staff retention specifically there was 55% ineffective which means there was negative responds on non-financial rewards on staff retention thus it can be said that managers should put in more effort towards improving non-financial rewards, 27% said that the effect of non-financial rewards towards staff retention was effective and only 18% said that non-financial rewards towards staff retention was very effective.

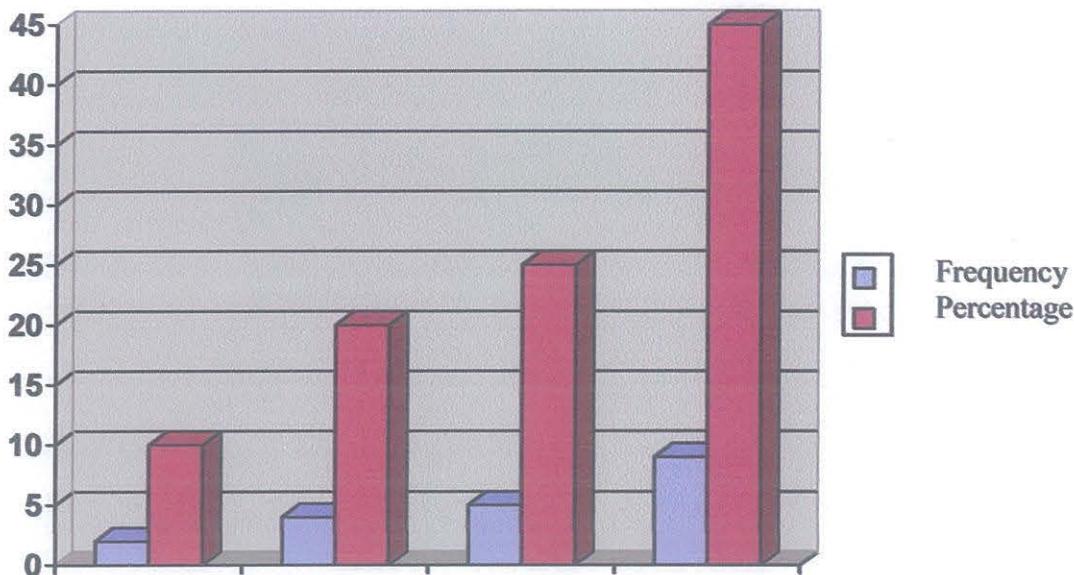
**Table.5. The appropriateness of non-financial rewards on staff retention.**

Do you think non-financial reward sis the appropriate way of staff retention?	Very appropriate	Appropriate	Fairly appropriate	Inappropriate	Total
Frequency (fo)	2	4	5	9	20
Percentage (%)	10	20	25	45	100



**Source field research.** The results show that 9(45%) respondents said its inappropriate, 5(25%) said its fairly appropriate, 4(20) respondents said its appropriate where as 2(10%) respondents said it's very appropriate. This shows that non-financial rewards were inappropriate in staff retention. Thus the data was analyzed using graphically significant differences which are summarized in the figure below.

**Figure.5**



This result shows the statistically significant difference in the appropriateness of non-financial rewards on staff retention. Specifically there was inappropriateness of non-financial rewards 45% showing that non-financial rewards are not the appropriate way of staff retention. This is because the majority responded negatively and it has affected staff retention.

#### **4.3. To evaluate the relationship between staff attitudes towards rewards on staff retention in World Vision Uganda.**

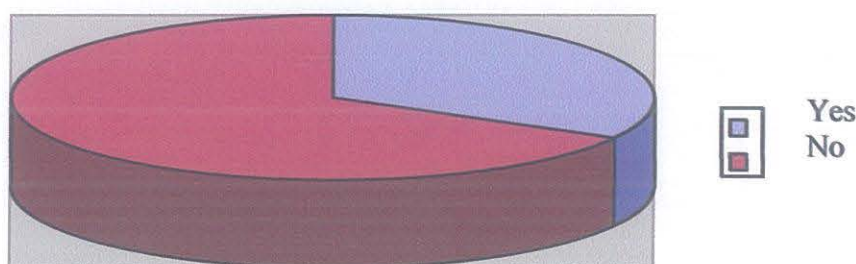
The third objective of this study was to evaluate the relationship between staff attitudes towards rewards on staff retention in World Vision Uganda. To achieve this objective the respondents were asked the following questions. Do employees in your organization have positive attitudes towards rewards on staff retention? In what way have employees rewards helped you to stay with the organization?

**Table 6. Staff attitudes towards rewards and staff retention.**

Do employees in your organization have positive attitude towards rewards and staff retention?	YES	NO	Total
Numbers of respondents	3	6	9
percentages	33%	67%	100%

**Source field research.** The results shows that 6(67%) of the employees responded negatively they said rewards has nothing to do with staff retention, 3(33%) said yes that rewards has something to do with staff retention. They said employee can improve on the level of staff retention in an organization. The data was analyzed using the graphically significant difference which is summarized in the figure below.

**Figure.6**



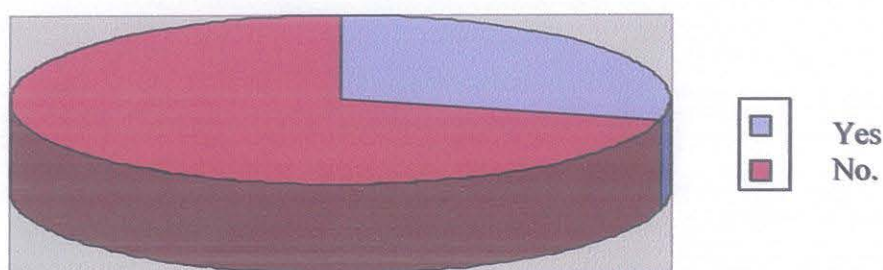
The results show the significant difference which means that rewards can not improve staff retention especially most of the employees said No 67% this shows that World Vision Uganda has not properly rewarded their employees so as to reduce on the rate of labour turnover. Thus employees' rewards can not increase staff retention if not properly designed.

**Table.7. How employees reward has help staff to stay with the organization.**

In what way has employee rewards help you to stay with the organization?	YES	NO	TOTAL
Frequency (fo)	4	10	14
Percentage (%)	29	71	100

Source field research. The results shows that 10(71%) employees said No where as, 4(29%) said yes, the data was analyzed using the graphically significant difference which is summarized in the figure below.

**Figure.7**



The result shows significant difference which means that employees are poorly rewarded. This was because most of the employees said No (71%). This shows that the management of World Vision Uganda should come up with well design employees' rewards systems to improve on the level of staff retention.



## **CHAPTER FIVE DISCUSSION OF RESULTS**

### **5.0. Introduction**

This study explored the effects of employees' rewards on staff retention in World Vision Uganda which is located in Nakasero Kampala Uganda. Employee rewards was characterized by financial rewards, non-financial rewards and staff attitude towards rewards and staff retention. Staff retention was characterized by motivated workforce, reduced labour turnover and productive workforce. This was in view of improving staff retention. Below is the discussion of the results;

### **5.1. To determine the relationship between financial rewards and staff retention in World Vision Uganda.**

The first objective was to determine the relationship between financial rewards and staff retention in World Vision Uganda. Data analysis and interpretation of responses from the 11(72%) employees who revealed the following findings under this objective. It revealed that there was relationship between financial rewards and staff retention, (28%) said that there was no relationship between financial rewards and staff retention showing that financial rewards has led to the retention of the staff of World Vision Uganda

### **5.2. To assess the effects of non-financial rewards on staff retention in World Vision Uganda.**

The second objective was to assess the effects of non-financial rewards on staff retention in World Vision Uganda. Data analysis and interpretation of the responses from 20 samples of the World Vision Uganda employees revealed the following findings under this objective. It shows that 55% said that non-financial rewards was ineffective in staff retention, 27% said non-financial rewards was effective in staff retention where as 18% said its very effective. These findings have proved that management of World Vision Uganda has to design appropriate non-financial rewards which will bring about staff retention in the organization.

### **5.3. To evaluate the relationship between staff attitudes towards rewards and staff retention in World Vision Uganda.**

The third objective of this study was to evaluate the staff attitudes towards rewards on staff retention in World Vision Uganda. Data analysis and interpretation of responses from 20 samples of the staff of World Vision Uganda shows the following findings under this objective. It revealed that 33% said that the relationship between staff attitudes towards rewards on staff retention is positive, 67% said that staff attitudes is negative which means that there is no relationship between staff attitudes towards rewards on staff retention. These people believe that rewards can not lead to staff retention. These findings indicated that there is need to make the staff to have positive attitudes towards rewards on staff retention so the management of World Vision Uganda needs to put in more effort to improve on the staff retention attitudes towards rewards on staff retention.

#### **5.4. CONCLUSIONS.**

The study explored the effects of employees' rewards and staff retention. It was intended to determine the importance of rewards on staff retention in World Vision Uganda which is located in Nakasero Kampala Uganda. The employee rewards was characterized by financial rewards, non-financial rewards and staff attitude towards rewards on staff retention. Staff retention was characterized by motivated workforce, reduced labour turnover and productive workforce.

This was in relations to assess employee rewards for purpose of staff retention which will bring about motivated workforce, reduced labour turnover and productive workforce.

The study specifically sought to determine the relationship between financial rewards and staff retention, to assess effect of non-financial; rewards on staff retention and to evaluate staff attitudes towards rewards on staff retention.

The study established that, the relationship between financial reward and staff retention was good; however, there is need to improve on the non-financial rewards so as to retain staff for long in the organization. World Vision Uganda management has to improve on the non-financial rewards so as to retain their staff for long.

The staff attitude towards rewards on staff retention is not good. Different people view rewards differently, in order to improve on their attitudes managers need to know what the employees like and dislike. The findings to the study thus conclude that;

Non-financial rewards should be improved by the management of World Vision Uganda. This can be done by giving non-financial rewards that employees feel is important to them so as to improve on the level of staff retention.

#### **5.5. RECOMMENDATIONS.**

The researcher's recommendation for employee rewards and staff retention in World Vision Uganda to be effective the study recommended the following;

The management of World Vision Uganda should designs non-financial rewards that will attract and retain the needed staff with the organization for a long period of time. Another method would be to ask the staff members what non-financial rewards they find attractive to themselves that would be in position for their retention with the organization.

On the part of the staff attitudes towards rewards on staff retention management need to carry out assessment on how the employees feel about a particular type of rewards in relation to staff retention. In this case the managers may try to find out what the employees value and feel it's important and try to maximize on the strong feeling while minimizing on the weak one so as to make it effective in their retention in the Organization.

According to the findings the researcher also stated that for staff to be retained for long in the organization they should be rewarded properly this can be inform of financial rewards, non-financial rewards. Under financial rewards they can be given informs of salaries and wages and increments for work accomplished and the non-financial rewards includes over time pay, incentives, welfare services all these will make it easy to retain

staff by the organizations..

The researcher also recommended that management should first carry out a thorough research on the different types of rewards and then they can decide on those that the employees like after which they should implement the decision taken.

#### **5.6. AREA FOR FURTHER STUDY.**

The area for further study under employees rewards and staff retention includes, the types of rewards such as salaries and wages and the non-financial rewards such as promotion, recognition, awards and so many other that the managers give to their employees so as to retain them.

## Appendix. i

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## Appendix ii

### QUESTIONNAIRE

Dear respondents, I am a student of Kampala international university conducting a study on employees rewards and staff retention. The purpose of this survey id to fill my academic requirements. Therefore I kindly request you to answer for me the following questions.

1. Do you have employee`s rewards in your organization?

a) None ☐      b) One ☐      c) Above ☐

2.If yes, name the types of rewards you have in your organization in the space provided below.....  
.....

3. Does employee rewards have any impact on staff retention?

a) Positive ☐      b) negative ☐

4. Fill in the space provided the impact of employees rewards on staff retention in your organization

5. To what extent is employee rewards important towards staff retention?

a) Irrelevant ☐      b) very important  
c) Relevant ☐      e) very relevant ☐

6. Is there any relationship between financial rewards and staff retention?

a) No ☐      b) Yes ☐

7. How effective is the distribution of employee rewards to staff retention?.....  
.....  
.....

8. How do non-financial rewards affects staff retention in world vision Uganda?.....  
.....  
.....



9. Does employees in your organization have positive attitudes towards rewards and staff retention in your organization?

a) Yes ☐ b) No ☐

10. What are some of the attitudes of the employees towards rewards and staff retention in world vision Uganda?.....

.....  
.....

11. Do you think employee rewards is the appropriate way of brining an end to labour turn over?

a) Yes ☐ b) No ☐

12. If yes how is it appropriate in ending labour turnover in world vision Uganda?.....

.....  
.....

13. In what way has employee`s rewards help you stay with the organization?.....

.....  
.....

14. Comment on the overall employee rewards and staff retention I world vision Uganda in the space provided blow.....

.....  
.....

NOTE: you are welcome to give further information and suggestion at the back of the paper. Thank for your cooperation in completing this assessment form.