

**INFLUENCE OF REWARD SYSTEM ON THE
PERFORMANCE OF EMPLOYEES IN
AN ORGANIZATION**

A CASE STUDY OF STANDARD HIGH SCHOOL, ZZANA

BY

ISMAIL AHMED MOHAMAD

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DECLARATION

I, **ISMAIL AHMED MOHAMED**, declare that to the best of my knowledge, this work is original and has never been submitted to any University for any academic award.

Signed: 

Date: 22/03/10

ISMAIL AHMAD MOHAMED OSOBL

APPROVAL

This research report has been prepared under my supervision and submitted with my approval for examination.

Signature:  Date: *March 27, 2010*

DR. ANGELITA P. CANENE

(SUPERVISOR)

DEDICATION

I dedicate this work to **Deqa Yusuf Gesey**, She has been very instrumental in making me what I am now, *May Almighty God reward her abundantly.*

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To become what I am now was like drama. With God's Grace, a lot of challenges and strength came my way to enable me accomplish this programme in my life time.

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ABSTRACT

This study determines the influence of reward system on the performance of employees at Standard High School, Zzana. Further sought in the study was, to determine the extent of reward system methodology as employed by directors and head teachers, to determine the level of concern and reward for performance by directors and head teachers, and to determine the relationship between reward system methodology and performance rate of employees of standard high school Zzana.

The study used a case study research design with a sample size of 30 respondents. The sampling method used was simple random sampling. Data was collected using self administered questionnaires. The data was analyzed using frequency tables, percentages, Pearson r was used to establish the relationship between reward system and performance rate.

The major finding from the study clearly stipulated that the employees are simply praised but not rewarded with gifts or financial terms. This has affected the spirit of the employees and hence leading to poor performance. Findings on the relationship between reward system and performance rate was found to be positive at 0.546 as represented by Pearson's correlation coefficient.

Some major recommendations towards good performance of staff are by involving the employees in the reward system methodology ensure good communication with top management and also analyse their performance so that the employees can be rewarded after some tremendous achievement.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The study of reward system can be traced far back to the writing of the ancient Greek philosophers. More than twenty - three centuries ago, they presented hedonism as an explanation of human motivation as a result of the influence of practicing reward systems in organization. On the other hand companies reward their staff to retain especially to those who are talented and perform well to survive and reach its objectives.

Thus, this study examines the impact of employee performance and retention through evaluation of how some organizations reward their employees which is the back bone of their existence in order to reach its predetermined objectives.

From strategic and competitive perspective it is important to integrate employee performance with organizational goals. Most experts believe that a firm's strategy must be aligned with employee competencies and performance if profitability, growth, and effectiveness are to be reached.

From the employees point of view pay is a necessity of life. It is one of the main reasons people find employment. Pay is a means by which they provide for their own and their family's needs. What a person is paid indicates his or her worth to an organization.

Ivancevich(2001). Employees' motivation to work harder and better is obviously an important factor, so this indicates that if pay is tied to performance, the employee produces a higher quality and bigger quantity of work.

Incentive wages were supported by earlier economists like J. Smith on the basis of "hungry man" theory. Since a hungry worker would want to earn money to buy food,

wages should be kept at a subsistence level. So that workers would be motivated to be highly productive.

Ivancevich (2001), citing Adman Smith (1776) says the modifications of this to develop “economic man” theory instead of physiological needs, money become motivator for work. The more money each individual makes, the harder he/she would work. Standard High School is one of the largest private schools in Kampala in particular and Uganda in general. Standard High has approximately 70 employees.

The liberalisation of the economy in Uganda in 1995 saw an upsurge of private schools in Uganda. , Standard High School therefore, operates in a fully deregulated environment and has established a reputation as a performer in a competitive world.

From its modest beginnings in 1996, it has immensely expanded over the years to cope with the growing demands of accommodating and teaching well over 2000 students at both Ordinary and Advanced level.

1.2 Statement of the Problem

Many employees will always seek out comfort and pleasure and discard discomfort and pain and that is their motive as human beings. Escalating demand for rewarding factors in organizations both private and public sector has also increased the need for more presence of motivational factors to increase output in these organizations.

The problem of this study arises from the fact that, despite several attempts for schools to acquire and maintain high performing employees for maximum productivity and profitability. Organizations endeavour to reward employees, give them job security, improve the working environment and generally ensure effort is rewarded for retention and increased productivity.

Despite all this, more often than not, there is low productivity and low level of performance. Even high rewards for employees are not a guarantee of high performance. Proprietors are left wondering how to acquire let alone, retain highly productive employees. The problem is, being lack of statistical data linking these two variables.

In spite of all the incentives, the rate of employee performance is still relatively low; furthermore the targets set by the school management in one way or another are not met as the level of due to declining level of performance

Because of lack of knowledge on how rewards affect performance, employers ignore it only to loose highly productive employees. As in other cases, the problem to be investigated is the lack of data at the school which shows how their reward system affects performance. If this is left to continue, Standard High School will continue to fail to attract or even lose highly productive workers. .

1.3 Purpose of the Study

The purpose of the study is to determine the role of reward on staff performance at Standard High School. It concerns the design, implementation and maintenance of reward systems geared towards organizational success team and individual performance knowing that reward management is integral part of human resource management approach to managing people.

1.4 Research Objectives

1.4.1 General Objective

The objectives of the study were to identify the employee reward in terms of financial and non financial forms in line with retaining and maintaining employee performance and retention at the different stages of the organization.

1.4.2 Specific Objectives

The following are the specific objectives of the study:

1. To determine the extent of reward system methodology as employed by directors and head teachers of Standard High School, Zzana.
2. To determine the level of concern and reward for performance by directors and head teachers of Standard High School, Zzana.
3. To determine the relationship between reward system methodology and performance rate of employees of standard high school Zzana.

1.5 Research Questions

1. What is the extent of reward system methodology as employed by directors and head teachers of standard high school Zzana?
2. What is the level of concern and reward for performance by directors and head teachers of Standard High School, Zzana?
3. Is there a relationship between reward system methodology and performance rate of employees of standard high school Zzana?

1.6 The Scope of the Study

Scope has three dimensions: Time, Content and geography. The study will base on the following:

- 1.6.1. **Time Scope:** From the year 2000 – 2008, and the data collection is expected to take 2 weeks.
- 1.6.2. **Content Scope:** This will cover all forms of reward at the school including financial and non financial aspects.

1.6.3. *Geographical Scope:* Standard High is located at Zzana, about 10 kilometres from Kampala on Entebbe Road. This will be the site of data collection.

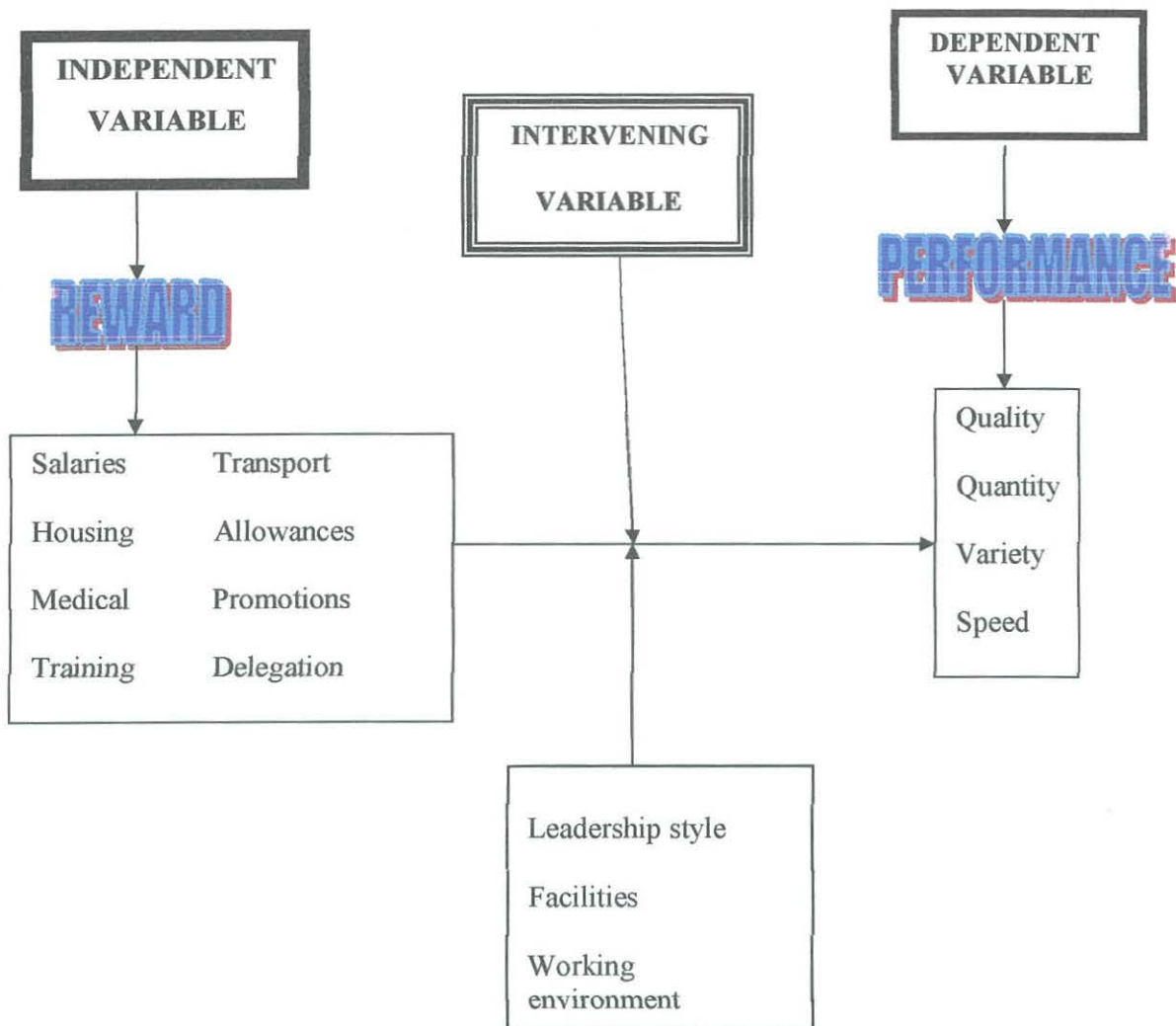
1.7 Significance of the Study

The findings of this study will help in contributing to a better understanding of the relationship between rewards and performance. Nonetheless, it will overall help the growth of studies about the issue and will contribute to building the necessary steps to prove the need of high performance.

By investigating how the reward system helps employees' performance, an effective reward system can be structured to boost and maintain high performance at Standard High School. It is hoped that this study will be useful to the Head Teachers by providing an insight on how to manage the schools through appropriate motivation that will enhance performance. The findings will also be useful to education policy makers in Wakiso district and beyond, who will use the information from this research. It is hoped that findings will provide parameters in formulating policies for effective motivation for improved performance in the education system.

1.8 Conceptual Framework

Figure: Conceptual frame-work



Source: Primary data by the researcher

The concept suggested by the researcher is that reward system affects performance. Reward is in terms of salaries, bonuses, transport and housing, various allowances, training and promotions. Non financial rewards include: delegation and involvement of teachers in delegation of duties and decision making. Performance is reflected through quality, quantity, variety/creativity and speed. In between the intervening variable includes: leadership style, available facilities, and the working environment. These factors affect both the reward system on one side and the performance on the other.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This section presents a review of the findings related to the questions under study. Many studies related to reward systems and its effect on performance had been put into consideration, to provide information regarding the question of the study. The review has been done under the following major themes:

2.2 Review of related literature

2.2.2 Reward system

(Gomez-Mejia and Balkin, 1992). In general terms reward programmes come within the overall concept of Compensation strategies which are defined as the “deliberate utilization of the Pay system as an essential integrating mechanism through which the efforts of various sub-units or individuals are directed towards the achievement of an organization’s strategic objectives.

Strategies for rewarding employees’ performance and contributions include both non-financial and financial mechanisms .Today’s emphasis on quality-improvement teams and commitment-building programs is creating a renaissance for financial incentive of pay-for-performance plans. Organizations adopt alternative reward systems to increase domestic and international competition. The competitive reasons for the growing emphasis on performance-based compensation are companies cutting costs, restructuring, and boosting performance.

To ensure the reward system is effective and motivates the desired behaviors, it is essential to consider carefully the rewards and strategies utilized and ensure the rewards are linked to or based on performance. To be effective, any performance measurement system must be tied to compensation or some sort of reward. Rewarding performance should be an ongoing managerial activity, not just an annual pay-linked ritual.

Employees are motivated by both intrinsic and extrinsic rewards. To be effective, the reward system must recognize both sources of motivation. All reward systems are based on the assumptions of attracting, retaining and motivating people. Financial rewards are an important component of the reward system, but there are other factors that motivate employees and influence the level of performance. In fact, several studies have found that among employees surveyed, money was not the most important motivator, and in some instances managers have found money to have a demotivating or negative effect on employees.

Deci, E. (1972), A psychological reward is a process that reinforces behavior — something that, when offered, causes a behavior to increase in intensity. Reward is an operational concept for describing the positive value an individual ascribes to an object, behavioral act or an internal physical state. Natural rewards include those that are necessary for the survival of species, such as eating, drinking, sex, and fighting.

Secondary rewards derive their value from the primary reward, and include shelter, money, pleasant touch, beauty, music, etc. The functions of rewards are based directly on the modification of behavior and indirectly on the sensory properties of rewards. For instance, altruism may induce a larger psychological reward, although it doesn't cause sensations. Rewards are generally considered more effective than punishment in enforcing positive behavior.

The only way employees will fulfill your dream is to share in the dream. Reward systems are the mechanisms that make this happen. "However, reward systems are much more than just bonus plans and stock options. While they often include both of these incentives, they can also include awards and other recognition, promotions, reassignment, non-monetary bonuses (e.g., vacations), or a simple thank-you.

The human resource manager achieves results, only through proper management of both human and non human resources. Of the two categories management of human resources is the most difficult, because of its dynamic and sensitive nature, as well as its complexity. Individuals needs vary from individual to individual and group. The needs fulfilment quest is what guides human resource action or non action, in organizations.

By definition, motivation comes from a Latin word 'Movari,' which means to drive or entice, or push or encourage someone to do some thing. It involves incentives and rewards to the one executing the required task. (Canene 2005).

Stoner (2000) defined motivation as a human psychological characteristic that contributes to a person's degree of commitment. It includes factors that cause channel, and sustain human behavior in a particular commitment direction.

Many people tend to confuse motivation with satisfaction. Motivation is a drive and effort to satisfy a need; while satisfaction is the contentment experienced when a need has been met. To state it differently, and to relate the two terms , motivation implies a drive towards an out come, and satisfaction is itself what is already experienced (Koonzt and Wwihrich,1998).Both concepts when positively applied, do lead to staff retention in organization.

2.2.3 Performance at Work

Maximizing employee performance

Research has shown that control is the biggest factor in whether people feel demotivated or invigorated when facing the challenge. The more control people have over their work, the greater their job satisfaction, the higher their work quality. Motivating employees includes giving them power to make job-related decisions, the flexibility to organize their work in the way they find optimal and authority in the way their jobs are done.

One of the greatest sources of employees dissatisfaction is not knowing the supervisor's job and performance expectations or not knowing if they are doing a good job but supervisor's role in employees' performance. Supervisors play a huge role in employee morale. Supervisors who know how to provide guidance, support and encouragement to minimize employees' dissatisfaction. Supervisors with poor management skills can't help employees turn over. Managers should encourage employees to talk freely and support one another as a 'work no play' environment burns out people so quickly. Scientific research has shown that having supportive friends and family members is one of the most important factors influencing employee performance.

New employees are normally the most vulnerable while getting into the job because they are uncertain about what the organization is going to offer them. These first few months are normally times of high turnover and the more effective your hiring and training policy is, the more likely new employees will be well suited and prepared for their jobs. You should also make sure the employees have resources and training to do their jobs well because when people feel inadequate and ill equipped to handle challenges, they perform poorly and if the employees have the tools, technology, time, staff, or training to do their jobs well, they won't be able to work at their true potential.

Szilagyi (1984) also asserts that there is a framework for performance for managers to achieve organizational goals.

The level of analysis of performance ranges from the individual employee to the user of the organization's products and services. The focus of performance can raise concern of maintenance, improvement, and development.

Also the time frame for performance, from short term to long term must be established so that performance will be measured ranging from qualitative/objective to qualitative/subjective measures should be considered.

2.2.4. Managing Reward

Organizations need to manage both human and non-human resources, and managing human resources is much more difficult than managing non-human resources.

Armstrong (2006) argues that the reward management is concerned with the formulation and implementation of strategies and policies, the purposes of which are to reward people fairly, equitably and consistently in accordance with their value to the organization and thus help the organization to achieve its strategic goals. It deals with the design, implementation and maintenance of reward systems that aim to meet the needs of both the organization and its stakeholders.

To increase employee retention many managers tend to use reward to be among their variables for worker's retention, so that a properly managed pay system leads to staff job satisfaction and their subsequent feeling to remain in the organization.

Plippo (1984) concurs that an employee reward system consists of an organization's integrated policies, process and practices for rewarding its employees in accordance with

their contributions, skills, competences and their market worth. It is developed within the framework of the organization's reward philosophy, strategies and policies and contains arrangements in the form of processes, practices, structures and procedures which will provide and maintain appropriate types and levels of pay benefits and other forms.

The aims of reward management are as Armstrong (2006), summarizes below:

1. Reward people according to what the organization values and wants to pay for.
2. Reward people for the value they create.
3. Reward incentives to convey the right message about what is important in terms of behaviour and outcomes, and develop performance culture.
4. Motivate people and obtain their commitment and engagement.
5. Help to attract and retain high quality people that the organization needs.
6. Create total reward processes that recognize the importance of both financial and non-financial rewards, and develop positive employment relationships.

There could be reasons why managers are reluctant to relate rewards directly to performance. It is much easier to give everyone an equal pay raise, and it could also be organizational policy dictates that pay raises conform to certain guidelines which are unrelated to performance.

Similarly, Maicibi (2007), reward management is about understanding the individual contribution factors and determining the level of pay bonuses and other rewards staff should receive. It thus, basically deals with the design, implementation and maintenance of reward practices that are aimed at improving individual, team and organizational performance.

2.2.5 Pay and Employee Satisfaction

Every one knows that employees' satisfaction depends on the way they are paid that satisfies people to work and perform well. On the other hand employers try to satisfy their worker to perform well that is why they generate reward and motivation for their employees and to improve performance so that organization intends to provide incentive to the employees to perform their work with willingness and interest.

Belcher (1984) points out that "satisfaction is an evaluate term that describes an attitude of liking or disliking." Pay satisfaction therefore, refers to an employee's liking or dislike of the employer's compensation package, including pay and benefits.

To illustrate Belcher's point, another analyst, Edward Lawry developed a model based on equity theory to help explain dissatisfaction and satisfaction with pay. The dissatisfaction between the amount employees receive and the amount they think others are receiving is the immediate cause. If they think the two amounts are equal pay satisfaction.

Ivancevich (2001) defines motivation as a "set of attitudes and values that predisposes a person to act in specific, goal directed manner. It is invisible inner state that energizes human goal directed behaviour." This tallies with the explanation earlier seen by Wilson, (2003), that is "an organization's integrated policies, process and practices for rewarding its employees in accordance with their contributions, skills, competences and their market worth." Plippo is addressing the mechanism while Ivancevich defines what motivation is and entails.

Ivancevich further asserts that employees are only satisfied if pay is fair for their progression according to their performance and grades so managers should have to do

surveys which relative to their job so as to motivate employees to do better and bring about the success of the organization.

Armstrong (2006), a pay stricter, argues that different levels of pay for jobs or groups of jobs has reference to their relative internal value as determined by job evaluation, to external relativities as established by market rate surveys and, some times, to negotiated rates for jobs. It provides scopes for pay progression in accordance with performance, competence, contribution or serves. This view conforms to Ivancevich (2001). The latter however appears to look at the issue of fairness from the employees' point of view. Armstrong (2006) is together on the issue of one being paid according to input. He however addresses the issue from an employers' point of view. So in real terms, how does motivation relate to money?

2.2.6 Money and Motivation

National Commission on labour (1969) gives guidance that "merit pay as an incentive, is any salary increase the firm awards to an individual employee based on his or her individual performance." This again is in harmony with the writers discussed in the preceding chapters.

The Commission further reveals that human motives are based on needs, whether consciously or sub-consciously felt. Some needs are primary as body needs. Others are secondary needs such as self-esteem needs, status, affiliation with others, affection, giving accomplishment and self-assertion.

Financial incentives are designed to provide direct motivation. That tell people how much money they will get in the future if they perform well- "do this and you will get that". A

shop floor payment-by-result scheme and a sales representative's commission system are examples of financial incentives. (Armstrong 2006).

Merit pay is the subject of much debate and its advocates argue that only performance-based rewards can motivate improved performance. They contend that awarding pay raises across the board may actually detract from performance. This is because it shows employees will be rewarded regardless of how they perform.

Another scholar introduces yet another dimension to merit – pay. Dessler (2008), asserts that competency-based pay, means the company pays for the employees' range, depth, and types of skills and knowledge rather than for the job title he or she holds. Pay for knowledge or skill-based pay plan reward employees for learning organizationally relevant knowledge.

Compensation includes financial and non-financial rewards that organizations give employees in exchange for their work. So this compensation could be any of the three compensation kinds which may include: pay level decision that determine whether workers will receive wages below, above or current market level. Pay-variability decisions concern the extent to which pay varies with individual and organizational performance. This includes: piece work, sales commission, profit sharing, employee stock ownership plan and many more. Dessler (2008) touches a point often causing controversy at the work place. Should a highly skilled person be paid for his knowledge and skills or it is the output which matters?

That debate is most visible regarding payment of musicians and other stars. Should a player be bought at millions of pounds because of his skills or is the team interested in actual performance? This question is tackled to an extent by Williams (2002).

Williams (2002) is of the view that if the organization claims to have incentive pay esteem, and in fact pays for seniority, the motivation effects of pay will be lost. The key to making compensation systems more effective is to be sure that they are directly connected to expected behaviour.

Beginning with in 1930's, sociologists, psychologists, and other human relations theorists theorized that all kinds of cognitive and non-cognitive processes also affect the relationships between pay and motivation. (Ivancevich 2001). This leads to the significance of human needs and motivation.

Needs theorists including Maslow (who developed the well known hierarchy of needs) and McGregor, Alderfer, and McClelland (who modified that hierarchy) saying that all human behaviour stems from needs or drives, which are innately biological in origin.

Herzberg's two-factor theories of motivation try to find out what people want from work. According to this theory, two sets of factors influence work behaviour. Dissatisfiers (hygiene factors), satisfiers (motivators). Hygiene factor relate to the context of jobs and include pay. Working conditions, supervision, and so on. Motivators include factors like achievement, recognition, responsibility, advancement, growth and the work itself. Motivators become operational only when dissatisfiers are removed. On the other hand social comparison theorists suggest that motivation is greatly influenced by how fairly an employee feels or thinks he or she is being paid.

According to Haman's distributive justice or exchange theory and Adam's equity theory, a major determinant of employees' productivity and satisfaction arises from the degree of fairness or unfairness that an employee perceives in the workplace in comparison with others. Ivancevich's (2001) citation from Steers & Porter (1979). Ivancevich (2001) is in total agreement with other authors first discussed in this review: Armstrong (2006) and

Plippo (1984). Their views are also in total harmony with the guidelines of the National Commission of Labour (1969). Besides salaries, are there other benefits, and how do they impact on motivation?

2.2.7 Incentives and Payment

Khanka, (2002), Incentives are monetary benefits paid to workmen in recognition of their outstanding performance. It is defined as “variable rewards granted according to variations in the achievement of specific results”.

To pay an incentive is very advantageous, because the primary advantage of incentive is the inducement and motivation of workers for higher efficiency and greater output. It may not be difficult to get people for fixed wages and salaries, but with fixed remuneration. It is also difficult to motivate workers to show better performance rather than using the approach of incentives like bonuses.

Lund and Srinivas, (2000). Argues also, further illuminates that the other advantages of incentive payments are reduced supervision, better utilization of equipment, reduced scrap, reduced lost time, reduced absenteeism and turnover, and increased output. Furthermore, systems of payment by result would if accompanied by improved organization and work measurement, enable firms to estimate labour cost more accurately than under the system of payment by time,

Barbone, And Sanchez.(2000). However also shows that incentive payment may have some disadvantages. Difficulties may arise over the introduction of new machines or methods. Workers may appose such introduction for fear that piece or bonuses rate set, when the job is studied at intervals of time, may yield lower earnings, or where new machines or methods are introduced.

One of the greatest difficulties with the incentive systems in the setting of piece or bonuses rates. Rate fixing involves delicate problems of judgment in which there is always a risk of error. If the rate is set too low, workers are bound to be dissatisfied and will be under pressure to work very hard. If rates are set too high, workers may slacken their efforts at times so that employers may not have cause to ask for a revision of rates because the earnings are too high. The question here may be what is too high and what is too low? If a teacher gets an allowance of 50,000 shillings for teaching on week ends, is it optimum, high or low.

These questions provide more food for thought. Still the various authors throw adequate light on the subject of motivation.

CHAPTER THREE

METHODOLOGY

3.0 Overview

This chapter presents the methodology of the study, and has the following sections, the research design, study population, sample selection, research instruments, validity, reliability, procedures and methods of data analysis.

3.1 Research Design

The study followed a case study research design. Amin (2005) defines a case study as ‘an empirical inquiry that investigates a contemporary phenomenon within its real-life context’. The choice of the design is made because of need of intensive investigation of the subject under study. It investigated relationships, including cause-and-effect relationships, in this case the relation between reward system and employee’s performance at Standard high school, Zzana.

3.2 Research Population

The population for study comprised of the Managing Director/CEOs, Finance and Administration Director, Head Teacher, Teachers, and non teaching staff. The researcher used a population study of 60 respondents from which 30 respondents as the target population were randomly selected for analysis. The choice of the population is based on the fact that it provides the most reliable, data and also be able to use the selected instruments since it is mostly literate.

3.3 Sample and Sampling Procedure

Selection of the sample of 30 participants was done using random sampling techniques, to cover 50% of the study population.

Table 2.1: Showing the selected sample size

	No. selected	Population	Sample
Top managers	Directors x 2 & head teacher		3
Teachers	Teachers	40	18
Managers	Finance Manager, Farm Manager , Boarding master & Matron	1	1
Non teaching staff	Secretary, Bursar, Drivers, security guards, cooks, cleaners,	16	11
Total Sample		60	30

Source: Researcher's Primary Data

3.4 Research Instruments

This section addresses the tools and instruments employed in data collection and their descriptions section by section. The researcher used semi-structured questionnaires.

3.4.1 Questionnaire

Structured questionnaires were used to collect data from the respondents. Self-administered questionnaires were ideal, because most of the respondents were literate, and were within the proximity of the researcher. It was also flexible and time saving, since it could be executed within a short period of time. The questionnaires comprised of both closed-ended and open-ended questions.

In the closed –ended questionnaire, the researcher used predominant multiple answers, with the corresponding liker rating scale, as follows: Strongly agree, Agree, Undecided Disagree, Strongly disagree,

recording or scoring. The local lingua, Luganda was employed to avoid ambiguity with casual staff and English was the mode of communication for professionals. In the former case, the Researcher employed an interpreter.

In regards to the ethics of the research, the respondents were assured by the researcher of the confidentiality of their responses and also to avoid collusion and consultation with other subjects during the exercise. It is further hoped that findings are to be shared with top management before the final copy is bound.

3.7 Data Analysis

Quantitative data analysis was based on the quantification of the size, distribution and association of variables of the study population, Data was collected through open ended questionnaires.

The quantitative analysis was carried out. Thereafter, the researcher made an interpretation of the frequency tables and accordingly made a summary of findings, conclusions and recommendations.

Pearson's correlation index was chosen to determine the relation between reward systems methodology and performance rate.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Overview

This chapter presents and analyses the empirical findings of the study and their *interpretations that is based on the research questions and objectives which included*; to determine the extent of reward system methodology as employed by directors and head teachers, to determine the level of performance of employees as perceived by themselves, *to determine the level of concern and reward for performance by directors and head teachers*, and to determine the relationship between reward system methodology and performance rate of employees of standard high school Zzana.

The findings are a representation of how the reward system influences the performance of employees in an organization. Findings of this study are in a tabular format so as to determine percentages and frequencies of the different respondents.

4.1 Personal Information

4.1.2 Gender profile of Respondents

Table 4.1 gender profile of respondents

Sex	Frequency	Percentage (%)
Male (M)	18	60
Female (F)	12	40
Total	30	100

Source: Primary Data

From table 4.1, 60% of the respondents were male and 40% were female. This showed a positive response and clearly stipulated that most employees in school administration and management are men.

3.2 Reward System Methodology

Table 4.2 Reward system methodology

Areas rated	Mean	Interpretation
1. Consider hard work before issuing reward	3.0	Fair
2. Considers expertise & willingness to work vital to receiving reward.	2.8	Fair
3. Often reward to his/her notions.	2.2	Poor
4. Integrity is considered before one can be rewarded.	2.4	Poor
5. Directors/ head teachers rewards by giving gifts inform of material things.	2.4	Poor
6. Directors/ head teachers rewards by giving money to employees.	2.7	Fair
7. Rarely issues rewards to high performing employees.	3.9	Good
8. Checks out the reward system employed by other org.	3.0	Fair
9. Actively seeks the views of top mgt before issuing reward.	1.5	Very poor
10. Issues rewards at the end of the year.	2.8	Fair
11. The employees consult regularly with the directors/ head teachers on issues pertaining to performance.	3.5	Good
12. Depend largely on decisions made by the director/ head teacher pertaining performance.	2.8	Fair
13. Employees all the necessities needed to improve performance.	3.0	Fair
14. The employees always sell their ideas pertaining improvement of their services in the school.	2.3	Poor
15. The employees ensure that the student excel in their examination.	3.0	Fair
Overall mean	2.8	Fair

Source: primary data

From the table 4.2 according to respondents view the director/ head teacher fairly considered hard working before issuing reward, poorly often rewards to his/her notion, poorly integrity is considered before one can be rewarded, fairly possess all the necessities needed to improve performance, fairly is rewarded by giving money to employees, fairly issues rewards at the end of the year and good at issuing rewards to high performing employees.

This interprets that the reward system employed by the school is either poorly or fairly considered for the employees to perform well, and this implies that employees are not happy or well motivated for their work and will lead to low performance for the employees and the organization as well.

4.3 Concern and reward for performance

Table 4.3 concern and reward performance

Areas rated	Mean	Interpretation
1. Encourage employees to achieve high results	3.1	Fair
2. Checks work plans and monitors employees progress	2.5	Poor
3. Provide every opportunity and materials to facilitate achievement of good results	2.5	Poor
4. Take interest and other schools performance and encourage his/her employees to do the same	2.1	Poor
5. Supervises and encourages the employees toward the set goals	3.1	Poor
6. Rewards employees who perform well	2.6	Fair
7. Praise employees who perform well and are proud of their school	2.7	Fair
8. Encourage departments to organize staff seminars and other trainings	1.8	Poor
9. Displays performance results for employees for the public to view and commitment	2.1	Poor
Overall mean	2.8	Fair

Source: primary data

From table 4.3, findings about respondents' view interpret that Director/head teacher fairly encourage employees to achieve high result; poorly checks work plans and monitors employee progress, poorly provide opportunities to facilitate achievements, poorly take interests and other school's performance and encourage his/her employees to do the same, poorly supervises and encourage to employees toward goals, fairly rewards employees perform well, poorly encourage departments to organize seminars and trainings and poorly displays performance results for employees.

This interprets that the employees work so hard to ensure that the students pass their examinations. It is also clear that the employees consult the directors/ head teacher on issues regarding good performance of the employees but one hindrance is the fact that the employees don't possess all the necessities the require to achieve the best performance.

4.4 Reward System by Directors/ Head Teacher

With accordance to the findings of the study, the reward system is a very vital tool to improving performance. The school directors/ head teacher don't usually practice the system because they believe it is quite expensive to maintain and yet the school has little resources. This has led to the practice of reluctance by many staff as they normally benefit from their monthly pay.

4.5 Level of Performance by the Staff

According to the findings, performance by the employees is regulated by many factors with lack of motivation from top management being one of them. The employees have the willingness to work but lack of motivation puts their morale down. This severely affects the performance of the employees not because they are incompetent but lack of rewards destroys their morale.

4.6 Relationship between the Reward System and Performance

Table 4.4 Pearson's correlation

Criteria	Computed r-value	Critical r-value	Interpretation
Reward system Performance	.546	.349	Significant

From table 4.4, according to Pearson's coefficient, the relationship between reward system and rate of performance of employees in an organisation is strong and at a value of 0.546. This implies that as long as the reward system is being implemented, the performance rate of the employees will improve.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Overview

This chapter clearly stipulates the summary of the findings, conclusion and general recommendations by the researcher and is based on the objectives of study.

5.1 Summary of the Findings

This study took into consideration 30 respondents as a sample to determine feasible findings about the topic under study.

Demographic characteristics of the respondents were studied and found out that more males were involved in the research compared to the females.

Majority of the respondents were sampled from employees (teaching and non-teaching staff) who are part of the school community at Standard High School, Zzana.

5.1.1 The Reward System Methodology

From the findings, respondents acknowledged the fact that they are fairly rewarded though rarely (end of the year). It is also open that the directors/ head teacher fairly uses expertise, willingness and integrity to issue rewards though at some extents they consider personal feelings to reward good performing employees. The most employed form of rewards is the issue of material things (presents) but the final decision of issuing rewards concerns ideas gathered from top management officers.

The researcher found out that the employees work so hard to ensure that the students pass their examinations. It is also clear that the employees consult the directors/ head teacher on

issues regarding good performance of the employees but one hindrance is the fact that the employees don't possess all the necessities they require to achieve the best performance.

5.1.2 The Concern and Reward for Performance of Employees at Standard High School, Zzana

From the findings, the researcher found out that the directors/ head teacher fairly encourages the employees to attain high results. It was also discovered that the directors/ head teacher praises the employees upon their good performance but also fails to reward them for the good performance. Finally, the study states that the directors/ head teacher fails to monitor employees' progress and also fails to check the work plans for the different employees.

It also found that employees believe in working hard so as to improve on their performance but this has been greatly hindered by the lack of necessities that are required to foster good performance. Regular consultations with the top management have helped the employees to slightly improve on their performance and this is the cause of the improvement in the students' performance.

5.2 Conclusion

5.2.1 The Reward System Methodology

From the study, to a larger extent it proves that the directors/ head teacher at Standard High School, Zzana fairly issues out rewards to hard working, sincere and highly integral employees who have the willingness to work better. This clearly improves the performance rate of the employees' hence good performance of the students. Despite the reward system being employed, it has to be made more efficient and effective to realise more benefits.

5.2.2 The Concern and Reward for Performance of Employees at Standard High School, Zzana

From the study, the researcher found out that the directors/ head teacher praises the employees who perform well and are proud of their school but fails to reward the employees for good performance. This act by the directors/ head teacher has tremendously reduced the performance rate of the employees at Standard High School, Zzana.

5.3 Recommendations

With regard to the findings of the study, the following recommendations are put forward;

5.3.1 The Reward System Methodology

- 1) Directors/ head teacher of the school should not offer rewards in accordance with his/her own wishes.
- 2) Directors/ head teacher should learn from other organisations so as to determine the different forms of rewards and how and when to issue them.
- 3) Finally, the directors/ head teacher should learn to issue rewards whenever they deem it necessary so as to keep the spirits of the employees high.

5.3.2 The Concern and Reward for Performance of Employees at Standard High School, Zzana

- 1) The directors/ head teacher of the school should provide all the necessary materials to facilitate attainment of good results.
- 2) The directors/ head teacher should take interest in other schools with good performance as this will act as a point of encouragement to their own school community.

- 3) The director/ head teacher should regularly review and check out the work plan of the other employees and also regularly monitor employees' performance.
- 4) The directors/ head teacher should always avail materials to the employees especially the teachers so as to improve on their mode of service hence good performance.
- 5) The directors/ head teacher should encourage more participation from the non-teaching staff as many of them are not involved yet they form a big population and their decision counts with regard to performance.

5.4 Areas for Further Research

- Decision making and motivation
- *Motivation and good performance*
- Decision making and good performance

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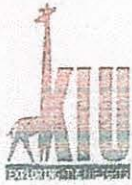
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APPENDIX I

INTRODUCTION LETTER



**KAMPALA
INTERNATIONAL UNIVERSITY**

P.O.BOX 20000
KAMPALA- UGANDA.
TEL:-041-266813

**OFFICE OF THE DEPUTY DIRECTOR
SCHOOL OF POSTGRADUATE STUDIES AND RESEARCH**

September 14, 2009

To Whom It May Concern

Dear Sir/Madam,

RE: INTRODUCTION OF MR. ISMAIL AHMED MOHAMED

This is to inform you that the above named is our registered student (MHR/100104/81/DF) in the School of Postgraduate Studies pursuing a Master of Arts in Human Resource Management (MA HRM).

He has completed One Year of the Two Years required to complete the Course. However, he is desirous of doing his research with your organization on the topic titled **"How the reward system influences the Performances of Employees in an organization: A case study of Standard High school, Zzana"**.

Any assistance rendered to him regarding his research, will be highly appreciated.

Yours faithfully,



Dr. Kepha Natolooka

DEPUTY DIRECTOR-SCHOOL OF POSTGRADUATE STUDIES AND RESEARCH

APPENDIX II

QUESTIONNAIRE

Questionnaire to establish the effect of Managers' Leadership style on the performance of employees.

Dear respondent: -

This questionnaire seeks your opinion about the Leadership style of your Director.

There are four aspects that comprise the reward system methodology, performance evaluation of employees and concern for performance. You are required to indicate your response by ticking appropriate corresponding marked.

There are some free responses questions are expected to give brief answers to. Your response will be treated with utmost confidentiality. Please do it personally without consulting any one. Do not write your name.

Section I

Name of the School

.....

Sex of respondent: (tick the appropriate box) ☐ Male ☐ Female

Status of respondent: ☐ Director/Head teacher ☐ Employee

Section II

Reward System Methodology

The Director/Head Teacher:

1. Strongly Agree 2. Agree 3. Strongly Disagree 4. Disagree
5. Undecided

- | | | |
|------|---|--------------------------|
| i | Considers hard work before issuing a reward | <input type="checkbox"/> |
| ii | Expertise and willingness to work are vital to receiving a reward | <input type="checkbox"/> |
| iii | Often rewards according to his/her notions | <input type="checkbox"/> |
| iv | Integrity is considered before one can be rewarded | <input type="checkbox"/> |
| v | Rewards by giving money to the employees | <input type="checkbox"/> |
| vi | Rewards by giving gifts in form of material things | <input type="checkbox"/> |
| vii | Rarely issues rewards to high performing employees | <input type="checkbox"/> |
| viii | Checks out the reward systems employed by other organisations | <input type="checkbox"/> |
| ix | Only issues rewards at the end of the year | <input type="checkbox"/> |
| x | Actively seeks the views of other top management officers before issuing a reward | <input type="checkbox"/> |

Section III

Concern and Reward for Performance

By The Director/Head teacher:

1. Strongly Agree 2. Agree 3. Strongly Disagree 4. Disagree 5. Undecided

- i Encourage Directors and employees to achieve high results. ☐
- ii Checks Directors' work plans and monitors employees' progress. ☐
- iii Provides every opportunity and materials to facilitate achievement of good results. ☐
- iv Takes interest in other schools performances and encourages his/her Directors and employees to do the same. ☐
- v Supervises and encourages subordinates to work towards the set goals ☐
- vi Rewards Directors and employees who performs well. ☐
- vii Praises subordinates who perform well and is proud of his/her school ☐
- viii. Encourage Directors of Departments to organize seminars and other trainings for the staff. ☐
- ix Displays the performance results for employees, Directors and public to view and comment. ☐

- x) According to you what are the contributing factors to the current performance of the School? Briefly give 3 factors

- xi) Explain briefly what can be done to improve the performance and general standards of the School?

- xii) Briefly comment on the quality of the professional staff in this School.

- xiii) According to you, does the Director think of any way of improving the performance of the School?

- xiv) Briefly explain your answer?
