

REWARDS AND EMPLOYEE PERFORMANCE.

A CASE STUDY OF HIMA CEMENT FACTORY KASESE DISTRICT, SOUTH WESTERN  
UGANDA

BY

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### DECLARATION

I Bwambale Wilfred, declare that am sole author of this Report and that this Report is a result of my own research work, and where other peoples research was used, they have been duly acknowledged.

SIGN..........

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DATE.....30<sup>th</sup> JUNE. 2014.....

### APPROVAL

This is to certify that the Report entitled **REWARDS AND EMPLOYEE PERFORMANCE.**

**A CASE STUDY OF HIMA CEMENT FACTORY KASESE DISTRICT** has been prepared and moderated under my supervision submitted for examination with my approval as his supervisor.

Madam. Abiria Patricia

**SUPERVISOR**

Signature.....

Date.....30.6.2014.....

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Finally not forgetting my friends Musabe Geoffrey who encouraged me , Muhindo Robson, Bihande Noel, Natukunda Provia, Baluku Geoffrey, Baluku Gerald who typed and printed for me this report plus all my course mates. God bless you all

## DEDICATION

This report is dedicated to all my family members.

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### **ABSTRACT**

The study was carried out on reward and employee performance in Hima cement factory, Kasese district .The study was intended to find out the effect of reward on employee performance, to establish the reward policies used in improving workers performance and challenges encountered in rewarding employees in Hima cement factory. The study was carried out within the period of three months.

The study used and explanatory research design for the collection of qualitative data using questionnaires and interview guides. It focused on employees and administrators of Hima cement factory where a sample of 750 respondents were selected using simple random sampling technique. Data was collected from both primary and secondary sources which were analyzed qualitatively using coding and tallying to generate simple percentages that were presented in form of tables.

The study found out that reward had close relationship with employee performance through improved productivity and reduced rate of turnover. This was being done through improved workers remuneration and rewarding of data performing employees.

Hence employers should endeavor to reward their employees through a well defined criterion to a void bias and resources should always be readily available to ensure that the workers are always rewarded to perform their duties effectively.

## **CHAPTER ONE**

### **1.0 Introduction**

This chapter consists of the following background of the study, statement of the problem, purpose of the study, research objectives, and scope of the study and the significance of the study.

### **1.1 Back ground of the study**

Reward is a type of pay individuals or employees receive in exchange for performing organizational tasks that one is entitled to do - in most organizations in the world, reward is seen as a way of compensating workforce who contribute to the achievement of organizational goals. Also it is seen as a means of creating a way an organization can achieve its desired out comes (Milton L. Pock, 1991) countries like Australia, rewarding employees is viewed as a means of creating an environment that stimulates those employees in their jobs and improves on the organizational growth. It is therefore important to note that rewording system in an organization is the key aspect that leads to employees being fostered to perform high so that the organization achieves it goals and objectives.

According to (Kreiter, 2004) Reward is defined as the material and physiological payoffs for performing tasks in the work place, managers have found out that proper administering of rewards improves performance. According to the Griffin (2002) puts it that "rewards system is the formal and informal mechanisms by which employee performance is defined, evaluated and rewarded. According to (Griffin and Moorhead 1986) presents a reward as the incentives (salary, promotion, and public recognition) used by companies to provide positive reinforcement for desirable behavior.

Reward system refers to one of the major set of human resource management activities that serve the strategic purpose of attracting , motivating and retaining in the organization. The wages paid to employees are based on a complex set of forces beyond the body of laws governing compensation (Bateman and Snell, 2002)

According to Daft. (2000) performance refers to the organization ability to attain its goals by using resources in an efficient and effective manner. The ultimate responsibility of managers is to achieve high performance.

Employee performance also is defined as the way in which an activity is accomplished in particular level of standards, to which a task is to be accomplished. It can be adopted, carried out or achieved within the working environment (Thomas, 1995)

(According to Robbins, 1998) Employee performance refers to the ability and effort achieved in terms of quality and quantity productivity by an individual and the organization in general towards the set goals and objectives

Employee performance refers to how well an employee is doing a job in relation to the set standards of the organization. If the performance is low then it means that an employee put less effort in doing the job but exhibition of high effort leads to high performance (Dalton, Holyle, 2000)

Rewards in the whole world are looked at as the fundamental part of the employment relationship in organizations and its employees.

Rewards try to align individual goals with cooperate objectives and provides return for the individuals contributions (Meshane and Glinow 2003) this concept of rewarding employees can be found across cultures. Organizations distribute rewards in exchange for employee's availability, competencies and good behaviors.

In African perspective of understanding rewards give meaning and significance to goals of the organization. The ultimate improvement in performance in any organization is based on the proper rewarding of the employees. (Daft 2000)

In Uganda there are numerous organizations that have adopted the system of rewarding employees especially high performance. This system of rewarding employees has led to development of organizations, increased productivity, reduced labor turn over and has reduced strikes (conflicts between employees absenteeism at the work place leading to high performance in their respective areas of operations. according to daft (2003) the ultimate responsibility of managers is to achieve high performance, which is the attainment of organization s goals by

using resources in the efficient and effective manner. Organizations adopted the system so as to achieve higher performance including Hima cement factory, Kasese Uganda.

In regard to Hima cement factory Kasese Uganda employees in this organization work hard but in return, they are not rewarded properly. Most organizations try to reward their workers fairly including Hima cement as earlier stated

The idea of researching about this topic will be developed after hearing peoples negative perceptions about Hima cement factory and these will be employees and organization neighbours. I will quickly identify that Hima cement has not clearly known the relationship between proper rewarding and its contribution to performance. It will be from such a situation that I will develop the interest of researching on reward and performance in Hima cement factory.

## **1.2 Statement of the problem.**

For the last five (5) years, Hima cement factory has been using a rewarding system characterized by inequity and inefficiency. This has affected employee motivation resulting into loss of skilled manpower thus creating a challenge of retaining factory employees. (source: factory employees)

Poor rewarding system has led to employee flight (has scared away employees prompting them to leave their jobs and search for greener pastures). This has affected employee performance has lessened output, has hindered organizational development and growth of Hima cement factory.

This has proved the rewarding system being ineffective and therefore a need to come up with better solutions to solve the problem in order to meet the objectives of Hima cement factory and its entire staff.

In most organizations emphasis has been put to improve on their way of motivating workforce. But Hima cement factory Kasese district has failed to motivate its employees to their expectation, failure to motivate employees well has hindered the commitment of Hima cement factory employees to the goals and objectives of the company, hence affecting negatively the performance of Hima Cement Factory.



This study therefore is meant to establish ways of how the company can motivate its employees so as to improve their performance in the company.

### **1.3 The purpose of the study**

The purpose of the study was to establish the relationship between rewards and employee performance in Hima Cement Factory.

### **1.4 Research objectives**

The following were the research objectives:

1. To identify what forms of rewards are used in Hima cement factory Kasese Uganda.
2. To establish the effects of rewards on employees performance in Hima cement factory Kasese Uganda.
3. To establish the solutions to the problems of poor rewarding system in Hima cement factory

### **1.5 Research questions**

The research questions were;

1. What are the forms of rewards used in Hima cement factory Kasese Uganda?
2. What effects have rewards had on employee's performance in Hima cement factory?
3. What are the possible solution s to the problem of poor rewards system in Hima cement' factory?

### **1.6 The scope of the study.**

#### **1.6.1 Geographical scope**

The study will be carried out in Hima cement factory Kasese district Uganda main offices, Hima cement factory is located in Kasese.

#### **1.6.2 The content scope.**

The study focused on rewards and employee performance

### **1.7 Significance of the study.**

The study was useful in the following ways;

- Help the management of Hima Cement factory and other different organizations adopt the suggested forms of rewards that can be used to achieve higher performance.
- Help different researchers who would like to identify the effects of proper rewards on employee performance.
- Help the researcher reach the required standards of attaining his academic qualifications since research his part of the requirement that he must fulfill before graduation attaining a bachelors in human resource management.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introductions**

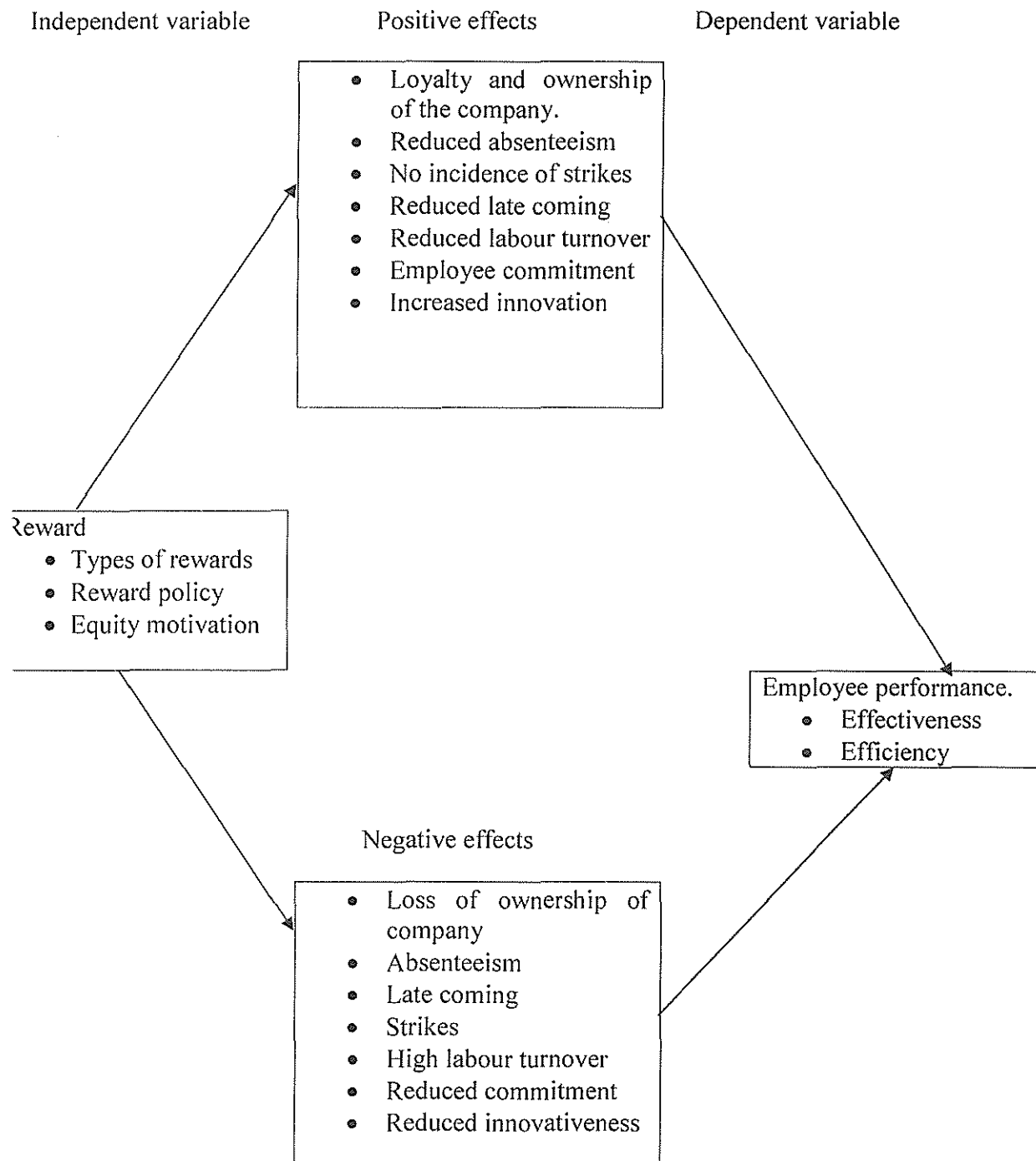
The chapter reviews related literature and scholars and researchers views and ideas, theoretical frame work of the study, the conceptual frame work, forms of rewards, the effects of rewards on employee performance and possible solution in organization. The researcher collected data using secondary source of data such as text books, internet and other sources that provided relevant information.

#### **2.1 Theoretical frame of the study.**

In the course of the study, expectancy theory as put forward by Victor v Room was used as a guide. This expectancy theory of motivation predicts that ones level of motivation to work depends on the attractiveness of rewards sought and probability of obtaining those rewards In practical terms, expectancy theory says that an employee motivated to exert high level of effort when he she believes that it will lead to good performance appraisal rewards like, salary increase or a promotion and that the rewards will satisfy employees personal goals. Expectancy theory holds that , employees will give maximum effort if it will be recognized in their performance appraisal , if good performance will lead to attaining organizational rewards and they will perform better when the towards they will get is valued by employees

Expectancy theory has relationship with pay for performance model which predicts that first high effort will leased to high performance .also that high performance should result in rewards that are appreciated or Valued.

## 2.2 Conceptual frame work



Source: Bohlander, G.S. Snell & Sherman, A (2001).



The conceptual frame work above shows the great relationship between dependent and independent variables. The independent variable is motivation while the dependent variable is performance which is a result of motivation. The motivation of employees has an effect on their performance both positive effects and negative effects depending on the employees' perception.

Reward is the independent variable; reward is in two forms that is financial rewards such as salary, wages and allowances and financial rewards recognition, promotion and training. The dependent variable is performance which is as a result of rewards. The rewards of employees have a positive effect on their performance. There are also extraneous variables such as age, seniority, level of education and family background which have also influence on employee performance and it is also important, because it leads to high performance of employee.

Poor reward policies that do not favor employees lead to ineffectiveness amongst employees hence hindering performance.

In equitable rewarding reduce employee morale and effectiveness thus low performance.

### **2.3 Forms of rewards.**

There are two forms of rewards that can be used in an organization to make employees perform high, these are: financial and non financial

**Financial rewards:** This refers to a reward given to workers in terms of monetary value such as wages, bonuses salaries allowances commission, these cover the basic needs to survive on and also to pay bills and have a feeling of stability and consistency. (Ivancevich, 2001). These include;

**Wage:** this refers to the remuneration paid by the employer for the service of hourly, daily, weekly and fortnightly employees; it also means that remuneration paid to production and maintenance or blue color employees.

**Salary:** is defined as the remuneration paid to the clerical and managerial personal employed on monthly or annual basis, it boosts performance of employees if paid as agreed.

**Allowances:** these are financial rewards employees receive due to work related disturbances such as travel allowances, medical allowances, lunch allowances and accommodation allowances while performing organizational duty (Scheermerhorn, 1996)

**Commission;** this is a financial payment to the employees by the employer based on the proportion to the items that an employee sold (Bartol and martin 1996) if the employees was able to sell much than the commission increase.

**Profit sharing;** This refers to the system whereby employees receive apportion of the company's profit depending on the company profit may be distributed quarterly, semiannually or annually (Mescon,B 2002).

**Bonus:** It refers to cash payments to employees in addition to the regular wage or salary which h serves as a reward for achievements. Employees feel happy or motivated when they are given bonus; this improves on their performance at the work place.

**Incentives;** It refers to the cash payment to workers who produce at a desired level or whose unit (often the company as a whole produces at a desired level of production or profitability . in other words, achievements, not activities are made the basis for payments to the employees. (Byars and Roa, 1991)

**Award;** This is one of the time reward received and it is tangible rewards for better performance by an employee in the organization. Such award may be in form of house offer, car, laptops and television (Cole, 2002)

**Peace work payment:** this is a type of payment from an employer to employees for the work done at a unit cost as assigned to be done, the payment is made after the completion (Colanders and Snell, 2004).

**Non financial rewards:** this refers to rewards given to the employees which is in non monetary value or terms and these include retirement and pensions plans health and life insurance company car for transport , health care services entertainment services and employee recognition for their contribution, feed backs. (Stephen, 1996)

Non financial rewards is the most important of which is probably job satisfaction, a feeling of completing challenges.

**Recognition of employees;** This is a tool that reinforces and results into the most important outcomes people create for their business. Effective employee recognition system is simple, immediate and powerful reinforcing (Adelaide, 2006)

**Training employees,** this one of the best non financial rewards, companies have adopted the system of allowing employees time off job attend workshop, seminar or a teaching classes. (Longnecker and Nicole, 2004)

## **2.4 Effects of rewards on employees' performance**

The following were positive effects of rewards on employee performance in Hima cement factory.

In Hima Cement Factory, implementation of a clear reward system in an organization, improved on the organization culture and values. The behaviors and actions that are valued can be experienced among the employees of the organization, with the realization of such behaviours; the organization improves in performance (power of praise)

Employee motivation; Good rewarding system in an organization, motivates workers, they are able to spur their potential towards the achievements of the organizational goals.

Effectiveness and high productivity; employees in any organization become effective in their performance basing on the rewards system in progress if the system is good then employees enjoy thus performance perform high. (Bohiander etal, 2001)

Innovation and creativity, innovation refers to a new idea applied to initiating or improving a process, product or service, god reward system of an organization result into innovation and creativity by the employees. Thus high performance (Bartol and Martins 1998)

Reduction in the rate of labour turnover; in organization high reward employees, the rate of labour turnover is low. An organization that does not experience high rate of labor turnover



performance is good (Gomez Balkin and Candy 2001) commented that high turnover rate compared to industrial standards is often a system of problems within the organization.

Reduced rate of employees absenteeism; employees who are highly rewarded do not absent themselves for the organization work. Reduced rate of employees absenteeism lead to high performance thus there is a positive effect on the performance, (Griffin, 1999) commented that” the important concern of an organization is to minimize absenteeism.

Utilization of available resource; This refers to the situation in which the available resources can be optimally utilized to accomplish the organizations work in order to achieve the aims and objectives

Promotion of team work. Properly rewarded employees work in teams and groups. This allows them to share ideas that are beyond ones understanding, this comes as a result of brainstorming new ideas that are important in the process of developing the organization (Cook and Hunsaker 2001)

Computability of employees; Employees who are rewarded systematically become competent in the organization, they are able to perform well basing on the rewards received from the employers. In a accordance to (Robbins and Decenzo2001) men and women will exercise self direction and self control if they are motivated.

Creation of good industrial relation fair rewarding of employees leads to good relations with the employer. Good relation enhances the spirit of sharing through involvement and participation as a result, organizational productivity improves.

Decision making and implementation, important to note is that “a decision is a choice among alternative courses of action for dealing with a problem, a problem in turn, is a difference situation.(Schermerborn 1993) god rewarded employees involves the decision making so as to solve the problem and reach a desired goal for an organization.

Attaining organizational goals systematically rewarded employees play a big role in making sure that the organization attains its goals and objectives. (Williams 1995) .

Increases stress. Stress refers to a situation in which an individual physiologically and emotionally responds to stimulates physical or psychological demands on the individual and create uncertainty and lack of personal control when important outcomes are at stake thus poor performance (daft 2000)

High labour turnover this refers to a situation in which the employees join and leave the organization due to in favorable conditions in the organization. Poor rewarding system result into high labor turn over, high labor turnover rate compared to industrial standards is often a symptom of problems within the organization (Gomez Mesia Balkin and Cardy, 2001)

Increased rate of strikes, lack of well established standards of rewarding system results into strikes and conflicts. These leave the organization disorganized and reduce on employee commitment at the work place. Thus performance reduces in terms of both quality and quantity of productivity for an organization.

Poor relation between employer and employees, unfair rewarding system creates a negative effect on the relations between employers and employ yes. An employee relation covers a wide range of issues such as negotiation of a written contract concerning pay hours. And for other terms and conditions of employment. When the relation is poor such will not be there thus reducing of competence and performance of employees. (Ivanvich 2001)

Absenteeism and earlier departure, this refers to a situation in which employees are reluctant to be fulltime at the work place. Poor rewarding system as administered by the organization lead employees being absent and also depart earlier. This end up in reducing the performance thus a negative effect.

Lack of decision implementation. Important to note is that employees needs to have a sense of belonging in order for the organization to develop and form high but if the organization has failed to reward employees properly , the sense of belonging in employees is killed thus reduced in time dedication to work for the organization

Poor image and reputation of the organization. Bad reward system can damage the health and well being of the organization because if the reward system of the organization regard unfair and



low market standards. employees unions can organize for strikes and stay away from the work place (Beach 1980).

### **2.3.3 solutions to the problems of poor reward system**

Implementation of system scientific payments, the system scientific payment of employees should be used. It refers to the payment of employees after the evaluation of the job given to determine the relative worth of the job, in job evaluation, methods such as job classification method can be used to determine the worth of the job, (Schuler, 1995)

Compensation system of rewarding employees. This refers to the assessment of employees contributions towards the organization, it is done to distribute fair and equitable rewards in exchange for their contributions, the rewards can be both direct and indirect, the performance based pay indirect compensation is the private protection programs, paid leave and health care services (Schuler 1995)

The system of pay fairness, this system involves paying workers what they believe they deserve to be paid in relation to the work done. It can also be called internal equity pay. The tendency is for people to determine what they and others deserve to be paid by comparing what they give to the organization with what they get out of the organization (Schuler 1995)

Consideration of external equity, it is important to note that for the organization to consider external equity, external equity means paying workers in comparison with how much other organizations are paying for the same job. This makes the employees feel comfortable in the organization and perform high (Schuler 1995)

Consideration of cost of living, this is another factor that has to be considered, when the cost of living is high and the organization considers it in rewarding employees, it portrays that the organization is having an equitable pay system that attracts more employees into the organization thus high performance (Bohlander and Snell, 2001)

Nature of job consideration in payment of rewards the nature of job should be considered, this is because there are direct jobs which are paid differently from the others as a result of tasks

attached to each job. In such considerations, the workers of the job feel satisfied for the job thus perform high. (Schermerhorn, 1996)

Individual pay system this is a consideration in the payment based on how much knowledge and skills an employee contributes or the job that he or she occupies. It motivates and improves performance (Gomez-Mejia, Balkin and Cardy, 2001)

Provision of job security this is an important aspect in lives of employees. Proper rewarding of employees, proper rewarding of employees is part of job security and sign that the employers appreciates the services rendered by the employees. It creates a sense of belonging in the employees once the job is protected.

Proper performance appraisal system, this is where by the employees are made aware about how they are performing and rewarding them in regard to the performance and expectation. It is discussed with employees who fail to perform up to the required performance standards and receive similar rewards (Schermerhorn 1996).

Delegation of responsibilities with rewards. Employees should be delegated responsibilities and be rewarded after performing them. it helps employees acquire more skills and also develop a sense of belonging for the organization thus it improves on performance (Scheler 1995)

Open system of communication. An open communication between management and employees results into job satisfaction. It increases interaction between management and employees themselves relate well and share ideas through brainstorming leading to high performance (Scheler, 1995)

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introductions**

This chapter presented a detailed description of methodology that was used in data collection, it includes the research design , area of the study , study population, source of data, sampling procedure, data collection instruments ,research procedure and data analysis or processing

#### **3.1 Study Area**

The area of study was carried out from Hima cement factory South Western Uganda (Kasese district). This factory is the biggest organization that has the largest population of employees in Kasese. The researcher used it to find out the research problem. The factory employees to whom research was made were 100 including the HRM

#### **3.2 Research design**

When carrying out the study, the researcher used a descriptive research design adopting across-sectional survey since the study was largely an evaluation one seeking opinions and attitudes about rewards and performance of employees at Hima cement Factory. A cross- sectional survey design was particularly chosen because the study was concerned with gathering perceptions from across section of Hima cement factory employees and the community members.

Therefore views across the various community members and Hima Cement Factory employees at large were obtained and levels of significance of motivation comprised per section of people.

#### **3.3 Population of the study**

I targeted a sample of 750 workers or employees out of a population of 1000 employees in Hima factory. These included the chief executive officer, the technical managers, and heads of departments especially human resource, finance and production departments among others. The sample selected included both men and women irrespective of religion, age, and tribe. This was done to help in getting relevant information or data about the research problem.



### **3.4 Sampling procedures**

I used a simple random to select the respondents who helped me to get the information or data about the study problem. Under this sampling procedure, each member of the targeted population had an equal chance of being included in the sample.

Also stratified procedure was used, under this subgroups in the population was selected to form a sample. This was done to help in getting data from different sub groups to reduce the gathering false information about the research problem.

### **3.6 Data collection**

I used questionnaire and interview methods as the main tools for collecting data. Under questionnaire method, I set questions about the research problem and send them to the respondents so as to read, interpret and attempt them in writings.

Also interviewing method was used by the researcher to collect information that cannot be directly be observed or is difficult to put down in writing.

#### **3.6.1 Questionnaires**

I personally administered the questions to the respondents and collect them after a set interval of time. Questions comprised of open- ended and closed- ended questions that required respondents to answer all questions to the best of their knowledge. They will give accurate information because respondents took their time to answer the questions.

#### **3.6.2 Interviews.**

I interviewed key informants and focus groups. Two head officers, three technical officers and causal laboureres were purposely selected and constitute a focus group in each village within the parish.

### **Document Analysis will be another source of data.**

The existing written materials both published and unpublished on the subject matter was revised before the field work.

## CHAPTER FOUR

### INTERPRETATION, ANALYSIS AND PRESENTATION OF DATA.

This chapter involves data presentation, interpretation, analysis and presentation. It summarizes key issues from theoretical and empirical literature. The analysis was done in accordance with the research objectives and variables of the study which are rewards and employee performance. Various tools were used to analyse the data collected such as frequencies and percentages and quantitative techniques were used in the presentation of the data.

#### 4.1 .Forms of Rewards used in Hima Cement Factory

On this objective, respondents were asked, what are the forms of reward used in Hima cement factory? The respondents were as shown on table 1

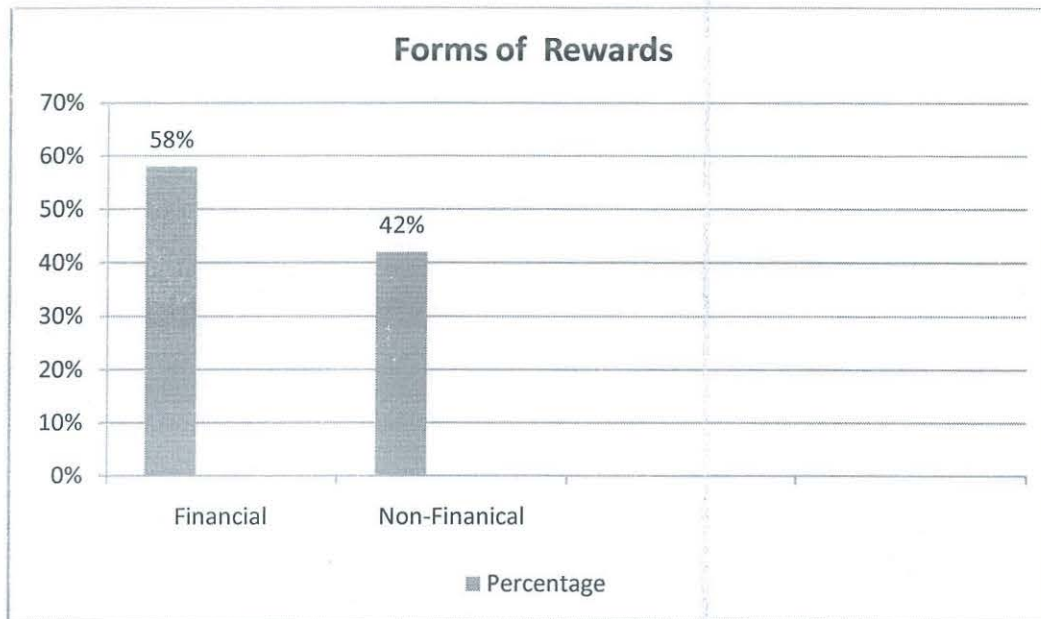
**Table 1.Forms Rewards used in Hima Cement factory**

Responses	Frequencies	Percentage (%)
Financial rewards	30	58
Non financial rewards	20	42
total	50	100

**Source: Primary data**

The findings in the table above showed that many respondents believed that Hima Cement factory mostly uses financial rewards as shown by 58 percent of the most respondents while 42 percent of the respondents believed that there is non financial rewards. The information on table 1 can be illustrated on a bar graph as in figure 1

**Figure 1. Forms of rewards used in Hima Cement factory**



According to the research carried out using interviews, the forms of rewards used in Hima Cement factory are both financial and non financial. The researcher's observation showed that there are both financial and non financial rewards in Hima cement factory. This was viewed when some of the respondents were given housing, medical care that is Hima Cement factory health centre.

#### **4.2 Effects of Rewards on Employee Performance**

On this objective the respondents were asked, what are the effects of rewards on performance in Hima cement factory. The response is shown in table 2

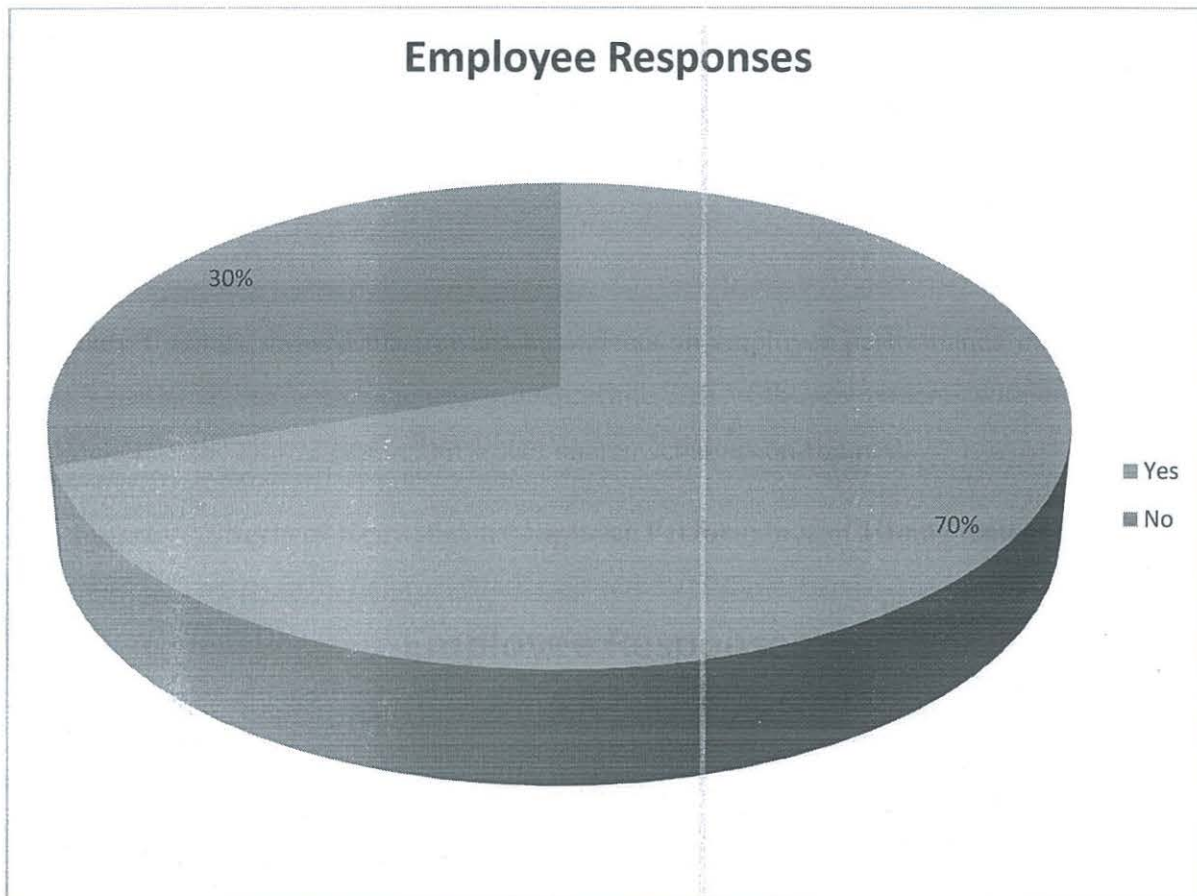
**Table 2: Effects of Rewards on Employee Performance of Hima Cement factory.**

Responses	Frequencies	Percentage (%)
Yes	35	70%
No	15	30%

**Source: Primary data**

The study findings showed that reward has effects on employee performance in Hima Cement Factory as shown by 70% of the respondents while 30% of the respondents with answer No, the information in the table 2 can be illustrated on a pie chart as on figure 2.

**Figure 2: Effects of Rewards on Employee Performance of Hima Cement factory.**



The research was carried out using interviews showed that rewards have effects on employee performance both positively and negatively, 65% of the respondents answered that rewards have positive effects and 35% of the respondents believed that rewards have a negative effects on employee performance in Hima Cement factory.

From the researcher's observation in the study, it was observed that there were both positive and negative effects of rewards on performance in Hima cement factory. The researcher saw some employees coming early from work, team working while others were seen coming late and absenteeism.

### 4.3 Solutions to the Problems of Poor rewarding systems in Hima Cement factory.

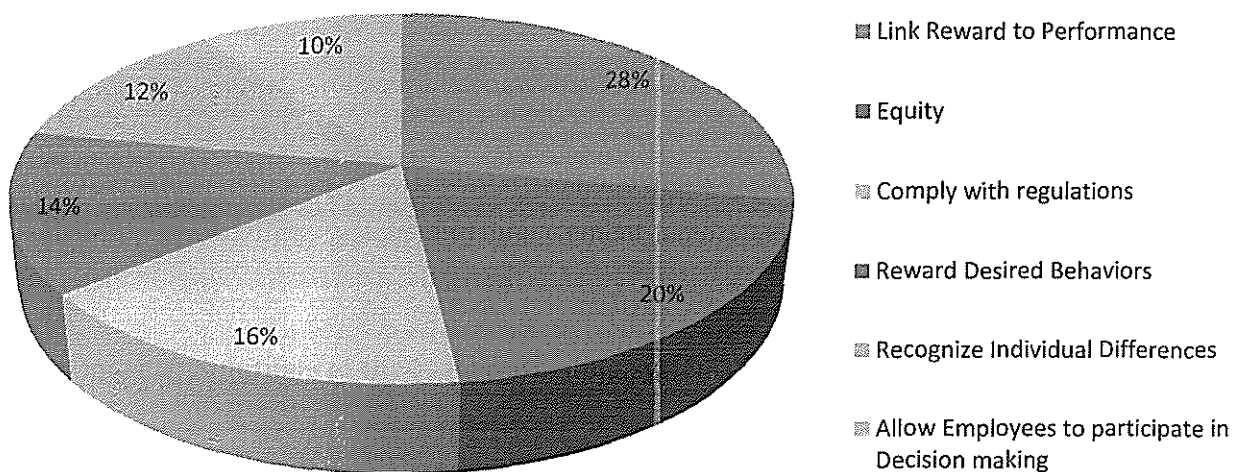
Response	Frequencies	Percentage (%)
Link Reward to Performance	9	28
Equity	10	20
Comply with regulations	8	16
Reward Desired Behaviors	7	14
Recognize individual differences	6	12
Allow Employees to participate in decision making	5	10
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

The findings on the table showed that the respondents gave ways of how to overcome the problems of poor rewarding systems in Hima Cement factory. This is illustrated in the pie chart below.

Figure 3: Solutions to the Poor rewarding systems in Hima Cement factory.

#### Solutions to the problems of poor rewarding systems in Hima Cement factory





The data that was collected using interviews showed that the problems of poor rewarding systems in Hima Cement factory can be overcome by linking rewards to performance, participation in decision making, ensure equity, recognize individual differences, reward desired behaviors, comply with regulations as shown by the following percentages of respondents as 28%, 20%, 16%, 14%, 12%, 10% respectively.

The data that was collected using observation indicate that poor reward system in Hima Cement factory can be solved by effective communication and use of feedback, delegation of duties. This was observed by the researcher where she saw respondents sharing views with managers when they were delegated to perform duties.

## **CHAPTER FIVE**

### **DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.0 Introductions**

This chapter covers the discussion of the findings of the research carried out, conclusion and recommendations for further research.

#### **5.1 Discussion of findings**

The discussion of the findings involved the forms of rewards used in Hima Cement factory, effects of rewards on employee performance and solutions to poor rewards in Hima Cement Factory in Kasese District.

##### **5.1.1 Forms of Rewards used in Hima Cement factory**

According to the findings of the research, the forms of rewards used in Hima Cement factory are both financial and non financial rewards as said by many respondents, this is also in relation to Rao (2009) and Ivancevich (2001) who stated that financial and non financial rewards are forms of rewards used in Hima Cement factory.

##### **5.1.2 Effects of Rewards on Employee Performance in Hima Cement factory**

The research findings showed that, the effects of rewards on employee performance in Hima Cement factory are both positive and negative, where positive effects are increased productivity, attraction of potential applicants, retainment of present employees, competitive edge, attainment of human resource and strategic business plans, employee loyalty, reduced turnover and absenteeism, reduced late coming, reduced resistance to change and many others. While the negative effects of rewards are late coming, strikes in the company, absenteeism. This is in relation to other researchers Thompson (2008), Aldag (2002) who stated that rewards have positive and negative effects on employee job satisfaction.

### **5.1.3 Possible Solutions to the Problems of Poor rewarding systems in Hima Cement factory**

In accordance to the research findings, the possible solutions to the problems of poor rewarding systems in Hima Cement factory are ; link rewards to performance, the company should ensure equity both internal and external, company should open communications channels, should allow all employees to participate in decision making that affects them. In relation to other researchers like Thompson (2008), Rao (2009), Cook (2002) stated that, the possible solutions to the problems of poor rewards system in Hima Cement factory are to link rewards to performance, link pay performance, ensure both internal and external equity.

### **5.2 Conclusion**

The conclusion of the study was that Hima Cement factory uses both financial and non financial forms of rewards.

Rewards have effects on employee performance in Hima Cement factory which are both positive and negative effects. Positive effects are increased productivity, reduced late coming and increased performance whereas negative effects are late coming, labor turner over and strikes.

It can be concluded that internal and external equity, linking rewards with performance complying with regulations, rewarding desired behaviors, open communication channels can be done to solve the problem of poor rewarding systems in Hima Cement factory.

### **5.3 Recommendations**

The recommendations were made in relation to the findings and the conclusion and these include the following;

There should be a system of rewarding employees after considering the desired behaviors. This will make employees increase on their potentials towards the achievement of the goals and objectives of the company.

Hima Cement factory should ensure equal payment of the workforce after they have attainment new skills. This will improve their satisfaction and increased commitment of employees at work.



Job evaluation should be done to determine the worth of the job, so better pay result to better performance of the employees within the company.

Hima Cement factory should employ a system of rewarding employees depending on the profitability of the company, in that case when the company realizes more profits ,pay for employees is also increased.

Hima Cement factory should consider individual differences because employee's different needs so they are not to be treated all alike. This will allow the employees to underestimate goals, levels of involvement and reward to align with individual's needs.

#### **5.4 Limitations of the study**

The researcher faced the following problems during the study,

Some of the employees in Hima Cement factory were too busy; therefore they had less time to talk to the researcher.

There was lack of trust between the researcher and the respondents so the respondents were not willing to give out information.

Hostility, in that some respondents were hostile to give information that they did not benefit from the research. This was because the language was not clear for the respondents since most of them did not go to school.

Limited time also made the researcher not to cover Hima Cement factory. This made the researcher to use random sampling that had its disadvantages.

The study was costly in terms of transport, materials like reams, pens that limited the study.

#### **5.5 Area of further research**

The researcher identified the following possible areas of further research in reward management.

- The effects of rewards on employee performance.
- The effects of rewards on employee retention
- The effects of rewards on organization development.

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## APPENDICES;

### APPENDIX 1

#### RESEARCH INSTRUMENTS

##### PART A: RESEARCH QUESTIONNAIRES

Dear respondents,

I Bwambale Wilfred, a third year student of Kampala International University pursuing a bachelors degree in human resource management and as part of my academic requirements, iam carrying out research on the topic, reward and employee performance a case study of Hima cement factory Kasese district. You have therefore been purposely identified as a resourceful person in providing the required information

The purpose of this research is purely academic and the information you will provide will anonymously be treated as confidential.

##### SECTION A;

##### BACKGROUND INFORMATION

1. residence.....

For questions 2 to 4,tick the most appropriate answer in the blank boxes provided

2. age

20-30 ☐

40-50 ☐

50and above

3. gender

Male ☐

Female ☐

4. Marital status

Married ☐

Single ☐

Divorced ☐

Others ☐

**SECTION B**

What types of reward have you heard of ?

a. Financial ☐

b. Non financial ☐

c. Fringe benefits ☐

d. others ☐

2. If others specify.....

3. How would you ensure equitable reward system/

a. Making the system fair ☐

b. Ensuring justice ☐

c. Both of the above ☐

4. How would you ensure effective performance in an organization

a. Motivating employees ☐

b. Ensuring justice ☐

c. Providing welfare services ☐

d. Good administration ☐

5. Assuming you were the human resource manager of Hima cement factory, which type of reward would you employ in Hima to ensure effective performance

- a. Financial ☐
- b. Non financial ☐
- c. Others ☐

6. if others specify,.....

**Thank you so much for your positive cooperation**

## INTERVIEW GUIDE

### PART B. An interview guide to Hima cement factory employees

- A. To what level has the rewarding system in Hima cement factory contributed to employee performance?

.....

.....

- B. Describe the rewarding system of Hima cement factory in one sentence.

.....

.....

- C. Poor rewarding hinders performance explain in relation to Hima cement factory

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.....

- D. would you improve on factory output if rewarded fairly and effectively.

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## APPENDIX II

### TIME FRAME

Activity	December	April	May	June
	2013	2014		
Identify a research topic				
Identification of a research problem				
Presentation for approval				
Collecting research data				
Analyzing and interpretation of data				
Report writing				
Submission of final report				



## BUDGET

### ESTIMATED BUDGET

S/NO	PARTICULAR	QUANTITY	AMOUNT
	Stationery		100,000=
	Photocopy		20,000=
	Binding	3	21,000=
	Typing/printing	500	25,000=
	Internet		50,000=
	Accommodation		50,000=
	Transport		20,000=
	<b>Grand Total</b>		<b>306,000=</b>