

**REWARD MANAGEMENT AND EMPLOYEE PERFORMANCE IN THE LOCAL
GOVERNMENT OF UGANDA: A CASE STUDY OF MBARARA
DISTRICT COUNCIL.**

KARANZI NAFUTARI - MAPAM/0005/61/DU

B.A Educ.MAK


**A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF
MASTER OF PUBLIC ADMINISTRATION AND
MANAGEMENT OF KAMPALA
INTERNATIONAL
UNIVERSITY.**



OCTOBER, 2012


Declaration

I **Karanzi Nafutari** do declare that this Dissertation is my original work. It has never been submitted for any award in any, College, University or other institution of higher learning.

Signed:.......... Date:.....03/11/2012.....
KARANZI NAFUTARI

Approval

This Dissertation titled “Reward Management and Employee Performance in the Local Government of Uganda: A case study of Mbarara District Council”, was carried out by **Karanzi Nafutari (MAPAM/0005/61/DU)** under my supervision and is now submitted with my approval.

Signed:  Date: 3/11/2012

DR. MUCUNGUZI ABEL

Dedication

This Dissertation is dedicated to my wife Mrs Atuhairé Marion Karanzi, my children Ayesigwa Hamlyn, Ayebare Faith and Atusinguza Favor and to my father Mr. Fred Beyendeza from whom I received love, diligent support, encouragement and firm foundation for my education.

Acknowledgements

To reach this far in education and more importantly to undertake and complete this study, I thank God first for guiding me through. I owe gratitude and outstandingly, I am greatly indebted to my Supervisor Dr. Mucunguzi Abel, who showed interest in my work and guided me through. His handy skills, valuable time, proper direction, advice and unfailing encouragement made this dissertation a reality.

I extend my deepest gratitude to my lecturers for their tutorial and purposeful expertise that finely tuned me for this study. I also gratefully acknowledge the part played by my colleagues, whose teamwork and cooperation enabled me to confront all the situations with courage.

A special note of indebtedness goes to my friend Magyezi Arthur for his assistance and company throughout the course. His advice and ideas have been instrumental towards the success of this study. In the same respect I am greatly thankful to my friends and colleagues Mr. Barigye Enock Jr, Barugahare F.M and Mwesiga Dick for their encouragement despite the constraints encountered.

I wish to extend my worm appreciation to my dear wife Marion Atuhair, our children Lynn, Faith and Favor, for their prayers, inspiration and home chores during my absence. I also extend my heartfelt thanks to my father-in law Mzee Alfred Bangirana Rupiiha. His moral support and courage enabled me to move forward.

I finally thank the leadership of Mbarara District Council for allowing me carry out research in different departments. I sincerely express gratitude to the Principal Personnel Officer (PPO) who helped me to locate and identify all the required respondents. Similarly with due respect, I acknowledge with utmost appreciation the contribution of the Chief Administrative Officer (CAO), Deputy Chief Administrative Officer (DCAO) and all other respondents, for their time, energy and advice.

Table of contents

Declaration.....	i
Approval.	ii
Dedication.....	iii
Acknowledgements.....	iv
Table of contents.....	vi
List of Tables	x
List of Figures.....	xi
List of Acronyms	xii
Abstract.....	xiii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background to the Study	1
1.2 Problem Statement.....	5
1.3 Purpose of the study.....	6
1.4 Objectives of the Study.....	7
1.5 Research Questions.....	7
1.6 Scope of the Study	7
1.7 Significance of the Study.....	8
1.9 Operational Definitions	10
1.10 Summary	11

CHAPTER TWO LITERATURE REVIEW	12
2.0 Introduction.....	12
2.1 Theoretical frame work.....	12
2.2. Effects of reward types on employee performance	14
2.2.1. Monetary rewards	15
2.2.2 Non-monetary rewards.	20
2.2.3 Fringe benefits	22
2.3 Influence of reward policies on employee performance.....	24
2.3.1 Paying Salaries.....	25
2.3.2 Allowances	27
2.3.3 Giving Awards.....	27
2.3.4 Recognition.....	27
2.3.5 Appreciation	28
2.4 Influence of reward processes on employee performance.....	29
2.4.1 Involvement in activity	29
2.4.2 Staff development.....	30
2.4.3 Job evaluation	31
2.4.4 Feedback	33
2.5 Employee Performance.....	34
2.5.1 Measurement of employee performance	38
2.6 Summery	41

CHAPTER THREE METHODOGY	42
3.0 Introduction.....	42
3.1 Research design	42
3.2 Study population.....	42
3.3 Study area	43
3.4 Sample size and selection	43
3.5 Sampling techniques and sampling procedure	44
3.6 Data collection methods	46
3.7 Data collection instruments	46
3.8 Pre-testing (validity and reliability	46
3.9 Procedure of data collection	47
3.10 Data analysis.....	48
3.11 Ethical issues	48
3.12 Limitations of the study	48
CHAPTER FOUR: ANALYSIS, INTERPRETATION AND PRESENTATION OF DATA	50
4.0 Introduction.....	50
4.1 Background information of respondents	51
4.2 Reward types and Employee performance	54
4.3 Reward policies and Employee performance	60
4.4 Reward processes and employee performance	63
4.5 Summary.....	65

CHAPTER FIVE: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS.....	67
5.0 Introduction.....	67
5.1 Discussion of the findings	67
5.1.1 Reward types and employee performance	67
5.1.2 Reward policies and employee performance	69
5.1.3 Reward processes and employee performance	69
5.2 Conclusions.....	70
5.2.1 Reward types and Employ performance	70
5.2.2 Reward policies and employee performance	70
5.2.3 Reward processes and Employee performance	70
5.3 Recommendations.....	71
5.3.1 Reward types and Employ performance	71
5.3.2 Reward policies and employee performance	72
5.3.3 Reward processes and Employee performance	72
5.4 Contributions of the study	72
5.5 Areas for further reading	73
REFERENCES	74
APPENDICES.....	80
Appendix A: Letter of approval from Postgraduate Studies and Research Directorate, KIU	80
Appendix B: Questionnaire for Council Employees	81
Appendix C: Interview Guide for Key respondents	86

List of Tables

Table 1:	Sampling procedure	45
Table 2:	Summary of reliability coefficients of study variables.....	47
Table 3:	Respondents' response rate	50
Table 4:	Age of Respondent	51
Table 5:	Duration in Service in Council	53
Table 6:	Employment level.....	54
Table 7:	Mean and standard deviation of Reward types and employee performance	55
Table 8:	Correlation between Reward types and Employee performance	56
Table 9:	Regression model showing the relationship between Reward types and Employee performance.....	57
Table 10:	Mean and Standard deviation of reward policies and employee performance.....	60
Table 11:	Correlation between reward policies and employee performance.....	61
Table 12:	Regression model showing the relationship between reward policies and employee performance	61
Table 13:	Mean and Standard deviation of reward processes and employee performance.....	63
Table 14:	Correlation between Reward processes and employee performance	63
Table 15:	Regression model showing the relationship between reward processes and employee performance	64

List of Figures

Figure 1: The Conceptual Frame Work.....	9
Figure 2: Pie Chart showing Sex of respondents.....	52

List of Acronyms

EEOC:	Equal Employment Opportunity Commission
CVI:	Content Validity Index
CAO:	Chief Educative Officer
DV:	Dependent Variable
DCAO:	Deputy Chief Educative Officer
IV:	Independent Variable
LG:	Local Governments
LC:	Local Council
LGDP:	Local Government Development Program
MDC:	Mbarara District Council
NAFR:	National Assessment Feedback Report
NGAFR:	National Government Assessment Feedback Report
NLS:	National Longitudinal Survey
PPO:	Principal Personnel Officer
PRP:	Performance Related Pay
PSRR:	Public Service Restructuring Report
ROCE:	Return on Capital Employed
ROTA:	Return on Total Assets
SBU:	Strategic Business Unit
SD:	Standard Deviation
SI:	Selective Interviews
SPSS:	Statistical Package for Social Scientists
US:	United States

Abstract

The purpose of this study was to investigate the effect of reward management on employee performance in the local governments of Uganda with particular reference to Mbarara District Council (MDC). Particularly, the study intended to find out the relationship between reward types and employee performance; establish how reward policies influence employee performance and find out the relationship between reward processes and employee performance in MDC.

The study adopted a case study design to collect data with both quantitative and qualitative approaches using both the questionnaire and interview guides. Data was collected from a sample of 205 employees that was obtained from the population of 422. Data collected using the questionnaire was analyzed using a computer software known as Statistical Package for Social Scientists (SPSS). Pearson correlation and Regression analyses were used to measure the degree of strength of the relationship between reward management and employee performance.

The study findings established that there was a significant relationship between reward types and employee performance, reward policies and employee performance and reward processes and employee performance in the local government of Uganda.

The study recommended that the government of Uganda through the responsible ministries should carry out a comprehensive review in the management of rewards for employees in the local governments in the country; the Ministry of local government, should plan and embark on a program leading to the revision of reward policies to suit the expected standards that may improve on employee performance in the local government of Uganda; and the government of Uganda should ensure there is an assessment in the existing reward processes in the local governments such that process that were pleasant to the employees including the lower cadres, were employed to be able to uplift the levels of their performance.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Reward management is about understanding one's motivating factors, and determining the level of pay, allowances and other rewards they receive, which help organizations to improve performance and achieve their objectives. In some organizations the links between the two were strong and explicit, while in others they were kept deliberately separate. Work in these areas can be prompted by evidence of employee dissatisfaction, such as high turnover or poor morale, or by the desire to drive a change in some aspect of employees' behavior. According to Chandan (1997), Reward management involves the analysis and effective control of employee remuneration and covers salary and all benefits. It assesses the nature and extent of rewards and the way they are delivered as well as considering their effect on both the organization and staff.

The greatest management principle is that the things that get rewarded get done. "You get more of the behavior you reward. You don't get what you hope for, wish for or beg for. You get what you reward." When your employees do hit the target and meet a stretch standard you set for them, reward them immediately. By doing this, you help employees directly connect to the reward with behavior and higher performance they've attained. "Fail to reward the right behavior and you will most likely get the wrong results." (Rao and Narayana, 1997)

There are many ways to reward employee performance and selecting the best reward depends on both the company and the individual. Companies should have their own reward system built into company policy, but should also budget for other rewards that are not part of the official incentive structure, (Locke, Fitzpatrick, & White, 1983). Managers and supervisors are continually looking for ways to provide incentives to reward employees for superb performance. The challenge is that all employee incentives don't necessarily fit the motivation of all employees. A particular incentive may do well in motivating one employee to perform at peak levels, while the same incentive for another employee may draw no enthusiasm at all, (Drucker, (1992). Managers can create an employee recognition and rewards program that serves the interests of the employees, while providing incentives for increased employee performance, (Robbins, 1998).

In African countries, the concept political and administrative decentralization developed along the lines of the French deconcentration – State representatives at the local level than locally elected bodies. (Adeye, 2006). Uganda's reform to decentralize to the district level date from the early 1990s. The new Constitution adopted in 1995 developed responsibilities and power to the local government. The local Government Act of 1997 deepened reforms by signing authority to Local Councils at the Sub- County level to raise revenues and initiate development projects, (Steffenson, Jesper, Per Tidemand 2004: UNDP, 2000)

Local governments in Uganda were mandated to perform and carry on various functions of the district council. Since then, districts have gradually gained power and control of resources provided by the central government. The major objectives of Local Government

(LG) was to give full effect to the decentralization of functions, powers, responsibilities, improved service delivery and to ensure democratic participation in control of decision making by the people concerned, (LG Act 1997 Cap 243).

In this study the researcher adopted the Expectancy theory, which proposes that a person will decide to behave or act in a certain way because they are motivated to select a specific behavior over other behaviors due to what they expect the result of that selected behavior will be. In essence, the motivation of the behavior selection is determined by the desirability of the outcome (Oliver, 1974).

According to Armstrong, (2001:118), performance is defined as a behavior. The way in which organizations, teams and individuals get work done. When managing the performance of organizations, team and individuals, both inputs (behaviours) and output (results) need to be considered because performance depends on a number of factors, standards of which are determined by the Human Resource Management and Development Department. To Armstrong, (2001), a reward management consists of an organization's integrated policies, processes and practices for rewarding its employees in accordance with their contribution, skills and competence. Employee rewards is about how people are rewarded in accordance with their value to an organization. It is concerned with both financial and non-financial rewards.

Armstrong, (1996), on the other hand defines rewards as "whether somebody has, coming as a result of his/her performance" it may be positive like promotion or negative like demotion or termination. Reward systems consist of organizational policies, processes and practices.

Rewards and performance in local government are inseparable. This means that local government exists because of good performance and employees stay in service because of the reward benefits they get from an organization. In this study, the key issues that were to be analyzed under performance included quality and quantity of work and time taken to accomplish tasks.

Smith, (1991), observes that the rise of organizations that operate in more than one country has put severe pressure on many organizations to improve their performance and identify better ways to use their resources. In Uganda, few organizations actually reward employees based on performance. The most obvious employees get is pay. Yet Decenzo & Robbins, (1999), indicate that pay adjustments based on seniority are distributed on non performance criteria, they contribute towards keeping people in the organization than towards stimulating them to high levels of effort.

The 1995 constitution of Uganda CAP 176 (1) enables LGs to plan initiate and execute policies in respect of peoples' matters. It is also to oversee the performance of staffs. Among policies formulated include the Human Resource Management (HRM) and development function (LGA Sec. 31 (2), where reward systems are put in place with the aim of improving employee performance hence improved service delivery. The reward management in particular looks at reward types, reward policies and reward processes.

The administration of Local Governments is headed by two bodies; the political side headed by the LC V chairperson and the Civil Servants headed by the Chief Administrative Officer (CAO). There were eight (8) departments in Mbarara District Council (MDC) considered.

They include; Administration, Finance, Education, Planning, Works, Community based services, Natural resources, and Production. The district employs a total number of 422 employees, both professional and support staff. Despite the existence of personnel departments at districts, whose major functions are to set up reward systems, employee performance has not improved, (National Assessment Feedback Report (NAFR), Nov 2006).

1.2 Problem Statement

Mbarara District Council has been rewarding its employees since early 1990s when the present decentralized local governments were put in place. The aim of rewards was to motivate employees to improve on performance. The rewards in Mbarara district were both financial and non financial which include; salaries and wages, allowances, recognition, certificates, free medication, education schemes, loans, working leave and use of district motor vehicles/motor cycles among others. Despite the above and the reported wide spread national unemployment, Mbarara District Council (MDC) has been failing to recruit and retain Council employees (Public Service Restructuring Report (PSRR), 2007). The report indicates instances of delayed submission of accountability reports, increasing cases of disciplinary action, misappropriation of funds and withholding of sub-county funds to local government development projects. In all, employee performance has not improved.

In 1994, Mbarara was one of the model districts in the country where its overall performance in terms of service delivery and competent staffing was excellent as was evidenced by rewards it used to offer to its employees (NAFR, 1995). This is not the case these days; penalties are on the increase in most of the sub counties and the district head offices as well. There were unproductive behaviours such as absenteeism, poor time management, low

productivity, and low revenue collection, delivery of poor quality goods and services and lack of commitment by employees, (National LGDP Assessment Report May, 2008). This is evidenced by high labour turn over of staff for greener pastures, failure by departments to hold monthly/quarterly meetings. Very few sub-counties hold technical planning committee meetings on a monthly basis. Reports about quarterly planned activities from staff were also very few (National Government Assessment Feedback Report (NGAFR), 2006).

There was not sufficient knowledge available to explain the prevalence of staff low performance in Mbarara district despite the existence of reward systems. One would wonder whether reward systems were not adequate enough and therefore responsible for the poor performance of employees. This research was set to find out the relationship between Reward management and Employee performance in local governments of Uganda. The researcher focused the study on local governments of Uganda, using a case study of MDC.

1.3 Purpose of the study

The purpose of the study was to investigate the effect of reward management on employee performance in the local governments of Uganda with particular reference to Mbarara District Council (MDC).

1.4 Objectives of the Study

1. To find out the relationship between reward types and employee performance in MDC
2. To establish how reward policies influence employee performance in MDC
3. To ascertain the relationship between reward processes and employee performance in MDC.

1.5 Research Questions

1. What is the relationship between reward types and employee performance in MDC?
2. How do reward policies influence employee performance in MDC?
3. What is the relationship between reward processes and employee performance in MDC?

1.6 Scope of the Study

The study was conducted in Mbarara District Council. It was focused on reward management in MDC and how it affects performance of employees. In particular the study considered reward types, reward policies, and reward processes as the independent variables; and time taken to accomplish work, quality of work and quantity of work as the dependent variables. 2012 was considered to be the appropriate time for this study because that's when the most reasonably reliable information would be obtained from the respondents.



1.7 Significance of the Study

There are two main reasons for carrying out research, namely, wanting to know and wanting to help, (Kathari, 2005).

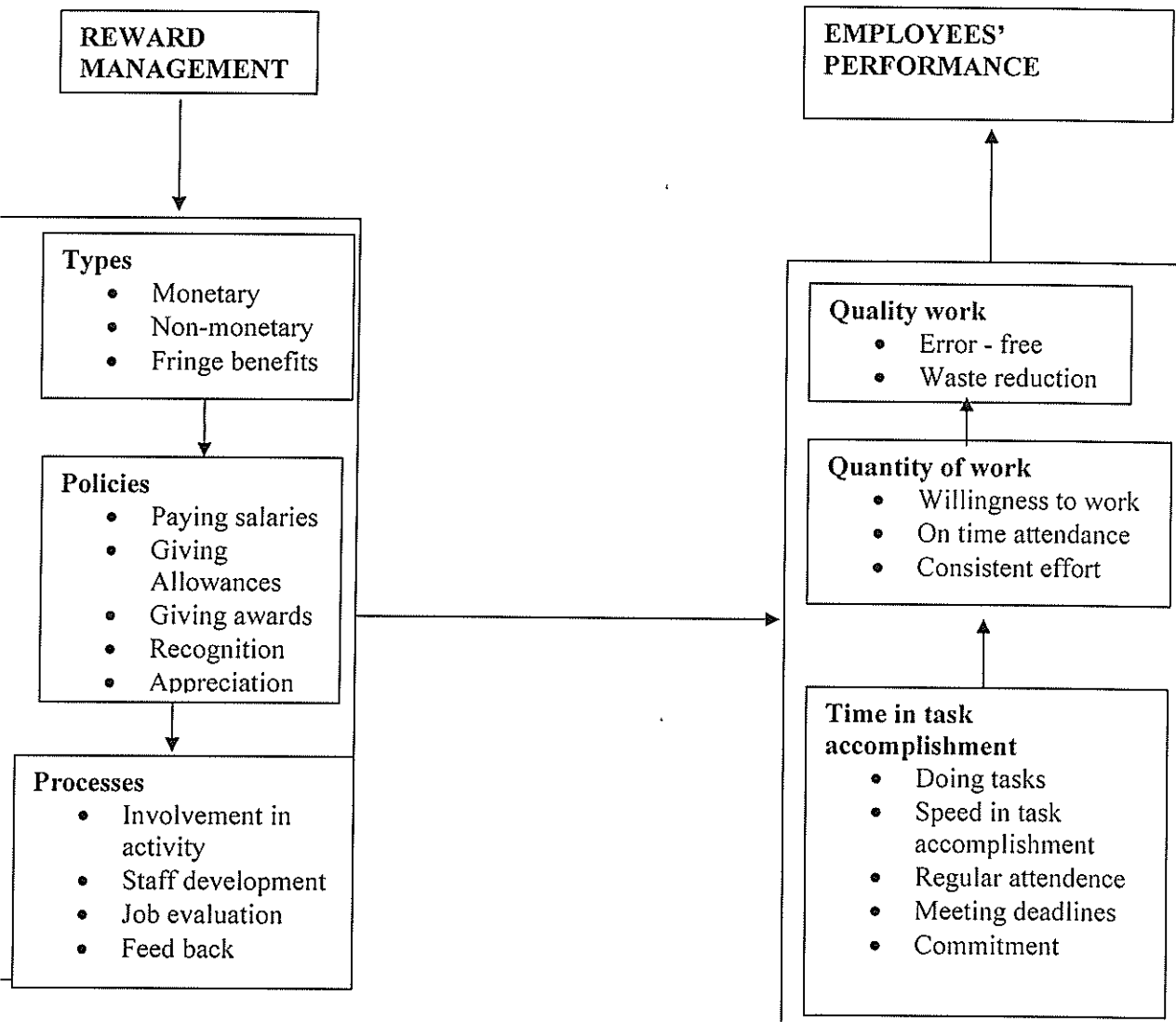
1. The study is precisely important to the academicians because it contributes to the body of knowledge to be used by other researchers.
2. The study is of significance to policy makers because the findings will help them in policy implementation.
3. They study will benefit Mbarara District Council because it recommends how best rewards can be used to increase employee performance in organizations.
4. To the public at large, the study will benefit them by getting improved services as a result of new strategies by the district council.

1.8 Figure 1: Conceptual Framework

The conceptual framework for the study was as follows;

INDEPENDENT VARIABLES

DEPENDENT VARIABLES



Source: Constructed by the researcher.

The conceptual framework depicts that rewards (the independent variables) influence employee performance (the dependent variables). It depicts that each of the variables of reward types, policies and process influences employee performance in work quality,

quantity and the time taken to accomplish a task. The arrows connecting the independent variables mean that policies, types and processes are related to one another.

As noted in the framework, reward management is constituted of reward types, practices and processes. Reward types are either monetary, non monetary or in the form of fringe benefits. Reward policies are reflected in employee attraction, retention, motivation and satisfaction through attractive salary payment, allowances or giving of awards. Reward processes supplement the system by advocating staff recognition, involvement and development in the system, staff development and job evaluation.

Employee performance is measured by its quality and quantity of work as well as the time taken to accomplish work. Quality of work will be characterized by error free work, waste reduction and efficiency at work while quantity is measurable by employee willingness to work, punctuality and consistence. Time taken to accomplish work is seen in employee attendance, neglect to work and the speed at which work is done. The overall framework depicts employer-employee relationships noting that employee output is dependent on employer input and that each of the sub variables of reward systems influences each of the sub variables of performance.

1.9 Operational Definitions

The key issues to be discussed was; management, rewards, reward types, reward processes and practices, and performance.

Management: The process of efficiently getting activities completed with and through other people.

- Rewards:** Rewards in this study refers to something desirable given in return for what somebody has done.
- Reward types:** Categories of rewards for improved employee performance.
- Reward processes:** Established adequate and consistent employer efforts to recognize employee contribution.
- Reward practices:** Acts of employee attraction, retention, motivation, satisfaction, development and retirement by employer.
- Performance:** Employee outputs that focus on quality and quantity of work and the time taken to release such outputs.

1.10 Summary

Chapter one generally presented introduction to the study. It covered a short summary of the introduction of the chapter, background of this study where focus was given to the historical, theoretical, conceptual and contextual aspect. In this chapter also, the statement of the problem, scope of the study, objectives, significance and research questions were presented. The conceptual frame work and operational definitions were presented as well. In the next chapter we will review the literature relating to this topic.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents literature related to reward management and employee performance in organizations. Its main focus is how employee performance in organizations is influenced by practices, policies and processes of dispensing monetary and non-monetary rewards, including provision of fringe benefits and psychological rewards.

2.1 Theoretical frame work

The theoretical framework upon which the study was based was the expectancy theory. The theory emphasizes the needs for organizations to relate rewards directly to performance and to ensure that the rewards provided are those deserved and wanted by the recipients. Expectancy is the belief that one's effort will result in attainment of desired performance goals. Usually based on an individual's past experience, self confidence (self efficacy), and the perceived difficulty of the performance standard or goal (Murad, 1986). Expectancy Theory of motivation can help managers understand how individuals make decisions regarding various behavioral alternatives. One example of how this theory can be applied is related to evaluating an employee's job performance. One's performance is a function of the multiplicative relationship between one's motivation and ability.

According to Ernest, (1969), Motivation can be expressed as or as a function of valence times expectancy. In layman's terms, this is how much someone has invested in something

along with how probable or achievable the individual believes the goal is. Expectancy theory was developed by Victor H. Vroom in 1964, through his study of the motivations behind decision making (Murad, 1986).

To Hannagan, (1995), Vroom's expectancy theory predicts that outcomes with a high expectancy of achievements (e.g. sales of five cars a week) and highly valued reward (say, extra commission) will direct people to exert much great effort. Conversely, outcomes with high expectations (such as promotion) and neutral or even disliked consequences (like working away from home) will reduce the amount of effort the person is prepared to invest, unless counterbalanced by highly valued rewards (such as, increased pay, status and benefits). Similarly, outcomes with relatively low expectancies of achievement (like Zero accidents on a construction site) and neutral valuations (like no perceived personal benefits) will simply not influence people to perform. Expectancy theory is, therefore, hedonistic. Basing on this theory, people will only decide how much effort they are going to put into their work according to what they perceive they are going to get out of it and according to how much they value the potential outcomes. The study therefore attempted to investigate the effect of reward management on employee performance in MDC.

According to Adams, (1963) the mind can be assisted to project and construct fairly solid and positive images, boost morale and self esteem among employees. In this situation, employees would be given better rewards that are equitable to inputs in order to boost their performance.

2.2. Effects of reward types on employee performance

According to Bratton & Gold, (2003:276), reward embraces all the monetary and psychological payments that organizations pay for their workers. The reward system in place affects employee's decisions to undertake special behavior beneficial to the organization that is well beyond contractual requirements, acceptance of additional responsibilities and keeping with the organization. This corroborates with Mackay (1989) who seems to agree with Kreither, (1995) that the more the organization rewards emphasizes style and appearance, the more the managers will be motivated to filter communication in their favor. In agreement with the above authors, rewards impact a lot on employee performance but the types of rewards necessary need to be clarified for the case of local governments in Uganda

According to Cushway, (1999:153), rewards are an essential ingredient of the organizations reinforcement strategy and will serve as positive reinforcement when they are tied directly to performance. He adds that the standard of an organization's reward systems directly affects the performance of its employees. This is in agreement with Oakland, (1999), who remarked that leaders/managers may adopt a positive or negative style. A positive manager will emphasize rewards, for example in the form of money, benefits of better working relationships. Negative leadership in contrast places more emphasis on punishments and sanctions. He believes that negative leaders stress their superiority and domination over others. Turner, (2002:228) complements this view, adding that the way in which employees are rewarded in terms of their pay and benefits communicates powerful messages which make them agree to perform some job. He concludes that reward is the mainstream of HRM practice. This is confirmed by Dessler, (2003:327), who maintain that the amount of thought

mangers devote to reward systems will lead to motivated or demotivated employees. What is not specified however is the type of rewards that are necessary and the way they should be given to the employees that will eventually bring forth good employee performance.

According to Smith & Plant, (1982), when a job meets or exceeds an individual's expectation, the individual often experiences positive emotions. These emotions represent job satisfaction. Job satisfaction in turn is a major contributor to life satisfaction, a personal goal that many find worth pursuing. Yet, Mabel, (2003), observes that some jobs are not attractive and are viewed as being boring, full of hazards, low pay, and lack of promotion potentials such as, jobs will seldom attract a non qualified pool of job applicants. The individual expectations required for positive emotions were however not mentioned here indicating that research needs to be carried out to get the employees view.

2.2.1. Monetary rewards

Bralton & Gold (2003:277) and Turner, (2002:228) identify two types of reward: Monetary rewards and non-monetary rewards. They point out that the monetary reward type plays a dominant role in the organization. However these authors are not mentioning how these rewards should be managed to up bring good performance.

Pay is a reward employees tend to expect for their efforts. Pay leads to satisfaction when it is perceived as being fair. For pay to be fair, decision on the amount of pay should reflect job requirements, people's abilities and community pay standards. By the same token, employees encounter satisfaction when they perceive that promotion decisions are the result of fair policies and processes (Bruce & Blackburn, 1992; 1976, 1983). The word fair here

seems to be relative, what is fair to one employee may not be fair to another. This therefore indicates that employees should be consulted for a clear picture on the fairness of pay.

Armstrong, (2003), while concurring with Bratton and Gold (2003) on monetary rewards, points out the centrality of money. He reveals that money includes salary and salary increases, the base pay and the variable pay. He explains that variable pay attempts to reinforce worker behavior according to individual or group differences. In the same spirit Tripathi, (2004:102) agree notes that variable pay extends to individual or group incentives, gain sharing, profit sharing, employee stock ownership and stock option plans. However, the management of the pay is not explained in this paragraph.

According to Mullins, (1999), some new pay techniques are instrumental in raising employee performance. They include commissions to customers, rewarding leadership effectiveness, new goals, pay for knowledge workers in teams, skill pay and competence pay. The pay practice has been modified over time to cater for the changing preferences of the individual. Yet Milkovich and Newman, (1990), argue that while salary is only one aspect of reward, it is the most visible and the most easily modified even in universities. Employees consider their salaries fair if the salaries are viewed as equal to those of workers in other organizations the workers perceive as similar to their own. It should however be noticed that what is important is not what the organization pays but how it manages what it pays its employees which is not mentioned here.

Bruce and Blackburn, (1992), maintain that people at work have a clear idea of what they ought to be paid in comparison with others and in relation with their skill, experience, and so forth". This is corroborating with Gruneberg, (1979) who observe that, "pay means more to an individual than just the potential of acquiring material goods". This therefore suggests that pay should be well managed if it is to influence employee performance.

Additionally, Locke, Fitzpatrick, & White, (1983) considered compensation to be an important variable in job satisfaction and included high pay in his description of the key elements of most satisfying work roles. For him, worker's perception of the fairness of compensation is more important than the actual amount received. In harmony with this, Locke, Fitzpatrick, & White, (1983), contend that individuals are guided by a moral system which is basic tenet for fair distribution of rewards. If a worker receives less than what is perceived fair, the worker considers that an injustice. On the other hand, if the worker perceived that more is received than has been earned, he/she feels guilty. Basing on this, it is important to have a well managed standard pay that will neither bring injustice nor guilt to the employees.

According to Mpaata, (2009:15), there is urgent need to ascertain whether the employees are satisfied with their work, whether work is well designed, and also to determine whether pay as well as promotion that are in place are satisfying. In the same manner, Riley, M (1991) explains that Taylor was appalled by what he regarded as inefficient working practices. He felt that employees would be prepared to work in this way in order to gain greater rewards in

the form of higher pay. Taylor therefore assumed that workers would be motivated by money. Other forms of monetary rewards and their management were not mentioned though. Stoner, Freeman, and Daniel, (2002:195), explain that statistics reveal earning gaps, which are discrepancies between the earning power of workers of similar educational background but different races. For example, a white worker with a bachelors' degree earns an average annual salary of \$44,426. A similarly qualified African American earns an average annual salary of \$34,290, and Hispanic American earns \$33,817. The gap actually widens among the more educated. The reasons for the earnings gap are complex, but they do serve as an indication that discrimination still exists in the workplace. This is supplemented by Stoner, Freeman, and Daniel, (2002) who maintain that out of frustration with discrimination and the perception that there is little chance for advancement, many minorities (and women) simply leave their jobs and start their own businesses. Companies may find it difficult to keep minority employees who feel uncomfortable in the company environment, leading to additional perceptions that minorities just don't fit in. Worth noting is that effective reward management reduces the earning gaps which is a common problem in many organizations.

According to Carton and Kelly, (1997); and Shown, (1998) identified low pay as contributing to increased employee dissatisfaction and employees leaving their profession. This view is shared by Jawahar and Stone, (2011), that pay satisfaction is significantly related to numerous employee outcomes, and attitudes towards pay mediated the relationship between compensation and work outcomes. This reminds us that employees always seek to satisfy needs through their work, and if this is not met, employees will be dissatisfied. Bruce and Blackburn, (1992); Locke, Fitzpatrick, & White, (1983) & Vroom, (1982), concur that

pay is a reward employees tend to expect for their efforts. Pay leads to satisfaction when it is perceived to be fair and it is fair when decisions on the amount to be paid reflect job requirements, people's abilities and community's pay standards. However, the argument that, there other monetary and non monetary rewards other than pay influencing employee performance is not reflected in this statement.

Chimanikire, et al, (2007) list high volume of work, inadequate salaries, allowances and loans in Zimbabwe. They suggest a need to craft a responsive reward packages that address the concern of employees. Murray & Murray, (1998) compliment this that community college chair persons were least satisfied with salary. In addition, Bishay, (1996) found that pay incentives are successful in increasing motivation and satisfaction. Although both males and females agreed that pay incentives would increase employee morale, they indicated lower levels of job satisfaction for women. He however concluded that financial rewards to a great extent satisfy older employees than young ones. This contradicts "International Project", (2000) which shows that employees are more satisfied with intrinsic rewards than extrinsic ones. As put by Ubon, (2001) the extrinsic incentives such as merit pay or effective employee rewards have not been found to affect employee job satisfaction and effectiveness among Nigerian employees. The author however does not give other forms of rewards which he claims also satisfy younger employees and how these rewards are managed.

Assessing Performance Related Pay (PRP), McCausland, Pouliakas & Theodossiou, (2005) found that PRP exerts a positive effect on the mean job satisfaction of high paid workers only. A potential explanation for this pattern was that lower paid workers' PRP is perceived

to be controlling where as high paid employees derive utility benefit from what they regard as supportive reward schemes. Using PRP therefore as an incentive device in organisations can be counterproductive in the long-run for certain low paid conditions. According to LePree, (2006), while comparing job satisfaction and salary, found an increase in job satisfaction with up to 70 percent of those who polled saying they were somewhat satisfied with their current jobs and salary level than 2001 and 2005, where the satisfaction rate was at a sluggish stand still hovering around 66%. Unfortunately, she interprets them as opportunists who see a glass more half-full than half-empty as others in the United States of America. What should be noted is that the prevailing working environment in USA differs from those in Uganda and therefore we should not rely much on LePree's report on Performance Rate Pay in USA to explain what is happening in Uganda.

It can be concluded from the above analysis that job performance is a performance function of the difference between the amount of reward a person believes should be received and the amount the person actually receives.

2.2.2 Non-monetary rewards.

Employee performance can be boosted by non-monetary rewards, also called psychological rewards, (Etzioni, 1999:32). The author indicates that employees often put their effort where they know they will be rewarded. According to him, the job content should include advancement, recognition and responsibility; maintaining that such inducements can cause employee behaviour to change positively towards decisions to work. Where such rewards are absent, there is compromise in performance. This argument is maintained by Davar, (1996) who holds that rewards can take a form of non monetary benefits that induce employee

loyalty to the organization. They are emphasized for their great impact on employee efficiency as well as morale boosting.

In agreement with Etzioni, (1999:32), Dessler (2003:483) add that HRM activities that support development, promotion from within or career advancement should be devised. He holds that social rewards like attention and praise must be contingently administered if they are to work. This corroborates with Luthans, (2005) who observes that one comprehensive review of surveys that ask the value employees place on various rewards found that non financial rewards were ranked much higher than financial ones. The rightful management of the non financial rewards was however not indicated

LePree, (2006) lists improved benefits, hiring additional employees and fewer hours of work among the top five ways of increasing satisfaction. In his opinion, Hunt, (1986) shows that tangible rewards and prizes have abundant motivation value for employees. This is complimented by Artz, (2003) that non monetary rewards stand as an important part of compensation but confirms that their role in determining job satisfaction has been mixed at best. He warns that though non monetary benefits represent desirable form of compensation, they result into decreased earnings and reduced job mobility. He however concluded that, they are established as significant positive determinants of job satisfaction. Artz, however does not explain how the non monetary rewards need to be managed if they are to make a positive impact on performance.

In a study by the US Merit Systems Protection Board (1987) (as cited by Durst and DeSantis, (1997), perceived lack of promotional opportunities was found to be the strongest reason federal employees left government service. The main reason to explain this was that such employees' careers remained stunted in one position. This is supported by a similar study by Ellickson and Lonsdon, (2001) among government workers, which found satisfaction with promotional opportunities to be positively and significantly related to job satisfaction. However, according to Kreitner and Kinicki, (1995), positive relationship between career advancement and job satisfaction depends on perceived equity by employees. It should however be realized that the US Merit Systems Protection Board may not reflect a reliable picture on the employees outside USA.

2.2.3 Fringe benefits

According to Davar, (1996:238), rewards can take the form of fringe benefit whose major objective is to induce employee loyalty to the organization. Fringe benefits are emphasized for their impact on greater employee efficiency, productivity as well as morale boosting. Offering benefits depends on compensation policy where the organization offers the best for best expectations. Employee performance can be influenced where management cares about employee welfare, (Mullins, 1999:812). He cites that if employees are worried about housing, job security and welfare, for example, their effort will be wasted in thinking about the fulfillment of these things and not work. Fleet, (1991:371) expounds more on the view, noting that effective rewards should satisfy the basic needs of the employees. In the opinion of Hunt, (1986:226), tangible benefits like gifts and prizes have abundant motivation value for employees.

Yet, Mathis & Harold (2008), in conformity with Hersey & Blanchard, (1993), concur that employees discuss with their managers career opportunities with the organization and career developments activities that will help---promotions reward individuals with status, security, and the opportunity for further development. The contribution of fringe benefits to employee performance in Uganda is not clarified here, what is given is a general picture.

Dessler, (2003:388), Mullins, (1999:812) and Daft,(2000:418) all contend that fringe benefits can lead to concentration in one's job, but warn that Managers should address the issue of what benefits to offer, who to receive them and at what time. He adds that employees should be allowed to select from a benefits menu, pointing out examples of employees' recreational opportunities, free lunch, break tea, and accommodation, provision of food and other items on occasion days, salary advance arrangements and contributions to burial expenses. This substantiated by Drucker, (1992) in agreement with Davar, (1995:185), that reward may be intrinsic or extrinsic. He explains that intrinsic rewards are psychological and are directly felt by the individual. They are said to include feelings of accomplishment, increased self – esteem and satisfaction of developing new skills. Extrinsic rewards are provided by an external agent and they include bonuses, praise or promotion. Rewards including fringe benefits effectively influence performance when they are well managed; this is missing in the above argumentation though.

Ssesanga, (2001) found that academic staff at mid and junior levels were less satisfied with benefits and compensation leading to increased turnover. This is in agreement with Chiun Lo and Ramayah, (2011) finding that there was a positive and significant relationship between career mentoring and all the dimensions of job satisfaction, but no significant relationship

was found between psychological mentoring and job satisfaction. Yet, in his opinion, Hunt, (1986) shows that tangible rewards and prizes have abundant motivation value for employees. By this expression, it can be observed that different authors report differently on the relationship between fringe benefits and performance, thereby calling for a research in this area.

On the other hand, Artz, (2008) uses the working in Britain 2000 dataset and finds that recognition and career advancement have no significant impact on job satisfaction. Donohue & Heywood, (2004) find a similar result in the tenth wave of the National Longitudinal Survey (NLS) regarding employer-provided retirement plans. The ambiguous results of past estimates arise primarily from conflicting theoretical effects that non monetary rewards can have on job satisfaction. However, this theory may not be the only explanation for the differences. Some of these mixed results may stem from the use of alternative sources of data or from the institutions of different countries primarily Uganda.

2.3 Influence of reward policies on employee performance

According to Kandula, (2006), reward policies and practice include payments of salaries and allowances, conducting of awards, promotion of employees, training and job enrichment. He seems to agree with Okellowange, (2000) explains that the rewards generally include a monthly salary, allowances, accommodation, and the intangibles like praise and recognition, and promotion among others. Human resource policies and managers behavior can influence pay satisfaction as much or more than actual pay, that is, results for informational justice suggest that reward satisfaction can be increased by clearly and candidly explaining and communicating the organizational procedures and processes (Jawahar & Stone, 2011). In his view, Arora (2003) total reward policies provide for a holistic approach to be adopted to

reward management, which ensures that all aspects of reward are treated as a coherent portfolio of policies and practices. Whether this can equally apply to the employees in Uganda is not clarified here.

2.3.1 Paying Salaries

Cushway, (1999) has noted that provision of feedback is an essential practice as people have an intense desire to know how they are performing. He emphasizes that feedback is expected from the organization, co-workers as well as customers. He notes that it should be positive, immediate, and graphic and specific if it is to work payment should be timely, competitive and equitable. In consonance with these views of Torrington and Hall (1995:616) observe that employees who feel underpaid or un fairly paid will usually demonstrate withdrawal behaviour; including lateness, carelessness, disgruntlement and absenteeism. Yet Mpata, (2009) observe that there is urgent need to ascertain whether the employees are satisfied with their work, whether work is well designed, and to also determine whether pay as well as promotion that are in place are satisfying. Pay and promotion are rewards employees tend to expect for their efforts. This seems to harmonize with Bruce & Blackburn, (1992) who in agreement with Locke, Fitzpatrick, & White, (1983) maintain that pay and promotion tend to lead to satisfaction when they are perceived as fair. For pay to be fair, decision on the amount of pay should reflect job requirements, people's abilities and community pay standards. Even equitable management of the salaries is not explained by these authors.

Bruce and Blackburn, (1992) supported the theory that pay equity is more important than the actual dollar amount and thus "people at work have a clear idea of what they ought to be paid in comparison with others and relation with their skill, experience, and so forth".

Gruneberg, (1979) observed that, "Pay means more to an individual than just the potential of acquiring material goods". In their opinion, Decenzo & Robbins, (1999), indicates that pay adjustments based on seniority are distributed on non performance criteria; they contribute towards keeping people in the organization than towards stimulating them to high levels of effort. This seems to correlate with Hibbert, (2012) presents that full council should approve resolution of the full council before it comes into force salary packages. It is however not indicated above whether this policy can be applicable in Uganda or not.

According to Luthans, (2005:522) despite the problems with traditional pay approaches, recent analysis of the research studies concludes that money contingently administered can have a positive effect on employee behavior. However, he observes that there are even shortcomings with merit pay mainly due to implementation issues such as poor measurement of performance, lack of acceptance of supervisory feedback, limited desirability of merit increases that are too small, a lack of linkages between merit pay and performance and potential unintended consequences such as focusing only on merit related activities and behaviors. How the money should be administered if it is to have a positive effect on performance is not mentioned.

Shower, (1987) reports that benevolent individuals reported high pay satisfaction, perceived pay fairness and lowest turnover intentions. However, entitled individuals did not report lower overall pay satisfaction, perceived pay fairness or higher turnover than equity sensitive individuals. Shower, concluded that equity sensitive groups preferred being over rewarded than being equitably rewarded and were relatively distressed when under rewarded.

Similarly this agrees with Stringer, et al., (2011) that pay fairness is more important and those who perceived pay as not fair, generally made comparisons with others or felt that pay did not reflect their effort. This indicated the dangers of inequity in any organizational setting. This is because pay fairness was seen as an important issue in the design of pay for performance systems.

2.3.2 Allowances

Robbins, (1998) concluded that a satisfied workforce leads to higher productivity because of fewer disruptions such as absenteeism, departure of good employees, and incidents of destructive behavior. The presence of satisfied employees also translates into lower medical and life insurance costs. Financial rewards include the usual pay check, allowances, and bonuses among others. (Okellowange, 2000). However, the contribution of allowances to employee performance is not streamlined and clarified

2.3.3 Giving Awards

According to Luthans (2005) a formal recognition award such as the “Golden Banana” at Hewlett-Packard or “Employee of the Month” given at many companies can initially be a reinforcement, but over time may cross the line and become an empty reward and be perceived even in a negative light. The standard awards necessary for employees in Uganda was not explained.

2.3.4 Recognition

A staffing company reported that the number-one reason employees give for leaving companies is the lack of praise and recognition. He reports that it was found that both social recognition and performance feedback had a significantly higher relatively administered pay for performance. Informally providing contingent recognition and attention tends to be a

very powerful reinforce for most people, Motowidlo, (1996). According to Kandula, (2006), the organization must design and opt for the most appropriate recognition schemes ranging from appreciation letters to conferring annual awards to inviting on the board of company as special adviser. Secondly such schemes must be administered with hard core sincerity and commitment. Criteria for identifying candidates for bestowing recognition must be foolproof, objective, measurable and transparent. Whether the Uganda employees are well recognized is not mentioned by the author.

Ololube, (2005) reports that recognition, authority and independence, are ranked high in meeting job satisfaction needs. This contradicts Herzberg's theory that hygiene factors like recognition do not lead to having satisfied employees. However, employee perceptions of job security, opportunity for career progress and recognition are said to be highly correlated with job satisfaction (Durst & DeSantis, 1997). The same view comes from the US Rewards and recognition review (2002), that the desired outcome of a recognition program is to improve performance, employee retention and satisfaction. Ololube, adds that motivation and reward can make up a big part of the overall employee recognition program. The US rewards and recognition of employees may not necessarily depict what is happening in Uganda's local governments.

2.3.5 Appreciation

One cannot justifiably expect employees to appreciate quality, think quality and produce quality if institutional rewards such as compensation are perceived as poor and therefore not appreciated by staff members (Mpaata, 2009). This corroborates with Newstrom and Davis (2002:190) who assert that rewards distributed to employees should be appropriate in nature, timing and distribution and should satisfy employee primary needs in order to make them

perform. It is not clear whether this exactly relate to the employees in local governments Uganda.

Wehrich & Koontz, (2002:477) point out the reasons for expeditious attention to reward processes. According to the authors, rewards can be a bad idea. They explain that rewards are outcomes, not reasons and can discourage risk taking. Basing on these reasons, Dressler, (2003:388) cautions that Managers should determine the rewards value by each employee by asking them and observing their reactions. They should also determine the performance they desire and tell employees it will be attached to rewards. Analysis of factor that might counteract the effectiveness of reward should be done. Whether this suits employees in local governments in Uganda is not mentioned.

2.4 Influence of reward processes on employee performance

2.4.1 Involvement in activity

Merging individual identity and collective employees with the organizational identity organizations can achieve best performed only when all employees optimize their potential. This optimization comes only through involvement. In order to get such a high degree of involvement. Employees need to be paid equitably and recognized well. All these aspects are in built in the reward-based performance management strategy in the form of monetary, indirect monetary and non-monetary rewards, (Wanous, Reichers & Hudy, 1997). A reward strategy must be oriented and matured to inspire employees to voluntarily commit themselves and their and their identity with organizational identity, which they own.

Institutionalisation of performance management witnesses its finest moment when such merging of identity takes place. It is easier said than done, (Kandula, 2006).

According to Tukahebwa (1997), the managers looked at employees as not having commitment to the organization but there to extract as much as possible in the shortest time possible and with the least inconvenience on their part. The author continued to state that this argument can be summed by Taylor's scientific management, that they live for a present rather than the future. He however does not explain how the managers looked at employees in particular reference to local government workers in Uganda.

2.4.2 Staff development

According to Chandan, (1997), it is important that employees be inducted into training programs to improve their knowledge, skill and future performance. This relates with the view by Zigon, (1998) who explains that Staff development is a long-term process of improving the skills, beliefs, attitudes, and perceptions of individuals so that they can be prepared for future job challenges. It is important because it contributes significantly to the process of improving the performance of the organization. Training and development analysis is meant to establish what is required by the employees in terms of skills, competences, attitudes and the behavior patterns, (Komunda, 2003). The training and development analysis among local governments in Uganda is not reported.

Weihrich & Koontz (2002) concurs with Giegold (1978) that the employee must receive some input to awaken awareness on the need for training. Komunda, (2003) defines training as organization with a body of knowledge and skills necessary for them to understand the

overall working of the organization and to be able to perform specific tasks with a high level of performance. She further stresses that in the case of off the job training; this is where a person goes on training away from the job. This can mean going abroad or within the country but in a place where the person will have all the time for training. You provide much of the input through the performance appraisal process, through feedback on the job performance, through progressive reviews and annual performance appraisal sessions offered to encourage the employee to explore the need for improvement. Martin, (1999) remarks that, on the job training is very common especially when the work involved is not complex. The on job training of employees in Uganda was not well reported in the available literature and this calls for a research about it.

2.4.3 Job evaluation

It is necessary to create a working environment which will be conducive to maintaining the workforce and keeping them in high morale. The employees should be fairly paid for their work and a conceptual environment created in which the employees feel a sense of belonging with the company. According to Planty, McCord and Efferson, in Chandan, (1997:177-178) the training must be planned systematically in order to accomplish the desired results efficiently; must be aimed at all employees of the firm; must result in benefits both to the organization as well as the employee. The process of Evaluation by results must take into consideration factors that may be beyond the managers control; such as goals too high to be achieved with reasonable effort, effect of external conditions which may be unfavorable such as strikes or economic recession, and any changes in results can be evaluated periodically in order to record the rate of progress and are easier to evaluate than simply the amount of effort put in, (Shawn, 1998). The training for all the employees is not

easy in a third world country like Uganda, however a clear picture could be got by visiting the organizations in the country to see how they operate.

Giegold, (1978) points out that the appraisal provides a rational basis for determining compensation and other forms of recognition and reward for the top performer and a chance to achieve for those who are turned on by the thrill of accomplishment. He further concurs with Koontz & Heinz (2004), who clarify that the day to day contacts between the manager and subordinates provide the early-warning system needed to prevent drift. The periodic appraisal and progress receive enable discussion that provide the longer range perspective on how the job is going and needs to be done. Yet Giegold (1978) points out that Dr. Nathan Winstanley, a practitioner in the field recommends that formal appraisal should be taken out of the salary administration process, that automatic merit increases be given up to the midpoint of a salary range on probationary "go-no-go" basis, and that the upper half of the range be reserved for those demanding exceptional work. To implement this Winstanley recommends that a portion of the money allocated to a component for salary increases be withheld from the "automatic" category and used to reward those completing an outstanding piece of work. Ducker (1992) explains that we acknowledge the fact that the appraisal process is commonly used to decide who gets salary increases and how much. It is not clear whether the appraisal process among the local governments in Uganda is up to standard.

Chandan, (1997: 411), notes that the next step in the control process is to compare actual performance to the standards set for such performance. This comparison is less complicated if the measurement units for the standards set and for the performance measured are the

same and are quantitative in nature. Such comparison becomes more difficult when they require subjective evaluation. The comparison tells us if anything has gone wrong in the process or operations, if there is any deviation or positive and what must be done as a restorative process for correcting such a deviation. Furthermore, this comparison, not only results in the correction of the divergence, but also ensures the application of the preventive steps which could guide the conduct of operations in the future.

Joyce & Woods (2001), maintain that the review process consists of the day –by-day assessment of progress, continual problem solving which keep things moving, and periodic reviews where in the manager and the employee asses results and re-plan future efforts if necessary. To Dec Cenzo & Robbins (1999) clarify that Performance appraisal process, its outcome will affect employees' motivation. They argue that people expect their work to be objectively evaluated. If they think their efforts will be unfairly judged, motivation will decrease. They define appraisal process as, a toll admirably suited to satisfying employees' needs for help, recognition and personal growth. Whether the review process in Uganda is day –by-day is not streamlined here.

2.4.4 Feedback

According to Mpaata, (2009), we should have feedback through research, such as this, in order to move ahead as professionals. There is little question that despite the tremendous amount of data being generated by today's advanced information systems, individuals still receive very little, if any, feedback about their performance. People generally have an intense desire to know how they are doing. They engage in feedback-seeking behavior. Even though feedback has been found to be complex in research studies, it is generally accepted

that feedback enhances individual performance in behavioral management. Yet Luthans, (2005: 525) maintains that despite the recognized importance, there is still disagreement among scholars as to whether feedback per se is automatically reinforcing or too simplistic. The authors' explanation on feedback is not specifically referring to any area or organization; they generally present its importance in behavioral management.

One study found that self-generated feedback with goal setting had a much more powerful effect on technical or engineering employees than externally generated feedback with goal setting. Another study found subjects rated specific feedback more positively than they rated nonspecific feedback and preferred feedback that suggested an external cause of poor performance to feedback that suggested an external cause. And the source of the feedback seems important as well. Individuals viewed feedback from formal organizations least positively, from coworkers next, then from supervisors and tasks with the best being self-generated feedback, (Luthans, 2005). This however may not be reflected among the local governments in Uganda.

2.5 Employee Performance

Oakland, (1999:167) observes that performance refers to how well an employee is fulfilling the requirements of the job. He notes that it results from a combination of ability, effort and direction and that it can be influenced by environmental factors. Armstrong, (2003:622) argues that rewards and reward systems should be designed to result in desired employee performance regarding aspects like quality of work, the quality of work done, the time taken to accomplish tasks and the overall organizational profitability. This corroborates with Syrett, & Lamiman, (1998), who explain that performance takes the form of in-role and

extra-role where the latter consists of those employee functions that are discretionary of the individual while the former are part of the job contract. The relationship between reward management and Employee performance among local governments in Uganda is not clarified.

It should be noted that apart from reward management there other factors that influence performance. For example Chandan, (1997: 127), observes that while planning does not guarantee success in organizational objectives, there is evidence that companies that engage in formal planning, consistently, performed better than those with none or limited formal planning and improved their own performance over a period of time

In addition many women face sexual harassment on their workplaces. Stoner, Freeman, and Stoner, Freeman, and Daniel (2002:193), observe that sexual harassment consists of any unwanted sexual behavior, including but not limited to suggestive looks, sexual jokes, touching, or pressure for sexual favors. According to them, The Equal Employment Opportunity Commission (EEOC) has defined two types of sexual harassment in the work place. The first labeled quid proquo harassment, occurs when sexual favors are requested or demanded in exchange for tangible harm-loss of job, demotion. The second type of harassment is labeled hostile environment. It is more complex because claims of this type can be made for unwelcome sexual conduct, either physical or verbal, that “unreasonably interferes with an individual’s job performance” or that can be said to “create an intimidating hostile or offensive working environment”. It is difficult to point out exactly what a hostile environment is; sensitivities differ and what is offensive to one woman is not necessarily

offensive to another. A clear picture about sexual harassment among the local governments in Uganda is not given though.

According to Robbins & Coulter (2005), sexual harassment is a serious issue in both public and private sector organizations. During 2002 more than 14000 complaints were filed with Equal Employment Opportunity Commission (EEOC). Though most complaints are filed by women, the percentage of charges filed by males has risen every year since 1992. Better still Stredwick (2000) notes that, sexual harassment is a global issue. For example, in such countries as Japan, Austria, Netherlands, Belgium New Zealand, Sweden, Ireland and Mexico, sexual harassment charges have been filed against employees. Sexual harassment creates an unpleasant work environment and undermines workers ability to perform this job. Lawton (1998) defines harassment as, any unwanted activity of a sexual nature that affects an individual employment. Yet Thomas, (1990), defines sexual harassment as; “unwelcomes sexual advances, requests for sexual favours and other verbal or physical contact of a sexual nature”. Martin, (1999) points out that prior to 1980; sexual harassment was generally believed to be an isolated problem, with the individual committing the act being solely responsible for his/her actions. However, the countries that are referred to all European and Asian, yet the working conditions and the status-quo among the African countries may not be the same.

Luthans, (2005) emphasizes that even though what constitutes sexual harassment is far from being objective and is ambiguous, employees must recognize that they need to stop possible actions at the work site that may be interpreted as being offensive to someone. What exactly

is happening among the local government workers in Uganda in relation to sexual harassment is however not reflected by the above authors.

Giegold (1978) traces that the basic problem is that, delegation often is considered as an act rather than as an ongoing process. He further remarks that the manager, like football coach, owes his success to the performance of employees. The author believes that, in an organization, employees typically come from diverse background and have different patterns of speech. Stewart & McGoldrick (1996) argue that many communication problems can be directly attributed to misunderstanding and inaccuracies. Whether delegation exists among the local government workers in Uganda is not clarified

According to Komunda (2003), job stress can occur in any job. Job stress can be defined as the inability to cope with the pressure in a job. Bennet (1989), defines stress as the non specific response of the body to any demand. According to a report of a task force to the secretary of health, education and welfare it was found that, job dissatisfaction and over all unhappiness are stronger predictors of coronary heart disease than are any of the traditional risk factors such as blood pressure cholesterol and exercise. Casio, (1986), in a survey of job stress and its effects at the University of New England found that the higher levels of job stress are associated with dissatisfaction regarding work, psychological distress, negative effect, anxiety and poor health. Armstrong (1995) observed. Scott & Arthur, (1984), concur with Asch & Bowman (1987) that, it is often assumed that stress is caused primarily by over work. In fact it has been showed that stress can be created by the opposite. Scott (op cit) traces that, while certain amount of pressure is essential to good performance, stress creates

mental and physical health hazards which adversely affect not only the individual but also the organization. Bennet (1989), indicates that, a research into the cause of stress is still taking place and the picture which is emerging is a complex one. He further notes that there is a considerable guidance that, simply working in a large and complex organizations is itself a source of stress. Stress management is however missing in the above explanation.

2.5.1 Measurement of employee performance

Measurement of employee performance is important in promoting equity in reward systems. Measurement begins with identification of critical performance behaviours (Davar, 1996). According to Delhi, (1985:122), critical performance behaviours include lack of commitment, absenteeism, tardiness, ignoring doing tasks and disrupting workers. Oakland, (1999:173) points out that measurement of performance behaviours uses a baseline measure to determine the frequency of occurrence. He concludes that measurement should come up with data on quantity, quality, turnover, absenteeism, and number of clients served, employee grievances and others. According to Stewart, (1996:83) the measurement of employee performance should include a functional analysis of behaviour by identifying antecedent behaviour, the behaviour of the individual and consequences. She adds that the behaviour analysis will call for reviews in reward systems among others.

Rao and Narayana (1997:203) point out that employee performance measurement involves development of an intervention strategy and then evaluation. They stress that strategies could be reflected in reward structures and systems and that evaluation should be based on employee quality of work, dependability, versatility and cooperation of employees.

During the 1930s -1950s, the notion existed that happy workers are productive workers. Research conducted based on that notion and with goal to show a positive relationship between job satisfaction and job performance found little support for such a relationship (Locke, Fitzpatrick, & White, 1983). Bruce and Blackburn (1992) presented the fact that a positive job satisfaction-performance relationship is possible, but so is the possibility of no relationship as well as a negative relationship. Spector, (1997) pointed out the potentiality of a performance-satisfaction relationship in addition to the satisfaction-performance relationship. In this opinion, more evidence exists that better performances experience more job satisfaction because they receive rewards associated with good performance.

Considering the financial performance in terms of annual returns of the 100 best companies to work for in America, Griffin (1981) asked the question: "Do employees make companies successful, or do successful companies make employees happy?" Pfeffer, (1990) contends that high compensation contingent on organizational performance is one of the seven human resource practices of successful organization. In this way, some relationship exists between what a firm pays its employees and the quality of the workforce it attracts and retains. According to Pfeffer, the level of salaries sends a message to the organization's workforce whether they are truly valued or not.

Additionally, Cole, (1997:152-153) contends that since the performance of the operating units within an SBU (Strategic Business Unit) affects the latter's own performance, then it is likely that a strategic review will also encompass the performance against targets/budgets set for the operating units. Judging from the evidence obtained by researchers, such as Peters

and Waterman (1982) in their search for 'excellence', and Goldsmith and Clutterbuck (1984) in their search for what constitutes 'success', there are some primary measures against which successful companies can be assessed. Some of these measures are of effectiveness, others are of efficiency.

Measuring strategic performance is not only a question of assessing effectiveness; it is also about efficiency that is the productivity of the resources that have been employed in pursuing the organisation's objectives. Efficiency is essentially a matter of managerial stewardships. Yardsticks of efficiency indicate how well the management of an enterprise has utilized the human, physical and financial resources at their disposal. Some such yardstick are appropriate to assess overall corporate performance, and these include: Return on Total Assets (ROTA), Return on Shareholders' Capital (ROSC), Return on Capital Employed (ROCE), Profit margin on sales, and Earnings per share.

According to Armstrong (2003) work output is dependent on employee willingness to expend consistent effort in presenting quantifiable work. Rue and Byars add that quantity of work is bolstered by on- time attendance. Successfully performance employees will target quality by being initiative, innovative, sharing knowledge, accepting change and working as part of a team, (Oakland, 1999:142). According to Oakland (1999), task accomplishment cannot be achieved if employee attendance is not regular, if they ignore doing tasks and if they are involved in slow-downs.

2.6 Summery

From the available literature, there is considerable evidence that reward types, policies and processes influence reward management. It is evident too that reward management can motivate or de-motivate an employee to perform. This evidence, however, is of general application and so cannot explain case by case. It is not clear whether the reward management in Mbarara Town council is effective in the manner cited by the authors in this chapter. This study there intends to fill this gap by looking specifically on reward management and employee performance. Attention will be focussed on how Monetary rewards, non monetary rewards, fringe benefits, reward policies and reward processes influence employee performance in MDC. In the next chapter we present the methodology that was used for this study.

CHAPTER THREE

METHODOGY

3.0 Introduction

The rationale of this chapter is to make readers or other researchers understand how the findings were to be reached at and help in the analysis of data. The chapter covers the methodology that was used in the study which included: the research design, study population, sample size and selection, sampling techniques, procedures, data collection methods, instruments to be used, pre-testing of research instruments and data analysis.

3.1 Research design

A case study design was adopted for the study. This blend of design was considered ideal for the study because it covers describable quantifiable behavior. Both quantitative and qualitative approaches were used to allow the researcher arrive at empirical evidence and helped to understand the study in depth and in its natural setting, recognizing its complexity and its content. Selective Interviews (SI) were done targeting heads of department because they participate directly in reward management of the District.

3.2 Study population

The study population was Mbarara District Council employees, covering eight departments of Administration, Finance, Works, Education, Community based services, Natural resources, Planning and Production. This was with respect to reward types, policies and processes and their influence on employee performance.

The study involved the top management of salary scale UISE-U2, senior staffs of salary scale U3-U4, lower cadres of scale U5-U8 and administrative staffs across all departments. The study population was 422 employees. In addition, 6 key informants were interviewed for broad based and reliable information. They included the CAO, DCAO, PPO, Lc V Chairman and 2 councilors

3.3 Study area

The study was conducted in Mbarara District Council located in Nyamitanga Division, Mbarara Municipality. Mbarara is located in the South Western region with a geographical location of longitude 1 30S and 0 30N longitude 30 20E 31 20W. On average, the district lies 1800 metres above sea level. It neighbours with Isingiro district to the South, Lyantonde and Mubende to the west, Bushenyi and Ntungamo to the east and Ibanda to the north. The period of focus will be the financial years 2008-2010. The area of focus will be reward management systems in MDC and how they affect performance of employees.

3.4 Sample size and selection

A representative sample of 205 respondents was selected from the total population of Mbarara District Council. Selection was taken into account all the eight department and positions of the respondents. This was calculated using the following formula, (Sloven's formula

$$n = \frac{N}{1+N(e^2)}$$

Where, N=Total population=422

n = Sample size

e = level of significance/ margin of error = 0.05

$$1 + (422) \times (0.05)^2 = 205$$

Source: Olive M. Mugenda & Abel G. Mugenda (1999).

3.5 Sampling techniques and sampling procedure

Stratified sampling technique was used. The aim was to achieve desired strata representations of employees from various departments in the District Council. Also departments have un-even target staffs. Samples per departments were calculated according to the number of staff and their level of hierarchy. As follows:

No. of staff per department/Total population*100

The sample size per department is calculated by getting the department number of employees divided by total number of employees of the study population, multiply by total sample size.

Table 1: Sampling procedure

Strata/departments	Total No of employee	%	Sample size
Administration	93	21.8	45
Finance	74	16.6	36
Works and water	48	11.4	23
Education	19	4.37	9
Community based services	61	14.57	30
Natural resources.	30	7.28	15
Planning	10	2.4	5
Production	87	20.4	42
Total	422	100	205

After identifying the strata, systematic sampling was used to select respondents. The Chief Administrative Officer (CAO), deputy Administrative Officer (DCAO), PPO, LC V Chairman, 2 Councils and eight heads of department were purposively sampled for purposes of eliciting their opinions on the administration of performance rewards in local governments.

The sampling frame to be adopted was taken into consideration District employees who had served for a minimum of two years of unbroken service; these were chosen because they had enough experience hence was able to give adequate information about the subject.

3.6 Data collection methods

These included questionnaire, conducting face-to-face interviews with key informants and documentary reviews regarding reward processes, types and policies in relation to employee performance. Data was collected with the aid of structured questionnaire because they are instrumental in obtaining detailed information from samples selected. Sarantakos (1997) recommends the use of questionnaires, because they offer respondents with limited interference on the part of the research personnel. Interviews were conducted from the CAO, DCAO, Principal Personnel Officer (PPO), LC V Chairman and 2 Councils.

This was to enable the researcher obtain more elaborative, accurate information and in depth data through further probing which may not be possible in the questionnaire. The questionnaire presented 5 preceded responses rating using the likert scale to ease respondent effort in filling the questionnaire and helped minimize the subjectivity. Also the researcher believes that more sensitive and personal information acquired. Two research assistants were employed to distribute the questionnaire and ensure that they are collected.

3.7 Data collection instruments

The main instrument for the study was a questionnaire; both the questionnaire and interview were designed to answer all the research questions raised. To supplement questionnaire response, an interview guide was used to provide an opportunity for an in depth study.

3.8 Pre-testing (validity and reliability)

The research questions and interviews were measured to determine the level of consistency using the co-efficient alpha. The aim was to erase out error that might arise from inaccurate

coding, ambiguous instruments and interviewer's bias. The findings implied that the larger the reliability, the smaller the error and smaller the reliability, the larger the error will be. The results that were tested and found scores above 0.5 would indicate good credits hence better for use. Those below five indicated bad credits hence the researcher would redesign new questions. Before research is conducted in the field, a questionnaire was pre-tested to 25 selected respondents from the eight departments using technique used was Cronbach Alpha technique, (Amin, 2005)

Table 2: Summary of reliability coefficients of study variables.

Variable	Number of items	Reliability coefficients
Monetary rewards	6	.716
Fringe benefits	5	.635
Non monetary rewards	7	.673
Reward policies	4	.574
Reward processes	6	.703
Employee performance	9	.769

3.9 Procedure of data collection

These were both primary and secondary data. Primary data included all staff to respond to the questionnaire and to be involved in the interview. Secondary data was sourced from relevant publications, office documents and the internet.

3.10 Data analysis

A statistical computation was applied using the Statistical Package for Social Scientists (SPSS). In particular, data was coded to give it meaningful patterns. Correlation co-efficiency was used to determine which variables were more important in influencing employee performance in Mbarara District Council. The regression co-efficient analysis was carried out to find the cause- effect relationship of variables under study and to confirm the results by Pearson's Correlation analysis. These were used as points of intervention that needs to be solved.

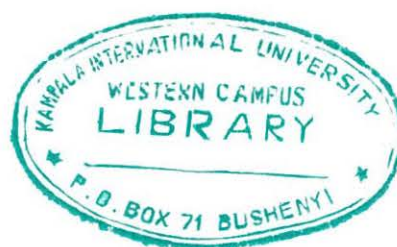
3.11 Ethical issues

The researcher sought and was given a letter of authority from the office of the Director of Graduate studies of KIU. He explained to the respondents the purpose of the study and convinced those who were hesitant on responding about the benefits of the study. There was primary and secondary data. Primary data was from employees who responded to the questionnaire and interviews to CAO, DCAO, PPO, LC V and 2 councilors. Secondary data were sourced from relevant publications and office documents.

3.12 Limitations of the study

Although the purpose of the study was well explained, some employees did not want to participate in the study claiming that they had participated in several studies and have never gained anything from them and only researchers do benefit from such studies. This consumed much of the time and affected the quality of the study as their opinions would have made a difference in the study findings.

Due to rampant absenteeism, meetings and part-timing business among employees in MDC, it was discovered that some workers were not easily accessed or had little time with the researcher during the time their offices were visited. This meant that such employees never had a chance to participate in the study or gave information that was half pecked and yet their opinions would have made a difference. Important note also is that the findings of this study may not necessarily apply to other cases.



CHAPTER FOUR

ANALYSIS, INTERPRETATION AND PRESENTATION OF DATA

4.0 Introduction

This chapter analyses, interprets and presents the data that were collected. The main focus of the chapter was to establish the relationship between reward management and employee performance in MDC. The presentation was based on the objectives and research questions of the study as shown below. Below, a summary of the respondents' response rate and respondents' background information are presented first.

Table 3: Respondents' response rate

Category	Sample size	Number of responses	Response rate
Administration	45	44	97.7
Finance	36	36	100
Works	20	20	100
Education	12	11	91.6
CBS	30	29	96.6
Natural resources	15	15	100
Planning	5	5	100
Production	42	40	95.2
Total	205	200	97.5

Table 3 indicates that from the sample size 205, majority of respondents totaling to 200 employees returned the questionnaires answered. In addition, all the targeted respondents to the interview guides responded with 100% response rate.

4.1 Background information of respondents

Table 4: Age of Respondent

Category	Frequency	Percent
18-25	50	25.0
26-35	84	42.0
36-45	53	26.5
46-55	12	6.0
56<	1	.5
Total	200	100.0

Table 4 presents the age of respondents to the questionnaire. This was intended to establish the levels experience in Public service and more specifically in MDC. This was done by grouping respondents into 5 age categories of 18-25, 26-35, 36-45, 46-55 and 56 and above. As presented in Table 3, 50 respondents (25 percent) were between 18 to 25 years, 84 respondents (42 percent) were between 26 to 35 years, 53 respondents (26.5 percent) were between 36 to 45 years, 12 respondents (6 percent) were between 46 to 55 years and 1 respondent (0.5 percent) was above 56 years. The Table further indicates that the second category of 26 to 35 had the majority of respondents (42 percent), followed by the third category (26.5 percent), the first category (25 percent), the fourth category (6 percent) and

the fifth category (0.5 percent) respectively. This meant that in MDC majority of the employees were still young and energetic and would worry much about the management of/rewards offered to them.

Figure1: Pie Chart showing Sex of respondents

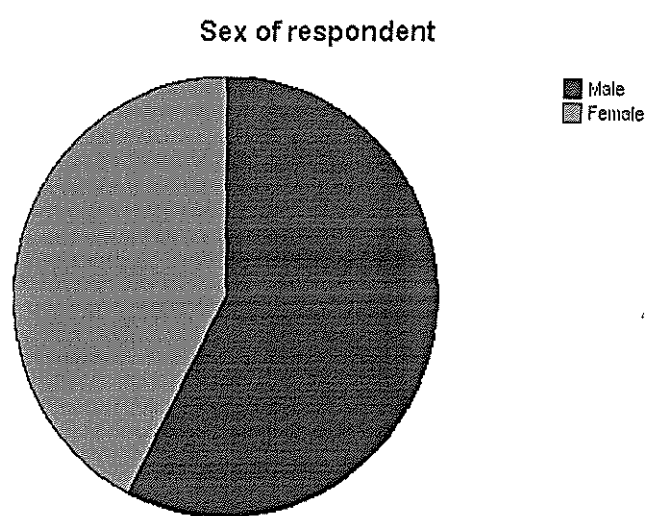


Figure 1 presents the sex of respondents from MDC. The Figure indicates that 115 respondents (57.5 percent) were males while 85 respondents (42.5 percent) were females. This meant that there were more males than females among the employees in MDC.

Table 5: Duration in Service in Council

Category	Frequency	Percent
1-5	65	32.5
6-10	85	42.5
11-15	39	19.5
16<	11	5.5
Total	200	100.0

The researcher investigated the respondents time spent in the district service in MDC as presented in Table 5. This was done by forming 4 periodical categories in years of 1-5, 6-10, 11-15 and 16 and above. The Table indicates that majority of respondents (42.5 percent) had served between 6 to 10 years, followed by the first category with the respondents who had served for 1-5 years (32.5 percent) and those that had served between 11-15 years (19.5 percent). The respondents who had served for 16 years and above were the lowest number (11 respondents) and made 5.5 percent. The table meant that the respondents who had served for a short period (32.5 percent) between 1-5 were higher than expected, indicating that there might have been high turnover in MDC.

Table 6: Employment level

Category	Frequency	Percent
Support Staff	58	29.0
Technical Staff	96	48.0
Supervisory	37	18.5
Top Management	9	4.5
Total	200	100.0

As presented in Table 6, the majority employees (48.0 per cent) were technical staff, followed by support staff (29.0 per cent), supervisory staff (18.5 per cent) and top management staff (4.5 per cent) respectively. This table shows that all the categories of employees were represented.

4.2 Reward types and Employee performance

The first objective was to find out the relationship between reward types and employee performance in MDC. Data was analyzed using a triangulation of methods; administering a questionnaire and conducting face to face interviews among MDC employees. Data collected with a self administered questionnaire was subjected to Pearson's correlation and multiple linear regression analysis (using enter method) to determine this relationship. The regression R^2 was used to estimate the variance in the Dependent Variable (DV) that was explained by the Independent Variables (IVs). Positive or Negative Beta and t values indicated a positive or negative relationship between the predictors and criterion variable. However the descriptive statistics of the Mean and Standard deviation were presented first.

Table 7: Mean and standard deviation of Reward types and employee performance

Variables	Mean	Standard deviation
Monetary rewards	2.540	.705
Fringe benefits	2.430	.723
Non monetary rewards	2.440	.611
Employee performance	2.423	.617

Table 7 presents the mean scores and standard deviations among study variables. The Table shows that the mean scores on reward types by the employees from MDC were 2.540 for monetary rewards, 2.430 for fringe benefits and 2.440 for non monetary rewards. This showed that (on a 5 point likert scale) the majority employees of MDC were not contented with the rewards provided to them.

Respondents were then asked on a five point likert scale whether they strongly disagreed (1) or strongly agreed (5) with statements that would indicate their performance levels. Table 7 shows that the mean score on 10 items measuring employee performance was 2.423. This was a low score implying that the majority respondents scored low employee performance.

On the scale standard deviations in this study, there was less variation on reward types scales. Monetary rewards produced a standard deviation score (0.705), Fringe benefits produced 0.723 and on monetary rewards produced 0.611. This implied that most answers

on reward types were close to the mean. The scale standard deviation on employee performance scales was slightly low ($SD = 0.657$). This implied that majority of responses were close to the center with a few variations implying low performance.

Table 8: Correlation between Reward types and Employee performance

Variables	Employee performance
Monetary rewards	$r = .708^{**}$ (sig. = .000)
Fringe benefits	$r = .662^{**}$ (sig. = .000)
Non monetary rewards	$r = .637^{**}$ (sig. = .000)

**** Correlation significant at the 0.01 level (2 tailed)**

Table 8 indicates positive correlations between reward types and employee performance. The table indicates a positive and significant correlation between monetary rewards and employee performance ($r = .708$, $p = 0.01$); fringe benefits and employee performance ($r = .662$, $p = 0.01$); non monetary and employee performance ($r = .637$, $p = 0.01$). This indicates that the more the employees were contented with reward types the better they performed in MDC.

Table 9: Regression model showing the relationship between Reward types and Employee performance

DV	IV	B	t. value	Sig.	R	R2	F value
Employee performance	Monetary rewards	.371	5.357	.000	.768	.589	93.960**
	Fringe benefits	.235	3.755	.000			
	Non monetary rewards	.268	4.106	.000			

Table 9 presents the regression model showing the relationship between reward types (monetary rewards, fringe benefits and non monetary rewards) and employee performance. This is shown by the significant F value of 93.960 ($p=0.01$). This is further reflected by a significant regression correlation ($R = .768$) between the reward types and employee performance. This meant that 58.4% ($R^2 = .589$) of the variance in employee performance was explained by the reward types. Individually all the three reward types produced significant relationships with employee performance as indicated by their respective Beta coefficients and t values (monetary reward – $B = .371$, t value = 5.357, Sig. = .000; fringe benefits – $B = .235$, t value = 3.755, Sig. = .000 and non monetary rewards – $B = .268$, t value = 4.106, Sig. = .000). This relationship meant that the more employees were contented with reward types, the higher the performance. In other words, the more employees perceive better management of the reward types, the higher they are likely to perform their duties.

To investigate further, the researcher used data from the face-to-face interviews with the CAO, DCAO, PPO, LC V Chairman and 2 Councilors. These were asked open ended questions which they answered freely about reward management and employee performance.

Asked to comment on the salary paid to MDC employees, it was put clear that to the majority the salary was not enough compared to work done. All the interviewees showed need for review of the pay structures by the government. For example one respondent had this to say; *"the salary paid to the employees by the government is below standard to the extent that it leads to high turnover and people chose to go to private organizations for better wages"*. Another respondent reported that; *"the salary is not enough and worse of it all the government takes long to effect payments. It needs to be revised as the employees need more facilitation to meet their day to day expenses"*.

Asked to comment on allowances given, respondents were unanimously of the view that they were selectively given to particular employees and others would always feel neglected. One respondent lamented that; *"Top up and Consolidated medical allowances are only given to the medical staff"*. The implication here was that the rest of the employees in other departments get demotivated with work.

Asked about how non monetary rewards were given in MDC, the respondents clarified that most of the non-monetary rewards are poorly managed that some of the hard working employees were not given the supposedly due rewards. For example one of the respondents explained that, *"some employees are irritated about the allocation of promotional opportunities"*. This meant that those privileges are instead channeled to the employees of their choice depending on how they relate with their bosses.

Respondents were also asked to tell in their opinion on what they thought were the levels of performance among MDC employees. From the data collected, the researcher noted low levels of performance among MDC employees. Respondents reported high levels of absenteeism, neglect of duties especially, talking rudely, late coming, early departure from work, doing work with little effort, making mistakes in work done among others, all of which indicated low levels of employee performance. For example, one respondent noted that; *"most of the employees come late for work and even leave so early. Some have been punished by simple caution"*. Another respondent noted that; *"there is a lot of boredom and making of mistakes among the employees of MDC"*. Such comments were a revelation that there was low performance in MDC. Respondents also reported of cases of high labour turn over, something they suggested the government of Uganda needs to attend to. In fact information from the PPO's office revealed that in the period of last 3 years, more than 56 employees have declined for other jobs. That is, in 2009, 19 employees left, in 2010, 21 withdrew and in 2011, 16 of the employees left all because low rewards.

The findings from interview s revealed and confirmed that the fringe benefits in MDC were hard to tell. They insisted that the fringe benefits are in most cases based on personal relations between low carders and the heads of departments but the opinion of those interviewed was that the fringe benefits were not well managed to make a reasonable positive impact on performance. One respondent reported that in her view the fringe benefits she knows of are the contributions raised in case of loss of some one by the members, parties and medical bills for the sick colleagues but on condition that they had to visit public hospitals. The respondents observed that fringe benefits may add some attachment to the organization but not necessarily leading to good performance. This meant that the fringe

benefits available were not instituted by the organization its self but the employees themselves.

4.3 Reward policies and Employee performance

Table 10: Mean and Standard deviation of reward policies and employee performance

Variables	Mean	Standard deviation
Reward policies	2.470	.699
Employee performance	2.423	.617

Table 10 suggests a low mean score (2.470) on reward policies scales. This suggested that on a five point likert scale (1 strongly disagree - 5 strongly agree), majority of respondents were discontented with the way rewards are distributed with the reward policies in MDC. As earlier seen, the mean score of employee performance scales was also low at 2.423, suggesting that majority of the respondents experienced low employee performance. The scale standard deviations were at 0.699 and 0.617 for reward policies scales and employee performance scales respectively. This suggested that in both variables, respondents opinions were close to the mean with little variations.

Table 11: Correlation between reward policies and employee performance

Variables	Employee performance
Reward policies	$r = .574^{**}$ (Sig. = .000)

N= 200

**** Correlation significant at the 0.01 level (2 tailed)**

Table 11 presents the correlation (Pearson's) between reward policies and employee performance. The correlation suggests a moderate significant and positive relationship ($r = .574$, $P < 0.01$) between reward policies and employee performance. This suggested that MDC employees, who were contented with the reward policies, were more likely to experience high levels of job performance. On the other hand, MDC employees who were not contented with the reward policies were more likely to experience low levels of employee performance.

Table 12: Regression model showing the relationship between reward policies and employee performance

DV	IV	B	t value	Sig.	R	R2	F value
Employee performance	Reward policies	.574	9.451	.000	.574	.329	97.046

Using enter method, linear regression analysis yielded a significant relationship between rewards policies and employee performance reflected by a large F value (97.046, $p < 0.01$). This relationship was further reflected by a significant regression correlation coefficient ($R =$

.574*). This regression model suggests a positive and significant relationship ($\beta = .574$, $t = 9.451$, $p = .000$). The model further suggests that 32.9% ($R^2 = .329$) of the variance in employee performance would be explained by reward policies.

The results in Table 12 imply that, employees who were comfortable with the reward policies were more likely to experience high levels performance. On the other hand, employees who were not comfortable with the reward policies were more likely to experience low levels of performance. This further implied that to improve employee performance in MDC managers need to apply the better and appropriate policies in the management of rewards.

On reward policies, the respondents interviewed confirmed that they are governed by the government policies which have weaknesses they themselves have observed but have nothing to do because those policies are difficult to change. One respondent notified the researcher; *we normally hold meetings quite often but whatever we discuss take too long to be implemented and sometimes never implemented*” This meant that the employees of MDC are generally dissatisfied with the policies that govern them but their input is not realized. This affects their performance.

4.4 Reward processes and employee performance

Table 13: Mean and Standard deviation of reward processes and employee performance

Variables	Mean	Standard deviation
Reward processes	2.388	.632
Employee performance	2.423	.617

Table 13 suggests a low mean score (2.388) on reward processes scales. This suggested that on a five point likert scale (1 strongly disagree - 5 strongly agree), majority of respondents were not contented with the reward processes in MDC. As earlier seen, the mean score of employee performance scales was also low at 2.423, suggesting that majority of the respondents experienced low employee performance. The scale standard deviations were at 0.632 and 0.617 for reward processes scales and employee performance scales respectively. This suggested that in both variables, respondents opinions were close to the mean with little variations.

Table 14: Correlation between Reward processes and employee performance

Variables	Employee performance
Reward processes	$r = .703^{**}$ (Sig. = .000)

**** Correlation significant at the 0.01 level (2 tailed)**

Table 14 presents the correlation (Pearson's) between reward processes and employee performance. The correlation suggests a moderate significant and positive relationship ($r = .703$, $P < 0.01$) between reward processes and employee performance. This suggested that MDC employees, who were contented with the reward processes, were more likely to experience high levels of job performance. On the other hand, MDC employees who were not contented with the reward policies were more likely to experience low levels of employee performance.

Table 15: Regression model showing the relationship between reward processes and employee performance

DV	IV	B	t value	Sig.	R	R2	F value
Employee performance	Reward processes	.703	13.903	.000	.703	.494	193.294

Using enter method, linear regression analysis produced a significant relationship between reward processes and employee performance reflected by a large F value (193.294, $p < 0.01$). This relationship was further reflected by a significant regression correlation coefficient ($R = .703^*$). This regression model suggests a positive and significant relationship ($\beta = .703$, $t = 13.903$, $p = .000$). The model further suggests that 49.4% (R square = .494) of the variance in employee performance would be explained by reward processes

The results in Table 15 imply that, employees who were comfortable with the reward processes were more likely to experience high levels performance. On the other hand, employees who were not comfortable with the reward processes were more likely to

experience low levels of performance. This further implied that to improve employee performance in MDC managers need to improve on the reward processes. This may suggest being more transparent in the management of rewards.

The respondents were also asked on the processes, they explained that reward processes are in most cases a long process and this has forced many of them to find alternative means survival either in businesses or working in private organizations. One respondent commented; *"it is now a week, our salaries are not yet paid how do they expect us to survive"* Another respondent observed *"Here, appraisals take long to be made and in other instances they are not followed"* When reward processes are poorly managed, the performance of the employees reduces and reward processes are well managed the performance of the employees increases.

4.5 Summary

This chapter was set to find out how reward management influence employee performance in MDC. In this regard, Presentation, analysis and interpretation were done on data collected from the employees in MDC in this chapter which was both quantitative and qualitative. An investigation was made to establish the relationship between reward management and employee performance in MDC. This chapter has presented the analyses of the research questions and hypotheses. From the analyses, the null hypotheses (H_0) which suggested no significant relationships between IVs and DV among MDC employees were rejected. The degree of the nature of the relationships between IVs and DV were measured using correlation and regression analyses. Significant correlation coefficients (at 0.01 level of significance) between the IVs and the DV were identified. From the regression analysis,

reward types explained 58.4%, Reward policies explained 32.9% and reward processes explained 49.4% of the variance in employee performance among MDC employees. In other words the researcher established that due to poor reward management, employees reported poor performance. In the next chapter, discussions, conclusions and recommendation were made.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

In this chapter, a discussion of the findings reported in the previous chapters was undertaken. This was intended to relate the findings to the objectives of the study; draw conclusions and make recommendations.

5.1 Discussion of the findings

5.1.1 Reward types and employee performance

The first objective of the study sought to find out the relationship between reward types and employee performance among MDC employees. The study has shown that there was a significant and positive relationship between Reward types (monetary rewards, fringe benefits and non monetary rewards) and employee performance. In comparison, all the three predictor variables produced strong relationships with employee performance.

The findings indicate that the better the rewards given to MDC employees, the better the performance. The finding agrees with Armstrong, (1995) observation that employees always seek to earn a high pay because such pay makes it possible for them to meet the physiological needs. Also, Cushway (1999:153) in accordance with Priffner & Sherwood (1960) puts it that rewards is an essential ingredient of the organizations reinforcement strategy and will serve as positive reinforcement when they are tied directly to performance.

Also, Bishay, (1996) found that pay incentives were successful in increasing motivation and job satisfaction. Findings in this study have also shown that monetary, non-monetary rewards and fringe benefits are influential in determining employee performance in MDC. The CAO, DCAO, LC V Chairman and PPO indicated poor performance among the MDC employees.

This finding also agrees with Cushway, (1999) that rewards are an important ingredient of the organisation's reinforcement strategy. Armstrong, (2003), adds that rewards and reward systems should be designed to result into desired employee performance regarding the quality of work, time taken to accomplish task and the overall organizational profitability.

Braton and Gold (2003), and Turner (2002) specifically point out that the monetary reward types play a dominant role in an organization. Armstrong (2003), agrees that money reinforces work behaviour in accordance with individual or group differences. The current study has also found that monetary rewards are significantly related with employee performance in MDC.

In agreement with the current study, Etzioni (1999) indicates that employee performance can be boosted by non monetary rewards / psychological rewards. He highlights that such rewards as recognition, career advancement and responsibility, cause employee behavior to change positively towards decisions to work and where they are absent, there is compromise in performance. In addition Mullins (1999) expounds that employee performance can be influenced where management cares about employee welfare. That their effort will be

wasted in thinking about fulfillment of such needs and not work. This therefore has agreed with this study that reward types are significantly related with employee performance.

5.1.2 Reward policies and employee performance

The second objective of the study intended to establish the relationship between reward policies and employee performance among MDC employees. The study has shown that there was a significant and positive relationship between Reward policies and employee performance.

The finding revealed that when employees realize clear and smooth policies, they were more likely to perform highly. The finding further revealed that the establishment of clear reward policies had much influence on employee performance in MDC. This agrees with Devaney and Zham, (2003), that recognition packages significantly related with performance

5.1.3 Reward processes and employee performance

The third objective sought to establish the relationship between reward processes and employee performance. The finding has revealed that there was a significant relationship between reward processes (involvement in activity, staff development, job evaluation and feedback) and employee performance. Employee performance was measured basing on three indicators, that is, quality of work, quantity of work and time in task accomplishment.

The finding indicated that when employees are involved in clear reward processes, they are more likely to experience high levels of performance. The finding further revealed that the establishment of clear reward processes had much influence on employee performance.

This finding is in agreement with Weinrich and Kootnz (2002) that rewards come with control. Dessler (2003), advises that managers should determine the performance they desire and tell employees it will be attached to rewards.

5.2 Conclusions

5.2.1 Reward types and Employ performance

The study concluded that there was a positive and significant relationship between reward types and employee performance. When reward types are well managed, employee performance increases and when reward types are poorly managed, employee performance decreases.

5.2.2 Reward policies and employee performance

It was concluded that there was a positive and significant relationship between reward policies and employee performance in MDC. When reward policies are well managed, employee performance increases and reward policies are poorly managed employee performance decreases.

5.2.3 Reward processes and Employee performance

The study concluded that there was a positive and significant relationship between reward processes and employee performance in MDC. When reward processes are well managed,

employee performance increases and when reward processes are poorly managed, employee performance decreases.

This study has concluded that the reward management is significantly related with employee performance in MDC this is in agreement with Koontz & Heinz (2004), who clarify that the day to day contacts between the manager and subordinates provide the early-warning system needed to prevent drift. The relationship has indicated that the more employees in MDC are satisfied with reward management, the higher they perform and the more they are dissatisfied with reward management, the lesser they perform. The study has further concluded that reward management was a major underlying factor influencing employee performance in MDC.

5.3 Recommendations

In this study, the researcher has found and concluded that there was a positive and statistically significant relationship between reward management and employee performance. The researcher has also concluded that reward management was a major underlying factor influencing employee performance in MDC. This study has therefore shown that the more the employees are contented with reward management, the higher they will perform. In the light of such a stance, the following recommendations were made.

5.3.1 Reward types and Employ performance

The government of Uganda through the responsible ministries should carry out a comprehensive review in the management of rewards for employees in the local governments in the country. As a result, this should raise the level of the basic salary and

allowances to match both the work done and employees' expectations. The study also recommends that Employees should have equal chances of getting monetary rewards in MDC and all the departments should equally be treated.

5.3.2 Reward policies and employee performance

The Ministry of local government, and responsible officers in Mbarara district should plan and embark on a program leading to the revision of reward policies to expected standards to improve on employee performance in MDC. A holistic approach involving the government, senior officers, heads of departments, and other employees should be used. In this approach senior officers should embrace all employees' participation in policy implementation and decision making especially on matters concerning reward policies. With this, employees will feel recognized and appreciated. This will improve on their performance.

5.3.3 Reward processes and Employee performance

The government of Uganda should ensure there is a review in the reward processes in the local governments that meets the expectations of the employees to be able to uplift the levels of their performance. Senior officers in MDC should ensure there is any necessary shortcut in the reward processes that will positively affect the way employees perceive their work and their remuneration packages.

5.4 Contributions of the study

The study is vital because it contributes to the current discussion on the subject of employee remuneration, job satisfaction and reinforces study results in previous studies. Reward types, policies and processes significantly affected employee performance in MDC in this study. This was related to the works of Carton and Kelly, (1997); Shawn, (1998) and Spear, et al.,

(2000) in highlighting the importance pay and allowances, and the intangibles which are reinforced in this study. This study also validates Adams (1963) Equity theory of job satisfaction which implies that workers compare their own outcome-input ratio (the ratio of outcomes they receive from their jobs and organization, to the input they contribute), to the outcome-input ratio of a referent person (Omut, D., (2004)). This study has also found significant relationship between reward management and employee performance in MDC.

5.5 Areas for further reading

- I. A similar research study may be conducted among other district councils in Uganda
- II. A study may be conducted on the factors affecting the performance of local government employees in Uganda.

REFERENCES

- Adams, J. S (1963). *Toward an Understanding of Inequity*. *Journal of Abnormal and Social Psychology*, 67(5), 422-436.
- Adeye, M (2006) *Exploring Democratic Decentralization Reforms*. Department of Local Government Studies. Awolowo University, Ile – Ife, Nigeria.
- Armstrong, M (1995). *A Hand book of Personnel Management Practice*. London: Kogan Page
- Armstrong, M. (1996). *Employee Reward*. London: Institute of personnel and management.
- Armstrong, M., (2001). *A Handbook of Human Resources Management (8th Ed.)*. London: Kogan page Limited
- Armstrong, M (2003). *Human Resource Management practices*. (9th ED), London: Kogan Page.
- Arora S.P (2003). *Office Organisation and Management*. V. Kas Publishing House Ltd.
- Bratton, J & Gold, J (2003). *Human Resource Management, Theory and Practice*. (3rd Ed), New York: Palgrave Macmillan.
- Bennett R. (1989) *Managing Activities and Resource*. Pub. Kogan Page Ltd
- Bruce, W.M, & Blackburn, J.W. (1992) *Balancing Job Satisfaction and Performance*. Quorum Books, Wesport, C.T.
- Asch D. & Bowman C. (1987), *Strategic Management*, Macmillan Press Ltd.
- Carton, M. S & Kelley, L. K (1997). *Resource allocation: Managing money and people*, Eye on Education. New York: Larchmont.
- Casio W.F. (1986) *Managing Human Resource: Productivity, Quality of Work life, and profits*. Singapore, McGraw Hill.
- Chandan J .S (1997) *Management concepts and strategies*. Vikas Publishing House PVT Ltd
- Cole, G.A (1997) *Strategic Management: Theory and Practice*. (2nd Ed). London: Thomson Learning High , Holborn House.
- Cushway, B. (1999). *Human Resource Management*. (Revised Ed), London: Kogan page.

Daft, L. (2000). *Management*. (5th Ed), New York: The Dry Press Harcourt College Publishers.

Davar, R.S (1996). *Personnel Management and Industrial Relations*. (10th Ed), New Delhi: Vikas Publishing House Pvt. Ltd.

Decenzo, D. A and Robbins, S.P (1999), *Personnel/Human Resource Management*. (3rd Ed), New Delhi: prentice Hall. Co. Ltd. USA.

Dessler, G (2003) *Human Resource Management*. (9th Ed), New Jersey prentice Hall.

Robbins, S.P (2003). *Organizational Behavior*. (10th Ed), Delhi: Konark Publishers PVT Ltd. New Delhi: Prentice Hall.

Drucker, F. P (1992) *Managing for the future*. Great Britain, Butterworth Heinman Ltd

Ernest, D. (1969) *Management Theory and Practice*. 3rd Edition. USA: McGraw-Hill Book Company.

Etzioni, A (1999). *Modern Organization*. New Delhi: Prentice Hall.2

Fleet, D.D.V (1991). *Contemporary Management*. (2nd Ed), Boston: Houghton Mifflin Co.

Giegold C. W (1978) *Performance Appraisal and the Mbo process*. Vol.3 McGraw Hill Inc.

Gruneberg, M.M, (1979). *Understanding Job Satisfaction*. New York: The Macmillan Press Ltd.

Griffin, R.W (1981). Task attributes and long-term employee productivity. Academy of Management Proceedings.

Hannagan, T (1995), *Management Concepts and Practices*, Longman Group UK Limited

Hersey, P & Blanchard, K.H (1993). *Management of Organizational Behavior*, (6th Ed), Englewood Cliff, New Jersey: Prentice Hall.

Hunt, J.W (1986). *Managing People at work, a Manager's guide to Behavior in Organizations*. (2nd Ed), London: McGraw-Hill Book company ltd.

Kathari, C.R (2005). *Research Methodology: Methods and Techniques* (2nd Ed), New Delhi: New Age International.

Joyce, P & Woods, A. (2001). *Strategic Management*. Kogan Page Limited. London.

Komunda, B.M (2003) *Human Resource Management Simplified*. Hoonkab Printers Ltd

- Koontz H & Heinz L. R (2004) *Essentials of Management*. Mc Graw-Hill Publishers
- Kreither, R. (1995). *Management*. (6th Ed) Boston; Houghton Mifflin Co Ltd
- LePree, J., (2006). *Annual Salary and Job satisfaction Survey: Life is good but it could be better*. Retrieved from <http://www.foodengineeringmag.com>
- Locke, E.A, Fitzpatrick, W, & White, F.M, (1983). *Job Satisfaction and role clarity among University and College Faculty*. The Review of Higher Education.
- Luthens F. (2005) *Organizational Behaviour*. Tenth Edition. McGraw-Hill
- Martin D. (1999) *Personnel*, 2nd edition. Icsa Publishing Ltd. London APPENDICES.
- Mackay, I. (1989). Checklist for Human Resource Development. Gower Publishing Co. USA.
- Mathis, R & Harold J.J (2008) *Human Resource Management*. Cengage Learning Press.
- Maud, L (2001) *Introduction to Human Resource Management. Theory and Practice*. New York. Palgrave Macmillan.
- Milkovich, G.T, & Newman, J.M (1990). *Compensation*. BPI Irwin, Homewood, IL.
- Mpaata, A.K (1998) An Investigation of the Relation between Subordinate Perception of Managerial Competence and Organizational Stress in the Major Hospitals of Yogyakarta. Unpublished Phd. Thesis, Gadjahmada University.
- Mullins, J.L (1999), *Management and Organization Behavior*. 5th Ed), London: Prentice Hall.
- Murad, A (1986) *Expectancy Theory: What do they want* Available at: http://EzineArticles.com/?expert=Murad_Ali and <http://ezinearticles.com/?Expectancy-Theory:-What-Do-They-Want?&id=376732> accessed on 25/3/2012.
- National Assessment Feedback Report*, MoLG Nov 2006).
- National LGDP Assessment Report May*, 2008.
- Newstrom, J.W and Davis, k. 2002). *Organizational Behavior*. (11th Ed), New Delhi: Mc Graw-Hill publishing Co.ltd.
- Oakland S. John (1999), *Total Quality Management*, Butterworth Heinemann, Johannesburg.

- Olive M. Mugenda and Abel G. Mugenda (1999). *Research Methods*. Nairobi Kenya: ACTS Press.
- Okellowange, P. J., (2000). Uganda National Examination Report on UPE Progress.
- Oliver, R. (August, 1974). Expectancy Theory Predictions of Salesmen's Performance. *Journal of Marketing Research* 11, 243-253.
- Omut, D., (2004). *Which type of Reward Programme is best for you?* Retrieved February 16, 2010 from <http://www.creditreview.toptenreviews.com>
- Pfeffer J. (1990) *Unions and Job Satisfaction. Work and Occupation* Prentice Hall, Upper Sandler River, New Jersey.
- Pratt, K.J AND Bennet, S.G (1979). *Elements of Personnel Management*. London: Gee and Co. Publishers.
- Priffner, J.M and Sherwood, F.P (1960). *Administrative Organization*. Canada: Prentice Hall, Inc..Englewood Cliffs, N.J.
- Public Service Restructuring Report, 2007*
- Rao, V.S.P and Narayana . S (1997) *Principles and Practice of Management*.
- Riley, M. (1996) *Human Resource Management in Hospitality and Tourism Industry*. Butterworth Heineman. Johanesberg
- Robbins, S.P. (1998). *Organisational behavior: Concepts, controversies, and applications*. Prentice Hall, Upper Saddle River, New Jersey.
- Robbins S.P & Coulter M. (2005), *Management*. 8th Edition. Rekha Printers Private Limited.
- Sarantakos, S. (1997) *Social Research*. Macmillan Press Ltd.
- Shawn, M., (1998). "Professional Commitment and Job satisfaction among Teachers in Urban middle Schools". *Journal of Educational Research*, vol. 92, 67-73.
- Scott J. & Arthur Rochester. (1984), *Effective Management Skills*. Managing people. Sphere books Ltd.
- Smith, D.B, & Plant, W.T (1982). *Sex differences in the Job Satisfaction of University Professors*. *Journal of Applied Psychology*
- Smith, M (1991) *Analyzing Organisation of Behavior*. London. Macmillan Press Ltd

- Spear, M., Gould, K. & Lee, B., (2000). *Who would be a teacher? A review of factors motivating and de-motivating prospective and practicing teachers*. Slough: NFER.
- Stewart, J & McGoldrick, J (1996). *Human Resource Development. Perspectives, Strategies and Practice*. PITMAN Publishers. London.
- Spector, P.E. (1987) *Interactive effects of perceived control and Job stressors on affective reactions and health outcomes for Clerical workers*. Work and Stress.
- Stoner, J.A.F, Freeman, E. R, Daniel R. G, (2002) *Management*. Published by Asoke K. Ghosh, Prentice-Hall of India Private Limited.
- Steffenson, Jesper, Per Tidemand (2004) *A Comparative Analysis of Decentralisation in Kenya, Tanzania and Uganda: Country Study – Uganda*. Washington D.C: World Bank.
- Syrett, M. & Lamiman, J. (1998), *Managing Live Innovation*, Butterworth Heineman. Boston.
- The Constitution of the Republic of Uganda*, 1995
- Thomas J. G. (1990). *Management*. Houghton Muffin Company.
- Torrington, Dand Hall. L (1995). *Personnel management, Human Resource management in Action*. (3rd Ed, London: prentice Hall.
- Tripathi, P (2004). *Personnel Management and Industrial relations*. (17th Ed, New Delhi: Sultan Chard and Sons Publishers.
- Tukahebwa G.B (1997). *MAWAZO, the Journal of Faculties of Arts and Social Sciences Makerere University*. Vol.7, No.1.
- Turner, P.C.(2002). *Human Resource Forecasting and Planning*. London. CIPD Enterprises ltd.
- Wehrich, Hand Koontz, H. (2002). *Management, a Global perspective* (10th Ed), New Delhi: Tata McGraw-Hill Publishing Company Ltd.
- Zigon, J. (1998) *Rewards and Performance Incentives*.
<http://www.petervince.co.uk/performance.htm> Retrieved on March 19th 2005.

Hibbert D, (2012), Presentation on Rewards in Local governments -Public Sector People Manager'Association (PPMA) on May 01, 2012 Retrieved from [www.slideshare.net/ppma/daniel-hibbert-reward-in-local-government-ppma-seminar-april-2012+reward+management%](http://www.slideshare.net/ppma/daniel-hibbert-reward-in-local-government-ppma-seminar-april-2012+reward+management%20)

APPENDICES

Appendix A: Letter of approval from Postgraduate Studies and Research Directorate,



KAMPALA
INTERNATIONAL
UNIVERSITY

Western Campus
P.O. Box 71, Bushenyi,
Tel: 0392961215, 0772663671
E-mail: admin@kiu.ac.ug

Postgraduate Studies and Research Directorate (PGSRD)

19th June 2012

Karanzi Nafutari
MAPAM/0005/61/DU

LETTER OF APPROVAL

This is to certify that your research proposal entitled "**REWARD MANAGEMENT AND EMPLOYEE PERFORMANCE IN THE LOCAL GOVERNMENT OF UGANDA: A CASE STUDY OF MBARARA DISTRICT COUNCIL**" was reviewed by the Board, Postgraduate Studies and Research; Research Subcommittee of Kampala International University-Western Campus (KIU-WC) in its meeting of 26th March, 2012 for its Scientific validity and Ethical appropriateness. The Committee approved that you may start conducting the research.

Signed by:

Chairman, Research Sub-Committee



Date/Stamp

Appendix B: Questionnaire for Council Employees

Dear Respondents,

This questionnaire is for obtaining your view on how reward Management in Mbarara District Council relates to your performance as an employee. You are kindly requested to answer all the questions as objectively as possible. Note that the questionnaire is purely for academic purpose and that your response shall be treated with maximum confidentiality.

Your name is not required.

Thank you

Yours sincerely,

Karanzi Nafutari

Master student, Kampala International University, Western branch.

SECTION A: BACK GROUND INFORMATION

Tick in the appropriate boxes the alternative that represents your opinion. There is no right or wrong answer. Any response you give will be respected because it represents your view.

1. Age: ☐ Below 18yrs ☐ 18yrs-35yrs ☐ 36yrs-65yrs ☐ above 65yrs.

2. Sex: ☐ Male ☐ Female

3. Department: ☐ Medical CBS ☐ Administration ☐ Finance ☐
Works ☐ Education ☐ Natural resources ☐ Internal Audit. ☐

4. Employment level: ☐ Support staff ☐ Technical ☐ Supervisor
☐ Top management.
5. Qualification: ☐ Certificate ☐ Diploma ☐ 1st degree ☐ Masters
6. Duration of service in council: ☐ 3-7years ☐ 8-12years ☐ 13-17years
☐ 18years and above.

SECTION B: REWARDS

Instructions: From question 7 to 37, tick or circle the number that best indicates your opinion on the questions using the following scales.

SCALE	1	2	3	4	5
	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree

MONETARY REWARDS

7	The adequacy of salary payment by the council makes me willing to work	5	4	3	2	1
8	Allowance paid to me by the District council makes me want to work for the council	5	4	3	2	1
9	The monetary Awards given to employees who excel contributes to my desire to work hard	5	4	3	2	1
10	I am willing to work hard for this council because the amount of	5	4	3	2	1

	payment I receive is within the range of what others in the District service receive					
11	I feel ready to work for this council because I take part in deciding the payment I receive.	5	4	3	2	1
12	The council always pays salary on time					

FRINGE BENEFITS AND EMPLOYEE PERFORMANCE

13	The council provides fringe benefits to its employees	5	4	3	2	1
14	The provision of meals or food items by the council contributes to my interest to remain an employee of the council	5	4	3	2	1
15	The consideration which the council gives to an employee who is sick/lost a dear one, makes me willing to work in this council	5	4	3	2	1
16	The provision of accommodation by the council contributes to my willingness to work hard	5	4	3	2	1
17	The concern of the Council administration about employees' recreation makes me willing to serve in this council.	5	4	3	2	1
	NON MONETARY REWARDS					
18	I feel ready to exert more effort because hard working employees in the Council are given verbal praise.	5	4	3	2	1
19	Certificates of recognition are always given to best performers.	5	4	3	2	1
20	My immediate supervisor appreciates me for the good work done.	5	4	3	2	1
21	The way promotion and responsibilities (for example, HOD, section heads etc) are allocated to Council employees by Council	5	4	3	2	1

	administration makes me willing to work hard for the council.					
22	The way the council administration encourages staff training and development, makes me willing to work hard for this council.	5	4	3	2	1
23	The district council provides learning opportunities for its employees.	5	4	3	2	1
24	The working environment for this council makes employees happy to stay and perform better.	5	4	3	2	1
	REWARD POLICIES					
25	The way Council administration encourages employees to participate in making decision makes me want to stay in the Council.	5	4	3	2	1
26	The clear vision, mission and goals of this organization make perform my duties well.	5	4	3	2	1
27	My department provides regular feedback on my performance.	5	4	3	2	1
28	In this council, promotion is based on performance.	5	4	3	2	1
	REWARD PROCESSES	5	4	3	2	1
29	The council evaluates staff frequently	5	4	3	2	1
30	The salary payments are made in time	5	4	3	2	1
31	The monetary allowances are well allocated to council employees	5	4	3	2	1
32	Hard work is highly recognized in this organization	5	4	3	2	1
33	Advances are transparently given in this council	5	4	3	2	1
34	Employees have equal chances of being selected for on job training	5	4	3	2	1

	SECTION C: EMPLOYEE PERFORMANCE					
35	I always report for duty on time.	5	4	3	2	1
36	I attend council meetings whenever called for.	5	4	3	2	1
37	I always execute council assignments given to me on time.	5	4	3	2	1
38	Reporting is part of my duty activities.	5	4	3	2	1
39	I always cooperate with members when doing team tasks	5	4	3	2	1
40	Am willing to work for this council with out much supervision.	5	4	3	2	1
41	I accomplish council tasks given to me on time.	5	4	3	2	1
42	I produce my final work which is error free	5	4	3	2	1
43	I dedicate my time to council activities always	5	4	3	2	1

Appendix C: Interview Guide for Key respondents

The researcher was guided by the following questions in carrying out the interview for Council employees.

1. Comment on the monetary rewards provided to your employees?
2. Do you feel ready to work for the council because you take part in deciding your payment?
3. How do you give non monetary rewards in this organization?
4. Which of the fringe benefits are offered to you as employees in this organization?
5. Does the provision of meals and/or food items by the Council contribute to your interest to remain with the Council?
6. In what ways are employees recognized in this Council? How does it affect your readiness to exert much effort?
7. Is the way promotion and responsibilities given to employees making you willing to work hard for the Council?
8. Based on the way the Council administration encourages staff training and development, are you willing to work hard for the Council?
9. Are employees encouraged to participate in making decisions about the activities of the Council?
10. Is the way promotion and responsibility is allocated to employees making you willing to work hard for the council?
11. How cooperative are you in doing team tasks?
12. What are other factors affecting your performance in the council?

13. In your view, what should Council administration do to encourage employees to improve performance?
14. In your own view how do reward policies affect employee performance?
15. In your organization what are the reward processes followed in rewarding employees?
16. How would you rate the level of performance in this organization?