

**REWARD MANAGEMENT AND LABOUR TURNOVER IN
ORGANISATIONS: CASE STUDY OF KAMPALA
INTERNATIONAL UNIVERSITY**

BY

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF
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FULFILLMENT OF THE REQUIREMENTS FOR
THE AWARD OF A BACHELOR'S DEGREE
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OF KAMPALA INTERNATIONAL
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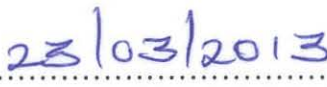
MARCH 2013

DECLARATION

I, Nakyejo Shakirah declare that, this report is original both in writing and substance unless where entirely duly acknowledged and it has never been submitted to any other institution of learning whatsoever.

Student: Nakyejo Shakirah

Sign:.....

Date:..........

APPROVAL

This research report on “Reward Management and Labour Turnover in Organizations” case study of Kampala International University, has been under my supervision and it is ready for submission.

Supervisor:

Dr Wandiba Augustine

Date:

23/03/2013

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May God Bless you all.

ABSTRACT

This study was on “Reward Management and Labor Turnover in Organisations.” The purpose of the study was to establish the extent to which reward management has influenced labor turnover in Kampala International University. The objectives were; to establish the forms of reward managed used; examining the factors influencing employee rewards; and the relationship between reward management and labor turnover. The study also used both qualitative and quantitative approaches where questionnaires and interview guide instruments were applied. The scope of the study was Kampala International University.

The different forms of reward components were established as salary, staff development, incentives, wages, and fringe benefits. While the different factors influencing employee reward included technical know who, performance appraisal, rewarding of unique performances, terms of contract, and providing incentives as motivator. However, the relationship between labor turnover and reward management was found to exist where there is provision of a satisfactory pay, equating pay for work done, sustaining pay, providing incentives as a motivator, clearly stated salary structures, reviewed pay upon market changes, impromptu payments, not explaining situations of delayed payments, devised training and development programmes and where there is extra pay for extra work done, the turnover of labor varies accordingly.

The study concluded that the reward system needs to be reviewed to a more indiscriminate system for all job positions to create fairness with unique contributions recognized to promote retention. It is vital that delays in payment are also minimized and communication made for such inconveniences caused to staff.

The study recommends for; improvement of the terms of payment; reflecting on economic changes in the process of review of rewards; equally providing opportunities to develop staff; distributing incentives focusing on unique contributions; researching on turnover issues; carrying out performance appraisal and reflecting on them;

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LIST OF ACRONYMS

CPI: Consumer Price Index

KIU: Kampala International University

CHAPTER ONE

1.0 Introduction

This chapter provides the background, statement of the problem, purpose, general objectives, specific objectives, research questions, scope, and significance of the study.

1.1 Background of the Study

Labour turnover (voluntary) dates back to the 1950s, with a number of contributory factors combined. Many studies have focused on a small number of variables which explain only a small amount of variability in turnover and yet these do not explain adequately or capture the complex psychological processes involved in individual turnover decisions, among which reward dissatisfactions have not been clearly analyzed. The need to manage rewards thus comes up when organizations recognize the benefits associated with a motivated workforce (Glasscock and Gram, 1996).

Traditionally most reward programmes were vague and often given in response to a manager's perception of when an employee performed exceptionally well with no set standards to measure exceptional performance. This could mean anything from having a good attitude, assisting another department, or being consistently punctual. However, in current settings, organizations have understood the great gains derived by linking rewards to their business strategy (Flynn, 1998). Reward management is now identified as a manipulation and power which if well organized can help in maximizing potentials in meeting organizational objectives (Glasscock and Gram, 1996).

This is because in any competitive climate, administrators are looking towards the improvement in services while reducing costs (Bwire, 2005). Therefore the stronger the agency's reward management system, the tighter its' services will be. The impression is that, as small organizations need to get more from their employees (Kamukama, 2006), and as organizations expect employees to perform reliably their tasks following set standards and rules through self initiative, continuous learning and responsiveness to needs (Flynn, 1998), employees are also looking for more out of organizations. Employees in turn expect fair pay, safe working

conditions, and fair treatment (Parker et al, 2001). This implies that, for an organization to meet its obligations, management must develop a relationship between the organization and employees to fulfill the continually changing needs. Indeed, Milkovich and Newman (2005) view reward as all forms of financial returns, tangible services and benefits that employees receive as part of an employment relationship. To Glasscock and Gram (1996), much as reward management has previously been a domain of large organizations, small businesses have also undertaken the same tool to lure top employees in the competitive world, in addition to increasing employee performance.

According to Kamukama (2006), reward management helps in devising systems through which, reward is accorded to labour and how compensation is received by an employee in return for his or her contribution to the organization. Therefore, according to Kamukama, reward occupies an important place in the life of an employee. The employee's standard of living, status in the society, motivation, loyalty, and productivity depends upon the reward he or she receives. For the employer, reward is significant because of its contribution to the cost of production and thus requires to be effectively managed. For Human Resource Management too, reward is a major function which involves both monetary benefits that one receives as part of an employment agreement and the tangible products employees can be offered. Thus measurement of reward needs to be adequate in comparing the different contributions of employees to increase retention as per, Parker. et. al, (2001).

In view of Bwire (2005) contention, labour turnover explains the rate at which an employer gains or loses employees. According to Bwire, the simple ways to describe it are how long employees tend to stay or the rate of traffic through the revolving door. This therefore obliges organizations to measure turnover for their industry as a whole (Kamukama, 2006). Indeed McGhee and Thayer (1961) establish that, if an employer is said to have a high turnover relative to its competitors, then employees of that company happen to have a shorter average tenure than those of other companies in the same industry. Thus they assert that, a high labour turnover rate can be harmful to a company's productivity, particularly if skilled workers are often leaving and if the worker population contains a high percentage of apprentice workers.

Reflecting on the above background and setting, reward management should be an important factor in an organization like Kampala International University which relies heavily on temporary employees who account for over 60 percent of the total work force. There is a recognizable trend and pace at which qualified and skilled personnel are leaving the organization. The institution's reward management structure is composed of mostly wages and salary, with no particular incentives for productivity of workers and overtime work. Salaries and wages are determined by the organization's top management depending on terms upon which labor is contracted. Thus salaries and wages vary for the different employees both skilled and non skilled and temporary or permanent. The way Kampala International University manages its reward system in varying aspects raises concern for the researcher to find out whether the reward management practices have a direct effect on the labour turnover in order to establish which improvements require to be made in managing rewards for employee retention.

1.2 Problem Statement

It is imperative to state that, the obligation of management towards human resources in any organization would be, how it rewards its human capacities in promoting the achievement of organizational goals. This is because, reward management if effectively exercised, brings about job satisfaction, reduces possible protests and complaints thereby increasing employee retention capacity (Maicibi 2003). However, in Kampala International University little attention has been given to implementing effective reward management systems. For this, there is a high record of labour turnover on an average of around 40 percent for the last three years according. It is therefore projected that for years to come, the level of efficiency and performance in the institution is likely to be affected if the University does not revise its reward management structure to improve retention. The study was therefore prompted to assess the impact of reward management on labour turnover in Kampala International University.

1.3 Purpose of the Study

The purpose of the study was to establish the extent to which reward management has influenced labor turnover in Kampala International University.

1.4 Specific Objectives

- i) To establish the forms of the reward management used in Kampala International University.
- ii) To examine the factors influencing employee reward at Kampala International University.
- iii) To find out the relationship between reward management and labour turnover.

1.5 Research Questions

- i) What are the forms of the reward management used in Kampala International University?
- ii) What are the factors influencing employee reward at Kampala International University?
- iii) What is the relationship between reward management and labour turnover?

1.6 Scope of the Study

1.6.1 Geographical Scope

The study was carried out in Kampala International University at the Main Campus Branch in Kansanga- Makindye Division along the Kabalagala-Ggaba Road, barely a 30 minutes drive from the city center. The University operates different faculties and different management departments like the human resource, finance and accounting, library, laboratory and has different branches in country for instance Mbarara and Masaka as well as in Kenya and Tanzania.

1.6.2 Content Scope

The study was restricted to reward management and labor turnover in KIU.

1.6.3 Time Scope

The study was conducted in November 2012 to January 2013 due to the nature of work activities that took place.

1.7 Significance of the Study

- The organization may be of benefit as study will throw more light to the management on issues regarding management of rewards for proper and more effective approaches to be adopted which can lead to employee retention.
- To the policy makers; the study may be a source of reference material in providing guidelines to policy makers in determining reward issues.

- The study may be of help in identifying appropriate means of determining an immediate solution to reward issues to motivate employees through providing a foundation for future research in narrowing the existing gaps about rewards and employee turnover in organizations. It may also contribute towards organizational improvement in terms of changing employee attitude by addressing reward related issues.
- To the academicians and future researchers, the study is advantageous to fellow academic hunters and future researcher practitioners who will be interested in understanding studies related to this subject in a similar or different institution.
- To the researcher, the study contributes substantially to the award of Bachelors in Human Resource Management of Kampala International University.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter discusses the opinions from different authors, publications, magazines, websites, and all possible sources as a basic foundation for this research study. It is divided into theoretical framework, conceptual framework and empirical literature as seen below;

2.1 Theoretical framework

Parker and Burton (1970) developed a theory relating wage to labour turnover which they labeled incentive to quit. According to them as quoted in their book entitled Management attitudes and performance it was shown that; “... *inter-industry wage differentials are examples of those variables which measure the incentives of workers to quit because of comparisons they make of attributes of their own firms and other firms*”. One of the early theorists F.W. Taylor and M. Armstrong in their publication personnel management assumed that;“....*Man is a rational animal concerned with maximizing his economic gains... ..*”

Goldthorpe (1969) conducted a study from three manufacturing firms in Luton England and his book “changing supervisory behavior revealed that “... *work that offers relatively intrinsic rewards may not in fact form the basis of a powerful tie between the worker and his employment because of inter-veiling dissatisfaction, grievances and work which by its nature entails severe depression for those who perform it may non-the-less offer intrinsic rewards which are to attract workers fairly and firmly to the employer who offers his work*”.

Professor Herzberg’s theory on motivation was illustrated in his book entitled “work and the nature of man” he divided the factors into two categories that is to say motivators (strategies) and hygienic factors (dissatisfies) under motivators he pointed out that they include; company policy, supervisory style, and salaries and wages.

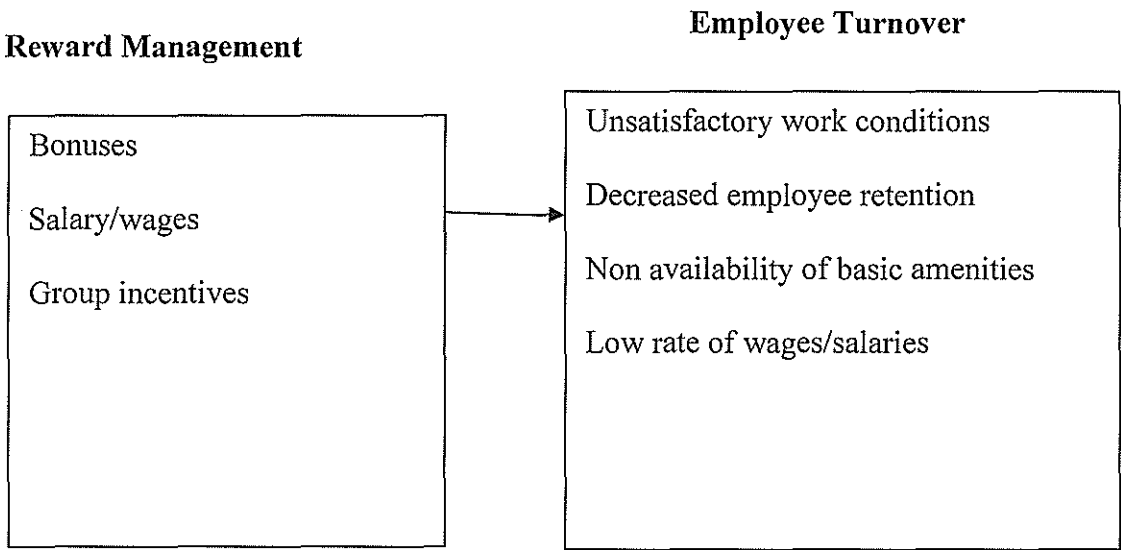
Professor Abraham Maslow as quoted in their book; “*Theory of motivation, fundamental of human behavior*” “proposed a hierarchy of human needs in his theory of motivation. He contends that human needs seek to satisfy the more basic needs first before satisfying needs at a higher

level up the hierarchy. The other levels of the hierarchy are physiological needs, safety/ security needs, love needs, esteem needs and finally self-actualization and all most of these can be achieved when the company has a good reward management system.

In the book of William H. Davis, “Behavior in organizations” a multi-dimensional view provides that; “..there is no single factor in the whole field of labour relations that does more to break down morale, create individual dissatisfaction, encourage absenteeism, increase labour turnover, hamper production but the obviously unjust inequalities in remunerations given or wage rate paid to different individuals in the same labour group within the same workplace.”

2.2 Conceptual Framework

Figure 1: Showing Conceptual Framework



Source: Research (2012)

The two variables above indicated that if participative leadership style was employed and practiced by a leader, without fear and favor, its impacts in as far as employees performance was concerned was manifested in form of high productivity, quality output and increased employee efficiency. Likewise due to face that autocratic leadership style does not encourage time consuming and makes employee fear their leader in all situations, it makes them work hard in order not receive reprimands from their leaders. The impacts of hardworking are in turn revealed

Bonuses, profit sharing and stock options; Spitzer and Dean (1996) envisage that, as more small businesses use team structures to reach their goals, many entrepreneurs look for ways to reward cooperation between departments and individuals. Bonuses, profit sharing, and stock options can all be used to reward team and group accomplishments.

Group based rewards; an entrepreneur can choose to reward individual or group contributions or a combination of the two. Group-based reward systems are based on a measurement of team performance, with individual rewards received on the basis of this performance. While these systems encourage individual efforts toward common business goals, they also tend to reward underperforming employees along with average and above-average employees. A reward program which recognizes individual achievements in addition to team performance can provide extra incentive for employees (Spitzer and Dean, 1996).

2.4 Factors Influencing Employee Reward at KIU

A number of factors influence the rewards provided to employees. They can be categorized as internal or external factors. Chavan (2010), notes that among the internal factors which have an impact on the pay structure include company’s strategy, job evaluation, performance appraisal and the worker himself or herself.

Maclean and Stacey (2009) also point out that the overall business strategy which a company pursues should determine the remuneration to its employees. For instance where the strategy of the enterprise is to achieve rapid growth, remuneration should be higher than the competitors pay. Whereas where the strategy is to maintain and protect current earnings, because of the declining fortune of the company, remuneration level needs to be average or even below average. Job evaluation helps establish satisfactory wage differentials among jobs. Performance appraisal helps award pay increase to employees who show improved performance.

Maclean and Stacey (2009) also added that in the labour market, demand for and supply of labour influence wage and salary fixation. A low wage may be fixed when the supply of labour exceeds the demand for it. A higher wage will have to be paid when demand exceeds supply, as in the case of skilled labour.

Stewart (1994) argued that a rise in the cost of living is sought to be compensated by payment of dearness allowance, basic pay to remain undisturbed. Many companies include an escalatory clause in their wage agreement in terms of which dearness allowance increases or decreases depending upon the movement of consumer price index (CPI).

Productivity can arise due to increased effort of the worker, or as a result of the factors beyond the control of the management, and the like advance in technology and more efficient methods of production. Productivity has only a role in wage fixation (Stahl 1995). The argument that productivity would increase if it is linked to remuneration is hardly acceptable.

According to Staw (1981), the presence or absence of labour organizations often determines the quantum of wages paid to employees. Employers of non-unionized factories enjoy the freedom to fix wages and salaries.

According to Stahl (1995), the impact on wage and salary fixation is also affected by the state of the economy. In most cases, the standard of living will rise in an expanding economy. Since the cost of living is commonly used as a pay standard, the economy's health exerts a major impact upon pay decisions. Labour unions, the government, and the society are all less likely to press for pay increases in a depressed economy.

2.5 The Relationship Between Reward Management and Employee Turnover

The extent of the impact of turnover on an organisation cannot be fully understood if there is no attempt to quantify the costs. The more complex approaches to costing turnover give a more accurate and higher estimate of the costs. Such approaches often take into account the costs associated with lost productivity and the effect on morale of the remaining workforce. One such framework is that proposed by Tziner and Birati (1996) which builds on the Cascio model of separation costs, replacement costs and training costs. The Tziner and Birati framework includes: direct costs incurred in the replacement process for instance in recruiting, hiring, training and socializing new employees, including the extra effort by supervisors and co-workers to integrate them ; indirect costs and losses relating to interruptions in production, sales and the delivery of goods to customers; financial value of the estimated effect on performance as a result of the drop in morale of the remaining workforce following dysfunctional turnover.

Mullins (1999) envisages that a high turnover can be a serious obstacle to productivity, quality, and profitability at firms of all sizes. For the smallest of companies, a high turnover rate can mean that simply having enough staff to fulfill daily functions is a challenge, even beyond the issue of how well the work is done when staff is available. Thus, turnover is no less a problem for major companies, which often spend millions of dollars a year on turnover-related costs. This implies that for service-oriented professions, such as those provided by Kampala International University, high employee turnover can also lead to customer dissatisfaction and turnover, as clients feel little attachment to a revolving contact.

Similarly, Shelley (2008) asserts that customers are also likely to experience dips in the quality of service, each time their representative changes, thus to Stahl (1995), reducing employee turnover saves money. Money saved from not having to find and train replacement workers can be used elsewhere, including the bottom line of the company's profit statement. Although to Clint (2004) a high turnover can sometimes be useful, because employers who are poor interviewers may not discover that new employees are actually poor employees until after the workers have been on the payroll for several weeks. Rather than go for the trouble and documentation of firing these underperforming employees, some companies rely on turnover to weed out the bad employees. When the learning curve is small and the consequences of always having inexperienced workers are minimal, high turnover may not be seen as a significant problem.

Bonuses are generally short-term motivators. By rewarding an employee's performance for the previous year, say critics, they encourage a short-term perspective rather than future-oriented accomplishments. Proponents, however, contend that bonuses are a perfectly legitimate means of rewarding outstanding performance, and they argue that such compensation can actually be a powerful tool to encourage future top-level efforts. In addition, bonus programs need to be carefully structured to ensure they are rewarding accomplishments above and beyond an individual or group's basic functions. Otherwise, they run the risk of being perceived as entitlements or regular merit pay, rather than a reward for outstanding work (Thornburg and Linda, 2004).

Armstrong (2008) defined labor turnover as ending of employment relationship which may be voluntarily by someone moving elsewhere, or may finish at end of career or retirement. Labor turnover is characterized by absenteeism, job dissatisfaction and quitting a job. According to Bwire (2008), there are two categories of labour turnover that may result from reward management depending on the circumstances that is to say; voluntary labour turnover and involuntary labour turnover.

Voluntary labour turnover refers to the employees leaving the organization due to retirement quits, resignations and death. With retirement, most organization have age limit beyond which an employee's services are rendered unbeneficial to the company and he/she is let to go after calculating a compensation benefit for the services rendered earlier, whereas quit is when the employees foregoes his services to the company. Resignation is a term initiated by the employee him or herself (Davour, 1995). The study sought to find out whether reward management balances employee satisfaction and keeps employees motivated at Kampala International University.

Involuntary labour turnover on the other hand is where the employees are forced to leave the company against their wish (Davour, 1995). For example, dismissal; these are terminations initiated by the company, it must be done with great care and must be supported with a just and sufficient cause. Dismissals are generally done as a last resort after all attempts at salvaging the employee have failed. In addition, he attributes the cause of dismissals as unsatisfactory performance, misconduct, absenteeism and tardiness which may come up due to dissatisfactions in labour. Whether this is the case with Kampala International University the study found out that reward is influential in the involuntary labour turnover.

Cuming (1993) adds that retrenchment refers to the involuntary labour turnover brought as a result of the company trying to restructure its organization by abandoning other operations or to improve its efficiency and effectiveness by removing labour force which is not attractive. Whether this is the same case with Kampala International University, the study found out that this is not the same.

Clint (2004), notes that the prospects of getting higher pay elsewhere leads to turnover and this is one of the most obvious contributors to turnover. According to Clint, this practice can be regularly observed at all levels of the economic ladder, from executives and generously paid professionals in high-stress positions to entry-level workers in relatively low demanding jobs. However, different from Clint, Stewart (1994) found out that there is evidence that money is often not the root cause of turnover, even when it is a factor in an employee's decision to quit. In this survey, the study compelled justification of whether pay is not the root cause of turnover at Kampala International University.

According to Gold Thorpe (1969) said when there is competition in the labour market the demand for labour from different sources of employment is also high, which leads to instability in labour especially when it comes to casual labour force. Thus Armstrong (1996), found that turnover tends to be higher in environments where employees feel they are taken advantage of, where they feel undervalued or ignored, and where they feel helpless or not important. Clearly, if managers are impersonal, arbitrary, and demanding, there is greater risk of alienation and turnover. Management policies can also affect the environment in basic ways such as whether employee benefits and incentives appear generous or stingy, or whether the company is responsive to employees' needs and wants. Management's handling of major corporate events such as mergers or layoffs is also an important influence on the work environment afterwards.

Lansor and Terence (1987) said that there is a challenge of job dissatisfaction. They further said when the relationship between job satisfaction and turnover is negative implying that the greater the satisfaction, the lower the turnover and hence better performance. Mullins 1999 asserts that labour turnover arises because of various factors including dissatisfaction with job, low rate of wages and salary, unsatisfactory working conditions, and non availability of adequate basic amenities. So there is need for management to attend to all the above if they are to reduce on the costs of production and interruption in the smooth flow of work since labour is directly used in the production of goods and services.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter explains the specific research methodology and techniques that the researcher employed in order to obtain data. It covers the research design, study area, population sampling strategies, data collection techniques and data analysis techniques

3.1 Research Design

The study employed survey research design which involved covering both quantitative and qualitative research approaches. However emphasis was drawn to the exploratory research design to be able to focus on perceptions, facts, feelings, experiences and emotions of respondents. This was because the research questions generated required an exploratory, descriptive and analytical perspective in order to establish the unknown relationship between reward management and labor turnover.

3.2 Study Population

Kampala International University is located along the Kabalagala-Ggabba Road a few minutes drive from the city center of Kampala. The organization was selected because of its easy location and the fact that it experiences a high level of labour turnover, thus bore the necessary study elements. Due to the need for sufficient data the study covered the entire university staff both skilled and unskilled.

3.3 Sample Population

The sample population was selected using the Krejcie and Morgan sample formula. A sample population of 100 was considered from which 80 respondents were selected. This was obtained from the formula;

Thus their formula was applied in determining sample size;

$$S = \frac{X^2 NP (1 - P)}{d^2 (N - 1) + X^2 P (1 - P)}$$

Where;

S = required sample size

X^2 = the table value of chi-square for one degree of freedom at the desired confidence level, which was 3.841 for .95 confidence level.

N = the given population size

P = the population proportion (assumed to be .50 since this would provide the maximum sample size)

d = the degree of accuracy expressed as a proportion (.05) as reflected by the amount of error that can be tolerated in the fluctuation of a sample population.

The sample size comprised of administrators (10), departmental heads (10), assistant heads of departments (10), lecturers (20) support staff (15) and reception desk (15). According to Roscoe (1975) rule of thumb states that a sample size between 30 and 500 is appropriate for most studies therefore the sample size for this study was 80 individuals.

Table 3.1: Number of Respondents to be included in the Study

NO	RESPONDENTS	Population	Size
1	Administrators	10	10
3	Reception desk	16	15
4	Departmental heads	10	10
5	Assistant heads of departments	10	10
	Lecturers	38	20
6	Support staff	16	15
	TOTAL	100	80

Source: Primary Source (2012)

3.4 Sample Selection Technique

While conducting the study, the researcher considered different attributes and characteristics of the respondents, such as the age of the children and their sex. The researcher adopted a critical purposive sampling method because the group was small compared to study population and yet a small number of cases could still be decisive in explaining the phenomenon of interest and above all given the expected limitations in financial resources. Simple random was administered on support staff, lecturers where lectures found within the university campus were randomly contacted to avoid biases in sampling. This was because method gives every single individual a

single chance of selection. Stratified sampling was applied on the heads of departments because much as these supervise different departments, they all satisfy the strata of this study with viable knowledge about their departmental labour turnover rates in respect to management of rewards.

3.5 Sources of Data Collection

3.5.1 Data Collection Methods

Primary Data

This was obtained through use of self administered questionnaires, interviews and observations of the respondents.

Secondary Data

This was obtained from text books and other outstanding materials of different scholars for instance journals, magazines, published and unpublished documents, and internet sources were all referred to, to understand the issues of reward management and labour turnover.

3.6 Data Collection Instruments

Different study instruments were applied for this study which included questionnaire, interviews and documentary review.

3.6.1 Questionnaire

Both closed and open ended questionnaires were given to across section of respondents in order to aid and facilitate comprehensive data collection. For validity and reliability of the questionnaire, a pre-test was made to ensure that it was free from ambiguity, vagueness, and self guiding questions. It was tested on 10 respondents who were not participants of the study. This instrument helped in generating quantitative data. In addition to this, questionnaires minimize biased and unwarranted responses and also provide a lot of information as well as giving freedom to the respondents to give out their detailed views.

3.6.2 Interview

The researcher organized informal interviews with management and staff to enrich the findings of the study. This was through a face to face interaction with the respondents where researcher

asked them relevant questions to the study as the researcher directly took note of the answers. Interviews were selected because they are helpful in gathering in depth information and for consistency to keep within the scope of the study.

3.6.3 Documentary review

University records on labour turnover rate were reviewed from the office of the Human Resource in order to obtain detailed information to supplement the findings from interview and questionnaires.

3.7 Data Collection Procedure

The researcher first acquired an introductory letter from the Dean of the School of Business to present to relevant authorities in Kampala International University to allow her to carry out the research.

3.8 Data Analysis

The researcher explained, described and eventually presented the study findings. This was guided by the specific objectives of the study and research questions. Data analysis was firstly done by making quick impressionistic summaries of the findings and conclusions made during the process of collecting data. Quantitative data was presented by use of statistics and different graphs and was further presented in columns in order to bring out the study objectives as supported by thematic arrangement of questionnaires. Qualitative data was analyzed in summaries to support quantitative data as backed up or contradicted by literature.

3.9 Ethical Consideration

The researcher carried out the study after receiving full authorisation from the management of Kampala International University. The researcher first of all obtained a letter of introduction assigning her to the field for purposes of erasing doubt. She thereafter made arrangements with selected respondents for interviews and for collection of questions. The researcher also ensured that she assured the respondents of thier confidentiality.

3.10 Limitations of the Study

In the process of conducting this study, the researcher faced some problems which included;

Financial shortages as regards to contacting the respondents as most of them where off for Christmas and New year festive seasons, thus necessitated the researcher to incur unexpected transport and phone call costs. However, the researcher was able to acquire a simple short term loan to meet the unanticipated costs.

The time available for research was limited, and yet respondents were not easily traceable due to the Christmas break. However, the researcher managed to trace for respondents' contacts at the university and followed them up from wherever they would be other than at the University campus as many of them were on holiday and unavailable at the University.

CHAPTER FOUR

PRESENTATIONS, ANALYSIS AND DISCUSSIONS OF THE FINDINGS

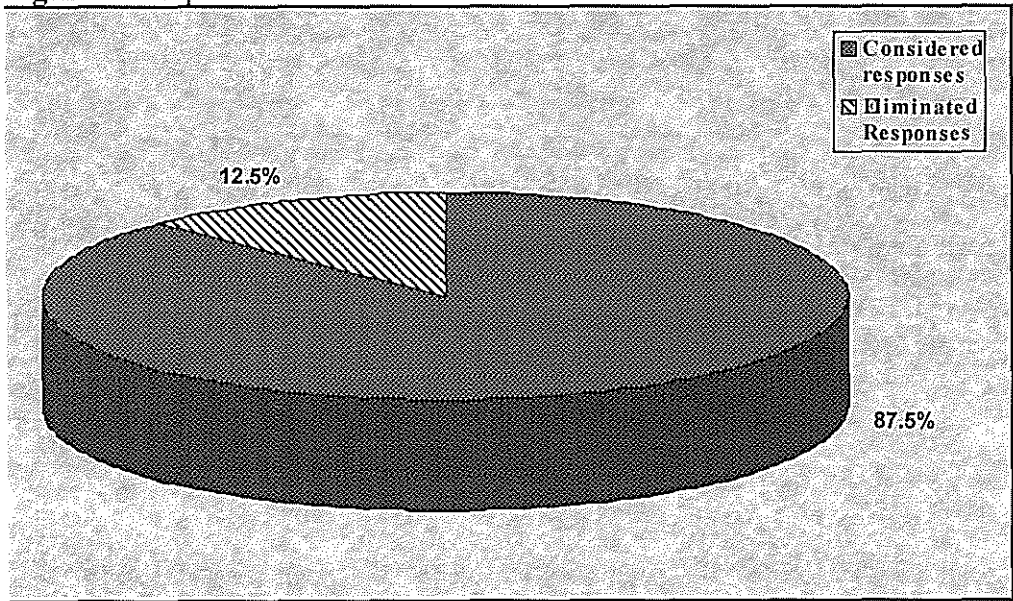
4.0 Introduction

This chapter provides for the presentation, analysis and discussion of the study findings in respect to the specific variables which included; establishing the components of reward management structure; examining the factors influencing employee reward; and finding out the relationship between reward management and labour turnover.

4.1 Response Rate

Out of the 80 respondents considered for this study, only 70 were reachable leaving a response rate of 87.5% which indeed was appropriate for the study as compared to the 50% and above response recommended by Mugenda and Mugenda (1999). Among the respondents of the questionnaire, responses from 10 of the respondents were not relied upon, 4 of the questionnaires were not returned, while 4 were eliminated because they were partially filled and thus would affect the final quality of the analyzed results.

Figure 2: Response Rate



Source: Primary Data (2013)

4.2 Forms of the Reward Management Structure

The study further aimed at identifying the different forms reward management at Kampala International University, to find out how these can affect the labour turnover and the study findings were as presented in Table 1;

Table 1: Forms of Reward Management

Forms of Reward	Agree	Disagree	Percentage
Wage	7 (10%)	61 (90%)	100
Salary	65(92.9%)	5 (7.1%)	100
Fringe benefits	2(3%)	68(97%)	100
Incentives	8 (11.4%)	62(88.6%)	100
Perquisites	0(0%)	70(100%)	100
Staff development	20(28.6%)	50(71.4%)	100

Source: Field Research Findings (2013)

According to the findings in table 1 it was established from the study respondents that, there are different components of rewards in Kampala International University and that these included mainly, salary (92.9%), staff development (28.6%), incentives (11.4%), wages (10%), and fringe benefits (3%), while no perquisites were given.

Whether salary is paid

Pertaining to whether the University provided salary rewards in view of Table 1, 65 of the respondents consented to receiving salary remuneration as monthly entitlement for their job positions held. However support staffs quoted “delayed salary payments, which is a poor work condition that has seen many of their colleagues colliding with authority, finding alternative jobs and quitting, while some simply decide to lax while at work”. Indeed according to one of the qualified staff, it was noted thus;

“For the two years I have worked at the University, I have never received prompt pay. By the time the months lapses, management pays me for the past one or two months. At one occasion, my salary pended for over three months and when I was paid only two months were paid. Since then, it is always that I have a pending month arrear or am paid not earlier than 15 days of the proceeding month. But I think we have varying levels and issues over salary payments. The system is not uniform for some of us.”

Whether staff development and training programmes are provided

In regard to staff development it was noted from 6 of the respondents of the interview that;

To enjoy the benefits of training and upgrading of career you need to have connections or build a corporate understanding with persons connected to the shareholders”

While according to another;

“You must be characteristically patient with the university issues, especially in regard to finances. In other words you must be a person who is very patient with management deficits and problems”

The study finding therefore reflects that other than management, shareholders directly involve in determining who benefits from the development programmes and training at the University. Thus those with contradicting and clashing opinions with shareholders have the likelihood of career development next to impossible. This contradicts with the postulations of Mahendra (2008) that remuneration depends on merit.

Whether rewards in form of perquisites are provided

As far as perquisite privileges are concerned, it was noted that no staff member has such privileges at the university. Although two of the staff's consented to having been provided with university cars before, and that due to the inconveniences they experienced while using these vehicles, had to return them. According to one of the administrators “it was noted thus, you can be called over at any time to momentarily surrender the vehicle to whoever is recommended to you in accomplishment of individual duties, which was too much of an inconvenience.”

According to other responses in some of the interviews it was also noted that no perquisites are provided in terms of gratuity. It was thus held that;

“occasionally, some staff members are illegally replaced even without notice, only to find time tables accorded to newly recruited staff, which is quite an embarrassment. With such unprofessional conduct, staffs decide to quit without pursuing their entitlements. Lasting at this university is mainly possible if one is submissive to the rights and wrongs of the administration, we are still lacking administratively. In this way according to me, and possibly to many of us there is no such a thing as perquisite privileges at this institution. And I will not say that the University lacks finances, but it is simply a mismanagement of funds because the majority of students pay in dollars and the only way they would reap from their tuition, would be through sufficient and adequate rewards for staffs as engines of the University. But rewards are the least considered aspects in

building the profile of our university, but some how we adjust and work to our convenience other than to the convenience of the University or students. To be precise, I teach only when I really feel obliged to, because similarly our welfare is also not much respected."

This study finding on perquisites shows that, completely not such a privilege is enjoyed by staff and that those to whom it is accorded feel better off without it. In addition the salaries and conditions of service are not proportionate with their services and contributions. Instead of drawing from objections to align the weaknesses in administration, staffs are negatively rewarded through informal dismissals instead. Thus staff live under the fear of rationalization and retrenchment or retirement, thus choose to find their exit before the authority gives the marching orders. It can therefore be submitted that much as some staffs receive wage rewards others at the same level do not, just like Mahendra (2008) consented that wages and salaries are components of remuneration which may vary depending on employer and seniority, thus due to dissatisfactions decide or are forced to quit.

Whether wages are provided

It was noted that 10% receive rewards in terms of wages where 2 administrators consented to being provided wage allowances. While 5 (7.1%) of the support staff who receive wages do not receive a salary reward. It was noted from interviews that support staff who received wages were not paid salary and that these have been recruited through relations and connections with the hostel management and thus not on the payroll but survive merely by wages. Indeed Mahendra (2008) also views wages as a component of remuneration provided depending on the nature of job.

On whether fringe benefits are provided

According to the study findings, it was noted that there is a low recognition of rewards in form of fringe benefits (3%) as only accorded to administrators. Indeed one of them consented that;

"the terms and conditions of service are not the best, thus we are provided with some fringe benefits for our visionary contributions to keep serving, which is not a bad consideration. We do a lot of work and we need to feel appreciated somehow, however small".

This finding reflects that whereas some administrators are rewarded for their unique contributions, others are left out. This is contrary to Mahendra (2008) contention that wages and

salary depend on merits or nature of job. Management at Kampala International University segregates in its reward system and this belittles those whose contributions are overlooked, thus compelled to quit service.

On whether incentives are provided

The study finding shows that only 11.4% of respondents receive rewards in form of incentives and among those that received incentives included the foreign expertise staff who consented to receiving “accommodation, transport and food allowances” which other staff (nationals) had no entitlement according to one of the departmental heads who has served for 5 years.

This same finding also reveals that no support staff is provided with any incentive, implying that much as they are expected to work hard and to be ever present at their allocated work stations as previously quoted from one of the support staff, they are not considered when it comes to providing incentives to work. Contrary to Mahendra (2008) view where incentives are paid in addition to salary and wages depending on one’s productivity or overtime, the support staff have no such provisions, while only 11.4% are appreciated for their productivity and overtime.

4.3 Factors Influencing Employee Reward

The study further sought about the factors influencing employee reward at Kampala International University and the study findings were as summarized in table 2;

Table 2: Factors Influencing Employee Reward

Factor	Response rate per Frequency		Percentage
	Agree	Disagree	
Unique performances	22(31.4%)	48(68.6%)	100
Performance appraisal	29(41.4%)	41(58.6%)	100
Terms of contract	15(21.4%)	55 (78.6%)	100
Incentives provided as a motivator	7(10%)	61(90%)	100
Technical know who	55 (78.6%)	15 (21.4%)	100

Source: Field Research Findings (2013)

According to the study findings it was established that there are various factors considered in determining employee reward and these were noted to be; technical know who (78.6%),

performance appraisal (41.4%), rewarding unique performances (31.4%), terms of contract (21.4%), and providing incentives to motivate staff (10%).

In respect to the study findings it was noted that the most influential factor in reward management programmes at Kampala International University is the technical know who (78.6%). According to the one of the study respondents, it was noted that;

“the highly connected individual staffs have benefited more than others irrespective of whether their qualifications warrant meriting or whether they have exceedingly performed.”

The study responses further reflected that rewards at Kampala International University also depend on the performance of individual staffs for the time they spend in service.

“Staff members with high qualifications and excellent performance, are accordingly paid”, as noted from one of the respondents.

This same view is envisaged by Chavan (2010) who noted that rewards depend on performance appraisal and the worker him/herself. Just like Maclean and Stacey (2009) point out that performance appraisal helps award pay increase to employees who show improved performance. Contrary to the reward system of Kampala International University where performance appraisal (41.4%) is carried out to draw better candidates for particular job positions and pay, and yet fail to tally rewards with individual contributions.

Only 31.4% of the respondents consented to have been rewarded for their unique performances at one point in time, while those who did not consent (68.6%) to have received any rewards, despite their distinctive contributions at one point in time, that these go unnoticed, which indeed has demoralized staff from contributing uniquely, because no returns are yielded either way, as confessed by one of the assistant head of department. This finding reflects no effort to evaluate jobs as contrary to Maclean and Stacey (2009) who maintain that evaluation helps establish satisfactory wage differentials among different jobs.

In respect to whether the university depends on terms of contract to reward staff only 21.4% consented to this while the remaining 78.6% disagreed. Among those that disagreed it was pointed out that they receive their rewards contrary to the agreed upon terms of contract provided in the appointment letters. Thus according to one of the respondents

“monthly pay at times is left pending for 2 to three months depending on the financial convenience of our Managing Director. But what to do, we sit back and wait, at times, just like the rest, I end up failing to serve because of lack of facilitation as contracted and for this, I cannot continue drawing from other sources of survival to meet university role requirements.”

This expression from one of the respondents “what to do” implies an absence of labour organization to ensure prompt pay of staff, moreover it reduces the productivity of workers as this has a role in wage fixation as supported by Stahl (1995), thus labour turnover as a result of poor reward management at the university.

The study finding further revealed that the university provides incentives depending on how it desires to motivate its staff (10%). This was clearly emphasized by the administrators and expatriate staff who accordingly benefited from these incentives. The study finding however reflects a low level of intentions of the university management to motivate staff by way of rewards. Similarly Stahl (1995) argues that it is hardly acceptable that productivity can increase simply because of remuneration, however in the case of KIU remuneration has discouraged productivity and increased turnover.

4.4 Relationship between Reward Management and Labour Turnover

The study examined the relationship between reward management and labor turnover at Kampala International University and the study findings were as presented in Table 3.

Table 3: Relationship between Reward Management and Labor Turnover

Relationship	Response rate as per Frequency		Percentage
	Agree	Disagree	
Sustained pay improves retention	55(78.6%)	15 (21.4%)	100
Impromptu pay increases labour turnover	37(53%)	33(47%)	100
Staffs need to be motivated with incentives	50 (71.4%)	20(28.6%)	100
Salary structures ought to be clearly stated	49(70%)	21(30%)	100
Delayed payments need to be explained	35(50%)	35(50%)	100
Equal pay is necessary for equal work	60(85.7%)	10(14.3%)	100
Pay increments necessary for market changes	39(55.7%)	31(44.3%)	100
My pay is satisfactory	65(92.8%)	5 (7.1%)	100
Extra pay is provided for extra work accorded	10(14.3%)	60(85.7%)	100
Have training and development programmes for staff	20(28.6%)	50(71.4%)	100

Source: Field Research Findings (2013)

The study findings in table 3 showed that there are various relationships between labor turnover and reward management which included providing satisfactory pay (92.8%), how pay is equated for work done (85.7%), sustained or regular pay improving retention (78.6%), motivation to stay derived from incentives (71.4%), how salary structures are stated (70%), increasing pay depending on changes in the market (55.7%), impromptu pay and increases in turnover rate (53%), unexplained delays in payment and labor turnover (50%), training and development programmes and staff retention (28.6%) and providing extra pay for extra work done (14.3%).

On whether providing satisfactory pay can reduce labor turnover

According to the study respondent (92.8%) it was consented that with a pay that is satisfactory, staff would find no reason not be stable at its workplace as this would create job satisfaction and promote productivity of workers. Indeed, this was vividly expressed by some lecturers as;

"I do not like the pay, but I have stayed on because I have not found an alternative and so I haven't been able to get a better offer. Why would I keep running up and down for jobs when my pay can sustain me?"

He, like many others, goes fishing for better opportunities around other organizations, in addition to finding supplementary jobs, mainly those that are full time lecturers. Similarly, another lecturer also commented;

"You cannot expect me to provide satisfying results while you keep me unsatisfied and sulking all the time. You reap what you sow. The dissatisfaction somehow ends up spreading to the students because I will not deliver as much as what is expected from me and consequently the entire image of the university is affected, just like it is falling apart now"

This study finding suggests that the turnover situation is compounded by the fact that the reward system is not satisfactory for staff at the university and that staff are on duty simply because of the need to work, but they do not see themselves developing with the university as one. The spirit of belongingness is lacking because staff receive no satisfying pay to keep them obliged in fulfilling their duties. Just like Lansor and Terence (1987) acknowledge job dissatisfaction to be a challenge with a negative relationship where the greater the satisfaction, the lower the turnover and the better the performance. In the same context, Shelley (2008) similarly relates this to customers experiencing dips in the quality of service when their known representatives keep changing all the time. This implies that the corporate image of the university is also damaged, whenever learners find new lecturers every other session, more so when those available are unwilling to teach.

On how equal pay for equal work can be influential to labor turnover

It was noted from the study respondents that the university requires exercising equal pay for equal work as asserted by 85.7% of the respondents. In a statement noted from one of departmental heads, it was revealed that;

“we have lost some highly skilled staff, because of a poor reward system which is influenced directly from above, of which we have no input. In other words high performers have quit because their effort has insufficiently been rewarded, this is because the university collectively determines rewards without specific consideration of the unique performers.”

While according to one of the lecturers it was emphasized that;

“It is not due to lack of finances that the University has failed to sufficiently reward its staff, but mismanagement of finances because and the highest hierarchy, inexperienced staff is indiscriminately appointed to run the university affairs, most of whom are not equipped with managerial ethics. It is these very people that have corrupted the University strategies introducing unjustifiable reward differentials between the would be high performers and low performers consequently leading to low morale and low commitment of excellent staff who thereafter take leave to find organizations with justified prospects for students and staff”

According to this study finding, it can therefore be submitted that, where there is equal pay for equal work done, labor turnover will consequently be low as staff will be satisfied and the reverse is true for unequal pay. This same view is envisaged by Thornburg and Linda (2004) who note that, by adopting perfectly legitimate means of rewarding outstanding performance, can be a powerful tool in encouraging future top-level efforts. This implies that when staff realize that their pay is equivalent to their effort, then future effort is encouraged, thus turnover is reduced.

On whether regularly/sustainably rewarding staff can improve retention levels

In respect to findings related to significance of rewards and turnover it was established from the study respondents that pay needs to be sustained to improve retention (78.6%), or else without this, the employees' distinctive contribution is discouraged thereby increasing the likelihood of turnover, as asserted by one of the respondents. Similarly, Armstrong (2008), realized that labor turnover is characterized by job dissatisfactions and absenteeism just like staff in Kampala International University, quit their jobs due to reward dissatisfactions that are not sustainable in nature. Thus management needs to ensure rewards are sustainably met to curb the labor turnover rate. Indeed, Mullins (1999) discourages high turnover as it can be an obstacle to productivity of the organization.

On whether incentives can motivate staff to stay

The study findings revealed that, if university would consider providing and improving the way it provides its incentives (71.4%), staff would feel more obliged to stay than staying because they have no choice, or because circumstances dictate so. This was clearly put out by one the respondents that;

“lack of provision of incentives is itself a disincentive to work. When I embarked on considering other institutions around and how they motivate their staff, I felt like am being cheated in terms of pay. This affected my way of doing things. Management has to consider promoting the use of rewards whether monetary or non monetary, this has remained a long standing concern to motivate staff. It is high time for management to react.

This finding suggests that with dissatisfactions in rewards staffs begin to compare incentives to work as provided by other institutions, which consequently, if rated as poor leads to dissatisfactions and eventually results into labor turnover. Just like Clint (2004), supports that the prospect of getting higher pay is one of the most obvious contributors to turnover.

On whether clearly stated salaries can promote retention

The study findings further revealed that, the salary structures also are indiscriminate in nature and not clear at all (70%). Indeed according to one of the respondents it was noted thus;

“I was so bothered the first time I learnt that I was getting a lower pay compared to some of my colleagues with whom I am at the same job level. But that bothers me no more, I also operate on my own time table. That is where I draw my satisfaction now”

This finding implies that, salary structures have to be clearly stated for each job level because it disheartens when staff at the same job level recognize that they are paid differently. Mullins (1999) also comments on a non availability of adequate basic amenities leading to labor turnover. Thus amenities once adequately arranged, stated, accepted and met, there is no cause to snoop around as staff will be contented.

On whether increasing pay focusing on market conditions can increase retention

The study finding further revealed that given the prevailing labor market situation especially with this inflation rate that the country is suffering, regular increments (55.7%) for example in form of bonuses should be given. This was founded on grounds that “the consideration for labor

itself was poor initially and compromising on the side of staff, and with the current state of changing market prices, the pay almost appears next to nothing, creating further dissatisfactions” Indeed according to other respondents, it was put forward that;

The inflation status has created a deteriorating environment for staff because it has rendered the salaries useless and this has created an inadequate situation to keep staff on their jobs. Appropriate policies need to be devised to reduce labor turnover by reflecting on how best to motivate staff”

According to one of some administrators it was noted that, “from the year 2010 labour turnover drastically increased as the salary condition seemed unable to provide adequate motivation”, “moreover at the face of the increasing cost of living which saw the previous salary becoming less and less attractive and influencing the need for a higher pay”, “which indeed management overlooked. “The turnover rate in this way is due to the fluctuating nature of the economy, which has led to failures for the university to increase pay. Because at any rate, staff continue to believe that their salaries are not a fair reward for their effort”. This is why Armstrong (1996), supports that turnover tends to be higher in environments where employees feel they are taken advantage of, where they feel undervalued or ignored, and where they feel helpless or not important. Indeed in such a fluctuating situation, staff will expect changes or reviews in their pay, forgetting that the university also experiences the same economic challenges in meeting its other costs, this being a general situation.

On whether unexplained delays in payment can increase turnover

On whether it was vital that management would reduce turnover if it explains delays in payment, it was acknowledged by respondents (50%) that “this would at least give light of what should be expected other than developing a feeling of rejects,” “more so finding sources of credit with guaranteed dates of payment other than borrowing blindly and failing to fulfill”. However for those that did not consent (50%), it was noted that this would make no change, “because it is not simply a situation of hard- ups but mismanagement”, “it would make no difference, because as long as I deliver services am entitled to my pay without explanation, because I also deliver services without excuses”. The study finding reflects that much as management remains silent about delayed payments, this affects staff because they may feel rejected. However, for those that are bitter, this may not be a solution because the contract implies payment once services are

delivered, but at least communicating changes would provide some temporary relief and expectation.

On whether training and development programmes can increase retention

The study finding revealed that developing training and development programmes would also be another aspect in promoting retention of staff (28.6%). Just like one of the administrators noted that, “the relationship between turnover and training is complex. Some staff join with an intention to build their careers and CV. It would be fair if the university equally promotes the enhancement of skills of existing staff on contracted terms. I am sure this would be one the best rewards to lower turnover.” This study finding implies that with skill development, greater job satisfaction will be created, just like Mullins (1999) recommends job satisfaction as a way to reduce turnover.

On whether providing extra pay for extra work can increase retention

According to the study respondents, it was noted that if management undertakes to pay extra pay for extra work (14.3%), “staff will at least understand that their effort is being acknowledged,” that management recognizes their worth and promotes their effort to work. Indeed according to one lecturer it was emphasized that;

“being paid according to agreed terms of contract in one thing, and being appreciated for your exclusive effort is also another issue which is most satisfying at the job, however, much more less it would be compared to the contracted pay. It closes the gap of pay dissatisfaction, as long as unique effort is identified. This gives hope in future recognition in the promotion process.”

This study finding reflects that institutions need to influence the amount of effort that workers will invest in their job for better performance through rewarding extra work. This can encourage workers to put adequate effort towards the promotion of the university’s image or else without such extra allowances, hatred to work may be developed.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter covers the summary, conclusions and recommendations of the study findings on the two major variables which were the leadership styles, and the effect of the leadership style on performance.

5.1 Discussion of the Findings

The study identified the different components of the reward management structure of Kampala International University and what it influences the way rewards are awarded, and thus was able to establish the relationship between reward management and labor turnover at the university. The study findings are summarized thematically as subdivided below;

5.1.1 Forms of the Reward Management Used

The study established that at KIU, salary is the most recognized form of reward provided by management. The university is mainly focused on paying its staff depending on how much was agreed at the time of contract other than by recognition of their unique contributions. Indeed Mahendra (2008) also comments on salary as monthly rate of pay which differs upon nature of job, seniority and merit. However, it was noted that much as salary is the most recognized reward system, it is also noted to be delayed often times which creates job dissatisfactions and increases the possibility of labor turnover. The university was also noted to have training and development programmes, although the way staff is incorporated in these programmes is regarded to be influenced through connections thus leaves other staff members with unmet skill development needs while others benefit thus prompting separation from university.

The study further established that rewards in form of perquisite although available for highly technical staff only just like Mahendra (2008), comments on perquisites to be allowed to executives for example company car, club membership, paid holidays, furnished house among others. However, technical staff in KIU comment that it would be best if not provided at all because they are at times inconveniencing when they have to be shared at any time without prior notice especially the university cars..

Additionally wages were found to be a another form of reward (10%) and Mahendra (2008) also notes wages to be a form of reward used by management. However it was mentioned to be rare and mainly for those that are not on the payroll.

Additionally, just like Mahendra (2008) acknowledges incentives and fringe benefits to be provided depending upon one's productivity, overtime, in KIU these reward systems are available and mainly directed to particular administrators in exclusivity.

5.1.2 Factors Influencing Employee Reward

The study established that reward mainly depends on who is brought in by who, thus the issue of technical know who determines how much one is to be paid thus not a good system where structurally rewards are not rated for particular job positions and high performers are similarly disregarded and disempowered in this manner causing possibilities of laxity and turnover. Indeed Staw (1981) also recognizes the absence of labor unions enable employers to enjoy the freedom of fixing wages and salaries. This implies that without an intermediary force to negotiate on behalf of the employees, unreasonable wage differentials are experienced by employees in KIU.

The university also undertakes to reward staff in respect to their unique performances at some point in time although this is also not uniformly exercised for all unique contributions made. Just like Maclean and Stacey (2009) talk of how performance appraisal and job evaluation are applied to determine remuneration. Similarly KIU also undertakes to appraise unique performances to reward its employees. The university evaluates job performance to promote staff but low consideration has been accorded to reflect on these evaluations in creating wage differentials between staff, which is rather discouraging to the competent staff and may lead to turnover.

It was further established that the university is interested in focusing on terms of contract just like Stewart (1994) argued that basic pay remains undisturbed. In this management of KIU forgets about labor expectations and anticipations whenever there is a feeling of the need to be appreciated for excellent contributions and such incentives should not only be directed to particular administrators as this may demotivate labor and increase turnover.

5.1.3 Relationship between Reward Management and Labour Turnover

The study findings established that there is a relationship between reward management and labor turnover which would result from providing satisfactory pay, equating pay for work done, sustaining pay, providing incentives as a motivator, clearly stating salary structures, reviewing pay upon market changes, making impromptu payments, not explaining situations of delayed payments, devising training and development programmes and providing extra pay for extra work done.

The study established that unsatisfactory pay can lead to labor turnover which may reduce the productivity. This is what Lansor and Terence (1987) viewed as a challenge of job dissatisfaction. In the same boat Mullins (1999) asserts that labour turnover arises because of a low rate of wages and salary. Indeed Clint (2004), observes that the prospects of getting higher pay elsewhere leads to turnover especially for high stress position professionals who feel they are not paid enough. Similarly, by not rewarding staff proportionally, to the nature of work they do demoralizes incumbent staff and damages the university's public image and thus is adversely affecting the corporate existence of the university.

It was further noted that management is not that concerned about how it equates its pay to the output quality of its staff members indeed Armstrong (1996) commented on higher turnover in environments where employees feel taken advantage of. Indeed KIU does accurately determine whether the degree of its reward system is healthy and unhealthy for retention of its staff, until it experiences turnover. Thus for the sustenance of the corporate image, reviewing reward system is necessary to build commitment through promoting experience via training and development programmers, and clearly stating and equating pay with work done in a manner that is regular

and sustained to promote commitment. In situation of delays it is best that management communicates the delays to reduce negative anticipations by staff, much as this may not solve the financial problems of staffs, but at least hope is built.

5.2 Conclusion

The study concluded that salary was the most form of rewarding system used in KIU and giving fringe benefits was the least. The study further concluded that the most factor that influenced employee reward was technical know how and the least was providing incentives to motivate employees.

The study concluded that there is a relationship between reward management and labor turnover where there with, preventing the turnover is high.

5.3 Recommendations

Upon drawing conclusions on the different variables of the study, the researcher made the following recommendations;

There is need to improve the conditions of terms of payments to immensely motivate staff towards job commitment. In other words, salaries and fringe benefits should be enhanced and made relevant to prevailing economic circumstances by reviewing them periodically.

There is need for academic staff developments to be accorded priority since possible growth and advancement on the job is a vital motivational factor. Well-designed training programs should be emphasized not just to meet the professional needs of the lecturers but also to enhance the quality of teaching and ensure the retention of competent and dedicated staff, thus less inclination to leave.

There is need to incur effort in the improvement of the overall welfare of staff including accommodation, transport, medical, food and other facilities at campus.

Prominence should be given to the provision of research grants. Attendants and participation in seminars and conferences should be encouraged to enrich the knowledge and skills of teachers as well for the enhancement of cross cultural university sharing.

There is need for the university to devise better means of giving recognition to unique and excellent performers while at the same time discouraging all forms of relationships to promote innovation and hard work among staff while laziness, inactivity and unevenness need to be punished.

There is need for performance appraisals to be undertaken to improve the quality of supervision in order to provide extra benefits to unique performance and important contributions so as to reduce the turnover rate. This will build competence and respect among staff.

There is need for reward promotion prospects to be improved in order to enhance staffs' sense of achievement and advancement will increase thereby reducing turnover rate.

5.4 Recommendations for Future Research

This study comprehended the aspect of reward management on labor turnover in organizations. The researcher thus, suggests for more studies to be carried out as to why some organizations do not positively perceive rewards to be a factor in regulating labor turnover.

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APPENDIX (I): QUESTIONNAIRE SCHEDULE

Questionnaire to the Respondents

Dear Respondent, I am a student of Kampala International University from the College of Economics and Applied Statistics, investigating on Reward Management and Labour Turnover in Kampala International University. I kindly request you to answer the questions appropriately and as honestly as possible. The information you disclose is strictly for academic purposes and will be treated confidentially.

Instructions

Tick and explain where necessary

Personal data

1. Gender of the respondents

- a) Male ☐
- b) Female ☐

2. Respondents level of education

- a) Certificate ☐
- b) Diploma ☐
- c) Degree ☐
- d) Masters ☐
- e) Non of the above ☐

3. Marital status

- a) Single ☐
- b) married ☐
- c) divorced ☐

4. Period of service at the University

- a) Less than 1 year ☐
- b) 1 – 3 years ☐
- c) 4 – 6 years ☐
- d) 7 – 9 years ☐
- e) 10+ years ☐

Section B: Employee Rewards - Components of the Reward Management Structure

Kampala International University reward management structure has the following components.

Component	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1. Wages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Salary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Incentives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Fringe benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Perquisite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The following is the meaning of each abbreviation in the table;

Strongly Agree (1) Agree (2) Not Sure (3) Disagree (4) Strongly Disagree (5)

	Question	1	2	3	4	5
6	The university has a clear salary scale structure that is well known to the employees					
7	The management gives explanation for delayed payments					
8	My pay at work is fair compared to my input in the organization					
9	The organization makes regular pay increments in relation to price changes in the market.					
9	The pay I get compared to that of other workers in the neighboring university induces me to stay.					

10	The university organizes regular meetings that could reduce workers dissatisfaction					
11	The management of the organization rewards workers for the extra load given to them					
12	I have a strong desire to work in this organization because it encourages workers training and development					

Section C: Factors Influencing Employee Reward

	Question	1	2	3	4	5
13	KIU rewards its employees for unique performance					
14	KIU undertakes performance appraisal before rewarding its employees					
15	Payment of workers depends on contracted terms					
16	Incentives are provided to motivate workers					

Section D: Reward Management and Labour Turnover

	Question	1	2	3	4	5
17	A reduction in wages and salaries leads to a higher labour turnover in a company.					
18	Provision of incentives to workers motivates them and hence reduces on labour turnover.					
19	How do you rate the level of labour turnover in this company?					
20	What do you expect the rate of labour turnover to be this year?					

21. Have you ever worked with another organization before?

- a) Yes ☐
- b) No ☐

22. If yes, why did you leave that company?

- a) Poor salary ☐
- b) Accommodation ☐
- c) Poor relationship with management ☐
- d) Other specify.....

23. What do you think is the major cause of labour turnover at this university?.....
.....
.....

24. In your opinion what should be done to reduce labour turnover as induced by reward management in this organisation?.....
.....

THANKS FOR YOUR COOPERATION

APPENDIX II: INTERVIEW GUIDE

Dear Respondent, I am a student of Kampala International University from the College of Economics and Applied Statistics, investigating on Reward Management and Labour Turnover in Kampala International University. I kindly request you to answer the questions appropriately and as honestly as possible. The information you disclose is strictly for academic purposes and will be treated confidentially.

- 1) For how long have you worked in this organization?
- 2) Does the organization have a clear salary scale structure that is well known to the employees?
- 3) Do you receive a fair work pay?
- 4) Do you think reward management has influenced the rate of labor turnover at this University?
- 5) How would you advise management of KIU on rewards?
- 5) Does management get some complaints about employee remuneration?
- 7) What kind of complaints does it receive?
- 8) Does the company make regular pay increments in relation to price changes in the market?
- 9) How do you rate the level of labour turnover in this company?
- 10) What do you expect the rate of labour turnover to be this year?
- 11) Does Management pay equal pay for equal work?
- 12) Does management hold meetings to discuss reward concerns?
- 13) What do you think is the major cause of labour turnover in this company?
- 14) In your opinion what should be done to reduce labour turnover in this company?

APPENDIX III: INTRODUCTORY LETTER



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OFFICE OF THE PRINCIPAL
COLLEGE OF ECONOMICS AND MANAGEMENT

Thursday 21 March, 2013

RE: NAKYENJO SHAKIRAH.REG.NO:BHR/26292/111/DU

This is to certify that the above mentioned person is a bonafide student of the Kampala International University, in the College of Economics and Management, pursuing a Bachelors of Human Resource Management in 3rd year 2nd Semester.

She is hardworking and cooperative student. Any assistance offered to her will be highly appreciated.

Thank You.
Yours Sincerely,

Dr. Tom Mulegi
Principal CEM