#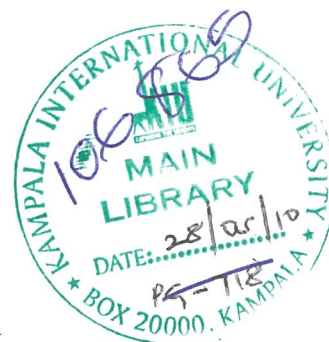 THE EFFECTIVENESS OF REWARDS IN IMPROVING EMPLOYEES' PERFORMANCE IN PRIVATE UNIVERSITIES IN RWANDA: A CASE STUDY OF UNIVERSITE LIBRE DE KIGALI-GISENYI CAMPUS
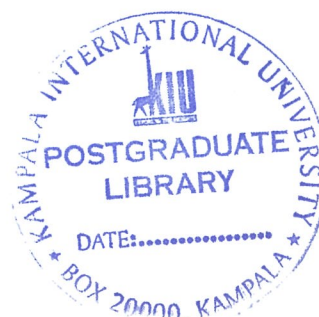
BY

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A THESIS SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE

AWARD OF THE DEGREE OF MASTER OF ARTS IN HUMAN

RESOURCE MANAGEMENT OF KAMPALA

INTERNATIONAL UNIVERSITY

OCTOBER 2009

DECLARATION

I, Ndabarinze Bukambiza Emmanuel, hereby declare that this work is a result of my own effort and has never been submitted for any award in any other University or Institution of higher learning. Any mistakes in this work are entirely mine.
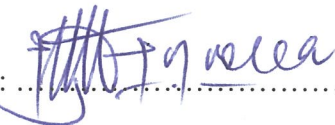
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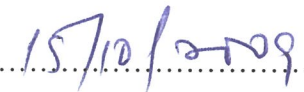
APPROVAL

This research titled "*The Effectiveness of Rewards in Improving Employees' Performance in Private Universities in Rwanda: a case study of ULK-Gisenyi*" has been done under my supervision as the candidate's University Supervisor and has submitted with my approval for examination.

Sign: ....   Date...15/10/2009.

Dr. Kepha Natolooka

DEDICATION

I dedicate this work to my wife Nyirategura Immaculee, my dear children Nkurunziza Andrew, Mugabo Theoneste, Umutoni Esperance, Umutesi Jeanne, Shema Aimable, and Sheja Gift. To my parents Mugiraneza Francois and Nyirahabimana Adeline, brothers and sisters.

ACKNOWLEDGEMENT

This project could not come to completion without the help of certain persons. The following come in for special mention:

First and foremost, I would like to extend my great thanks to the Almighty God who is above all who I owe my success.

Special thanks go to Prof Rwigamba Balinda the founder of ULK, who advised me to go for further studies. Similarly, I would like to thank Mr. Basajja Baraba for his initiative, which also helped me to achieve my dreams.

I am grateful to my Supervisor, Dr. Kepha Natolooka, for his guidance and advice that was crucial to the successful completion of this project.

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Great credit goes to the various respondents who set aside sometimes and filled the questionnaires within a short time;

I thank all other persons not mentioned but who assisted me, either directly or indirectly, in ensuring that I complete this project. May God bless you all.

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LIST OF ACRONYMS

KIU: Kampala International University

ULK: Université libre de Kigali

ABSTRACT

This report is a result of an academic research titled Effectiveness of reward in improving employees' performance in private universities in Rwanda: A case study of ULK-Gisenyi. The objectives of the study were to analyze different techniques used in evaluating employees' performance at ULK, to investigate various forms of reward given to employees of ULK and to analyze criteria used in rewarding employee. To answer research questions and achieve objectives, a case study was used as a case study; a sample random technique was used to sample the population of the study and a questionnaire was used to collect primary data. It is discovered that there are many techniques used in evaluating employees' performance at ULK Gisenyi Campus. Graphic rating was discovered to be the main evaluation technique that is used as agreed by 92.5% of participants. Work standard approach is the second performance appraisal technique as agreed by 80% of participants. In this technique, management establishes the goals openly and sets targets against realistic output standards and essay writing appraisal which was observed to be the third technique. As far as this study is concerned, it was realized that non-monetary rewards are the major forms of rewards given to employees of ULK-Gisenyi campus. Praise/recognition from supervisors was observed to be the main reward which is most of the time given to employees of this university. Paid leave is the second form of reward and is followed by professional growth and development opportunities. The third form of reward is very important on both employees and the organization at the same time. The results of the study revealed that at ULK, employees are rewarded based various criteria. However quantity of work done was observed to be the most criteria that employers base on to reward the employees. The second criterion is the level of customer satisfaction. In conclusion, the rewards were found to be effective since people are rewarded based on known criteria and the process of rewarding employees start from performance evaluation, where each and every employee is evaluated against certain standards and objectives either set by the organization or employees. However, in order to make rewards more effective in enhancing employees' performance, the researcher recommends that employees be should be involved in the design of reward system or in the choice of appropriate reward which can motivate employees. Relatedly, appropriate appraisal techniques and approaches should be designed on each and every type of work or department since the evaluation criteria might differ and some of the techniques might have limitations which may not allow the manager to appraise employees' work properly.

CHAPTER ONE

INTRODUCTION

This chapter presents the historical, conceptual and contextual background of the study. This chapter further points out the existing problem to be solved, the purpose of the study; the objectives to be achieved, research questions to be answered; the scope of the study together with the significance of the study.

1.1 Background of the study

In order for an organization to meet its obligations to shareholders, employees and society, its top management must develop a relationship between the organization and employees that will fulfill the continually changing needs of both parties. At a minimum the organization expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. Management often expects more that employees take initiative, supervise themselves, continue to learn new skills, and be responsive to business needs. At a minimum, employees expect their organization to provide fair pay, safe working conditions, and fair treatment Beer, Spector, Lawrence, Mills, & Walton as cited by Encyclopedia of Small Business (2009)

Traditionally most reward and recognition programmes were vague and often given in response to a manager's perception of when an employee performed exceptionally well. There were usually no set standards by which exceptional performance could be measured, and it could have meant anything from having a good attitude, assisting another department, or being consistently punctual. In current organizational settings this is no longer the case, as organizations understand

the great gains derived by linking rewards and recognition to their business strategy Chen and Hisieh (2006).

Conceptually, rewards programmes come within the overall concept of compensation strategies which are defined as the "deliberate utilization of the pay system as an essential integrating mechanism through which the efforts of various sub-units or individuals are directed towards the achievement of an organization's strategic objectives" (Gomez-Mejia and Balkin, 1992) as cited by Kozlosky (2008). They are management tools that hopefully contribute to a firm's effectiveness by influencing individual or group behavior. All businesses use pay, promotion, bonuses or other types of rewards to encourage high levels of performance. At a minimum, employees expect the organization to provide fair pay, safe working conditions, and fair treatment. Like management, employees often expect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility. Just how ambitious the expectations of each party are vary from organization to organization. For organizations to address these expectations an understanding of employee motivation is required Twain (2008).

Winston and Creamer, (1997) emphasize the human aspects of management. They postulate that as it is people who make a business succeed – or fail – it is the organization's chief responsibility to motivate their people so that they will assure success. The authors believe that each human being has the potential for creativity and for achieving goals. The infinite question is how organizations reach this potential and how they stimulate creativity and foster in their people the desire to succeed and to achieve self-fulfillment through their work. The common theme of the above authors is the belief that people need to be respected and treated as precious human capital, more essential to an organization's effectiveness than its financial capital. People are now seen as the primary source of a company's competitive advantage. Therefore, the way

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people are treated increasingly determines whether an organization will prosper or even survive Lingham (2008). Organizations are under constant pressure to enhance and improve their performance and are realizing that an interdependent relationship exists between organizational performance and employee performance.

Contextually, companies in all industries are recognizing the strategic importance of customer satisfaction and how the quality of frontline customer service employees can make or break a company. Engaged employees are the key to excellent customer service. Engaged employees are employees that feel as though they are truly valued at work; that their efforts directly contribute towards the mission and success of the company. They are more productive and less likely to look outside of the company for employment. A recent study by Harvard Business School as cited by Chenhall (2003) found that every one percent increase in staff loyalty resulted in a half percent increase in customer loyalty. Additionally, Gallop's 2006 research to better understand the linkage between employee satisfaction and return on investment (ROI) found that companies with higher levels of employee engagement enjoyed higher ROI Kozlosky (2008). However, it is becoming more and more difficult to find and engage the right employees. Tight labor markets are making companies think twice about compensation packages, benefits, and incentives. Turnover and competition are pushing companies to focus on ways to keep qualified employees happy and motivated. Customer service management's top priority is attracting and engaging top-performing customer service employees. Reward and recognition programs factor greatly in this challenge. A recent Maritz poll found that 55 percent of employees agree or agree strongly that the quality of their company's recognition efforts impacts their job performance. At the same time, only 43 percent of employees felt they were consistently recognized for their performance in ways that were meaningful to them. Recognition is like anything else, but it requires time,

attention, and a consistent approach. Management must have a process in place so that managers and supervisors are actively looking at employees to identify those opportunities to recognize and reward good performance. If you're not looking, or you don't have the time, you'll never notice or praise and employees will feel neglected. It's a simple matter of showing respect Hansen (2008).

This study is divided into five chapters. The first is the introduction, the second reviews the existing literature; the third is concerned with the methodology used in conducting the study; the fourth presents collected data and the fifth presents the conclusions and recommendations of the study.

1.2 Statement of the Problem

In a competitive business climate, organizations are looking at improvements in quality while reducing costs. Meanwhile, a strong economy has resulted in a tight job market. So, while these organizations need to get more from their employees, their employees are looking for more out of them. For that reason, employee reward and recognition programs are one method of motivating employees to change work habits and key behaviors to benefit organizations. On the other hand, Heathfield (2009) argues that employee recognition is not just a nice thing to do for people. Instead, employee recognition is a communication tool that reinforces and rewards the most important outcomes people create for organization. When managers reward people effectively, they reinforce, with their chosen means of reward, the actions and behaviors they most want to see people repeat. An effective employee reward system is simple, immediate, and powerfully reinforcing. However, limited literature exists on ho effective the reward programs of private universities in Rwanda are in improving employees' performance. This study therefore

was conducted to generate data on the foregoing and hence, used Universite Libre de Kigali as a case study.

1.3 Purpose of the study

To know exactly how important is reward in employee performance at ULK especially Gisenyi Campus.

1.4 Objectives of the study

1.4.1 General Objectives

The study intends to investigate the effectiveness of ULK's rewards in improving employees' performance in private universities in Rwanda, a case study of ULK Gisenyi Campus.

1.4.2 Specific Objectives

The study aimed at achieving the following objectives;

(a) To analyze different techniques used in evaluating employees' performance at ULK

(b) To investigate various forms of reward given to employees of ULK

(c) To analyze criteria used in rewarding employee

1.5 Research Questions

The study was guided by the following research questions:

(a) What are different techniques used in evaluating employees' performance at ULK?

(b) What are various forms of reward given to ULK' employees?

(c) What are the criteria used in rewarding employees of ULK?

1.6 Scope of the Study

This study was conducted at Universite Libre de Kigali (Kigali Independent University-ULK) Gisenyi Campus; which is situated in Western province of Rwanda. It targeted both academic and non-academic staff. The study looked at theories related to the impact of reward systems on performance of ULK's employees. This study was conducted within a period of six months (from March to August 2009) covering a period of five years (2004 to 2008)

1.8 Significance of the Study

The results of this study will be of great importance to various parties such as the researcher himself, future researchers, and managers, in a special way ULK's managers where the study will be conducted from.

The results of the study will contribute to the existing body of knowledge about appraisal techniques, and reward program, from which areas for future research will be identified;

This study has provided necessary information to managers on the importance of reward towards motivation of potential employees as sometimes managers fail to differentiate salary, pay merit and reward;

The results of this study may further help managers in general, and those of ULK, in a particular way to come up with an appropriate appraisal technique on which rewards to be based on.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Overview

Chapter two explores the conceptual and theoretical framework of the study; it reviews literature of various scholars on different approaches and techniques used in evaluating employee's performance; recognition and reward program and characteristics of an effective performance appraisal system.

2.2 Conceptual Framework

The conceptual framework of the study is summarized in figure 2.1 below. The figure shows that effective reward programs which are composed of forms of rewards and criteria used in rewarding employees affects techniques used in evaluating employee performance and this will lead to an improvement in employee performance as urged by Robbins and Coulter (1999).

Figure2. 1: Conceptual Framework of the study

Independent variables   **Dependent variable**

| **Effective reward programs**

• Reward criteria
• Forms of reward | → | Techniques used in evaluating employee performance | → | Improvement in employee performance |
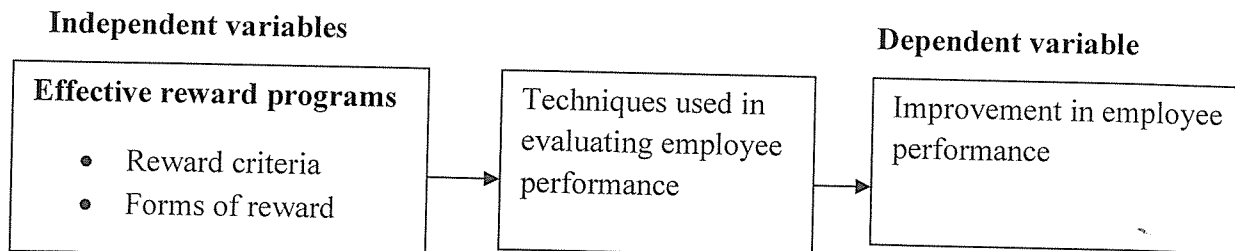
Source: Amended from Robbins and Coulter (1999)

2.3 Effective Reward Programs

It is urged by Chenhall (2003) that an effective reward systems should focus on positive reinforcement. Positive reinforcement is the most effective tool for encouraging desired behavior because it stimulates people to take actions because they want to because they get something of value (internally or externally) for doing it. An effectively designed and managed reward program can drive an organization's change process by positively reinforcing desired behaviors.

2.4 Performance Evaluation/Appraisal techniques

There are several techniques of performance appraisal, each with some strong points as well as limitations. Oberg (1972) has summarized some of the commonly used performance appraisal techniques.

(i) Essay Evaluation Method

The assessor writes a brief essay providing an assessment of the strengths, weaknesses and potential of the subject. In order to do so objectively, it is necessary that the assessor knows the subject well and should have interacted with them. Since the length and contents of the essay vary between assessors, essay ratings are difficult to compare. Chenhall (2003) agree with Hansen (2008) that this technique is normally used with a combination of the graphic rating scale because the rater can elaborately present the scale by substantiating an explanation for his rating. While preparing the essay on the employee, the rater considers the following factors: (i) Job knowledge and potential of the employee; (ii) Employee's understanding of the company's programmes, policies, objectives, etc.; (iii) The employee's relations with co-workers and superiors; (iv) The employee's general planning, organizing and controlling ability; (v) The attitudes and perceptions of the employee, in general Hansen (2008).

Essay evaluation is a non-quantitative technique. This method is advantageous in at least one sense, i.e., the essay provides a good deal of information about the employee and also reveals more about the evaluator. The essay evaluation method however, suffers from the following limitations as advanced by Jerome (1999):

(a) It is highly subjective; the supervisor may write a biased essay. The employees who are sycophants will be evaluated more favorably then other employees.

(b) Some evaluators may be poor in writing essays on employee performance. Others may be superficial in explanation and use flowery language which may not reflect the actual performance of the employee. It is very difficult to find effective writers nowadays.

(c) The appraiser is required to find time to prepare the essay. A busy appraiser may write the essay hurriedly without properly assessing the actual performance of the worker. On the other hand, appraiser takes a long time, this becomes uneconomical from the view point of the firm, because the time of the evaluator (supervisor) is costly.

(ii) Graphic rating scale

It is also one of the oldest methods of evaluation in use. Under this method, a printed form, as shown below, is used to evaluate the performance of an employee. A variety of traits may be used in these types of rating devices, the most common being the quantity and quality of work. The rating scales can also be adapted by including traits that the company considers important for effectiveness on the job Chenhall (2003). A model of a graphic rating scale is given below.

Table 2. 1: Typical Graphic Rating Scale

Employee Name.................   Job title...............

Department......................   Rate.............

Date................................

	Unsatisfactory	Fair	Satisfactory	Good	Outstanding
Quantity of work: Volume of work under normal working conditions					
Quality of work: Neatness, thoroughness and accuracy of work Knowledge of job					
A clear understanding of the factors connected with the job					
Attitude: Exhibits enthusiasm and cooperativeness on the job					
Dependability: Conscientious, thorough, reliable, accurate, with respect to attendance, reliefs, lunch breaks, etc.					
Cooperation: Willingness and ability to work with others to produce desired goals.					

Source: Chenhall (2003)

From the graphic rating scales, excerpts can be obtained about the performance standards of employees. For instance, if the employee has serious gaps in technical-professional knowledge (knows only rudimentary phases of job); lacks the knowledge to bring about an increase in productivity; is reluctant to make decisions on his own (on even when he makes decisions they are unreliable and substandard); declines to accept responsibility; fails to plan ahead effectively;

wastes and misuses resources; etc., then it can safely be inferred that the standards of the performance of the employee are dismal and disappointing.

Although graphic scales seem simplistic in construction, they have application in a wide variety of job responsibilities and are more consistent and reliable in comparison with essay appraisal. The utility of this technique can be enhanced by using it in conjunction with the essay appraisal technique

(iii) Field review method

Since individual assessors differ in their standards, they inadvertently introduce bias in their ratings. To overcome this assessor-related bias, essay and graphic rating techniques can be combined in a systematic review process. In the field review method, 'a member of the HRM staff meets a small group of assessors from the supervisory units to discuss each rating, systematically identifying areas of inter-assessor disagreement.' It can then be a mechanism to help each assessor to perceive the standards uniformly and thus match the other assessors. Although field review assessment is considered valid and reliable, it is very time consuming.

(iv) Forced-choice rating method

This method was developed to eliminate bias and the preponderance of high ratings that might occur in some organizations. In his view, Coates (2009) says that the primary purpose of the forced choice method is to correct the tendency of a rater to give consistently high or low ratings to all the employees. This method makes use of several sets of pair phrases, two of which may be positive and two negative and the rater is asked to indicate which of the four phrases is the most and least descriptive of a particular worker. Actually, the statement items are grounded in such a way that the rater cannot easily judge which statements applies to the most effective employee. The following box is a classic illustration of the forced choice items in organizations.

Table 2.2: Forced Choice Items

1. Least		Most
A	Does not anticipate difficulties	A
B	Grasps explanations easily and quickly	B
C	Does not waste time	C
D	Very easy to talk to	D
2. Least		Most
A	Can be a leader	A
B	Wastes time on unproductive things	B
C	At all times, cool and calm	C
D	Smart worker	D

Source: Coates (2009)

The favorable qualities earn a plus credit and the unfavorable ones earn the reverse. The worker gets over plus when the positive factors override the negative ones or when one of the negative phrases is checked as being insignificantly rated.

They overall objectivity is increased by using this method in evaluation of employee's performance, because the rater does not know how high or low he is evaluating the individual as he has no access to the scoring key. This method, however, has a strong limitation. In the preparation of sets of phrases trained technicians are needed and as such the method becomes very expensive. Further, managers may feel frustrated rating the employees 'in the dark'. Finally, the results of the forced choice method may not be useful for training employees because the rater himself does not know how he is evaluating the worker. In spite of these limitations, the forced choice technique is quite popular Wright (2005).

(v) Critical incident appraisal method

According to Withrow (2001) under this method, the manager prepares lists of statements of very effective and ineffective behavior of an employee. These critical incidents or events represent the outstanding or poor behavior of employees on the job. The manager maintains logs on each employee, whereby he periodically records critical incidents of the workers behavior. At the end of the rating period, these recorded critical incidents are used in the evaluation of the workers' performance.

An example of a good critical incident of a sales assistant is the following:

July 20 – The sales clerk patiently attended to the customers' complaint. He is polite, prompt, and enthusiastic in solving the customers' problem. On the other hand the bad critical incident may appear as under:

July 20 – The sales assistant stayed 45 minutes over on his break during the busiest part of the day. He failed to answer the store manager's call thrice. He is lazy, negligent, stubborn and uninterested in work.

This method provides an objective basis for conducting a thorough discussion of an employee's performance. This method avoids recency bias (most recent incidents get too much emphasis). This method suffers however from the following limitations as urged by Wright (2005):

   (a) Negative incidents may be more noticeable than positive incidents.

   (b) The supervisors have a tendency to unload a series of complaints about incidents during an annual performance review session.

   (c) It results in very close supervision which may not be liked by the employee.

(d) The recording of incidents may be a chore for the manager concerned, who may be too busy or forget to do it. In this method, a supervisor describes critical incidents, giving details of both positive and negative behaviour of the employee. These are then discussed with the employee. The discussion focuses on actual behaviour rather than on traits.

(vi) Management by objectives (MBO)

MBO represents a modern method of evaluating the performance of personnel. Thoughtful managers have become increasingly aware that the traditional performance evaluation systems are characterized by somewhat hostile judgments on the part of the rater. There is a growing feeling nowadays that it is better to make the superior work with subordinates in fixing goals. Indeed, this would inevitably enable subordinates to exercise self-control over their performance behaviors. The concept of management by objectives is actually the outcome of the pioneering works of Drucker, McGregor and Odiorne in management science as cited by Caron (2003). Management by objectives can be described as "*a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individuals' major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contributions of each of its members*" Alton (2008). MBO thus represents more than an evaluation programme and process. Practicing management scientists and pedagogues view it as a philosophy of managerial practice; it is a method by which managers and subordinates plan, organize, control, communicate and debate.

Features of MBO

(a) MBO emphasizes participatively set goals that are tangible, verifiable and measurable.

(b) MBO focuses attention on what must be accomplished (goals) rather than how it is to be accomplished (methods).

(c) MBO, by concentrating on key result areas translates the abstract philosophy of management into concrete phraseology. The technique can be put to general use (non-specialist technique). Further it is "a dynamic system which seeks to integrate the company's need to clarify and achieve its profit and growth targets with the manager's need to contribute and develop himself".

(d) MBO is a systematic and rational technique that allows management to attain maximum results from available resources by focusing on achievable goals. It allows the subordinate plenty of room to make creative decisions on his own.

(vii) Work standard approach

In this technique, Jerome (1999) asserts that management establishes the goals openly and sets targets against realistic output standards. These standards are incorporated into the organizational performance appraisal system. Thus each employee has a clear understanding of their duties and knows well what is expected of them. Performance appraisal and interview comments are related to these duties. This makes the appraisal process objective and more accurate. However, it is difficult to compare individual ratings because standards for work may differ from job to job and from employee to employee. This limitation can be overcome by some form of ranking using pooled judgment.

(viii) Ranking methods

Some of the important forms of ranking for performance appraisal are given below, based on [Oberg, (1972); and Monga], (1983) as cited by Alton (2008):

(a) *Alteration ranking method*

The individual with the best performance is chosen as the ideal employee. Other employees are then ranked against this employee in descending order of comparative performance on a scale of best to worst performance. The alteration ranking method usually involves rating by more than one assessor. The ranks assigned by each assessor are then averaged and a relative ranking of each member in the group is determined. While this is a simple method, it is impractical for large groups. In addition, there may be wide variations in ability between ranks for different positions Alton (2008).

(b) Paired comparison

The paired comparison method systematizes ranking and enables better comparison among individuals to be rated. Every individual in the group is compared with all others in the group. The evaluations received by each person in the group are counted and turned into percentage scores. The scores provide a fair idea as to how each individual in the group is judged by the assessor.

(c) Person-to-person rating

In the person-to-person rating scales, the names of the actual individuals known to all the assessors are used as a series of standards. These standards may be defined as lowest, low, middle, high and highest performers. Individual employees in the group are then compared with the individuals used as the standards, and rated for a standard where they match the best. The advantage of this rating scale is that the standards are concrete and are in terms of real individuals. The disadvantage is that the standards set by different assessors may not be consistent. Each assessor constructs their own person-to-person scale which makes comparison of different ratings difficult.

(d) Checklist method

The assessor is furnished with a checklist of pre-scaled descriptions of behaviour, which are then used to evaluate the personnel being rated [Monga (1983)] as cited by Alton (2008). The scale values of the behaviour items are unknown to the assessor, who has to check as many items as she or he believes describe the worker being assessed. A final rating is obtained by averaging the scale values of the items that have been marked.

(e) Behaviorally anchored rating scales (BARS)

Also known as the behavioral expectations scale, Hansen (2008) argues that this method represents the latest innovation in performance appraisal. It is a combination of the rating scale and critical incident techniques of employee performance evaluation. The critical incidents serve as anchor statements on a scale and the rating form usually contains six to eight specifically defined performance dimensions. The following chart represents an example of a sales trainee's competence and a behaviorally anchored rating scale.

Table 2. 3: An Example of Behaviorally Anchored Rating Scale (BARS)

Performance	Points	Behavior
Extremely good	7	Can expect trainee to make valuable suggestions for increased sales and to have positive relationships with customers all over the country.
Good	6	Can expect to initiate creative ideas for improved sales.
Above average	5	Can expect to keep in touch with the customers throughout the year.
Average	4	Can manage, with difficulty, to deliver the goods in time.
Below average	3	Can expect to unload the trucks when asked by the supervisor.
Poor	2	Can expect to inform only a part of the customers.
Extremely poor	1	Can expect to take extended coffee breaks and roam around purposelessly.

Source: Hansen (2008)

How to construct BARS? According to Hansen (2008) developing a BARS follows a general format which combines techniques employed in the critical incident method and weighted checklist rating scales. Emphasis is pinpointed on pooling the thinking of people who will use the scales as both evaluators and those evaluated.

Step 1: *Collect critical incidents:* People with knowledge of the job to be probed, such as job holders and supervisors, describe specific examples of effective and ineffective behavior related to job performance.

Step 2: *Identify performance dimensions:* The people assigned the task of developing the instrument cluster the incidents into a small set of key performance dimensions. Generally between five and ten dimensions account for most of the performance. Examples of performance dimensions include technical competence, relationships with customers, handling of paper work and meeting day-to-day deadlines. While developing varying levels of performance for each dimension (anchors), specific examples of behavior should be used, this could later be scaled in terms of good, average or below average performance.

Step 3: *Reclassification of incidents:* Another group of participants who are knowledgeable about the job is instructed to retranslate or reclassify the critical incidents generated (in step 2) previously. They are given the definition of job dimension and told to assign each critical incident to the dimension that it best describes. At this stage, incidents for which there is not 75 per cent agreement are discarded as being too subjective.

Step 4: *Assigning scale values to the incidents:* Each incident is then rated on a one-to-seven or one-to-nine scale with respect of how well it represents performance on the appropriate

dimension. A rating of one represents ineffective performance; the top scale value indicates very effective performance. The second group of participants usually assigns the scale values. Means and standard deviations are then calculated for the scale values assigned to each incident. Typically incidents that have standard deviations of 1.50 or less (on a 7-point scale) are retained Hansen (2008).

Step 5: *Producing the final instrument:* About six or seven incidents for each performance dimension – all having met both the retranslating and standard deviation criteria – will be used as behavioral anchors. The final BARS instrument consists of a series of vertical scales (one for each dimension) anchored (or measured) by the final incidents. Each incident is positioned on the scale according to its mean value.

Because the above process typically requires considerable employee participation, its acceptance by both supervisors and their subordinates may be greater. Proponents of BARS also claim that such a system differentiates among behavior, performance and results and consequently is able to provide a basis for setting developmental goals for the employee. Because it is job-specific and identifies observable and measurable behavior, it is a more reliable and valid method for performance appraisal.

(f) Assessment centers

This technique is used to predict future performance of employees were they to be promoted. The individual whose potential is to be assessed has to work on individual as well as group assignments similar to those they would be required to handle were they promoted. The judgment of observers is pooled and paired comparison or alteration ranking is sometimes used

to arrive at a final assessment. The final assessment helps in making an order-of-merit ranking for each employee. It also involves subjective judgment by observers.

A performance appraisal system could be designed based on intuition, self-analysis, personality traits, behaviourial methods and result-based techniques. Different approaches and techniques could be blended, depending on the goals of performance appraisal in the organization and the type of review. For example, management by objectives, goal-setting and work standard methods are effective for objective coaching, counselling and motivational purposes. Critical incident appraisal is best suited when supervisor's personal assessment and criticism are essential. A carefully developed and validated forced-choice rating can provide valuable analysis of the individual when considering possible promotion to supervisory positions. Combined graphic and essay form is simple, effective in identifying training and development needs, and facilitates other management decisions.

2.4 Reward Program

In their view, Chen and Hisieh (2006) argue that employees are motivated by both intrinsic and extrinsic rewards. To be effective, the reward system must recognize both sources of motivation. Indeed, all reward systems are based on the assumptions of attracting, retaining and motivating people. However, Heathfield (2009) ascertains that financial rewards are an important component of the reward system, but there are other factors that motivate employees and influence the level of performance.

Although reward and recognition are often used interchangeably, recognition programs must be separate from the rewards programs as urged by Twain (2008). Glasscock and Gram as cited by Twain (2008) note that effective recognition methods should be sincere; fair and consistent;

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timely and frequent; flexible; appropriate; and specific, in addition it can have a monetary value (gift certificates, plaques etc) but money should not be given. These authors go on to explain that it is important that every action which supports a company's goals is recognized, whether through informal feedback or formal company-wide recognition. Likewise, every employee should have the same opportunity to receive recognition for his or her work. Finally, employees need to clearly understand the behavior or action being recognized. This is ensured by being specific in what actions will be recognized and then reinforcing this by communicating exactly what an employee did to be recognized Encyclopedia of Small Business (2009)

To ensure the reward system is effective and motivates the desired behaviors, Kozlosky (2008) says that it is essential to consider carefully the rewards and strategies utilized and ensure the rewards are linked to or based on performance. To be effective, any performance measurement system must be tied to compensation or some sort of reward. Rewarding performance should be an ongoing managerial activity, not just an annual pay-linked ritual Lingham (2008).

2.4.1 Types or Forms of Rewards

Various scholars such as Weinstein (1997), Kozlosky (2008), concur with Twain (2008) that strategies for rewarding employees' performance and contributions include both non-financial (non-monetary) and financial (monetary) mechanisms. And each type of award has its own specific criteria and documentation requirements.

According to Weinstein (1997) monetary awards offer an array of recognition possibilities that are flexible enough to recognize and reward differences in individual performance however, using cash awards requires exercising sound judgment. Mistakes that result in underserving employees receiving recognition, or deserving employees going unrecognized, undermine both

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your credibility and the credibility of the program. In granting a cash award, managers must ensure that the award is based solely on merit and that the award amount is proportionate to the level of the employee's contribution. In doing so, they will ensure that awards granted in your organization are viewed as reasonable and justified. Once you have selected the appropriate award, you should recommend an award amount. Award amounts vary widely and should be proportional to the value of the contribution made. They also may be limited by available funds Kozlosky (2008). However, Matt (2007) observes that in today's workplace, companies and managements are increasingly using non-monetary rewards as an incentive to motivate and influence employee performance.

Monetary Awards

Performance Award: A one-time lump-sum cash award based on the employee's rating of record of "fully successful" or better for the most recent appraisal period. These awards are used primarily with five-level rating systems which distinguish levels of performance above fully successful Chenhall (2003).

Special Act or Service Award: A one-time lump-sum cash award based on a special contribution or service. Unlike a performance award, this award is normally for a single contribution or series of connected actions within a short time frame, and often can be documented in terms of tangible benefits Heathfield (2009).

Cash-in-Your-Account Award: A small cash award designed to recognize employees for going the extra mile in getting the job done. These awards do not recognize overall performance, but rather specific instances of exemplary performance Kozlosky (2008).

Suggestion Award - Under the Suggestion Program, Chenhall (2003) argues that employees can be granted an award for formal suggestions which have been evaluated and adopted. The amount of the award is determined by the amount of tangible and intangible benefits of the idea.

Progression through the salary range

Employees may receive salary increases to recognize the attainment of new and/or the enhancement of existing skills/competencies or for assuming increased responsibilities within the scope of the current position. The salary increase represents a progression through the salary range approved for the position Heathfield (2009).

Merit increases

According to Weinstein (1997) policy should allow supervisors to give employees an annual merit increase to recognize consistently meritorious performance or successful completion of a project that had a significant impact on a department or the university. The reward may be in any amount up to 5% of the employee's current base salary, subject to the availability of funds as urged by Heathfield (2009). Budgetary information regarding fiscal year merit increases are issued annually as part of the budget process as soon as the institution's fiscal position can be determined. To be eligible for a merit increase, employees must have been employed for at least six continuous months and at least six months must have elapsed since the employee's last salary increase, promotion, salary increase due to progression in the salary range, demotion or transfer from another department Kozlosky (2008). On the other hand, Matt (2007) ascertains that in today's workplace, companies and managements are increasingly using non-monetary rewards as an incentive to motivate and influence employee performance.

Non-Monetary Awards

Heathfield, (2009) concur with Chenhall (2003) that non-monetary awards are more varied and unique than cash awards and offer two major advantages over cash awards: they help meet employees' needs for recognition, growth and responsibility; and can be relatively inexpensive. The technical requirements are equally varied, ranging from awards with no documentation (e.g., certificates of appreciation) to awards requiring your signature (e.g., Honor Awards or External Awards) before being submitted to the management.

On-the-Spot Award: A small merchandise award which is granted as a means to recognize employees for those day-to-day efforts which contribute "in a special way" to getting the job done Chenhall (2003).

Time Off Award/Paid leave - An award which allows managers to grant employees time off from duty, without loss of pay or charge of leave. An employee may receive up to 40 hours of time off for a single contribution or up to 80 hours for multiple awards during a leave year Chen and Hisieh (2006). However, the length of the period may vary depending on the organizational policy. Relatedly, Matt (2007) argues that family, children, friends, church, sports, hobbies and other activities all have demands on today's employees. A flexible schedule or the occasional afternoon off can help employees meet some of these obligations. By allowing some flexibility in an employees schedule you can increase their desire and motivation. This, to some, is considered the most important of the non-monetary rewards in the workplace.

Honor Award: it is urged by Kozlosky (2008) together with Heathfield (2009) that the highest forms of honorary recognition awarded are Gold and Silver Medals which an organization bestows for distinguished and meritorious service.

Certificates of Appreciation - Certificates granted to employees or non-employees who have made outstanding contributions or who have performed significant services to the organisation.

Praise/recognition from supervisors

It is observed by Matt (2007) that in today's high paced work environment employees consider it very rare and infrequent that they receive recognition of their work and efforts. Indeed, praise and recognition from supervisors is consistently found to be among the most important motivators. In their view, Parker and Wright (2001) contended that employees want to be recognized and feel their contributions are noticed and valued. It is important that supervisors recognize the value and importance of sincerely thanking employees verbally and/or in writing for their specific contributions.

Professional growth and development opportunities

Supervisors may provide employees opportunities to participate in educational programs or other activities that will expand their skills/knowledge. Employees benefit by developing new skills, and the institution benefits from the additional expertise individuals bring to the job Chen and Hisieh (2006). In addition, Matt (2007) argues that employees understand they need to grow, learn and develop new skills in order to advance the ability to be able to choose their assignments and rise to new challenges offered by new responsibilities.

Promotions and lateral moves

Promotions and lateral moves may be long term rewards that recognize employees' professional growth, expertise, and capacity to contribute to the institution in new roles. Promotions are typically associated with an increase in salary, and the increase may be any amount up to 10% of an employee's current salary as urged by Heathfield (2009). The new salary also must be within

the salary range approved for the position, and employees are subject to a 90-day probationary period following a promotion/lateral move to a new department Twain (2008).

Administrative salary supplements

Employees who assume new/additional responsibilities on an interim basis may receive administrative salary supplements that are paid in addition to the base salary Leslie and Lloyd (2000). The supplement is discontinued when the employee is no longer responsible for the additional responsibilities.

Informal rewards:

When warranted, Twain (2008) suggests that supervisors may choose to give employees informal rewards for specific accomplishments/contributions. Supervisors can be creative in identifying informal rewards that will be appreciated by the particular individual being recognized, but, in selecting and purchasing rewards, supervisors must be sensitive to the institution's responsibility to be good stewards of public funds.

Recognition is about acknowledgement and appreciation for a contribution, improvement, innovation, or excellence—a message to employees that they are valued Weinstein (1997). The act of recognizing an employee affirms the values and spirit underlying the achievement. It's also about reinforcing desired behaviors and increasing their occurrence. Attitude and performance are closely linked; the appropriate recognition at the appropriate moment will create a positive attitude that, in turn, will lead to improved performance.

Recognition signifies to the individual that someone noticed and cared. Communicating this to the rest of the organization creates role models and sets the standards of desired performance. Not everyone is good at this, and like everything, some are better than others. In fact, a recent

poll by Maritz as cited by Kozlosky (2008) found that there is a gap in how employees are recognized and how they want to be recognized. Employees are motivated in vastly different ways. In order for a program to be truly effective, managers and supervisors have to be able to distinguish what motivates a particular employee and reward accordingly. Managers and supervisors should have the skills to recognize desired behavior and performance, and praise accordingly.

Coates (2000) states that there is a sincere need to look beyond the obvious when it comes to recognition programs. This author gives few ideas, which can truly motivate an employee peer's recognition. The true worth of any employee is known by his or her peers. In a related insight, Kozlosky (2008) asserts that the nomination for any award or recognition should be made by the team members rather than the supervisors.

Scholars such as Twain (2008) and Lingham (2008) agree that the greatest recognition that an employee can get is direct recognition from the top brass. Lingham (2008) states that supervisors can request the company bosses to send a hand written note to the deserving employees. On the other hand, if anyone does anything worthwhile, Heathfield (2009) suggest giving the person a standing ovation at the team meeting.

In a comparative stand point, Parker and Wright (2001) states that all ideas need not be successful but ideas need to keep flowing in, therefore, initiation of an award for the best ideas that failed/could not be successfully implemented can be advised. For e.g. Award the best idea that did not work. This stimulates positive behavior and innovation. Additionally, recognition like leadership can be displayed at and by all levels of the organization. There is a need to create a culture where teams openly appreciate each other's successes.

2.4.2 Criteria used in rewarding employees

Various scholars such as Chenhall (2003), Lingham (2008), Kozlosky (2008) and Heathfield (2009) suggest that in selecting employees to be rewarded, the following criteria can be considered

    (a) Customer satisfaction level

    (b) sales performance

    (c) production performance

    (d) key accounts development target

    (e) department   level activities

    (f) Acquiring new skills

    (g) Improving work processes

    (h) Improving morale in the workplace

    (i) Showing leadership

    (j) Problem solving

    (k) Setting and achieving objectives

    (l) Teamwork

    (m) Work quality

    (n) Work quantity

    (o) Commitment to service

    (p) Dedicated to the continuation, enhancement and success

    (q) Sustain high level of productivity

        * consistent quality of work

(r) Demonstrate high degree of initiative and leadership in the performance of responsibilities

(s) Maintain, demonstrate, and exhibit effective communication with others

As Performance Management, Lingham (2008) suggests some criteria for successful reward systems: in his view, Lingham (2008) attests that reward systems need to have a positive impact on behavior, it should be :

(a) contingent on achieving desired performance levels rather than on merely doing certain tasks;

(b) meaningful and valuable to the individual

(c) based on objective and attainable goals

(d) open to all, and not based on a competitive struggle within the workplace (everyone can win) and

(e) balanced between conditions in the workplace (extrinsic) and fulfillment of individual needs and wants (intrinsic)

(f) Reward systems need to focus efforts on serving the customer (internal or external)

(g) Reward systems need to enhance collaboration within the workplace

A popular slogan for managing and evaluating success criteria is SMART – Specific, Meaningful, Achievable, Reliable, Timely as urged by Kozlosky (2008). These criteria should be used when designing and evaluating programs. Programs should be:

Specific: A line of sight should be maintained between rewards and actions.

Meaningful: The achievements rewarded should provide an important return on investment to both the performer and the organization.

Achievable: The employee's or group's goals should be within the reach of the performers.

Reliable: The program should operate according to its principles and purpose.

Timely: The recognition/rewards should be provided frequently enough to make performers feel valued for their efforts

2.4.3 Keys to Selecting the Right Reward

The first key to selecting an effective reward is to know what your employees will find rewarding Chenhall (2003). When an employee's performance, morale or motivation has not been influenced by a reward, it is likely because it was the wrong reward for that employee. When rewards don't fit, they don't work. However, it is sometimes difficult to identify a reward that your employee will find valuable.

There are three easy ways to find out what your employees would find rewarding:

(a) Watch what they do - Pay attention to how they spend their free time or what they might have as hobbies.

(b) Listen to them - By listening, you can learn about their interests or work place concerns. (i.e. the desire for advanced training)

(c) Ask them: If you're unsure, ask them!

The second key to selecting the most effective reward is having a large number available from which to choose.

2.5 Impact of reward on employees' performance

Reinforce behaviors and reward results. Recognize the right behaviors and communicate such that the employee's behavior becomes a model within the work group. Sharing information on

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expected behaviors and rewards will establish trust. Employees will be able to understand what they need to do to be similarly recognized. Reward these behaviors so other employees are inclined to follow suit. Rewards are a better reinforcement of learning and risk-taking than punishment is for failure.

Be timely, specific, and communicate! Make sure you recognize behavior and reward results in a timely manner so that employees know exactly why they are being recognized. Be specific, clear, and communicate the event so that others will take notice.

Match the reward to the person and the achievement. Do your homework. Talk to employees at all levels, in all job categories, to understand expectations and drivers of performance. Identify meaningful rewards for each employee.

Overwhelmingly, time off, is ranked as the top motivator by our participants. Not far behind, money and praise. But every employee is unique. One size does not fit all in employee rewards and recognition. Provide a choice of rewards to accommodate all employees. Also make sure the reward is appropriate for the deed that the evaluation process is fair and objective.

Involve employees in the design and refinement of your reward and recognition programs. Employee participation will strengthen the program. Not only will employees be able to provide ideas and feedback, they will also become a proponent of the program among peers. One key way to involve employees is to actively seek their feedback, opinions, and ideas regarding the program. Sixteen percent of participants do not gather feedback from employees about their reward and recognition programs Chenhall (2003).

Involve managers and executives in the reward and recognition process. Make sure you have buy in and interest from the management and executive team. Encourage them take an active role in

the recognition process. Employees deeply value recognition and praise from management and senior management. A simple, "thank you" can go a long way.

Look to technology to facilitate program administration and tracking. Online, Web-based applications are available to help companies track employee performance and administer reward and recognition programs. From employee scorecards to gift selection, vendors are offering more and more products and services to help companies reward and recognize employees. In addition, other products like email "thank you" cards and digital certificate awards are making it easier to deliver spontaneous recognition.

Review your programs and rewards frequently to keep them aligned with corporate goals as well as employee expectations. Employee expectations and corporate objectives change over time. Make sure your programs keep up. Reward programs can become stale. Look for ways to keep the program fresh by changing rewards and metrics as the business changes.

The researcher wanted to establish whether the reviewed conceptual framework, the performance evaluation or appraisal techniques; reward programs, types of rewards; criteria used in rewarding employees and the effects of rewards on employee performance are actually applicable to ULK.

CHAPTER THREE

METHODOLOGY

3.1 Overview

This chapter highlights the methodology used in conducting the study. The chapter presents the research design, the population of the study; sampling techniques and sample size; data collection techniques together with their validity and reliability; data analysis, and the procedure followed throughout the study.

3.1 Research design

A research design provides the framework for the procedures used in collecting data; it specifies the methods and procedures for the collection, measurement, and analysis of data. As far as this study is concerned, the research question, as well as the focus of each chapter dictates the choice of research design.

From the purpose of this study and the research questions, the study had to use a non experimental research. Thus, to achieve the objectives of the study and answer research questions, a deductive approach was used. This study was further complimented by a case study research design for two reasons: to avoid unnecessary generalization to other organizations and due to limited time, the researcher could not study all private universities in Rwanda

3.3 Population and sample of the study

The population of this study consists of all employees and lecturers of ULK- Gisenyi campus. It was composed of the department of administration and three faculties being the faculty of law, faculty of business and management, and the faculty of rural development. The total target population was sixty eight employees.

3.4 Sampling technique and sample size

To sample the population of the study, simple random method of sampling was used. From a population of 68 employees, sample size was calculated using the following formula:

$$n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2 \cdot (N-1) + z^2 \cdot p \cdot q} \quad \text{(Korthari, 2004, p.179)}$$

Where N: size of population;

n: Size of sample

z: Standard variate for given confidence level (as per normal curve area table)

p: Probability of success

q: Probability of failure

e: Acceptance error

For this study:

N: 68

p: 0.7

q: 0.3

z: standard variate at 95% confidence interval (1.96)

e: Error margin 5% (0.05)

$$n = \frac{1.96^2 \cdot (0.7) \cdot (0.3) \cdot 68}{0.05^2 (68-1) + 1.96^2 \cdot (0.7) \cdot (0.3)}$$

$$n = \frac{3.8416 \times 14}{0.1675 + 0.806737}$$

$$n = 55.2$$

$$n \cong 55$$

3.4 Data collection techniques

To achieve objectives and answer research questions, both primary and secondary data were used. To collect primary data, the researcher used a semi-structured questionnaire. As far as secondary data is concerned, the researcher consulted multiple-sources and documentary secondary data in order to gather literature respective to research questions.

To ensure the clarity of questions, their effectiveness and the time required to complete the questionnaire a pilot test were conducted. This pilot test was conducted to people having the same characteristics with the target population, (employees of UNILAK-Rwanda). To test the reliability of the questionnaire; internal consistency or Chrombach Alpha coefficient was used. This was calculated using SPPS (Statistical Package for Social Sciences). It is urged by Okurut and Aguli (2007) that for the instrument to be reliable, the coefficient has to be at least 0.7 and more. Ten questionnaires were distributed for pilot test and the there were twenty four items in the questionnaire. Data were entered into SPSS and produced the following information:

N. of cases = 10 · 0   N. of Items = 54

Alpha = · 7587

The Alpha coefficient of reliability resulted to 0.759, which is satisfactory for the questionnaire to be administered.

On the other hand, the researcher considered the possibility of reanalyzing data that have already been collected for some other purpose and views of various authors on variables under study. To gather secondary data, multiple-sources and documentary secondary data were consulted. To ensure the validity and reliability of secondary data, the researcher first gathered all necessary

information. In doing so, he took into consideration the methodology used in collecting data, how data were analysed as well as conclusion thereby putting much consideration on documents having similarities and avoiding inconsistent documents.

3.5 Data analysis

Data was continuously analysed during data collection. The data categories were made, data was also identified and edited with a view of checking for competences and accuracy. Qualitative data were attributed numerical codes so that it could be analysed statistically. Finally, the relationship between variables was established using a cross tabulation.

CHAPTER FOUR

PRESENTATION AND DISCUSSIONS OF FINDINGS

4.1 Overview

This chapter presents data gathered using a semi structured questionnaire which was addressed to ULK's employees of Gisenyi campus. Only forty questionnaires were returned to the researcher out of fifty five which were distributed.

4.2 Demographic Information

Gender of respondents

It is observed from table 4.4 that majority of respondents are male (75%) and their female counterparts represent 25%

Table 4. 4: Gender of respondents

		Frequency	Percent (%)	Valid %	Cumulative %
Valid	Male	30	75.0	75.0	75.0
	Female	10	25.0	25.0	100.0
	Total	40	100.0	100.0	

Source: SPSS output 1

Educational level

Almost a half (47.5%) of respondents hold a bachelor's degree, 45% are master's holders; 5% attended school up to A level and only 2.5% have PhD.

Table 4. 5: Educational level

		Frequency	Percent (%)	Valid %	Cumulative %
Valid	A level	2	5.0	5.0	5.0
	Bachelor's degree	19	47.5	47.5	52.5
	Master's degree	18	45.0	45.0	97.5
	PhD	1	2.5	2.5	100.0
	Total	40	100.0	100.0	

Source: SPSS output 1

4.3 Performance Evaluation Techniques

It is observed from figure 4.2 that 65% of participants agreed that the assessment of employees' performance is done through a brief essay; 50% strongly agreed that the assessment is done through graphic rating. A graphic scale 'assesses a person on the quality of his or her work; 40% said that they are not sure if the evaluation is made by one of the members of human resource department; 62.5% of participants agreed that the assessor is forced to choose the best and worst statement from a group of statements; 57.5% of respondents agreed the supervisor describe critical incidents, giving details of both the negative and positive behavior of employees; only 37.5% agreed that employees set their own goals; 62.5% agreed that management set goals against realistic standards; 60% of participants agreed that ranks of each assessor's are averaged to determined the rank of each member; 45% said that they are not sure if names of actual individuals to all assessors are used as standards; 55% said that evaluation is based on a checklist of pre-scaled description of behaviors; 52.5% said that the evaluation is based on sets of behavioral statements describing good or bad performance with respect to important qualities;

35% said that they are not sure if there exist assessment centers; 37.5% agreed that at times the evaluation is done through a comparison between members of a group.

Figure 4. 2: Performance Evaluation Techniques

Performance Evaluation Techniques

Source: SPSS output 2

Legend: Not sure, Disagree, Strongly disagree, Agree, Strongly agree

Categories: Behavioral enchored rating scale, Assessment centres, Ckecklist method, Person to person rating, Paired comparison, Alteration ranking method, Work standard approach, Management by objectives, Critical incident, Forced-Choice rating, Field Review Method, Graphic Rating, Assessment through a brief essay

4.4 Reward and Recognition Programs

Feedback from supervisors

Table 4.6 shows 87.5% of respondents said that they receive regular feedback from their supervisors and only 10% said the contrary.

Table 4. 6: Regular Feedback from supervisors

		Frequency	Percent (%)	Valid %	Cumulative %
Valid	Yes	35	87.5	87.5	87.5
	No	4	10.0	10.0	97.5
	Non response	1	2.5	2.5	100.0
	Total	40	100.0	100.0	

Source: SPSS output 1

Relatedly, 77.5% said that supervisors mostly appreciate the work done as presented on table 4.7 below.

Table 4. 7: Appreciation of the work done by supervisors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mostly yes	31	77.5	77.5	77.5
	No	2	5.0	5.0	82.5
	Rarely	7	17.5	17.5	100.0
	Total	40	100.0	100.0	

Source: SPSS output 1

On the other hand, participants were asked if their work is recognized by their peers. As observed from table 4.8, more than three quarter of participants said that they frequently recognize the work done by their co-workers.

Table 4. 8: Recognition of the work well done by co-workers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Frequently	32	80.0	80.0	80.0
	Seldom	5	12.5	12.5	92.5
	Missing	3	7.5	7.5	100.0
	Total	40	100.0	100.0	

Source: SPSS output 1

Recognition

Participants were asked the kind of person they prefer to recognize their work. As presented on figure 4.2, 55% of respondents always prefer to be recognized by their supervisors; 30% very often prefer to be recognized by managers and sometimes they prefer to be recognized by their peers as mentioned by 45% of participants.

Figure 4. 3: Recognition

Recognition

Source: SPSS output 2
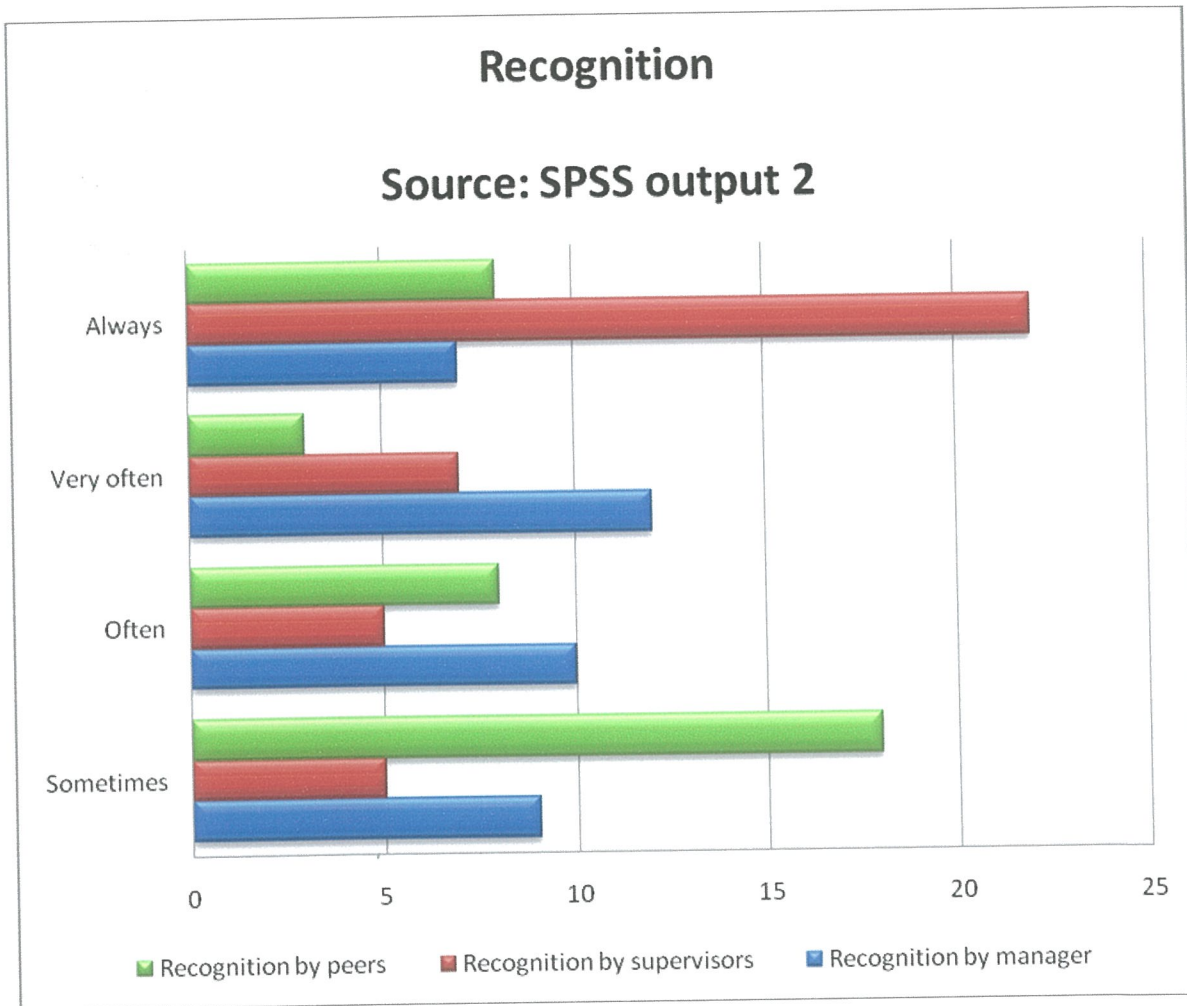
Forms of rewards given to ULK's employees

It is observed from figure 4.4 that 50% of respondents get rewards in form of praise and recognition from their supervisors; 40% said that they sometimes get professional growth and development; 52.5% said that they always get paid leave; 60% said that they sometimes get progression through salary range; 65% said that they sometimes experience merit increase; 45% of respondents said that they sometimes get certificate of appreciation; 42.5% said that they sometimes get promotions and lateral moves; 60% said that they sometimes get administrative salary supplements; 60% said that they are sometimes rewarded informally; 37.5% said that they

sometimes get a lump sum cash award based on special contribution or service; 32.5% said that they sometimes get a lump-sum cash based on recorded success; 50% said that they sometimes experience increase in pay; 30% said that they have never been awarded in form of cash for recognition of going extra miles in getting the job done; 35% said that they are sometimes awarded for formal suggestions which have been evaluated and adapted.

Figure 4. 4: Forms of rewards

Forms of rewards

Source: SPSS output 2

Categories (top to bottom): Suggestion award, Cash-in account, An increase in pay, Performance award, Special act or service award, Informal rewards, Administrative salary supplements, Promotions and lateral moves, Certificate of appreciation, Merit increase, Progession through the salary range, Paid leav e, Professional growth and development opportunities, Praise and recognition from supervisors

Legend: ■ Not sure ■ Always ■ Very often ■ Often ■ Sometimes ■ Never

Proffered Rewards

Participants were asked the kind of rewards that they prefer to be given. As observed from figure 4.5, 52% said that they do like to be given certificate of appreciation; 10% said that they would like to get T-shirts with university logo; 8% of respondents would like to get a promotion; 8% said that they would like to get scholarships; 7% would prefer an increase in salary and or wages; 7% said that they would like to receive flowers; 7% said that they would prefer tickets to events and 3% said that they would like to be given dinner gift.

Figure 4. 5: Rewards
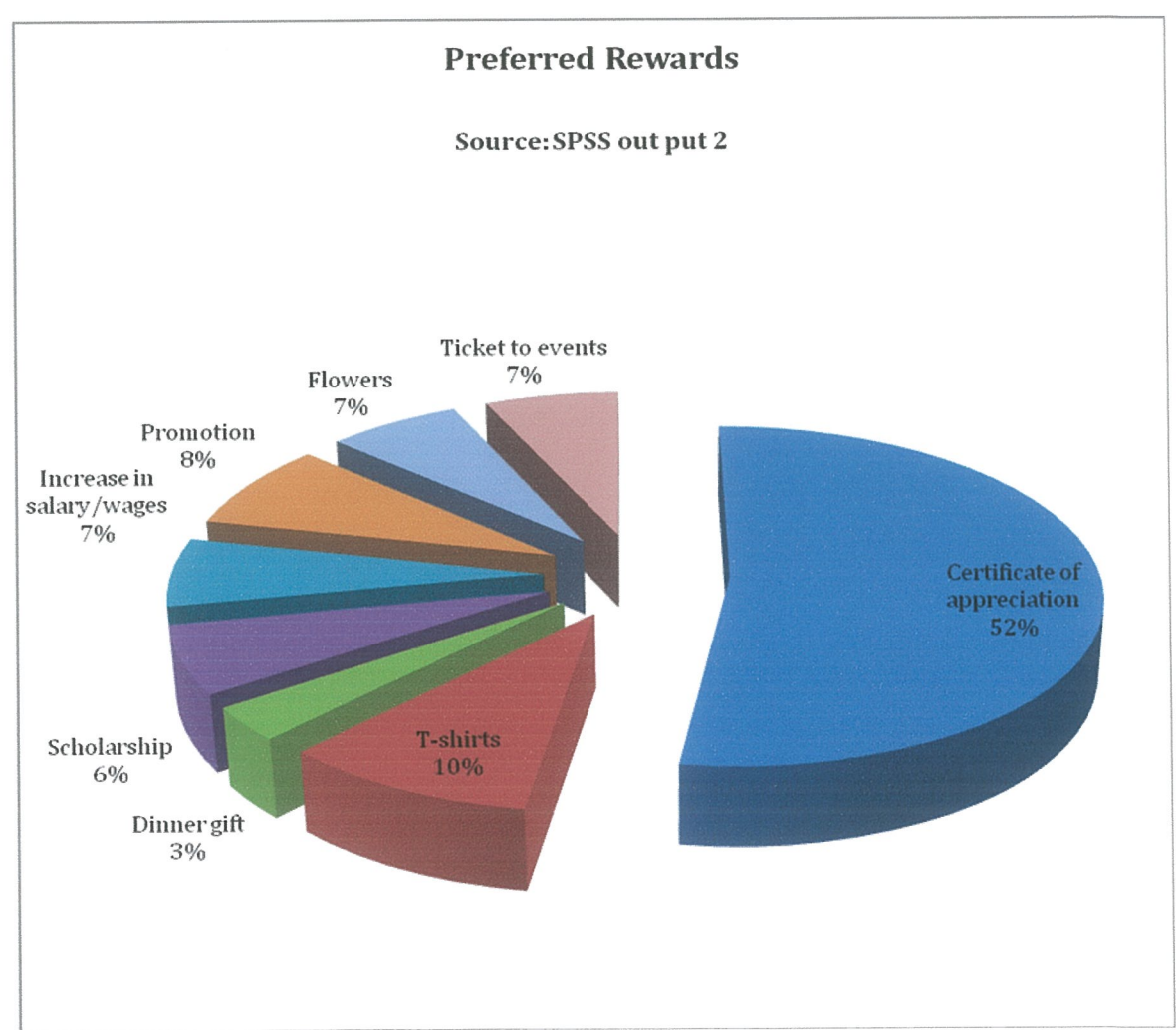
Reward Criteria

It is observed from figure 4.6 that 60% of respondents agreed that employees are always rewarded based on the level of customer satisfaction; only 27.5% said that reward is always based on acquisition of new skills; 40% said that reward is sometimes based on improvement in work progress; 50% said that it is sometimes based on ability of people to show leadership; 47.5% said that it is sometimes based on ability of people to solve problems; 37% of participants said that employees are rewarded based on their ability to set and achieve goals; 27.5% said that reward is based on the spirit of teamwork; 47.5% said that employees are rewarded based on the quality of work done, 55% said that they are always rewarded based on quantity of work done; 37.5% said that employees are rewarded based on their level of commitment to service; 45% said that in rewarding people, they sometimes consider those who are dedicated to the continuation, enhancement and success; 35% said that rewards are always given to employees who sustain high level of productivity; and 50% urged that the university always rewards employees who are consistent in their work.

Figure 4. 6: Reward Criteria

Reward Criteria

Source: SPSS Output 2

Not sure Always Very often Often Sometimes Never

Category	Values
Consistent quality of work	2, 4, 1, 10, 20
Sustain high level of productivity	4, 5, 1, 14, 12
Didicated to the continuation, enhancement and...	3, 6, 9, 18
Commitment to service	1, 4, 6, 7, 15
Quantity of work	1, 6, 9, 22
Quality of work	7, 8, 1, 19
Teamwork	5, 6, 8, 1, 11
Setting and acheiving objectives	3, 6, 1, 15, 10
Problem solving	1, 4, 7, 19
Showing leadership	2, 4, 7, 2, 20
Improvement in work progress	4, 7, 8, 0, 16
Acquisition of new skills	5, 8, 10, 11, 1
Customer satisfaction level	3, 2, 24

Characteristics of reward programs

As observed from figure 4.7, 42.5% said that the program has never been open to all and is not based on competitive struggle within the workplace; 65% said that the program is sometimes contingent on achieving desired performance levels rather than on merely doing certain tasks, only 2.5% said that the program often balances conditions in the workplace (extrinsic) and fulfillment of individual needs and wants (intrinsic); 5% said that the system very often focuses efforts on serving customers; 40% said that the program always enhances collaboration within the workplace.

Figure 4. 7: Characteristics of ULK's reward systems

Characteristics ofULK's reward programs

Source: SPSS output 2

Legend:
- Contingent on acheiving desired performance levels rather than on merely doing certan tasks
- Balance between conditions in the workplace and fulfilment of individual needs and wants
- The program is open to all and not based on competitive struggle within the workplace
- Reward systems enhance collaboration within the workplace
- Reward sytems focus efforts on serving the customer

4.5 Discussions of Findings

This section of chapter five exposes the discussion of findings as presented in chapter four.

4.5.1 Demographic Information

The study revealed that 50% of male employees have a master's degree while 60% of their female counterparts are bachelor's degree holders. The total employees with PhD are male and 50% of people with A level are female. Male employees with a master's degree represent 83.3% of total employees and female employees with a bachelor's degree represent 31.6% of the total employees.

4.5.2 Performance Evaluation Techniques

It is discovered that there are many techniques used in evaluating employees' performance at ULK Gisenyi Campus. Graphic rating was discovered to be the main evaluation technique that is used as agreed by 92.5% of participants. In his view Chenhall (2003) asserts that graphic scales have application in a wide variety of job responsibilities and they seem simplistic in construction. However, Chenhall (2003) argues that the utility of this technique can be enhanced by using it in conjunction with the essay appraisal which was observed to be the third technique used at ULK as mentioned by 77.5% of respondents.

Work standard approach in second performance appraisal technique as agreed by 80% of participants. In this technique, management establishes the goals openly and sets targets against realistic output standards. These standards are incorporated into the organizational performance appraisal system Jerome (1999). However, the author argues that it is difficult to compare individual ratings because standards for work may differ from job to job and from employee to employee. To overcome the limitation of this technique, 75% of participants said that check list method of rating is used as the fourth performance evaluation technique. In this technique, the assessor is furnished with a checklist of pre-scaled descriptions of behaviour, which are then used to evaluate the personnel being rated (Monga, 1983) as cited by Alton (2008). The scale

49
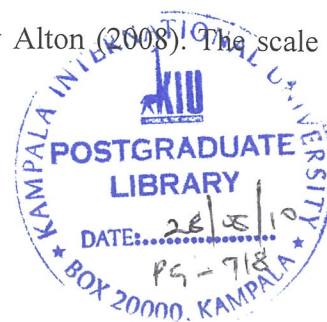
values of the behaviour items are unknown to the assessor, who has to check as many items as she or he believes describe the worker being assessed. The fifth technique consists of forced choice rating as agreed by 72.5% of respondents. This method makes use of several sets of pair phrases, two of which may be positive and two negative and the rater is asked to indicate which of the four phrases is the most and least descriptive of a particular worker.

4.5.3 Forms of Rewards given to ULK's employees

Various scholars agree that there are monetary and non-monetary award which can be given to employees in an organization. As far as this study is concerned, it was realized that non-monetary rewards are the major forms of rewards given to employees of ULK-Gisenyi campus. This supports the observation of (Matt 2007) who says that in today's workplace, companies and managements are increasingly using non-monetary rewards as an incentive to motivate and influence employee performance.

Praise/recognition from supervisors was observed to be the main reward which is most of the time given to employees of this university. In his view Parker and Wright (2001) argues that employees want to be recognized and feel their contributions are noticed and valued. Therefore, praise and recognition from supervisors can be of great significance as it was also consistently found to be among the most important motivators. Paid leave is the second form of reward and is followed by professional growth and development opportunities. The third form of reward is very important on both employees and the organization at the same time. According to Chen and Hisieh (2006) employees benefit by developing new skills, and the institution benefits from the additional expertise individuals bring to the job. Additionally, Matt (2007) argues that employees understand they need to grow, learn and develop new skills in order to advance the ability to be able to choose their assignments and rise to new challenges offered by new responsibilities.

The fourth form of reward consists of promotions and lateral moves. Heathfield (2009) argues that promotions and lateral moves is a long term rewards that recognize employees' professional growth, expertise, and capacity to contribute to the institution in new roles. Certificate of appreciation were observed to be the last but not least form of non-monetary award given to employees of ULK. Although certificate of appreciation was observed to be the fifth award given to the employees of ULK, 52% said that they would prefer this kind of award to all other types of reward.

On the other hand, progression in salary range, performance award and cash in account award are the major forms of monetary award which are given to ULK's employees. Heathfield (2009) argues that employees may receive salary increases to recognize the attainment of new and/or the enhancement of existing skills/competencies or for assuming increased responsibilities within the scope of the current position. The salary increase represents a progression through the salary range approved for the position. As far as performance award is concerned, Chenhall (2003) says that it is a one-time lump-sum cash award based on the employee's rating of record of fully successful or better for the most recent appraisal period. These awards are used primarily with five-level rating systems which distinguish levels of performance above fully successful. Finally, cash in account award is designed to recognize employees for going the extra mile in getting the job done. These awards do not recognize overall performance, but rather specific instances of exemplary performance Kozlosky (2008).

4.5.4 Reward criteria

The results of the study revealed that at ULK, employees are rewarded based various factors. However quantity of work done was observed to be the most criteria that employers base on to reward the employees. The second criterion is the level of customer satisfaction (customer of a

given university consist of students), so in this case, these employees are rewarded depending on the level of satisfaction on the side of students. Consistent quality of work was realized to be the third criterion.

4.5.5 Effects of Rewards on Employees's performance at ULK

From the previous paragraph, the results of the study shows that employees are rewarded based on very well known criteria. Some of these criteria include quantity of work done, level of customer satisfaction an d consistent quality of work among others. Once these criteria are fulfilled, an employee will be sure that that particular period he or she will be entitled to an award and this will work as a motivator to employees. Therefore, employees will work hard in achieve the organizational goals, improve their performance thereby meeting reward criteria.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Overview

Throughout the study, emphasis was put on issues related to the effectiveness of reward program in improving employee performance in private universities, a case study of ULK Gisenyi campus. In this chapter, a general conclusion of the study is presented thereafter recommendations are given. In addition, chapter five highlights some limitations of the study and suggests areas for future researches.

5.2 Conclusions

This study focuses on effectiveness of reward in improving employees' performance of private universities in Rwanda. It aimed at analyzing different techniques used in evaluating employees' performance at ULK; investigating various forms of reward given to employees of ULK and analyzing criteria used in rewarding employee of the organization under study. From the discussion of findings, in line with objectives of the study, a set of conclusions were drawn:

(a) ULK's reward system is effective to some extent as it starts with evaluation of employee's performance, and employees are rewarded according to their performance and or behaviors. However, the fact that some of the rewards that most employees would prefer are different from those given to them. Therefore, some of the employees do not like some of the awards given to them.

(b) Due to limitations or drawbacks associated with each and every appraisal technique, ULK Gisenyi uses more than three techniques in evaluating the performance of its

employees. The first three appraisal techniques consist of Graphic rating, work standard and essay appraisal.

(c) Non-monetary rewards are the main forms of rewards given to employees of ULK Gisenyi. These comprise of praise/recognition from supervisors, paid leave, professional growth and development opportunities, promotions and lateral moves and certificate of appreciation.

(d) Quantity of work done, level of customer satisfaction (customer of a given university consist of students), and consistent quality of work are the most common criteria used in awarding employees.

5.3 Recommendations

In order to improve the effectiveness of rewards in improving employees' performance at ULK Gisenyi Campus , the researcher recommends the following:

(a) Appropriate appraisal techniques and approaches should be designed on each and every type of work or department since the evaluation criteria might differ and some of the techniques might have limitations which do not allow the manager to appraise employees work.

(b) Peers evaluation should be encouraged in order to give a chance to employees to learn from each other.

(c) Since some of the employees are not happy with the awards given to them, employees should therefore be given a chance to participate in the design stage of reward system or they should be consulted in order to come up with effective rewards which will be considered as motivators thereby improving employees' performance at ULK. Employee

participation will strengthen the program. Not only will employees be able to provide ideas and feedback, they will also become a proponent of the program among peers. One key way to involve employees is to actively seek their feedback, opinions, and ideas regarding the program.

(d) Management is advised to match the reward to the person and the achievement. This will be achieved by employees at all levels, in all job categories, to understand expectations and performance in order to identify meaningful rewards for each employee.

(e) Since employees deeply value recognition and praise from management and senior management, employees should be involved in the reward and recognition process. ULK has to encourage them to take an active role in the recognition process.

(f) As ULK operates in a dynamic environment, it is obvious that employee' expectations and corporate objectives change over time. Therefore, management of ULK should review their programs and rewards frequently to keep them aligned with the corporate goals as well as employee expectations. Indeed, reward programs can become stale, and so ULK should ensure that reward programs are up to date. They have to look for ways to keep the program fresh by changing rewards and metrics as the business changes.

5.4 Limitations of the study

Although the researcher believes that the methods used for this project represent a rigorous attempt to comply with academic requirements for a research project at Kampala International University, specific objectives of the study, and the use of a single method of data collection constitute limitations. Therefore, the results of this study are limited by techniques of data

collection and measures used which make external validity difficult to measure. Indeed, the results are only applicable to the case under study.

5.5 Areas for Further Research

Using different methods of data collection, a similar study should be conducted in other private universities in Rwanda in order to come out with a clear picture of how effective reward systems improve employee performance.

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Appendices

Appendix A: Questionnaire

This questionnaire is presented to you to help me to carry out my research work in partial fulfillment of the requirements for the award of a Degree of Masters of Arts in Human Resource Management. My research topic is *"Effectiveness of reward in improving employee's performance in Private Universities: A case study of Universite Libre de Kigali Gisenyi Campus"*. Answering all the questions truthfully will be your important contribution of my research work and to the recruitment process in private universities. I promise you that your answers will be strictly confidential and used only for the academic research purposes.

My name is Emmanuel Ndabarinze Bukambiza

Instructions: Cross (x) the answer of your choice among the alternatives provided, where there is space, feel free to give your opinion

SECTION ONE: DEMOGRAPHIC INFORMATION

1. Gender

☐ Male

☐ Female

2. Educational level

☐ Secondary education

☐ Bachelor degree

☐ Masters Degree

☐ PhD

Others (Specify) _____

SECTION TWO: TECHNIQUES OF PERFORMANCE APPRAISAL

The following table presents thirteen statements describing performance appraisal techniques.

Each technique has five alternative answers [Strongly Agree (SA), Agree (A), Strongly Disagree

(SD), Disagree (D), Not sure (NS)]. Please tick the answer of your choice:

Performance appraisal techniques	SA	A	SD	D	NS
1. The assessor writes a brief essay providing an assessment of the strengths, weaknesses and potential of the subject					
2. People are assessed on quality of their work (average; above average; outstanding; or unsatisfactory)					
3. A member of the HRM staff meets a small group of assessors from the supervisory units to discuss each rating, systematically identifying areas of inter-assessor disagreement					
4. The assessor is forced to choose the best and worst fit statements from a group of statements					
5. A supervisor describes critical incidents, giving details of both positive and negative behavior of the employee					
6. The employees are asked to set or help set their own performance goals					
7. Management establishes the goals openly and					

sets targets against realistic output standards from which every one will be evaluated from					
8. The ranks assigned by each assessor are then averaged and a relative ranking of each member in the group is determined					
9. the names of the actual individuals known to all the assessors are used as a series of standards					
10. The assessor is furnished with a checklist of pre-scaled descriptions of behavior, which are then used to evaluate the personnel being rated					
11. Sets of behavioral statements describing good or bad performance with respect to important qualities					
12. Assessment centres					
13. Every individual in the group is compared with all others in the group					

SECTION THREE: REWARD AND RECOGNITION PROGRAM

This section is made up of various statements about reward and recognition program. Please tick the answer of your choice and where there is a space provided give your opinion.

1. Do you receive positive feedback from your supervisor on a regular basis?

☐ Yes

☐ NO

2. Does your supervisor thank you for the work you do? _____

[ ] Mostly yes

[ ] No,

[ ] Rarely

3. Have you ever wanted to be able to recognize good work done by co-workers?

[ ] Frequently

[ ] Seldom

4. Would you prefer to receive recognition initiated by supervisors and managers or by your peers? Or both? (Check all that apply.)

	Never	Sometimes	Often	Very often	Always
Mangers					
Supervisors					
Peers					

5.

The following Reward and recognition program is used at ULK	Never	Sometimes	Often	Vey often	Always
1. Praise/recognition from supervisors					
2. Professional growth and development opportunities					
3. Paid Leave					
4. Progression through the salary range					
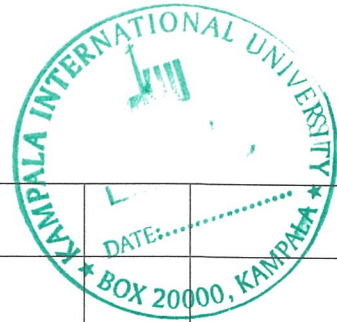
5. Merit increases					
6. Certificates of Appreciation					
7. Promotions and lateral moves					
8. Administrative salary supplements					
9. Informal rewards					
10. A one-time lump-sum cash award based on a special contribution or service					
11. A one-time lump-sum cash award based on the employee's rating of record of "fully successful" or better for the most recent appraisal period.					
12. : An increase in pay (additional step increase) which may be granted to an employee with a rating of record of "outstanding" for the most recent appraisal period					
13. A small cash award designed to recognize employees for going the extra mile in getting the job done.					
14. an award for formal suggestions which have been evaluated and adopted					

6. What kind of "rewards" would you like to see given?

_____ Mugs, other items with a special department or University logo

_____ Flowers

_____ Certificate of appreciation

_____ Catalog gift certificates

_____ T-shirts

_____ CDs

_____ Parking pass

_____ Transit pass

_____ Dinner gift certificate

_____ Tickets to events

_____ Others: list suggestions below

_____

_____

_____

SECTION THREE: REWARD CRITERIA

Reward of ULK's employees is based on:

	Never	Sometimes	Often	Very often	Always
1. Customer Satisfaction Level					
2. Acquisition new skills					
3. Improvement in work processes					

SECTION FIVE: CHARACTERISTICS OF REWARD PROGRAM AT ULK

From a set of five alternative answers Strongly Agree (SD), Agree (A), Strongly Disagree (SD), Disagree (D), Not sure (NS) tick the answer that matches most you opinion

Reward program is characterized by	SA	A	SD	D	NS
Contingent on achieving desired performance levels rather than on merely doing certain tasks					
Reward program is balanced between conditions in the workplace (extrinsic) and fulfillment of individual needs and wants (intrinsic)					
The program is open to all, and not based on a competitive struggle within the workplace (everyone can win)					
Reward systems enhance collaboration within the workplace					
Reward systems focus efforts on serving the customer (internal or external)					

Thank you for your team work!

Appendix B: Budget

Item	Amount (Francs)
Transport	280,000/=
Communication with supervisor and respondents	70,000/=
Other Field expenses	150,000/=
Photocopying	100,000/=
Typing, printing and binding	200,000
Total	**800,000**

Appendix C: Time Schedule

Months Activities	March 2009 Weeks				April 2009 Weeks				May 2009 Weeks				June 2009 Weeks				July 2009 Weeks				August 2009 Weeks			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Proposal writing	█	█	█																					
Submission and approval				█	█	█																		
Collection of Literature	█	█	█	█	█	█	█	█	█	█	█	█	█											
Instruments Design								█	█															
Pilot Test									█															
Corrections										█														
Data collection											█	█	█											
Data analysis and report writing													█	█	█	█	█							
Approval of report																		█	█	█				
Submission of the report																								█

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Appendix D: Letter of Introduction

KIU

KAMPALA INTERNATIONAL UNIVERSITY

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OFFICE OF THE DIRECTOR
SCHOOL OF POSTGRADUATE STUDIES AND RESEARCH

March 20th, 2009

TO: Rector of Universite Libre
De Kigali (ULK) /GISENYI CAMPUS

Dear Sir/Madam,

RE: INTRODUCTION FOR NDABARINZE B. EMMANUEL

The above named is our registered student in the School of Post Graduate Studies and Research, pursuing a Master of Arts in Human Resource Management. With Registration number MHR/10017/81/DF

He wishes to carry out a research on **"Performance Appraisal, Recognition and Reward Programs in Private Universities in Rwanda,"** A Case Study of Universite Libre De Kigali (ULK)

Any assistance accorded to him regarding research will be highly appreciated.

Yours faithfully,

Prof. Owolabi O. Samuel
Director SPGS&R

PS: He is allowed to conduct his research in our institution.

The Academic Vice-Rector
30th, 03-09

Prof. Dr NKURUNZIZA Jean Pierre
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