

**EFFECTS OF REWARD AND COMPENSATION ON TEAM PERFORMANCE
A CASE STUDY OF BUSHENYI DAIRY INDUSTRY COOPERATIVE
UNION LIMITED**

**BY
INGABIRE BELINE
BBC/43693/101/DF**

**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS
AND MANAGEMENT SCIENCES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF A BACHELORS
DEGREE IN BUSINESS COMPUTING OF
KAMPALA INTERNATIONAL
UNIVERSITY**

DECEMBER, 2012

Declaration

I Ingabire Beline declare that this research is my original work that it has never been presented to any institution or university for any award.

Signature



INGABIRE BELINE (STUDENT)

Date 08.12.2012

Approval

This is to certify that INGABIRE BELINE is the one who has done this research report in Bushenyi dairy industry cooperative union under my supervision in partial fulfillment of the requirements for the award of a Degree in Business Computing of Kampala international university.

Mr. Ruteganda Michael (supervisor)

Signature.....

Date.....03/12/12.....

Dedication

I dedicate this research to my beloved Parent Miss .MUKAMURERA PEACE, my brothers and sisters Uwizera Danniella, Uwashema Fabiola , Muhirwa Julien, Ishimwe Christine and my friends, Eunice kyobutungi, Adam babu Yusuf ,Stephen, and Sharon Akoth

Acknowledgement

I thank the Almighty God, who has given me Good health, courage, Determination and Perseverance throughout my academic struggle for without HIM nothing would ever be possible.

Special thanks also go to my beloved parent Mrs Mukamurera Peace for their tireless support throughout my life. May God reward you abundantly.

I would like to express my sincere appreciation to my supervisor Mr. Ruteganda Michael for his time, encouragement and guidance all throughout my research of which would not have been a success without your wonderful advice. May the Almighty help you accomplish your dreams .

Special thanks also goes to Management of BUDICO especially Peace for the great contribution towards the completeness of my research work. May GOD bless you and reward you abundantly.

Special thanks go to my friends; Sharon, Eunice, Adam and all other people who have helped me complete my research work.

May The Almighty God Bless You.

Table of contents

Declaration	i
Approval.....	ii
Date.....	ii
Dedication.....	iii
Acknowledgement	iv
Table of contents.....	v
List of tables	vii
Abstract	viii
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the study.....	1
1.2 Statement of the Problem	2
1.3 Purpose of the Study.....	2
1.4 Objectives of the Study	2
1.5 Research Questions	3
1.6 Scope of the Study	3
1.7 Significance of the Study	3
1.8 Conceptual framework.	5
CHAPTER TWO: LITERATURE REVIEW	6
2.1 Reward and compensation	6
2.2 Reward and compensation practices	7
2.3 Types and Forms of Rewards and Compensation	7
2.3.1 Base pay	8
2.3.2 Financial rewards.....	8
2.3.3 Non financial rewards	9
2.4 Definition of teams.....	9
2.4.1 Types of teams.....	9
2.4.2 Characteristics of an effective team	10
2.4.3 Team formation	10
2.4.4 Team development	11
2.5 Strategies for reward and compensation on team performance	12

2.5.1 The frame work of a team compensation structure	13
2.5.2 Considerations for designing a team-based pay plan	15
CHAPTER THREE: METHODOLOGY.....	17
3.1 Research design.....	17
3.2 Target population	17
3.4 Sampling Design and procedure.....	18
3.5 Data collection instruments.	18
3.6 Measurements of Variables.	18
CHAPTER FOUR: PRESENTATION, INTERPRETATION AND ANALYSIS OF DATA.....	20
4.1 Introduction	20
4.2 Demographic data of study subject	20
4.3 The researchers' analysis of the reward and compensation systems used in BUDICO ...	22
4.4 The Researcher Analysis on Effects and Characteristics of Effective Team in BUDICO	25
4.5 The Researcher Analysis on Strategies Used By BUDICO in Managing Reward	27
Compensation to Encourage Team Performance.	27
CHAPTER FIVE: SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS.....	30
5.1 Summary of the Findings	30
5.2 Conclusion.....	30
5.3 Recommendations	31
5.4 Areas of further research	32
APPENDICES	37
APPENDIX I:RESEARCH INSTRUMENTS.....	37
A: RESEARCH QUESTIONNAIRES	37
APPENDIX II. TIME FRAME FOR RESEARCH	41
APPENDIX III: BUDGET	42

List of tables

Table 1: Showing the sample size	18
Table 2: Sex Distribution (40-30)	20
Table 3 Table 3: Showing the respondents age	20
Table 4: Analyzing the years of service in BUDICO by its employees.	21
Table 5: Showing the marital status of the respondents in BUDICO	22
Table 6: Showing the use of financial rewards to compensate employees	22
Table 7: Showing the use of non financial rewards	23
Table 8: Showing how employees are rewarded and compensated	24
Table 9: Showing characteristics of reward systems on team performance.....	25
Table 10: Showing effect of team development on performance of the organization	26
Table 11: Showing How Employees Affect Team Effectiveness	26
Table 12: Showing Employee Involvement in Payment Determination.	28
Table 13: Showing How Management Reward And Compensate Employees Who Work In Teams.	28
Table 14: Showing Respect And Goals Set To The Employees.	29

Abstract

The purpose of the study was to determine the relationship between the effects of reward and compensation on team performance in organizations especially BUDICO.

In chapter one the researcher covered the background the study, stated the problem statement, the scope of the study and finally the signification of the study.

In chapter two, the researcher initially started by defining reward and compensation and team performance as defined by different authors. She went ahead to explain the reward and compensation systems, effects and characteristics of teams and strategies of reward and compensation 'on team performance in BUDICO.

In chapter three, the researcher provided information on the instruments used in collecting data. She showed the study population and sample size, and sampling design and procedure, mentioned both primary and secondary collection methods used and how data was analyzed, processed and presented including the limitations of the study.

In chapter four, the researcher presented the findings of BUDICO where she showed how the questionnaire were administered' and analyzed. Discussions of these findings were presented accordingly following researcher objectives.

The researcher used tables, frequencies and percentages. The last chapter, the researcher summarized the findings and drew the conclusions from these findings and also provided recommendations to organizations under the study and other related organizations.

The researcher further suggested more research areas for future researchers.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Today's increasingly competitive labor market calls for the arrangements to retain quality human resources in order to realize organizational goals, proper human resource management practice of rewards has to be put in practice, by creating a reward system that is equitable and fair in order to retain high quality human resources (Heller 2000). There are different forms of rewards such as portion of the individuals based pay, and financial rewards such as gain sharing and non-financial rewards such as recognition and praise (Masternak, (2002) which are used to compensate employees by providing them with monetary value in exchange for the work done or service offered (Ever and Burrow 2000).

Traditionally, employees have been compensated based on their individual performance, but now they are being evaluated based on how their teams perform Saunier and Hawk (2001). However Weihrich and Koontz quoting a fortune magazine survey note that in major industrial countries of Japan, UK, USA and Australia, top executives earn high salaries which are in some cases 10 times than that of the junior officers (Weihrich and Koontz 2000) which is the same case that applies in Bushenyi Dairy Industry Co-operative Union Ltd.

People learn to behave in certain ways based on the rewards they receive. Therefore in order to convey to people that they want them to produce more in teams, reinforcement of behaviors that lead to increased performance which stimulates high compensation measures is necessary (Caudron, 2004).

Employee reward and compensation systems consist of organization integrated practices in remunerating employees in accordance with knowledge, skills and market worth, (Armstrong 2000). To employees, compensation is an important issue since pay is perceived to be a motivator factor to personal and market value to the organization Baum, (2001). Because of this new shift in the organizational structure, organizations like BUDICO have been using teams

more and more to carry out different functions to support people work with others to promote their economic interests, improve quality and quantity, and their collective performance is evaluated all together.

BUDICO which was originally formed as a private ltd company but later transformed into a union of co-operatives so as to involve farmers in the district. It has a membership of 21 diary cooperatives serving about 2300 farmers. It was registered under Uganda cooperative statute and cooperative registration of 1992, under registration number 6729 ,issued on may 7 2003 (Appendix. 1).However, the unions structure has always ignored the effect of reward and compensation on team performance and yet its mission is to provide efficient collection system, bulking and marketing to ensure profitability which can only be attainable only if you have dedicated staff working together as the a team in order to hit the union's vision which is to have "increased quality production."

1.2 Statement of the Problem

Rewarding employees in their teams has been ignored by many organizations. In organizations like Bushenyi dairy industry co-operative union limited employees are paid on an individual basis and not considering how their teams perform yet much of organizational work is done in teams. This has de motivated employees and led to low commitment of employees from working together for a collective performance in BUDICO, whereby the top managers earn 25% above other employees and yet they work together as a team hence poor team performance (speech communication with the managing director 2010).

1.3 Purpose of the Study

The purpose of the study is to find out the effect of reward and compensation system on team performance.

1.4 Objectives of the Study

To find out the reward and compensation systems used in BUDICO limited

To find out the effects and characteristics of teams to the organization.

To identity the strategies of reward and compensation systems on team performance in BUDICO limited.

1.5 Research Questions

1. What are reward and compensation systems applied in Bushenyi Dairy Industry Co-operative Union Limited.
2. What are the effects and characteristics of reward and compensation on team performance in Bushenyi Dairy Industry Co-operative Union Limited?
3. What strategies of reward and compensation can improve team performance?

1.6 Scope of the Study

This will cover the time scope, subject scope and the geographical scope

Time scope

The study covers the period from 2008-2011 and will center on the information within these years, the study also took a period of 9 months from April 2010 to March 2011

Subject scope

A reward refers to anything that is financial or non-financial given to an employee in appreciation of the services offered by him/her to the organization, While compensation is referred to as a systematic approach of providing monetary value to employees in exchange for the work done/performed (Everand & Burrow, 2001). Team performance also refers to how best team members cooperate or coordinate to perform the given tasks together in order to achieve the common objective.

Geographical Scope

The research was carried out in Bushenyi dairy industry co-operative union limited located at liberation road in Bushenyi district in western Uganda approximately 327km south-west from Kampala. The project area specifically lies between 1500m above sea level.

1.7 Significance of the Study

The study may be able to tell the reward and compensation systems on team performance used in Bushenyi Dairy Industry co-operative Union Limited.

The study may bring out the effectiveness of reward and compensation system on team

performance.

The study may help other organizations to realize the effectiveness of reward and compensation on team performance in relation to Bushenyi Diary Industry Co-operative Union Limited.

This study may be added to the library of research material for future reference by other students doing research.

The study may help the human resource department of Bushenyi Diary Industry Co-operative Union Limited in identifying the importance of reward and compensation to team performance.

The study may help Bushenyi Diary Industry Co-operative Union Limited to develop the best strategies for marketing activities offered by Bushenyi Diary Industry Co-operative Union Limited to the public.

The study may human resource department to find the best reward and compensation systems for its employees.

The study may help BUDICO to set reward systems and compensation measures in relation to government policies and the ministry of finance

1.8 Conceptual framework.

Independent variables

Reward

- Personal staying with an organization
- Helping employers in determine the lower and high performers.
- Recognizing individual performance

Compensation

- Motivation
- Team cohesion
- Morale

Dependent variables

Team performance.

- Team work with no supervision
- Work efficiency and effectiveness
- Increase on organization productivity



CHAPTER TWO

LITERATURE REVIEW

2.1 Reward and compensation

A reward is anything consisting of an organizations integrated policies or practices that is financial or non financial given to the employees in accordance to their contribution towards the success of a given organization. According to (Armstrong, 2001) he defines reward as a process of measuring value for jobs, motivator factor, structure for relating pay to the value of position in the organization and a procedure for maintaining the organizations system.

Compensation is referred to as a systematic approach to providing monetary value to employees in exchange for the work done/performed (ever and burrow, 1000).

Compensation is defined as a cash or non-cash remuneration provided by an employer for services rendered. (The American compensation Association; 2000) based on this definition, compensation has a tremendous range. It can mean anything from a weekly pay check to an occasional ticket to a ball game.

Compensation can be classified, stated, characterized and redefined in many ways for example; it can be intrinsic or extrinsic, financial or non- financial and direct or indirect (clanpitt & potempa, 2000).

Gross (1995) asserts that compensation system coupled with work culture, role clarity and behavior competence interact to produce team and organizational results. Lawber, 2000-2001)

Suggests that one of the key principles to organizational and team effectiveness is congruence among the various operating systems, which includes the compensation system. Ultimately, most people are motivated more by the work they do and the environment in which they work than by the money they earn. Therefore, the compensation and reward systems you offer to employees should include both monetary and non-monetary ideas (Eaving Marion, 2005).

Caudron (2000) said that people learn to behave in certain ways based on the rewards they

receive. Although rethinking and restructuring of reward practices, which are aligned with new organizations goals and cultures will give companies the focused energy they need to succeed in challenging times. These companies that used relevant compensation and rewards as a strategic resource tool, will be able to realize the tremendous potential of their employees working together (Flonnery et, al, 2000)

2.2 Reward and compensation practices

Reward and compensation practices are those practices for motivating people by use of financial and non-financial rewards (Armstrong, 2002)

Traditionally, compensation had been designed to attract and retain quality employees and motivate them to increase their effort and output towards achieving organizational goals. Compensation strategies to be effective should be aligned with the strategic plan and be cost effective in terms of input/output ratio (Scarpello, 2001). Compensation was also designed to complement theory X and Y (Mc Gregor, 2000) in the business environments to encourage hard work among the employees.

The Problem is that these old pay systems, no longer fit with the changing business environment (Lawler, 2000, 2005 Schuster and Zingheim, 2001). Emerging collaborative work arrangements need improved compensation practices that are supportive of this new environment.

Compensation focuses on supporting the achievement of organizational goals and objectives. It is used to motivate, communicate and differentiate between performers. Plan designs are flexible and custom tailored according to the given circumstance in new pay, based pay is the foundation for the more critical components like variable pay employees are evaluated based on their behaviors and results, which increases the connection between pay and performance (Lawler, 2003)

2.3 Types and Forms of Rewards and Compensation

There are both tangible and non tangible rewards, include financial incentives, financial benefits, pay performance, bonuses and non tangible includes promotions, recognition and job security (Phillips, 2003).

Rewards can be broken down and referred to based on the following categories of pay; Base pay and base pay adjustments. Financial rewards
Non-financial rewards

2.3.1 Base pay

It's the primary means by which an organization compensates its employees (American Compensation Association 2004). It can be calculated through market pricing, job evaluation and market comparisons (Gross, 2004).

Traditionally base pay has been determined for a specific job. More recently, salaries have been on the number of skills or competences an employee has and or use (skill) competency based pay.

Based pay adjustments refer to the way base pay is increased over time (American compensation association, 2004) there are many ways to increase base pay including merit increases, cost of living adjustments and increase due to skill, competency and knowledge acquisition.

2.3.2 Financial rewards

Some of the aspects for pay performance, which can also be categorized as piece' rate and time include wages and salaries. Salaries are weekly or monthly remuneration paid to workers at a fixed rate. They are usually paid to white collar personnel (Phillips, 2002)

A wage is paid on an hourly or piece rate. It is a price for the service of a human being (Phillips, 2002). They are paid to blue collar workers (or un skilled/ semi-skilled workers and usually involve doing manual work.

Davar, (2000) refers to wages as payments made to labor and salaries, as payments made periodically to persons whose output cannot be easily measured, such as clerical staff as well as supervisory and managerial staff. These rewards are separate and not added into base salary, examples include: financial incentives bonuses, recognition, sharing and profit sharing incentives are rewards given for the accomplishment of pre-determined goals. Cash recognition and bonuses are typically after-the fact, discretionary awards given for accomplishments, behaviors and other related events (Davar,2002).

2.3.3 Non financial rewards

These refer to any type of non monetary awards including pizza parties, written recognition and simple thank you. (American Compensation Associations 2004). Non financial rewards can be awarded for a variety of reasons including the demonstration of a desired behavior or the accomplishment of a particular goal, these rewards can be formal, instituted by company or unit, informal and spontaneous, generated by the team members.

2.4 Definition of teams

A team is defined as a small number of individual with complementary skills holding themselves mutually accountable for a commitment to quality customer services and productivity. This group seeks fresh decision making approaches to enhance specific common goals (Samuel & Anthony, 2003).

Balunywa (2005) and heresy (2002) look at a team as a small number of people with complementary skills who are committed to a common purpose, set performance goals and approach for which they hold themselves mutually accountable.

According to (stower,et,al (2002), a team is said to be two or more people who interact with and influence each other towards a common purpose. Newstoam,(2002) states that a team is a cooperative small group in regular contact that is engaged in coordinated action.

2.4.1 Types of teams

These are three types of teams identified

The parallels team

This is defined as a part time team that can be temporary or permanent that employers participate an in addition to their normal activities (Farmel & Pagoage, 2003). An example of such would be a team that convenes to discuss safely issues.

The process teams:

These do their work in processes and collectively by members of the team. An assembly "cell" in manufacturing firm is an example where employers are permanently committed to the team and actively participate in an entire work process (Farmel & Pagoage, 2003).

A project of time based team:

This is the third types were apposite of parallel team in that members work full-time for the duration and until completion of a project. An example is a team for designing new cars (Richardson & Cox, 2000).

According to (Richardson and Cox (2000), teams can also vary according to their level of empowerment. This refers to the idea of giving people the authority responsibility and accountability necessary to do their jobs.

2.4.2 Characteristics of an effective team

Katzenback and smith's recent work, the wisdom of teams, summarizes best the characteristics common to all superior performing teams.

These characteristics include team size to some point group performance tends to increase with size due to collective performance, however performance often decreases because sub groups develop and coordination involves costs. Successful teams are always of 2-25 members (Katzenback & Smith,2001)

Team members' skills: a team cannot succeed unity its members contribute three types of complementary skills and experiences. In essence it becomes more productive to place people with different skills and attributes on these teams in order to achieve this.

Among others are team members purpose and goals where by its immediate goals must coincide with its overall purpose, team member's work relationship which includes practices like administrative and social aspects of working relationships, team members accountability and the celebration of success together as a result of collective performance (Smith,2002).

Lawber(2001) states that, for teams to be effective organizations must move knowledge, information, power and rewards down lower into the organization. Robbins (2002) differs slightly that a team requires three different types of skills to be effective that is technical expertise, decision making skills and interpersonal skills.

2.4.3 Team formation

Many authors and writers have agreed on the process through which a team develops. This common model of team formation was developed by Tuchman, who initially identified four development stages forming, storming, norming and performance.

Forming:

This stage is viewed to be the initial stage when the team forms and learns what sort of behavior is acceptable. It involves finding out about the task, rules and methods; acquiring information and resources and also reliance on the leader. It further involves review of team purpose and goals. Developing team communication and conflict management skills proactively, sharing strengths and challenges related to working on teams, (Katzenback & Smith, 2001).

Storming:

At this stage, team members resist the task at the emotional level; internal conflict develops as they begin to assert their individual personalities, they often become hostile and even fight ground rules set during the forming. The stage requires; open and constructive communication focusing on short term goals, allowing conflict and managing them collaboratively, provide empowering leadership and encourage a positive and supportive atmosphere, (Katzenback & Smith, 2001).

Norming:

Here conflict is settled, cooperation develops; views are exchanged and new standards, that is norms are developed. Also, team unity emerges as members establish common goals, acknowledging team members and celebrating team achievement and encouraging shared leadership (Katzenback & Smith, 2001).

Performing:

The team matures and learns to handle complex challenges. Team work is achieved, roles are flexible, and solutions are found and implemented. It requires conducting periodic team assessments and encouraging innovation (Smith, 2001).

Adjourning:

Finally the team disposes and members prepare themselves for new role (Katzenback, 2001).

2.4.4 Team development

Tuckman's analysis can be compared with that of Woodcock (2000) that has made a particular study of teams and their development, Woodcock also seeks a four stages sequence

of development as follows:

The under developed team

Here feelings are avoided and objectives are uncertain and the leader takes most of the decisions not considering the team members (woodcock, and 2000).

The experimenting team

Issues are faced more openly, listening takes places and the group may become temporarily introspective (Woodcock, 2000).

The consolidating team

In this stage personal interaction is established on a cooperative basis where the task is clarified and objectives agreed and then finally the tentative procedures are implemented (woodcock, 2000).

The mature team:

This is the final stage where feelings are open and a wide range of options considered. Working methods are methodical, leadership style is contributory, individuals are flexible and the group recognizes responsibility to the rest of the organization (Tuckman, 2001).

The key point made by these analyses is that effectiveness is an out-come, which develops overtime, as the group begins to understand what is required of them and how they can utilize the knowledge, skills and attributes of the individual members in fulfilling group and Individual goals (woodcock, 2000).

2.5 Strategies for reward and compensation on team performance

Team performance management: Monte mayor (2002) states that-team based rewards are most

Commonly judged against two over riding criteria, that is, their impact on business performance and competitiveness and their effectiveness in encouraging employee involvement, commitment and team work in support of business

Objectives

Different scholars summarize the factors which have been formed to the team reward plans

(Bullock and Bubs (2000) suggest that forming plans involvement, structure, staff involvement in plan design, employee favorability, participative management, style, productivity rather than profit orientation and shorter payout periods are ideal for team reward plan.

Towers pemn (2001) says that, senior management commitment, employee support nvolvement, emphasis on communications, related human resource activities such as training, shorter payout. Periods rather than wolly financial measures are some of the factors.

2.5.1 The frame work of a team compensation structure

Designing any ideal compensation structure, is about strategic thinking (lawber, Schuster & Zingheim, 2001), it involves custom tailoring a compensation system that will best support the overall objectives of the organization, unit and the team. To understand the types of compensation options available, the roles that compensation can play and the need for team compensation, organizations must recognize the importance of proper fit. As systems theory argues that a system is neither good nor bad in the abstract.

Linking team compensation with organizational structure

One of the most important elements of an ideal compensation system is that -it fixes with the overall organizational structure or design, (Mc Adams, & Rowley, 2003).

In other words, an ideal compensation system in a team based environment considers team performance and team-like behaviors compensation systems should be addressed in all types of re-engineering efforts especially the reorganization to teams (Rowbery, 2000).

Link with business strategy

A critical goal of any compensation system is to direct the behaviors that positively impact organizational performance. To do this, the compensation system must link with the overall business strategy (Bmial, Hagemn & Canvezon, 2001).

According to writtlebey and Maurer (2000), one of the ten most common mistakes in designing compensation plans is to link these plans to the overall business strategy.

Montemayor (2002) found that incongruence between pay policy poor organizational performances.

Ideally, business strategy and compensation systems are linked through the measurement system (Zigar, 2002). Organizational strategic goals should connect to business unit strategic goals, which should tie to team strategic goals, and finally to individual goals. When such strategic alignment exists, teams/individuals become the vehicles in which organizations achieve their goals and objectives.

Link with performance management'

Another important link is the connection between the compensation system and the performance management system (Grobbs & Gvinn, 2000). A performance management system is designed to help organizations maximize their most valuable assets- their employees. Performance management system generally consists of four functions

The definition of performance.

The measurement of performance

The development of performance and

The reward of performance

In a team environment, all aspects of performance management system must consider both team and individual efforts and behaviors. When one component, such as the reward system only accounts for individual effort, problems can occur (Grobbs, 2000).

Link with the compensation system

A compensation system should be compatible with other systems and also must be congruent internally (Lawber, 2001). Lawber claims that for pay practices there must be align three critical components; Values (core beliefs such as pay for performance), Process design features (communication policies, decision making practices), specific pay practices and structure (gain sharing)

Essentially, this translates to customization while there are some tendencies in the types of pay arrangement used for certain types of teams, the ones that best support team activities are situational (Abosch & Reidy 2002). In contrast, a "one-size-fit" approach can prove to be dangerous.

2.5.2 Considerations for designing a team-based pay plan

Bartal and Hagmann, (2001) have put, forward the following consideration.

First, there must be a link to the organizations strategy, team goals should be subsumed under the organizations overall goals and objectives pay should be aligned with the accomplishment of these objectives. A performance measurement system also needs to be established. It is imperative that there are explicit measures of how well the team is performing in reaching the desired goals. This is important in meeting goals and measuring how much the team members should be paid according to their measured performance from the predetermined criteria.

Another consideration that the organization should take into account- is the number of job categories in an organization. The concept is termed as broad bonding or encompassing more jobs into fewer bands and it is used to determine the number of pay grades (Gross, 2000). The narrower the band, the fewer the differences bond the greater the equality of pay opportunity among the people within that band. (Gross, 2000, p.66p) after determining the bands, one must determine the parameters used to pay every job.

Further, recognition is another consideration recognizing team results is very important in the sense that it can motivate team members and increase the teams level of cohesiveness (Gross, 2000). If team members are praised for a job on which they all contributed, their team work will be reinforced, recognition can actually have more of a motivating effect that reaches into the future (Pascarella, 2003).

Benefits of a team-based pay plan

According to Bartol and Hagmann (2002), the following are the results from a well-developed compensation plan;

There is improved productivity:

Better results are as a result of teams using team incentives than those using individual incentives in a team environment. These results seem to be long-term as well.

Improved employee satisfaction:

There is improved employee satisfaction with the jobs and pay. This is due in large part, to

the improvement of their skills through team work and to the post (Bartol & Hagmann, 2002)

Reduced costs:

As a result of team-based pay, production costs are often decreased as employers perform more effectively and efficiently as a team. (Hagmann, 2002).

Reduced turn over

Reduced turnover and absence, because employees level that they have a stake in the production, and they are more satisfied, their level of commitment is high which leads to high level of cohesion and hence reduced labour turn over (Bartol & Hagmann, 2002).

Improved production service quality: this is an advantage to the customers because the employees stark are becoming well versed in the operations of the team and can therefore, identify some of the important, product and service improvement that can be made an each and every product in order to ensure high quality products,

Reduced costs:

As a result of team-based pay, production costs are often decreased as employers perform more effectively and efficiently as a team.
(Hagmam1, 2002).

Reduced turn over

Reduced turnover and absence, because employees level that they have a stake in the production, and they are more satisfied, their level of commitment is high which leads to high level of cohesion and hence reduced labor turn over (Bartol & Hagmann, 2002).

Improved production service quality: this is an advantage to the customers because the employees stark are becoming well versed in the operations of the team and can therefore, identify some of the important, product and service improvement that can be made an each and every product in order to ensure high quality products,

CHAPTER THREE

METHODOLOGY

3.1 Research design

The study employed quantitative methodology and in particular with the cross-sectional data going to the community and company employees. The researcher obtained data from different sources data that is both primary data and secondary data. This design allowed the researcher to establish the decisions and strategies between the two variables (Grobbs, 2000).

3.2 Target population

The target population of Bushenyi Dairy Industry Co-Operative Union limited was **50** employees in number. These included top level managers, middle level managers and casual workers.

3.3 Sample size

From the targeted population of 50 employees selected from top management and subordinate workers from other departments. I used the Yamane formula (1973) to calculate the sample size.

$$N = \frac{N}{1 + ne^2}$$

Where n=sample size, N= total population, e= deviation of sampling (degree of error at 0.05 level of significance)

$$N = \frac{50}{1 + 0.05^2} \\ = 48 \text{ people.}$$

The sample size therefore was **48** employees which comprised of **50** of the total population

Table 1: Showing the sample size

structure	No of employees	Sample size
Top management	6	5
Middle management	19	18
Causal workers	25	25
Total	50	48

3.4 Sampling Design and procedure.

Stratified sampling was used to select 30 respondents from different categories of the population studied, where the population was divided into sub-population such that the elements within each sub-population are homogeneous (Amin, 2005).

3.5 Data collection instruments.

Primary data.

It involved the review of data collected from BUDICO employees through face to face interviews and filling in the questionnaires that were circulated to them.

Secondary data.

It involved the review of data already collected and analyzed by other people in newspapers, text books, research reports, journals among others.

3.6 Measurements of Variables.

A set of questionnaire was used of measure all items measuring reward systems and team performance via five-point bipolar scales with scale poles ranging from strongly agree to strongly disagree (Strongly Agree, Agree, Not sure ,Disagree and Strongly Disagree as adopted from, (Sapovadia & Mansfield, 2003). While team performance to measure the characteristics and strategies applied in BUDICO ltd.

3.7 Data analysis

Researcher used descriptive statistics such as tables, frequencies and percentages will be used, presented, analyzed and interpreted. The researcher embarked on data processing,

where data was checked for accuracy using excel to establish the degree of relationship between rewards systems and team performance Montemayor (2002).

3.8 Limitation of the Study.

The researcher encountered the challenges while carrying out the study.

Financial constraints. A substantial amount of the costs of transport, Stationary were incurred to make while carryout the study

Limited access to sources of information. Like news papers, internet, Journals hindered the depth and coverage on the study.

It was not easy to get the cooperation of the study subjects as some of them had busy schedule at their laces of work. This was solved by conducting a reminding exercise through telephone calls.

CHAPTER FOUR

PRESENTATION, INTERPRETATION AND ANALYSIS OF DATA.

4.1 Introduction

This chapter considers views of different researchers on the subject matter of the reward and compensation on team performance with the critical analysis of the findings identified in chapter three and reviewing of literature in chapter two. This study was successful as a result of getting all the required information through questionnaires, interviews and observations that were used on 48 respondents to provide the necessary information for report compilation.

4.2 Demographic data of study subject

The researcher collected data in respect of the respondent's sex and findings show that majority were males consisting of 58.33% whereas the female respondents consisted of 41.66%. The researcher also collected the data in respect of the respondent's age and the results were as is because the environment does not favor female as the Dairy is located in cold place.

Table 2: Sex Distribution (40-30)

Sex	Frequency	Percentage
Male	28	58.33%
Female	20	41.66%
Total	48	100%

Table 3 Table 3: Showing the respondents age

Age	Frequency	Percentage
20-25	8	16.66%
26 - 30	12	25%
31-35	20	41.6%
36 and above	8	16.66%
Total	48	100%

Findings reveal that in BUDICO majority of the employees are degree holders whereby in the sample size 13 out of the 30 respondents totaling 43.33% are degree holders, followed by diploma holders with 10 in numbers consisting of 33.33 % of the respondents then respondents with a certificate qualification are 4 in number consisting of 13.3% and lastly BUDICO also has 3 employees wit a masters degree qualification consisting of 10% of the sample size. This shows that BUDICO employees people who attained and gained skills and experience from higher qualifications.

All in all BUDICO staff is well qualified staff whereby all the employees at" least possess educational qualification at each and every managerial level.

Table 4: Analyzing the years of service in BUDICO by its employees.

Years of service	Frequency	Percentage
1 - 5	25	52.08%
6-10	15	31.25%
10 and above	8	16.66%
Total	48	100%

According to the findings in the table above, it's evident that many of the employees have offered service to BUDICO for a period of 1-5 years whereby they take 25 of the members in the sample size and occupying 52.08% of the sample size and followed by 6-10 years of service taking 15 samples composing of 31.25% and lastly employees who have offered service to the company for 10 and above years taking samples and covering 16.66% of the sample size. This indicates that BUDICO always retain their employees because they offer good services.

Table 5: Showing the marital status of the respondents in BUDICO

Marital status	Frequency	Percentage
Married	25	56.08%
Single	15	31.25%
Divorced	3	6.25%
Windowed	5	10.41%
Total	48	100%

Findings in the table show that 56.08% of the respondents are married and covering 25 of the 48 in the sample size followed by singles whose number is 15 and taking 31.25% of the sample size and 5 of them are widowed taking 10.41% of the sample size and lastly there are 3 who divorced signing and taking 6.25%. It is found that BUDICO employees married people who are settled in their marriage and have no other stress factors.

4.3 The researchers' analysis of the reward and compensation systems used in BUDICO

Tables showing the alternative rewards and compensation systems like financial rewards, appreciation, fairness among others in BUDICO are used and the point bipolar scales signing from strongly agree to strongly disagree were used to analyze the data.

Table 6: Showing the use of financial rewards to compensate employees

Question	Response	Frequency	Percentag
Does BUDICO use financial rewards to compensate the employees?	Strongly agree	25	52.08%
	Agree	20	41.66%
	Not sure	0	0%
	Disagree	2	4.16%
	Strongly disagree	1	2.08%
Total		48	100%

From the table above 52.08% of the respondents strongly agreed that BUDICO uses financial rewards like base pay to compensate their employees, 41.66% of the respondents agreed. This is according to Gross and Phillip (2002) says that employees are compensated using base pay and base salary like financial incentives, sourcing and profit sharing as well as bonuses.

Table 7: Showing the use of non financial rewards

Question	Response	Frequency	Percentag
Does BUDICO use non financial rewards to compensate the employees?	Strongly agree	0	0%
	Agree	20	41.66%
	Not sure	0	0%
	Disagree	28	58.33%
	Strongly disagree	0	0%
Total		48	100%

From the table above, 41.66% of the respondents disagreed as far as BUDICO using non financial rewards to compensate its employees was concerned. 58.33% of the respondents from BUDICO agreed that non financial rewards like appreciation, outings were used to compensate some employees. This indicates that non financial rewards can be used for variety of reasons including demonstration of desired behavior or accomplishment of particular goal. (American Compensation Association 2004)

Table 8: Showing how employees are rewarded and compensated

Question 3 &	Response	Frequency	Percentag
Does your organization apply reward and compensation practices to its employees	Strongly agree	10	20.83%
	Agree	20	41.66%
	Not sure	0	
	Disagree	3	6.25%
	Strongly disagree	15	31.25%
Total		48	100%
Does the reward and compensation adopted by your organization affect the employees behavior	Strongly agree	25	52.08%
	Agree	10	20.83%
	Not sure	0	0%
	Disagree	10	20.83%
	Strongly disagree	3	6.25%
Total		48	100%

From the table above, 37.5% of the respondents strongly disagreed that BUDICO does not apply a fair reward and compensation practices. 62.49% of respondents agreed because they are paid fairly. However Armstrong (2002) said that fair reward and compensation practices attract and motivate employees to increase their effort and output towards achieving organizational goals.

Also the above table indicated that 52.08% of the respondents strongly agreed that reward and compensation adopted by BUDICO affect employees' behaviors, 20.83% of

the respondents disagreed on employees behaviors that it is caused by other factors like working conditions and wrong working hours. This is supported by Caudron (2000) who said that people learn how to behave in certain ways based on rewards they receive. Therefore employees' culture and behavior act as strategic tool to realize the tremendous potential of employees who work together

4.4 The Researcher Analysis on Effects and Characteristics of Effective Team in BUDICO.

Tables showing the effects and characteristics of effective team in BUDICO like team formation, development, teamwork influence among others and then we shall use the point's bipolar scale of strongly agree to strongly disagree to analyze the data.

Table 9: Showing characteristics of reward systems on team performance

Question	Response	Frequency	Percentag
Does BUDICO team formation affect the reward system?	Strongly agree	0	0%
	Agree	18	37.5%
	Not sure	0	0%
	Disagree	0	0%
	Strongly disagree	30	62.5%
Total		48%	100%

Findings indicated that 62.5% of the respondents strongly disagreed formation affect the reward system, where by employees who work in teams are paid differently yet they do the same tasks and responsibilities thus they find no need of team formation, whereas 37.5% of the respondents agreed. However according to katzenback (2001), team formation is acceptable where by people find out the tasks, rules and methods through developing team communication and conflict management skills pro actively sharing strength and challenges related to working in teams.

Table 10: Showing effect of team development on performance of the organization

Question 2	Response	Frequency	Percentag
Does team development affect performance of BUDICO?	Strongly agree	23	47.91%
	Agree	18	37.5%
	Not sure	0	0
	Disagree	5	10.4%
	Strongly disagree	2	4.16%
Total		48	66%

From the table above 47.91% the majority respondents strongly agreed that team development affect performance in BUDICO because causal workers are paid differently yet they are all work as a team and this has de motivated them, lowering the performance, 37.5% of the respondents agreed. This was supported by Woodcock (2000), team issues can be faced more openly, listened to and the group may become temporarily introspective as the group begins to understand what is required of them and how they can utilize knowledge, skills and attribute towards performance of the organization.

Table 11: Showing How Employees Affect Team Effectiveness

Question	Response	Frequency	Percentage
Does members skills affect effectiveness?	Strongly agree	18	37.5%
	Agree	20	41.66%
	Not sure	0	0%
	Disagree	10	20.83%
	Strongly disagree	0	0%
Total		48	100%

Does team work in employee to work hard?	Strongly agree	5	10.41%
	Agree	13	27.08%
	Not sure	0	0%
	Disagree	10	20.83%
	Strongly disagree	20	41.66%
Total		48	100%

From the above table the majority respondents covering 37.5% strongly agreed that members' skills affect team effectiveness, whereas 20.83% of the respondents disagreed. According to Lawber (2001) he said that a team requires three different types of skills to be effective that is technical expertise, decision making skills and interpersonal skills.

Also from the same table 41.66% of the respondents strongly disagreed that teamwork influence employees to work hard, because they are rewarded and compensated on individual basis yet they work as teams 27.08% of the respondents strongly agreed, top level managers who are paid 25% above employees. However according to Stower et al two or more people who interact with and influence each other towards common purpose.

4.5 The Researcher Analysis on Strategies Used By BUDICO in Managing Reward

Compensation to Encourage Team Performance.

A table analyzing the strategies of managing reward and compensation in BUDICO to encourage team performance like setting good working conditions, appreciating culture among others and similarly the point bipolar scale was used to find out how true it is from the respondents as shown below.

Table 12: Showing Employee Involvement in Payment Determination.

Question	Response	Frequency	Percentage
Are employees of BUDICO Involved in payment determination?	Strongly agree	5	10.41%
	Agree	15	31.25%
	Not sure	0	0%
	Disagree	28	58.33%
	Strongly disagree	0	0%
Total		48	100%

From the table above, 50% of the respondent (casual workers) disagreed that BUDICO employees are not involved in payment determination whereas 33.3% respondent agreed that they are involved while 16.6% of the respondents strongly agreed, however Tawerem (2000) says that there should be senior management commitment and employee support involvement.

Table 13: Showing How Management Reward And Compensate Employees Who Work In Teams.

Question	Response	Frequency	Percentage
Does the management of BUDICO reward and compensate their employee on their team performance?	Strongly agree	8	16.66%
	Agree	10	20.83%
	Not sure	0	0%
	Disagree	10	20.83%
	Strongly disagree	20	41.66%
Total		48	100%

From the table above 41.66% of the respondents strongly disagreed that BUDICO management does not reward and compensate their employees on team performance yet they do the same tasks, whereas 20.83% respondents agreed, However Bullock & Bubs (2000) says that factors have been formulated and summarized for team reward plans that is employee favorability productivity of teams, staff involvement, style and participative management.

Table 14: Showing Respect And Goals Set To The Employees.

Question	Response	Frequency	Percentage
Does your organization respect and appreciate cultures of its employees who work together in teams?	Strongly agree	25	52.08%
	Agree	15	31.25%
	Not sure	3	6.25%
	Disagree	2	4.16%
	Strongly disagree	3	6.25%
Total		48	100%
Has your organization always set attainable goals for its employees who work in teams in order to be motivated?	Strongly agree	20	41.66%
	Agree	13	27.08%
	Not sure	2	4.16%
	Disagree	7	14.58%
	Strongly disagree	6	12.5%
Total		48	100%

Findings indicated that 52.08% respondents strongly agreed BUDICO respects and appreciates cultures of its employees who work together in teams though they are not rewarded and compensated according to team performance, 31.25% of the respondents agreed. Both team and individual efforts and behaviors are considered and respected Grobb (2000).

Also from the same table the majority respondents covering 41.66% strongly agreed that BUDICO sets attainable goals for their employees who work in teams, 27.08% Of the respondents agreed that the strategy worked, 14.58% disagreed. It said that organization take into account the number of job categories and opportunities for employees who work in teams (Bartal & Hagman, 2001).

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS.

5.1 Summary of the Findings

It was established from the research study that reward and compensation systems constitute a major motivational factor for directing employee's efforts to the organizations and include both financial rewards and non financial rewards like incentives, appreciation, holidays and health services.

The major qualities of good reward systems include equity, distribution, flexibility and low costs. While other types of rewards are classified into intrinsic and extrinsic, financial and non financial and then performance based and membership based. Whereas reward systems should always be good in an organization, they should not too good to retain even the non-performing staff.

From the findings, the researcher found out that reward systems should be recognized mindful of costs of foregoing a reward given by the. current organization, and reward matter in relation to team performance because she/he is satisfied he will contribute to organization achieving of goals and objectives and she/ he will see the same organization through thick and thin.

It is evident that managers need to carefully evaluate competition as it is reflected employee's assessment of reward systems. They should be aware that there might be reducing employee satisfaction due to empowered reward systems in an organization. While it is difficult to disagree with the importance of outstanding rewards to employees, their results would suggest that managers might be placing too much emphasis on this factor.

5.2 Conclusion

From the discussion and interpretation, reward and compensation systems in organizations like BUDICO have indeed contributed greatly to team performance. Systems include both financial like base pay, financial rewards, and non financial ones like written recognition, pizza parties among others.

Improved reward and compensation system should typically be the primary focus of on

organization that wants to improve on its team performance by ensuring that employees get their service worth (rewards satisfying). Therefore, managers should consider relational rewards to their employees. Therefore, for organizations like BUDICO it should make its reward and compensation system attractive so as to achieve its vision (increased quality production)

Teams have been successful in BUDICO because of their perceived benefits. Therefore for organizations to perform better, teams must be formed because they lead to sharing of knowledge amongst employees.

Also working in teams enables employees with complementary skills that are committed to a common purpose that is achieving their set target.

However, despite of the benefits of team work in any organization, BUDICO employees have not spearheaded their formation because even when they work as a group, they are compensated individually hence leaving most of the employees disgruntled thus not achieving their purpose of forming teams.

All in all, from the discussion and interpretation, there is a need to identify the strategies of reward and compensation systems on team performance in BUDICO.

5.3 Recommendations

1. Key rewards such as pay increase and promotions should be allocated for the should look for
2. ways to increase surrounding pay by openly communicating every ones compensation, publicizing performance bonuses and allocating annual salary increase in lump sum rather than spreading them out over the entire year, are examples of actions that will make rewards more visible and potentially more motivating better team performance.
3. Since employees have different needs that acts as reinforce for one may not work for another. Managers should use there knowledge of the individual differences to individualize the rewards over which they have control some of the rewards the managers allocate include pay, promotion autonomy and opportunity to participate in goal setting and decision making.

4. The researcher also recommends BUDICO management to consider rewarding their employees in financial terms rather than relying on non financial benefits.
5. Teams have become a popular way to organize because they enable organization to be responsive to the ever-changing environment business arena therefore BUDICO should support and reinforce teams for better performance of the organization
6. There is need to educate BUDICO employees on the benefits of team work, since most of them tend to deny their support to teams.
7. Ideal team- based compensation systems are based on the principle of customization. First, BUDICO must understand the framework, or context in which their compensation will operate. It includes ensuring that compensation system links with organization structure, the business, team performance and within itself.

5.4 Areas of further research

Effect of reward and compensation on job satisfaction Team work and employee commitment.

- Abosch & Reidy (2002) Early Intervention: Some issues in co-operative team work', *Australian Occupational Therapy Journal*,
- American Compensation Association journal (2001) 16 (6): 54-62. American Compensation Association journal (2004) 7 (5):199-2010.
- Arnin, (2005). Approaches to Contemporary Research, *Research Journal on research methodology*
- Armstrong, M (2000). *A Handbook Of Human Resource Management Practice*, (8th edition) London: Kogan page Ltd.
- Armstrong, M (2001). *Employee Reward* 2nd (Edn) London: GDP house. Balunywa w. (2009) Business Administration. .
- Bartal & HagmmID, (2001) 'Leading work teams and improving performance', *Nursing Management* 27(9),35-38.
- Bartol & Hagmann, 2002). 'Celebrating teamwork', *Quality in Health Care*, supplement, pp S3-S7. Gladstein DL 1984, 'Groups in Context: A Model of Task Group Effectiveness', *Administrative Science Quarterly*, .
- Baum, (2001)., "'We Decide, You Carry it out"; A Social Network Analysis of Multidisciplinary Long-term Care Teams', *Soc. Sci. Med* 45 (9),1411-1421.
- Bullock & Bubs (2000) 'Work Teams: Applications and Effectiveness', *American Psychologist*, Caudron S (2002), *"Tie individual pay to team success"* *Personneljournal* 73 (10),40-6.
- Davar R.S. (2000) *Personnel Management & Industrial Relations*, 10th Edition publishing house PVT Ltd, New Delhi.

Eaving Marion, (2005), 'Inter professional working and continuing medical Education',
British Medical Journal 316 (7), March 20-31.

Ever and Burrow 2000). , Terry. 2002. Improving employer/employee commitment.
Occupational Health & Safety 71 (1): "14-16.

Ever and burrow, 2000), *The Interdisciplinary Health Care Team*, Aspen Systems Corporation, Germantown, Maryland.

Farmel & Pagoage, (2003). When do feedback, incentive control, and autonomy improve morale? The importance of employee-management relationship closeness. (Statistical data included). *Journal of Managerial Issues* 13 (4): 466-481.

Flonnery et, al, (2000) , *Team Practice and the Specialist*, Charles C Thomas, Springfield, Illinois.

Gregor, 2000), *Working in Teams*, The Macmillan Press, London.

Grobb & Gvinn, 2000) 'Beyond Self-management: Antecedents and Consequences of Team Empowerment', *Academy of Management Journal*, Gross S.E (2003), *Compensation for teams: How to design and implement team-based reward systems*, America Management Association, New York.

Heller 2000), John L. Change happens. *HR Magazine* 46 (9): 149-156.

Katzenback & Smith, (2001) *Time Management, Planning, and Prioritization for Librarians* Lanham, MD: Scarecrow Press, Inc.

Katzenback, (2001). 'How to lead effective teams', *Critical Care Nursing Quarterly* 19

(1), 73-83

Lawber(200 1) some issues in co-operative team work', *Australian Occupational Therapy Journal*, lawber, Schuster & Zingheim,(2001), 'Intra professional Team Building', *American Journal of Occupational Therapy*, vol141, no 9, pp 576-582.

Lawyer, (2000-2001), *Groups that Work (and Those That Don't)*, Jossey-Bass, San Francisco. Makaru Y, R (2010) Managing Director. *Personal Communication*

Mastemak,(2002) . et ai, The effects of incentive pay systems.

Mc Adams, & Rowley, 2003). 'Interdisciplinary Education as a Facet of Health Care Policy:

The Impact of Attitudinal Research', *Journal of Allied Health* 3 (3),280-286.
Montemayor E (2001), "*Congruence between pay policy and competitive strategy in performing firms*," journal of management.

Richardson & Cox, (2000). *Effective Teamwork*, 1 st (edn) British Psychological Society, Leicester. Australian Health Review

Richardson and Cox (2000) Leading your team through change. *Strategic Finance* 83 (4): 8-10

Rowbery, (2000). *The OPL Sourcebook: A Guide for Solo and Small Libraries*. Medford, NJ: Information Today, Inc.

Sapovadia & Mansfield, (2003). Managing And Eliminating Research Errors 8th (edn) London Publishers, 202- 209

Saunier & Hawk (2001) J 1996, 'Leadership teams key to succeed with managed care',

American Medical News 39 (30) 34-36.

Scarpello, (2001), *Interprofessional Teamwork*, Syracuse University, New York.

Schuster, IR and Zingheim, P.K (2000)"Bet practices for small-team pay"

Smith DK (2002), *The Wisdom of Teams: Creating the High-Performance Organization*, Harper Business, New York.

Stower et,al (2002), 'Preparation of nursing students for health care teams.', *International Journal of Nursing Studies*.

The American compensation Association; (2000)

Towers P. (2001) The qualities of successful people. *Managing Service Quality* 9 (2): 78-80. Wehrich and Koontz(2000) JT 1995, 'Using leadership criteria to measure and reward performance', *Physician Executive* 21 (8): 22-25.

Zigar, 2002) Avoiding stress and burnout. *Strategic Finance* 83 (7): 15-16.

APPENDICES

APPENDIX I RESEARCH INSTRUMENTS

A: RESEARCH QUESTIONNAIRES

I am called INGABIRE BELINE from Kampala international university. I kindly request you to spare your valuable time and respond to the following questions. The purpose of this study is to gain a clear understanding of the effects of reward and compensation on team performance in BUDICO. Your answer will be taken as a secret and not disclosed to any one and thus, there is no need of writing your name on the questionnaires.

PERSONAL DATA

SECTION A

Tick the correct box

1. In which department are you?

Administration

☐

Procurement

☐

Marketing

☐

Human resource management

☐

2. What is your job title?

Managing director

☐

Cashier

☐

Loans officer

☐

Administrative officer

3. Sex of the respondent

Male

☐

Female

☐

4. Age bracket

20-25

☐☐

- 26-30
- 31-35
- 36 and above
5. Highest level of education
- Certificate
- Diploma
- Degree
- Masters
- Others specify.....
6. How many years have you worked in this organization?
- 1-5
- 6-10
- 10 and above
7. Marital status
- Married
- Single
- Widowed
- Divorced

SECTION

The reward and compensation systems used in BUDICO Ltd.

The table below shows the alternative rewards and compensation systems used in BUDICO and you are required to choose one that is applicable by ticking from the alternative given below;

Strongly agree	Agree	Not sure	Strongly disagree	Disagree
1	2	3	4	5

Question	1	2	3	4	5
Does BUDICO use financial rewards like cash to compensate its employees?					
Does BUDICO use non financial rewards like appreciation for compensation to the work done?					
Does your organization apply fair reward and compensation practices to its employees?					
Do reward and compensation adopted by your organization affect the members behavior					

Section C

This section looks at the effects and characteristics of the ones to the organization so please tick the most appropriate in reference to your organization.

Strongly agree	Agree	Not sure	Strongly disagree	Disagree
1	2	3	4	5

Questions	1	2	3	4	5
Does the team formation affect the reward system in BUDICO?					
Does the member's skills affect team effectiveness in BUDICO?					
Do you think team development affect the performance of the Organization?					
Does team work influence employees to work hard?					

Section D

Are these strategies of managing reward and compensation applicable in your organization to enhance team performance?

Strongly agree	Agree	Not sure	Strongly disagree	Disagree
1	2	3	4	5

Question	1	2	3	4	5
Are employees involved in payment determination in the organization?					
Does the management of BUDICO reward and compensate employees according to their team performance?					
Has your organization always set attainable goals for its employees who work in teams in order to be motivated?					
Does your organization respect and appreciate cultures of its employees who work together in teams?					

APPENDIX II. TIME FRAME FOR RESEARCH

ACTIVITY	DURATION IN DAYS
Proposal writing	30
Data collection	20
Data editing and coding	10
Data analysis and presentation	12
Report writing and Compiling	18
TOTAL TIME PERIOD	80

APPENDIX III: BUDGET

The study is estimated to cost **500,000** /= arrived as follows:-

Item	Cost (Ug sh)
Stationary	30,000
Transport	100,000
Communication phone/ Fax/ internet	85,000
Photocopy	30,000
Binding	55,000
Accommodation	200,000
TOTAL	500,000