

EMPLOYEE REWARDS AND ORGANIZATIONAL PERFORMANCE

CASE STUDY OF ESCO UGANDA LIMITED

BUNDIBUGYO

BY

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BBA/16885/71/DU

A RESEARCH REPORT SUBMITTED TO THE SCHOOL OF BUSINESS

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REQUIREMENTS FOR THE AWARD OF A BACHELORS

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UNIVERSITY

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DECLARATION

I declare that this research proposal is from my own findings and has never been produced by any body else for the same a ward in the institution of Kampala International University.

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SIGNATURE..........

APPROVAL

This is to satisfy that my approval has been given for this research proposal to be submitted to the school of Business and Management as a requirement for the partial fulfillment for the award of a Bachelor's degree in Business Administration of Kampala International University.

Name of the supervisor: RUTEGANDA MICHAEL

Signature.....

Date.....

DEDICATION

This research is dedicated to my dear parents, Mr. Kabagame Julius and Ms Basemera Mary Sabiti .I dedicate this research in full gratitude for what you have done for me both materially and spiritually and for believing in me despite all odds. In all humility, this dedication is my humble recognition of your importance to me and my destiny.

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ABSTRACT

The topic of the study was the effects of rewards on employee performance in Esco Uganda Limited Bundibugyo; the problem was to have effective reward system in Esco Uganda Limited Bundibugyo.

The purpose of the study was to establish the relationship between employee rewards and their performance in Esco Uganda Limited Bundibugyo.

The objectives of the study were; to find out what forms of rewards are used in Esco Uganda Limited Bundibugyo; to establish the effects of rewards on employee performance in Esco Uganda Limited Bundibugyo; to establish the possible solutions to the problem of poor reward systems in Esco Uganda Limited Bundibugyo.

The research used both quantitative and qualitative research designs.

The findings of the study indicated the following;

There is use of both financial and non financial rewards; but mostly there is use of financial rewards than non financial rewards.

Reward had significant effects on employee performance and therefore, this hindered the attainment of the goals of Esco Uganda Limited Bundibugyo.

The study further discovered that there should be a sound reward system for Esco Uganda Limited Company Bundibugyo to have committed workforce for better performance.

In conclusion, there is use of both financial and non financial rewards in Esco Uganda Limited Bundibugyo; rewards have both positive and negative effects on employee performance in Esco Uganda Limited Bundibugyo; the solution to problems of poor rewarding systems in Esco Uganda Limited Bundibugyo is through having equitable pay system.

The recommendations of the study were;

Esco Uganda Limited Company Bundibugyo should introduce an equitable system of paying its workers in order to have committed staff for better performance. It should also look at other factors that affect employee performance other than rewards such as employee level of education, seniority, level of specialization, age, family background among others.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents and describes the back ground of the study, the statement of the problem, the research purpose, research objectives research questions, the scope of the study and the significance of the study.

1.1 Back ground of the study

Employees in most organizations do not work for free. The study is intended to establish the effects of rewards on employee performance in Esco Uganda Limited Bundibugyo. The needs and interests of employees differ so managing reward system well is one of the important functions a human resource manager should do in order to enable employees attain job satisfaction. The idea about the study developed when the researcher heard a hot argument from one of the employees from Esco Uganda Limited Bundibugyo about how they are paid. The researcher wondered whether Esco Uganda Limited Bundibugyo realizes its goal through its workforce. The researcher's interest was aroused because failure to reward employees fairly and equitably will affect the company to achieve its goals.

Rewards refer to all kinds of pay employees receive in exchange for their services to the organization (Ivancevich, 2001).

According to Dessler, (2006), reward refers to all forms of pay going to employees which a raise from employment. Job satisfaction is defined as an attitude that reflects the extent to which an individual is gratified or fulfilled in his or her work (Moorhead & Griffin).

Esco Uganda Limited Bundibugyo deals in organic products such as cocoa, vanilla, moringa, animal keeping, and beans among others.

Many organizations have tried to reward their work force fairly and equitably so as to improve their job satisfaction, but others have failed to reward their employees well including Esco Uganda Limited Bundibugyo and this has reduced the job satisfaction of its workforce and hindered the company to achieve its goals.

This study is meant to establish the ways of how Esco Uganda Limited Bundibugyo can improve its reward system so as to improve the job satisfaction of the employees.

1.2 Statement of the problem

For a company to attain better performance from its workers, it should have fair and equitable reward system. However, most companies have failed to achieve this goal of attaining better performance from its employees due to poor reward system. The poor reward systems in Esco Uganda Limited Bundibugyo has demotivated employees and resulted into poor performance of such employees hence affecting the performance of the company. This is according to the argument from Mumbere, one of the employees from Esco Uganda Limited Bundibugyo.

According to Mumbere's statement, failure for Esco Uganda Limited Bundibugyo to have fair and equitable reward system has resulted into Demotivation of employees hence affecting the performance of such work force and the performance of the company as a whole.

1.3 The purpose of the study

The purpose of this study was to establish the relationship between employee rewards and their performance in Esco Uganda Limited Bundibugyo.

1.4 Research objectives

The following were the objectives under which the research was carried out;

- To find out the forms of rewards used in Esco Uganda Limited Bundibugyo.
- To establish the effects of rewards on employee job satisfaction in Esco Uganda Limited Bundibugyo
- To establish the possible solutions to the problems of poor reward systems in Esco Uganda Limited Bundibugyo

1.5 Research questions

- What are the forms of rewards used in Esco Uganda Limited Bundibugyo?
- What are the effects of rewards on employee job satisfaction in Esco Uganda Limited Bundibugyo?
- What could be the possible solutions to the problems of poor reward systems in Esco Uganda Limited Bundibugyo?

1.6 Scope of the study

1.6.1 Geographical scope

The study was carried out in Esco Uganda Limited Bundibugyo. The research covered the employees in Esco Uganda Limited Bundibugyo including the general and project manager of the company. The researcher had chosen Esco Uganda Limited Bundibugyo due to proximity to the researcher's residence and easy access to the required information.

1.6.2 Content scope

The research concentrated more on rewards and employee performance. The study was conducted for three months from February to April 2011.

1.7 The significance of the study

The study was useful in the following ways;

- The study was useful because it contributed to the researcher's fulfillment of the requirements for the award of bachelor's degree in Business administration.
- The study was useful to other researchers and lecturers for future references.
- The study was useful in finding out how best the management of Esco Uganda Limited Bundibugyo can reward their employees to improve their performance.
- The study was useful to the policy makers of Esco Uganda Limited Bundibugyo in providing effective reward system for employee performance.
- The study was useful to the government policy makers on how to formulate appropriate policy related to the field of reward management.
- The study provided up to date literature for academicians and other stake holders.
- Any company used the study to design better reward systems which can lead to employee performance.
- The research led to increased employee salaries due to improved level of performance, production and sales.
- The study enlightened the company on the use fullness of good reward systems. This led to having committed/motivated workforce hence performance from such work force.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter is all about the review of the related literature and scholars' and researchers' views and ideas else where in the world about the problem under study. It is concerned with the theoretical frame work of the study, and the conceptual frame work of the study. The literature review is very vital because it helps to investigate further. The literature will be mainly taken from other secondary source of data as text books, internets, and others.

2.1 Definition of the concepts

Reward refers to all kinds of pay employees receive in exchange for their services to the organization (Ivancevich, 2001).

According to Garry Dessler,(2006), reward refers to all forms of pay going to employees which a raise from employment.

Riegel et al, (2002), defined reward as the process of giving employees useful things like money, cars, free health cards, job security and the like because they have something good for the organization.

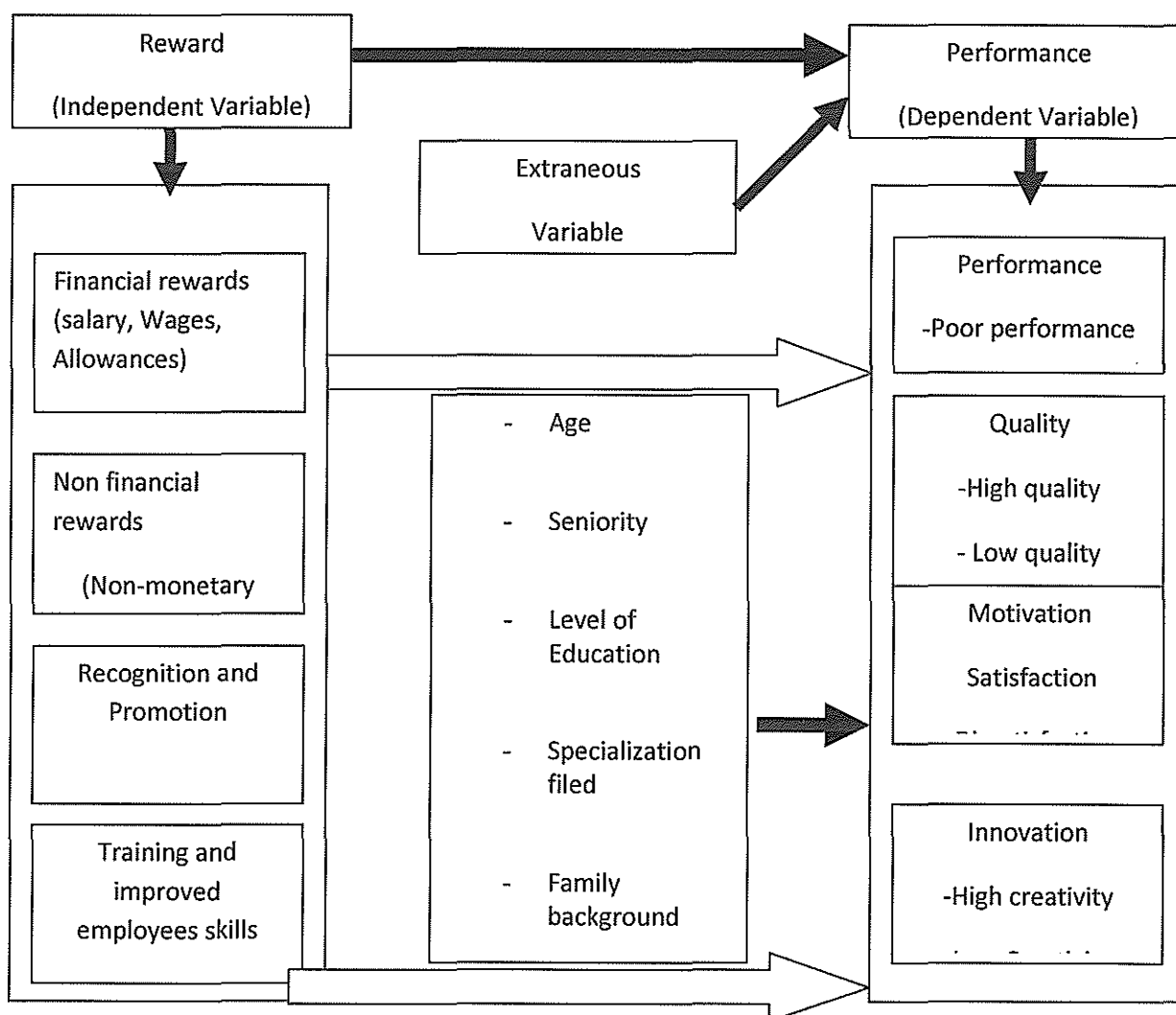
According to Gate wood et al, (1990), looked at rewards as concerned with strategies by an organization in formulation and implementation of policies that aim at compensating people fairly, justly, equitably, but also differently and consistently in accordance with their value to the organization.

According to this study, reward refers to both financial and non financial pay received by employees in exchange for their services rendered to the organization

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

The relationship between reward and performance is that, individual workers tend to put more effort in performing a task where they expect a reward. (Bohlander and Snell, 2004). This is according to expectancy theory of motivation which is related to pay- for- performance, which states that high performance should result in rewards that are appreciated (valued), and there is instrumentality. It is there fore very important to have a well managed reward system in place because fair and reasonable reward is essential and very important for good morale. There fore organizations should consider equity theory of motivation when rewarding their employees (have element of equity in their pay system

2.2 Conceptual frame work



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

The conceptual framework showed the relation ship between dependent and independent variable.

The independent variable is reward, both financial rewards such as salary, wages and allowances; and non financial rewards (non-monetary) such as recognition and promotion, and training. The dependent variable is performance which is a result of rewards.

The reward of employees has an effect on their performance. There are also extraneous variables such as age, seniority, level of education and family background which have also influence on employee performance. Extraneous variables exist in between reward and performance.

2.3 Forms of rewards

According to Ivancevich, (2001), there are majorly two forms of rewards; financial and non-financial.

Financial reward is a reward given to workers in monetary terms such as wages, salaries, bonus, commissions, allowances, awards and so on, which cover the basic needs of income to survive, to pay bills and have a feeling of stability and consistency. In Maslow's hierarchy of needs, these are at the lower end. These could also be termed to as extrinsic reward.

Most well known financial rewards include the following;

Salary; it is a fixed payment to a worker made for a fixed period of time for his performance in a given task. Mostly it is on monthly basis. (Byars and Rue, 1991)

Wage; it is payment which employees receive on accomplishing a given task. This can be awarded on daily basis or weekly basis. (Byars and Rue, 1991)

Allowances; are financial rewards that employees receive due to work related disturbance such as travel allowances, medical allowances, accommodation allowances, lunch allowances, and others while on organization duty. (Schermerhorn, 1996)

Bonus; is a financial reward an employee receives on a special contribution of production process for example over-work, extra task, attendance and others. (Bohlander and Snell, 2004)

Commission; is a financial payment given to employees based on a proportion to the items he/she has sold or run. (Bartol and Martin, 1998)

Profit sharing; is a financial reward where a sum of money in form of profit is shared among the organization and employees resulting from cost sharing gains. (Bartol and Martin, 1998)

Incentives; are financial rewards given to employees for good and better performance exhibited in organization. This is given to motivate workers do their work. (Byars and Rue, 1991)

Piece work payment; is money given to employee for the payment of the work done at a unit cost example per hour. (Bohlander and Snell, 2004)

A ward; is one of the time reward received and it is tangible reward for good performance employee for example house, car, television, laptop, and others. (Cole, 2002)

Objectives of providing financial rewards are to encourage employees to perform to their best and this is probably the most well-known and longest enduring concept in the work force.

Non-Financial rewards, called “benefits”, refer to that part of reward given to workers which is in non monetary terms. Non-financial rewards include health and life insurance cover, retirement and pension plans, company car, health care, health club membership, subsidized entertainments (movies, opera, museums), recognition of employee contribution by given awards, feedback, abroad trips, delegating more responsibilities, promotion, time off during show periods, staff parties outside of the office, gift certificates, among others. (Stephen, 1996).

Employee recognition is one of the best tools of non-financial reward. Reorganization is not just a nice thing to do for people. Employee recognition is a communication tool that reinforces and rewards the most important out comes people create for their business. When you recognize people effectively, you reinforce, with your chosen means of recognition, the actions and behaviors you most want to see people repeat. An effective employee recognition system is simple, immediate and powerfully reinforcing. (Adelaide, 2006)

Non-financial rewards are primarily centered on an employee performance appraisal. This is different from the formalized annual or semi-annual performance reviews that companies some

times conduct to determine if a worker is deserving a raise or promotion. In today's fast-changing business world, waiting six months to a year to provide feedback to an employee is too long. Performance appraisal implies on going feedback, supervisors need to provide their employees with frequent input, sometimes on a weekly or even a daily basis. This feedback should include how well an employee is doing and potential solutions to problems that the worker might experience and good performance record can lead employees both financial and non-financial rewards. (Bhaskar, 1999)

2.4 The effects of Rewards on employee performance.

2.4.1 Positive effects of rewards

Good reward system drive the business in the direction that is better, and assist in achieving the kind of company performance that is desirable, this is when employees are satisfied with the reward system and that they can perform well and increase their productivity using their potential talent. (Cania, 2009).

It is important that the aims of the organization and the expectation of the employees should be integrated if a reward strategy is to be a powerful mechanism in the implementation of an organization's Human resource strategy.

When this is done a reward strategy will have the following impacts (Blonder, 2005).

It can reinforce the aims and the objective of the organization and ensure that employees' behavior is directed to their attainment. (Bacal's, 2008).

Give clear messages about organizational culture and values particularly in terms of what behaviors and actions are valued. (Power of Praise, 2001)

Good reward system motivates employees and when t

Good reward system encourages innovation and creative thinking and innovative and creative employees always perform better.

Good reward system encourage efficiency, effectiveness and high productivity and this results into better and improved performance of the company (Bohlander, et al, 2001).

2.4.2 Negative effects of rewards

When the reward is unfair and lower than other market payment, employees develop beliefs about what is a fair reward for one's job contribution and compare their exchanges with their employer to exchanges with other insiders and outsiders. If an employee believes his treatment is inequitable compared to others, they reduce inputs, try to influence managers to increase outcomes through complaints and grievances, they try to influence co-workers' inputs and they criticize others' outcomes or inputs, with draw emotionally- or physically (engage in absenteeism, tardiness, or quit) all these behaviors can reduce the performance of the organization and reduce the level of productivity and quality of product and services. It can also damage the name and image of the organization. (Lawler, 2003).

Bad reward system can damage the health and well being of the organization because if the reward system of the organization regard unfair and lower than market standard, employees unions can make strike and stay away from work or the government interfere in the organization reward system (Beach, 1980).

2.5 Solutions to the problems of poor reward systems

There should be total compensation system of rewarding employees in Esco Uganda Limited Bundibugyo. Total compensation involves the assessment of employee contributions in order to distribute fairly and equitably these organizational rewards (both direct and indirect) in exchange for these contributions. The direct rewards are employees base salary and performance-based pay. Indirect compensation can be private protection programs, health care benefits, paid leave to mention but a few. (Schuler, 1995).

The system of scientific payment of employees should be introduced in Esco Uganda Limited Bundibugyo . This means paying employees after evaluating their jobs to determine the relative worth of these jobs. The job evaluation should be properly done by use of methods like job ranking, job classification method, point rating method, or using factor comparison method; hence determining the worth of the jobs. (Schuler, 1995).

There should be a system of pay fairness in Esco Uganda Limited Bundibugyo . This is a system which involves paying workers what they believe they deserve to be paid in relation to others deserve to be paid. This is also called internal equity pay. The tendency is for people to

determine what they and others deserve to be paid by comparing what they give to the organization with what they get out of the organization. (Schuler, 1995).

Esco Uganda Limited Bundibugyo should consider what is called external equity. External equity means paying workers in comparison with how much other similar organization are paying for the same jobs. This will bring satisfaction and hence improve performance.

There should also be individual pay system in Esco Uganda Limited Bundibugyo . This is a system where employees are compensated based on how much skill and knowledge an employee brings to the job he/she is occupying. (Gomez-Mejia, Balkin and Cardy, 2001).

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presented and described methods and techniques that were used to collect and analyze data. It included research design, area of the study, study population, sampling procedure, data collection instruments, research procedure, and data analysis,

3.1 Research Design

The research was carried out using both qualitative and quantitative data collection methods. The qualitative method was interview method and the quantitative method was questionnaire.

3.2 Area of the Study

The study was carried out in Esco Uganda Limited Bundibugyo western Uganda, near Democratic Republic of Congo boarder; most respondents was selected from the employees in Esco Uganda Limited Bundibugyo.

3.3 Study population

The population of the study comprised of 50 respondents and this sample was selected from employees of Esco Uganda Limited Bundibugyo. This sample will comprise of both men and women irrespective of religion, age, and tribe. The sample selection was done with no discrimination, in that, whether one is still on probation was still selected. Even the branch manager and manager for organic export project was included in the sample.

3.4 Sampling Procedure

The researcher used simple random sampling technique in a sense that there was no discrimination in selecting respondents, that is, each and every individual had equal chance of being selected be it male or female. In this procedure, the respondents were selected at random, and these respondents were identified according to their willingness and availability to take part in the study.

3.5 Data Collection Instruments

Data collection instruments were basically questionnaires and interviews. The questionnaire were administered personally by the researcher to the respondents and collected after time

interval. The questionnaire comprised of open ended and closed ended questions that required respondents to answer all the questions to the best of their knowledge. Interviews comprised of both structured and un structured questions.

3.5.1 Questionnaire

Questionnaires by definition mean a set of printed questions addressed by the researcher to the respondent for him or her to answer and after answering return the questionnaires to the researcher. The questionnaires were administered personally by the researcher to the respondents and collected after time interval. The questionnaire comprised of open ended and closed ended questions that required respondents to answer all the questions to the best of their knowledge.

In this study, the researcher used questionnaires because they are cheap, quicker, they cover many respondents, they are free from interview bias, and give accurate information since respondents take their time to answer the questions. However, they have a disadvantage of high rate of non despondence.

3.5.2 Interviews

Interviews were also used in this study. Interviews that were used also comprised of both structured and un structured questions which were asked to respondents from Esco Uganda Limited Bundibugyo and requiring answers from these respondents. The interview centered on the effects of rewards on the employee performance in Esco Uganda Limited Bundibugyo. In this study, the researcher used interview because they encourage interaction between the researcher and the respondents, there was clarification of some questions to the respondents, to mention but a few.

3.6 Research Procedure

The researcher obtained an introductory letter from Kampala International University School of Business and Management to Esco Uganda Limited Bundibugyo and permission was got from the branch manager of Esco Uganda Limited Bundibugyo allowing the researcher to conduct this study. Respondents were given information on how to go about with the questionnaire filling process and some questions were asked by the respondents where necessary for clarification especially during interviews.

3.7 Data Analysis and presentation

After data collection, only correctly filled questionnaires were edited and coded and analysis was done by use of frequencies, percentages and then true findings was presented by using pie charts and tables.

CHAPTER FOUR

INTERPRETATION, ANALYSIS AND PRESENTATION OF DATA

4.0 Introduction

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

4.1 Background information of the respondents

The background characteristics of the respondents were investigated such as gender, age, marital status, level of education and others.

4.1.1 Respondent's gender in Esco Uganda Limited Bundibugyo.

This subsection sought to find out the gender of the respondents. Table 1 shows the results.

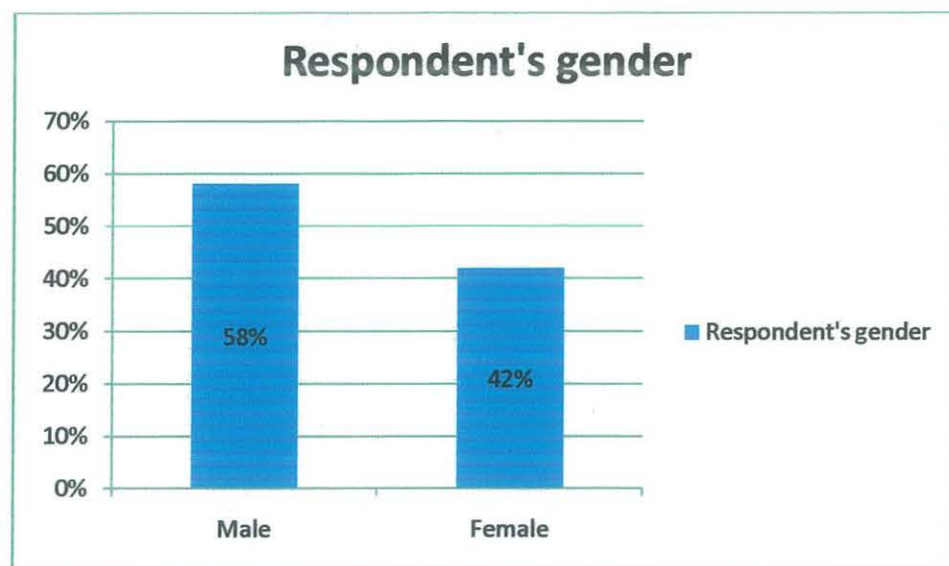
Table 1; Gender of the respondents in Esco Uganda Limited Bundibugyo.

Respondents' gender	Frequencies	Percentages (%)
Male	35	58
Female	25	42
	60	100

Source: Primary data

According to the data presented, 58% of the respondents are males while only 42% of the respondents are females. This is illustrated on figure 1 below.

Figure 1: Gender of the respondents in Esco Uganda Limited Bundibugyo .



Source; primary data

4.1.2 Age of the respondents in Esco Uganda Limited Bundibugyo.

To investigate the age of the respondents, table 2 shows the findings.

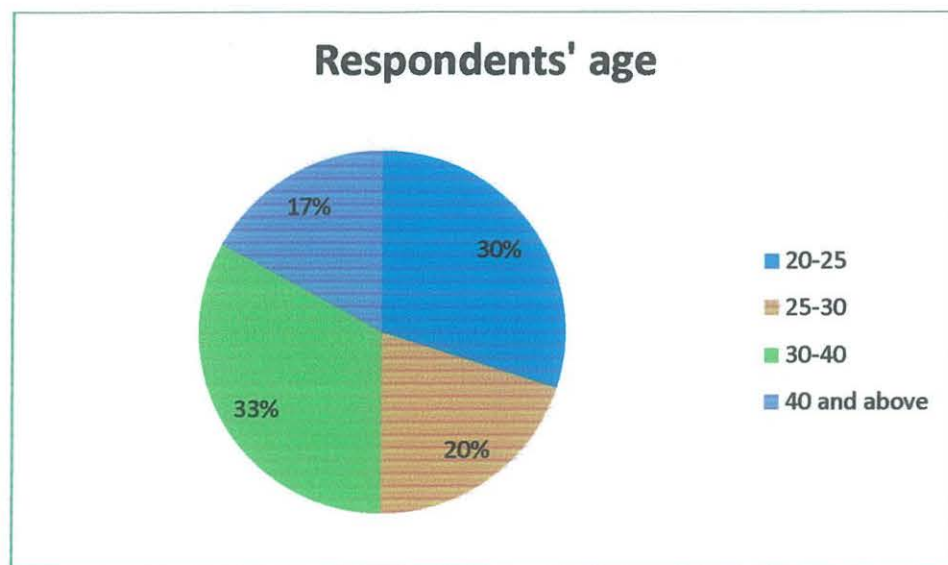
Table 2 Age of the respondents in Esco Uganda Limited Bundibugyo.

Age group	Frequencies	Percentages (%)
20-25	18	30
25-30	12	20
30-40	20	33
40 and above	10	17
	60	100

Source: Primary data

According to the data collected, 30% of the respondents were in age group 20-25, 20% of the respondents were in age group 25-30, 33% of the respondents in the age group 30-40 and only 17% were in age group 40 and above. This is shown on figure2 below.

Figure 2 Respondents' age in Esco Uganda Limited Bundibugyo.



Source; primary data

4.1.3 Marital status of the respondents

Table3 shows the marital status of the respondents in Esco Uganda Limited Bundibugyo .

Marital Status	Frequencies	Percentages (%)
Single	30	50
Married	14	23
Widow	04	07
Widower	12	20
	60	100

Source: Primary data

According to the findings, 50% of the respondents are single, 23% of the respondents are married, and 7% of the respondents are widows while 20% of the respondents are widowers. This is shown on figure 3 below.

Figure 3 Marital statuses of the respondents in Esco Uganda Limited Bundibugyo.



Source; primary data

4.1.4 Respondents' level of education in Esco Uganda Limited Bundibugyo.

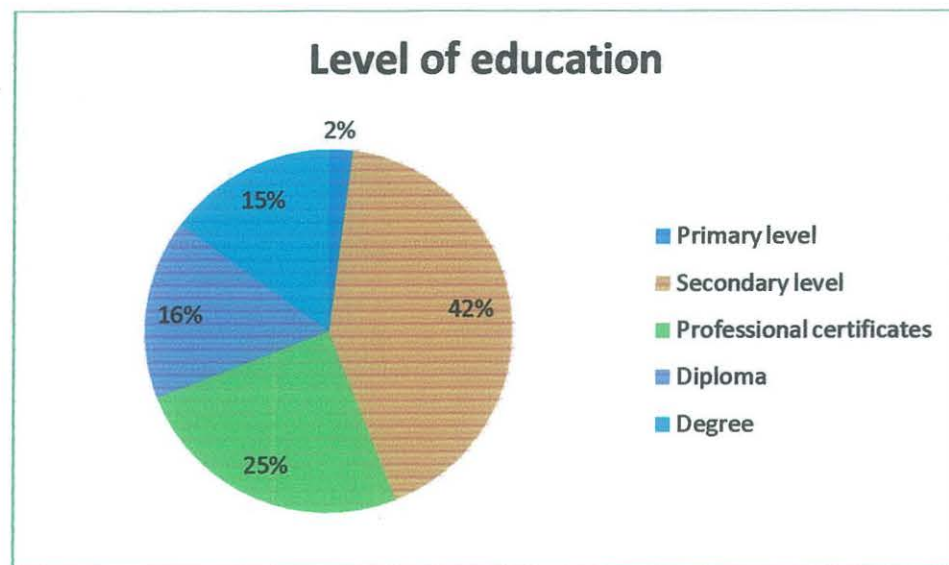
Table 4 shows the level of education of the respondents in Esco Uganda Limited Bundibugyo.

Level of education	Frequencies	Percentages (%)
Primary level	01	02
Secondary level	25	42
Professional certificates	15	25
Diploma	10	16
Degree	09	15
	60	100

Source: Primary data

Investigation of the level of education was necessary to ascertain the knowledge and experience distribution among the respondents. According to the research study carried out, only 2% of the respondents are primary leavers, 42% are secondary leavers, 25% of the respondents have professional certificates, 16% of the respondents are diploma holders while only 15% of the respondents are graduates. This is shown on figure 4 below.

Figure 4 Respondents' level of education in Esco Uganda Limited Bundibugyo.



Source; primary data

4.1.5 Religion of the respondents in Esco Uganda Limited Bundibugyo

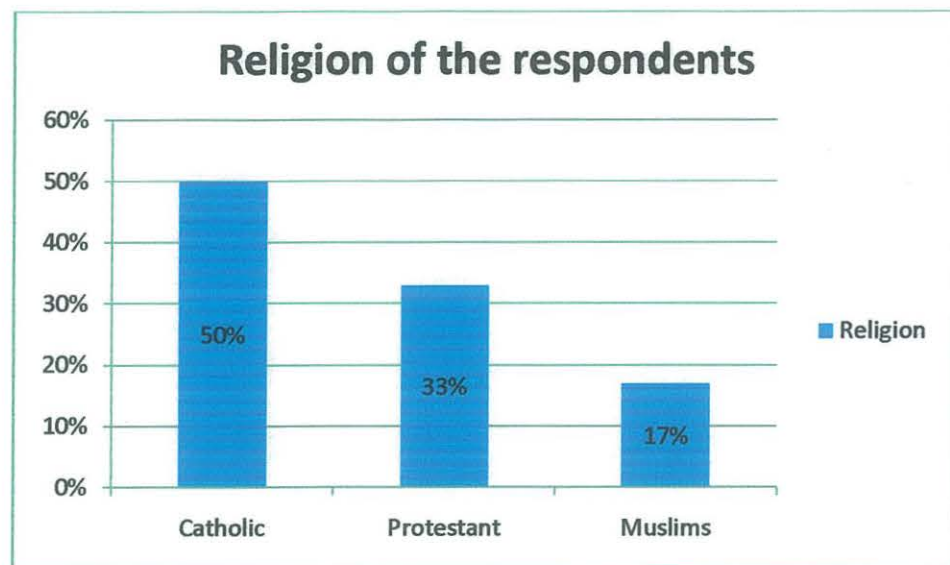
Table 5 shows the religion of the respondents in Esco Uganda Limited Bundibugyo

Religion	Frequencies	Percentages (%)
Catholic	30	50
Protestant	20	33
Muslims	10	17
	60	100

Source: Primary data

The findings showed that the majority of the respondents were Catholics who were 50% of the respondents, 33% of the respondents were protestants, 17% were Muslims.. This is illustrated on figure 5 below.

Figure 5 Religion of the respondents in Esco Uganda Limited Bundibugyo.



Source; primary data

4.0 Objectives of the study

4.1 Forms of rewards used in Esco Uganda Limited Company Bundibugyo

The response is as shown in table 1 below.

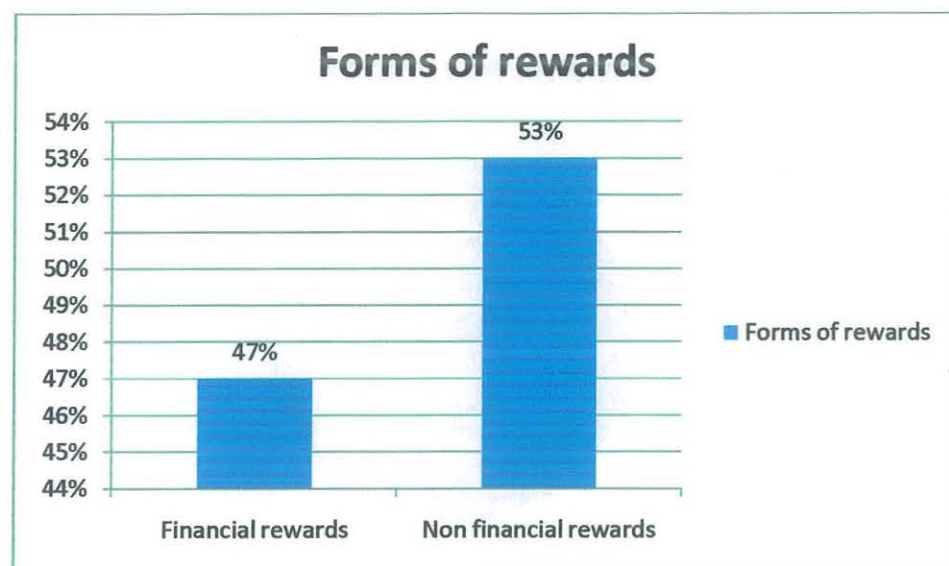
Table 1, forms of rewards used in Esco Uganda Limited Bundibugyo

Response	Frequencies	Percentages (%)
Financial rewards	28	47
Non financial rewards	32	53
	60	100

Source: Primary data

The findings in the table showed that many respondents believed that Esco mostly uses financial rewards as shown by 56% of the respondents while only 44% of the respondents answered that there is non financial rewards. This can also be illustrated on figure1 below

Figure 1, forms of rewards used in Esco Uganda Limited Company Bundibugyo.



Source: Primary data

4.2 Effects of rewards on employee performance in Esco Uganda Limited Bundibugyo.

The response is as shown in table 2 below.

Table 2 effects of rewards on employee performance in Esco Uganda Limited Bundibugyo

Response	Frequencies	Percentages (%)
Yes	34	57
No	26	43
	60	100

Source: Primary data

The study findings showed that reward has effects on employee performance in Esco Uganda Limited Company Bundibugyo as shown by 68% of the respondents while only 32% of the respondents responded with answer no. This can also be shown on figure 2 below.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

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

5.1 Discussion of findings

5.1.1 Forms of rewards used in Esco Uganda Limited Bundibugyo

According to the findings of the study, the forms of rewards used in Esco Uganda Limited Bundibugyo are both financial and non financial rewards; but mostly there is use of financial rewards as said by many respondents.

5.1.2 Effects of rewards on employee performance in Esco Uganda Limited Bundibugyo

From the research findings, the effects of rewards on employee performance in Esco Uganda Limited Bundibugyo are both positive and negative effects; where positive effects are commitment of employees, employee loyalty, reduced absenteeism, reduced late coming, reduced incidence of strikes and the like; whereas the negative effects of rewards are late coming, strikes in the company (peaceful strike), absenteeism, reduced commitment from employees, labour turnover and others.

5.1.3 Possible solutions to the problems of poor rewarding systems in Esco Uganda Limited Bundibugyo

According to the research findings, the possible solutions to the problems of poor rewarding systems in Esco Uganda Limited Bundibugyo are; having individual pay system where there is paying according to the level of education, job evaluation should be done to determine the relative worth of the job, the company should consider internal equity, the company should also consider external equity where it should look at how much other companies are paying, there should be total compensation system of rewarding employees where there is assessment of employee contributions to the organization and pay accordingly, also there should be pay for performance.

5.2 Conclusion

The conclusion of the study is that, the forms of rewards used in Esco Uganda Limited Bundibugyo are both financial and non financial rewards

Rewards certainly have effects on the performance of the employees in Esco Uganda Limited Company Bundibugyo both positive effects and negative effects. The positive effects are improved employee commitment, reduced absenteeism, reduced late coming, reduced incidence of strikes and reduced labour turnover; whereas negative effects are absenteeism, late coming, strikes and labour turn over.

It can also be concluded that the problems of poor rewarding systems in Esco Uganda Limited Company Bundibugyo will be solved by internal equity, external equity, paying according to the level of education, paying according to seniority, carrying out job evaluation to determine the relative worth of the job, and paying for performance.

5.3 Recommendations

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

- Although top managers are paid well and are satisfied with the pay, there is a big gap between what the managers earn and earnings for the employees. This therefore, requires recommendation that there should be equity system rewarding employees.
- There should be a pay for performance system of rewarding staff, where those employees who have performed better are compensated for their better performance.
- There should be a system of rewarding employees after considering their level of education qualification. This will make employees spur their potentials towards achievement of the goals of the company hence better performance.
- Job evaluation should be done first before pay structure is determined so as to determine the relative worth of the job, hence better pay and as a result, better performance.
- Esco Uganda Limited Company Bundibugyo should consider the level of skills (seniority) when determining their pay system. This is called individual pay system and it depends on the number of years an employee has served in the company.

- Esco Uganda Limited Company Bundibugyo should have a system of rewarding its employees depending on the profitability of the company, where by when the company have realized more profits, the pay for the employees is increased.
- There should be promotion of the workforce after they have attained new skills, this will improve on their satisfaction and hence better performance in the company.

5.4 Limitations of the study

The research study faced the following problems;

- Most of the employees in Esco Uganda Limited Bundibugyo were too busy; therefore, less time was posed to the researcher.
- Some of the employees were not willing to give out information due to lack of trust between the researcher and the respondents.
- Confidentiality, in that some information is not supposed to be disclosed to the people; this limited the research study.
- Some respondents were hesitant to give information since it does not benefit them, thus, they needed to have some funds committed to them.
- The study was only limited to the case study due to limited time to cover Esco in all the districts of Uganda. The researcher resorted to random sampling it had its own disadvantages.
- There were transport costs that limited the study.

5.5 Areas of further research

The researcher identified the following possible areas to carry out further research in reward management;

- The effects of rewards on employee commitment
- The effects of rewards on employee job satisfaction

- The effects of rewards on employee retention in the organization.

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APPENDICES

Appendix I

The time frame of the study

Proposal	February to March
Data Collection	March
Dissertation writing	March to April
Submission	April

Appendix II

Budget for the study

No	Items	Rate	Amount UGX
1	Transport service	8 weeks 8*10,000	80,000
2	Lunch	5,000*8	40,000
3	Typing and printings	100 pages 500*100	50,000
4	Photocopying	100 pages 100*100	10,000
5	Stationary		50,000
6	Miscellaneous		34,500
Total			264,500

Appendix III

Questionnaire

Dear respondent;

I am called Bwambale Asaaba a researcher pursuing a Bachelor's degree in Business Administration at Kampala International University. I am conducting a research on Employee rewards and organizational performance. This research will be for purely academic purposes. The finding of this research will benefit Esco Uganda Limited Bundibugyo as well. Please take time to answer for me these questions. All answers will be treated with confidentiality.

Section A: Background information

(Please tick in the most appropriate box or write in the most appropriate space)

1. Name of the respondent (optional)

Surname:

Other names:

2. Sex

MALE ☐

FEMALE ☐

3. Age

Age Group	
18- 25 years	
25-30 Years	
30-40 Years	
40 and Above	

4. Marital Status

- a) Single ☐
- b) Married ☐
- c) Widow ☐
- d) Widower ☐
- e) Divorced ☐

5. Level of Education

Primary level	
Secondary level	
Professional Certificate	
Diploma	
Degree	
Others(specify)	

Section B

6. What are the forms of rewards used in Esco Uganda limited company Bundibugyo?

Financial rewards ☐

Non- financial rewards ☐

7. Of the forms, which one is the most commonly used in Esco Uganda Limited Bundibugyo?

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Section C

8. What are the effects of rewards on organizational performance in Esco Uganda Limited Bundibugyo?

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9. Of the effects, which ones commonly affect Esco Uganda Limited Bundibugyo?

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SECTION D

10 What are problems with the rewarding system in Esco Uganda Limited?

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11. Of the problems, which ones are in Esco Uganda Limited Bundibugyo?

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SECTION E

12. What solutions do you suggest for the problems of poor rewarding systems in Esco
Uganda Limited Bundibugyo?

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THANK YOU FOR YOUR COOPERATION

APPENDIX IV

INTERVIEW GUIDE

1. What are the forms of rewards used in Esco Uganda limited Bundibugyo?
2. Of the forms, which one is the most commonly used in Esco Uganda Limited Bundibugyo?
3. What are the effects of rewards on employee performance in Esco Uganda limited Bundibugyo?
4. Of the effects, which ones commonly affect Esco Uganda Limited Bundibugyo?
5. What are problems with the rewarding system in Esco Uganda Limited? Of the problems, which ones are in Esco Uganda Limited Bundibugyo?
6. What are the problems with reward system in Esco Uganda limited Bundibugyo?
7. What solution do you suggest to overcome the above problems of reward system in Esco Uganda limited Bundibugyo?