

**INSTITUTIONAL REWARDS AND EMPLOYEE PERFORMANCE IN LOCAL  
GOVERNMENTS:**

**A CASE STUDY OF KISORO DISTRICT LOCAL GOVERNMENT, UGANDA**

**BY**

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## **DEDICATION**

To my saviour Jesus Christ, **TUKACUNGURWA LOY**, my wife, friend and mentor Masereka Enos, Owembabazi Ampire Kitembo, Owamukama Akampumuza Chebrot, my children, my father, Mr. Epafura Masereka (Rip), and my mother, Kabugho Oliver Masereka (Rip), and all those who yearn for Jesus' second coming, not forgetting academic pilgrims of the 21<sup>st</sup> century.

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## **LIST OF ABBREVIATIONS AND SYMBOLS**

CAO	Chief Administrative Officer
DHO	District Health Officer
DRC	Democratic Republic of Congo
DSC	District Service Commission
FGD	Focused Group Discussion
FY	Financial Year
HRD	Human Resource Development
HSC	Health Service Commission
KAB	Kabale University
KDLG	Kisoro District Local Government
KDLGHRM	Kisoro District Local Government Human Resource Manual
KIU	Kampala International University
MAK	Makerere University Kampala
MOFPED	Ministry of Finance Planning and Economic Development
MOH	Ministry of Health
MOLG	Ministry of Local Government
NGO	Non-Government Organizations
MUST	Mbarara University of Science and Technology
NACS	Nutrition Assessment Counselling and Support
%	Percentage
PHRO	Principal Human Resource Officer
PRSR	Poverty Reduction Strategy Report
RDC	Resident District Commissioner
SPSS	Statistical Package for Social Sciences
UCU	Uganda Christian University
UHRR	Uganda Human Rights Report
UMI	Uganda Management Institute
UPPAP	Uganda Participatory Poverty Assessment Programme
USAID	United States Aid for International Development
WHO	World Health Organization

## **ABSTRACT**

The study sought to assess the effect of institutional rewards on employee performance in Kisoro District. Institutional rewards are types of pay that contribute to the financial betterment of an employee while employee performance is measured by looking at the quality of work, punctuality and employees' behaviours in an organization such as Kisoro District Local Government (KDLG). Institutional rewards were identified and operationalized through monetary and non-monetary rewards to employees and the general public. The study intended to establish the effect of monetary rewards on employee performance, promotion and recognition of employees and how these affect their performance. The study used a number of research methods such as interviews, questionnaires, documentary review and FGDs and research instruments such as interview checklist, questionnaires, documentary review checklist and FGD guide to collect data from a target population of 150 people and sample size of 108 people. Pearson correlation coefficient, descriptive statistics were used to analyse and interpret data that was presented in tables, charts and figures. Study findings revealed that there is a significant relationship between institutional rewards and employee performance. The study made recommendations such as employees being looked at as an important resource in any organization like KDLG and the need to formulate employee promotion strategies both at national and Local Government levels. The study concluded with proposed areas for future research like carrying out research on other institutional rewards like wages and performance bonuses which the research did not tackle

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1. Introduction**

Institutional rewards which are either monetary or non-monetary rewards are very important in inducing workers to perform the work effectively. Monetary rewards are a stimulus or reason for producing an action. While motivating the employees, a manager makes use of monetary rewards. Management in every work organization tries to govern the behaviour of employees by satisfying their needs through monetary rewards. Individuals have varied and diversified types of desires and needs that have a direct bearing on their performance. Some of them can be satisfied easily by monetary rewards while some others need something else and something more (Nisar, 2009). Monetary rewards (money) have become an integral part of every man's life. Money is the primary means of satisfying the basic physical needs of daily life of man, for example, food, clothing, shelter, education and medication. Money or monetary rewards are considered to be the significant motivators that influence employees' performance whenever their needs are satisfied (Steers, 1987). Monetary incentives have been looked upon as one instrument among many for managing motivation and hence influencing employees' performance in organizations. More often than not, managers tend to place major reliance upon pay, bonus and monetary incentives because they are easiest to manipulate. Despite such attempts, employee performance is yet 100% in terms of productivity, quality of work and time management. This might be due to two sets of factors according to the Two Factor Theory which states that there are two factors that enhance employee performance that job satisfaction arising from salary, working conditions and company policy which motivate employee to work harder (Jones, 2003).

High employee performance is evidenced from the attitude, enthusiasm and willingness on the part of employees. Employee performance is always related to a group of workers and indicates the attitude of a group. It relates to group feeling and behaviour. Employee performance is reflected in their interest in the work accomplishments made which results from full devotion and enthusiasm, through high productivity seen through more production, better quality of production which brings profits to the organization. Monetary rewards to employees enhance their performance since they induce cordial relations among employees, lead to reduced

incidences of strikes, disputes, absenteeism, late coming and labour turnover. It is therefore important for organizations to use effective measures such as provision of attractive wages and other monetary and non-monetary rewards like salary increase, promotion and recognition to employees and incentive payment to enhance their performance at the work place (Manisha, 2014).

This chapter also covers the background to the study, the statement of the problem, objectives of the study, general objectives of the study, research questions, research hypotheses, scope of the study, significance of the study, definition of terms and the conceptual framework.

## **1.2. Background to the study**

The historical background of monetary rewards can be traced as far back as 1959 in the motivation theory of Herzberg and was cited in Kabuye (2013) where intrinsic and extrinsic motivators are defined. World over, money is a measure of value and thus it defines the workers' attitudes and performance in an organization (Nisar, 2009). Over the years, several scholars have developed diverse classification of monetary rewards basing on objectives (Folola, 2014). Armstrong (2009), asserts that monetary incentives take various forms and include wages, salary, allowances, profit sharing and bonuses among others. Rashad and Usman (2011) assert that the element of being a valuable asset in the organization results in personal motivation resulting in money having a positive impact on the motivation of the employee.

Employee performance is measured by looking at the quality of work and products provided by the employees in the organization, the time taken to accomplish given tasks or assignments and the quantity (amount) of work done in a given time frame and this is based on monetary and non-monetary rewards such as salary increase, promotion and recognition of the employee. Money has been looked upon as one instrument among many for managing motivation. More often than not, managers in Africa as whole and Uganda in particular tend to place major reliance upon pay bonus and monetary incentives because they are easiest to manipulate. Kisoro District Local Government has also made attempts to motivate employees through enhanced salaries, employee promotion and recognition but research results do not always justify the efforts to use money as a motivator. For instance, evidence is available

that many blue-collar workers will deliberately restrict output even when working on a direct wage incentive plan (Robert, 2002).

The value of money is basically determined by what people have learned to associate with. David McClelland points out that several research studies have revealed that persons who score high on achievement motivation of psychological tests do not work for the prospect of making more money alone. They are instead motivated by the love of accomplishment, interest in their work and by success itself. On the other hand, people with low achievement drive quite often will work for money when it symbolizes something that they dearly want (Mullins, 2010). According to Herzberg, pay has little to do with motivation to perform effectively and condemns pay being the only motivator. Financial incentives are necessary but inadequate to motivate employees to perform their tasks. They must be accompanied by non-financial incentives such as status, promotion and recognition (Nisar, 2009).

Monetary rewards are rewards or types of pay that contribute to the financial betterment of an employee. Payments in return of task accomplished are a reward (Armstrong, 2009). These may include salary increase and non-monetary rewards like promotion and recognition after the employee has accomplished given tasks. Monetary and non-monetary rewards can be given to employees in relation to levels of their competence, contribution made, skills and can be provided to individual employees or teams (Kabuye, 2013).

Employee performance is measured by looking at productive workers as the best assets of any organization, in fact they serve as the lifeblood of any organization. Monitoring performance is a matter of setting the right performance indicators, based on the type of work they do as well as the responsibilities they have and tasks they perform to ensure the organization's continuous and successful operations. This is reflected in the cost of services provided whereby all production costs for the service are tallied in comparison with the actual profit margin. The number of customers retained is an indicator that employees are performing their duties well. When customers continue coming asking for the service, it means they are happy; and less numbers of customers is an indication that they are not happy.

When the percentage of service defects is high, it means employee performance in any country like Uganda and a Local Government like Kisoro District has gaps that must be addressed. When the percentage of service defects is low, then employee performance is good. These indicators when positively realized will lead to high labour productivity, proper time management and high employee attendance (Robert, 2002).

There have been attempts by Government of Uganda to increase salary for employees, promote staff internally and recognize their contributions by giving them certificates of recognition as the case has been in Kisoro District Local Government.

### **1.3. Statement of the problem**

Managers world over and particularly administrators in Kisoro District Local Government find themselves challenged since they cannot easily attract and maintain good employees who can perform to their expected levels by going an extra mile or doing their tasks beyond the minimum efforts required to do a satisfactory job. It was against this background that many organizations like the Central Government of the Republic of Uganda and its line ministries, Departments and Agencies (MDAs) made resolutions to use monetary and non-monetary rewards to motivate employees to perform to the expected levels in various ways such as annual salary increase, employee promotion and recognition so as to make employees perform extraordinarily (Atungo, 2014).

For financial year 2014/2015, a secondary school diploma-holding science teacher was paid shillings 480,228, and a graduate science teacher was paid shillings 647,197. An enrolled nurse at certificate level was paid shillings 494,228, a nursing officer was paid shillings 625,067 and a primary school teacher was paid shillings 549, 907. The salary of these cadres in Kisoro District Local Government had been adjusted during the subsequent financial years.

In Financial year 2015/2016, the above mentioned cadres were paid shillings 561,028,717,187,549,345,681,087,602, 078 and 765,045 respectively. By Financial year 2017/2018 these salaries had been increased and the cadres mentioned above were getting shillings 862,158,1,209,201,657,287,659,445 and 1,227,196 respectively.. Despite these



attempts, absenteeism of some staff still stands at 40% and late coming stands at 35% (KDLG Payroll, 2015-2018; NGO Forum Report, 2017)

In spite of the aforementioned measures, employee performance both at the centre and in lower local governments has remained wanting because some employees still report to the place of work late and leave before the official time of 5:00pm (Daily Attendance Register, 2018). There is still absenteeism among staff in Kisoro District Local Government (standing at 40%) while some employees still apply for early retirement and others have absconded duty. Some accounting officers of some Ministries, Departments and Agencies have failed to make annual or quarterly submissions to the Ministry of Finance, Planning and Economic Development (MoFPED) in or on time even when their allowances, wages and salaries have been enhanced (MoFPED Report, 2016). It is against this background that the researcher intended to examine whether employee salary enhancement, monetary rewards and employee performance bonuses have a direct relationship with employee performance in Local Government with particular attention to Kisoro District Local Government (KDLG Payroll, 2015-2018).

#### **1.4. Objectives of the study**

##### **1.4.1. General objective of the study**

The general objective of the study was to examine the relationship between institutional rewards and employee performance in Local Governments with particular emphasis on employee performance in local governments, particularly Kisoro District Local government, Uganda.

##### **1.4.2. Specific objectives of the study**

The study was guided by the following objectives:

- i. To establish the effect of monetary allowances on employee performance in Kisoro District Local Government (KDLG);
- ii. To assess the relationship between employee promotion and employee performance in Kisoro District Local Government (KDLG);
- iii. To investigate the relationship between employee recognition and employee performance in Kisoro District Local Government (KDLG).

### **1.5. Research questions**

The study was guided by the following questions:

- i. What is the effect of monetary allowances on employee performance in Kisoro District Local government (KDLG)?
- ii. What is the relationship between employee promotion and employee performance in Kisoro District Local Government (KDLG)?
- iii. What is the relationship between employee recognition and employee performance in Kisoro District Local Government (KDLG)?

### **1.6. Scope of the study**

This was divided into three: geographical scope, content scope and time scope. The scope of the study helped the researcher determine the limits of the research project and collect data which should not be outside the parameters of the problem under investigation (Amin, 2005).

#### **1.6.1. Geographical scope**

The study was conducted in Kisoro District. Kisoro District is located in the south western region of Uganda and is categorized among the “hard to reach” districts due to its geographical location. The District borders with the Republic of Rwanda to the south, Democratic Republic of Congo (DRC) to the west and internally borders with the districts of Rubanda to the east and Kanungu to the north. The distance from Kampala, the capital city of Uganda to Kisoro District is approximately 495 kilometres (KDLG Report, 2007/2008). The district comprises 14 sub counties, one municipal council and three town councils.

#### **1.6.2. Content scope**

The study investigated institutional rewards as the independent variable and employee performance as the dependent variable. Monetary rewards are types of pay that contribute to the financial betterment of an employee. These may include salary increase or top up, allowances, and performance bonuses which are either offered weekly, monthly, annual or bi-annually after an employee has accomplished given tasks. Employee performance is the measure of achievement or failure to achieve a desired result by an employee whereby achievement of a desired result is rewarded and failure to achieve it is not rewarded. Employee performance in this

study was measured in terms of effectiveness, efficiency and commitment of an employee with particular attention to Kisoro District Local Government.

### **1.6.3. Time scope**

The time scope was the period between 2013 and 2018 (6 years) because this was the time when there were ministerial and presidential pronouncements regarding salary increase and upward allowance adjustment attempts in Uganda and Kisoro District Local Government (MoFPED, 2015; KDLG Report, 2016). The research was completed within a period of twelve months running from June 2018 to August 2019.

### **1.7. Significance of the study**

The findings of the study would add to the already existing body of knowledge or information about the relationship between monetary rewards and employee performance in Kisoro District Local Government. This knowledge would also enable the technical leadership of Kisoro District Local Government and implementers of the District's ordinances and byelaws to understand the conceptual issues and fundamental principles regarding monetary rewards and employee performance in organizations such as Local Governments.

At planning level, the findings from the study would be of great benefit to the planning unit of KDLG and its lower local governments and town councils, opinion leaders and all stake holders in the formulation of friendly and appropriate policies, as well as having appropriate remedies aimed at enhancing employee performance. This would also help in proper resource allocation in Kisoro District hence reducing wastages of public resources.

The research findings would greatly supplement the existing knowledge in the Human Resource Management Department in Kisoro District in particular about the relationship between institutional rewards and employee performance in the whole district including the thirteen sub-counties, one municipality and three town councils.

The research findings would also be resourceful to other serious researchers and academicians, especially those of the Directorate of Graduate Studies and Faculty of Social Sciences of Kabale

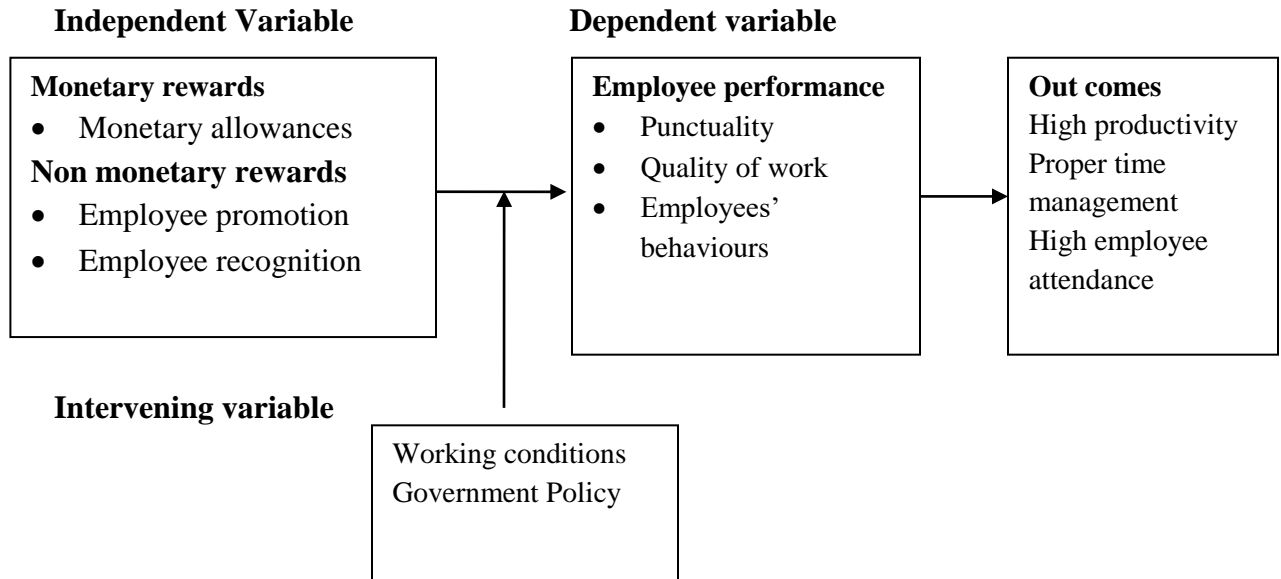
University, as they would be part of the documents in Kabale University's documentation centre. Other Institutions of higher learning would also use the information for future research since there has been little research made particularly in reference to this problem under investigation. The findings would be helpful to the researcher himself because they would enable him gain practical experience and skills in conducting academic research, thus strengthening his professional acumen and enabling him be awarded a Master's degree in Human Resource Management of Kabale University.

### **1.8. Definition of operational key terms**

- **Institutional rewards** in this study were used to refer to any cash or money received from government at any period of the year as reward given for the accomplishment of ascertain given job task by the employee.
- **Monetary allowances** in this study were used to mean organizations' attempt to increase salaries of employees so that they become motivated to do their tasks effectively and efficiently.
- **Employee performance** in this study refers to the measure of achievement or failure to achieve a desired result by an employee whereby the achievement of the desired result by the employee is rewarded and failure to achieve the desired result is not rewarded.
- **Productivity** in this study means employees' output in a specific amount of time.
- **Proper time management** means aspects or situations where employees need to divide their time effectively so as to meet deadlines and how quickly they complete given tasks.
- **Attendance** in this study means percentage of days employees check in early and how frequently employees are absent.
- **Non-monetary rewards** are non-cash incentives given to employees to motivate them to work better than before.
- **Promotion** in this study is used to mean a vertical movement of employees from one job to another based on performance skills and competence.
- **Recognition** in the study is used to mean appreciation and applause of the employee having done his or her work efficiently.

## 1.9. Conceptual framework

Figure 1 shows the conceptual framework of the study



**Source:** Adopted from Nisar (2009) and modified by the researcher

The conceptual framework illustrated above shows the diagrammatic representation of the independent and dependent variables. The independent variable is institutional rewards and has dimensions of monetary allowances, employee promotion and recognition. The dependent variable is employee performance with dimensions of punctuality, quality of work and employees' behaviours. Employee performance can also be influenced by factors and intervening variables such as working conditions like physical aspects, legal rights, responsibility or work load, organization culture and Government policy. All these independent, dependent and intervening variables put together result into high productivity, proper time management and high employee attendance.

## 1.10. Theoretical review

The study was guided by the Two-Factor Theory propounded by Fredrick Herzberg. In the 1950s, Herzberg and his associates conducted a study on the job attitude of 200 Engineers and Accountants. Herzberg places responses on factors relating to job satisfaction and

dissatisfaction. From this research, Herzberg concluded that job dissatisfaction and job satisfaction arose from two separate sets of factors, hence the Two-Factor Theory. Herzberg called dissatisfies “hygiene” factors which include salary, working conditions and company policy. Company policy was the most highlighted factor, one that individuals take to be a major cause of inefficiency and ineffectiveness. Satisfiers, also known as motivating factors according to Herzberg, include achievement, recognition, responsibility and advancement, all related to the content of work and the rewards of work performance. The Two-Factor Theory is helpful in understanding the effect of job characteristics on motivation and performance. However, this theory based its conclusion on a small sample which is not representative of human nature. Generalizing the findings on other occupational groups with different backgrounds and environment is not justified. Herzberg’s Theory does not attach much importance to pay, status and interpersonal relationships which are held generally as important determinants of satisfaction (Nisar, 2009). The distinction between maintenance and motivational factors is not rigid and definite. The same factor may be a satisfier for one individual and dissatisfies for another; for instance working conditions and salary may have significant motivational value for people in a developing country like Uganda which may not be the case in the United kingdom. (Armstrong, 1964).

Basing on the above theoretical discourse, institutional rewards which are both monetary and non-monetary in nature are a pre-requisite for organizational performance that is closely linked to employee performance and should be given in fair and equitable terms to employees’ input. The scholars cited above considered employee formal job descriptions which bring out clearly that the relationship between monetary rewards and employee performance in organizations such as Local Governments has been underscored by these scholars and should therefore never be underestimated.

Many studies have been carried out by a number of researchers regarding the relationship between institutional rewards and employee performance. For example, Atungo in 2014 carried out a research on Remuneration and Teachers’ performance in Government Aided Secondary Schools. No research of such a nature has been conducted particularly in KDLG, hence leaving a gap that had to be filled in this particular Local Government and this

prompted the researcher to carry out a research on institutional rewards and employee performance in Kisoro District Local Government.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

The chapter presents the literature that was reviewed for the study. Literature review is a systematic identification, location, retrieval, analysis and evaluation of documents that are related to the research problem as well as the analysis of causal observation and opinions related to the planned research (Mugenda and Mugenda, 1999). The aim of the literature review was to enable the researcher use other scholars' works to identify the study gaps that exist and also explore in depth the concepts under study for better understanding. The chapter presents the theoretical and actual literature review. The literature was got from textbooks, periodicals, journals, government policy documents and websites.

#### **2.2. Monetary rewards and employee performance**

Rewarding is one of the most important elements to motivate employees for contributing their best effort to generate innovation ideas that lead to better business and organizational functionality and further improve company performance both financially and non-financially. It is good practice for management to recognize employees' effort as a form of reward. According to Bowen (2002), there are other means of rewarding employees that do not just focus on financial compensation. Some of these include the praise or recognition that employees are able to acquire from their managers, the opportunity to take on important projects or tasks and even leadership attention.

Employees will give their maximum effort when they have a feeling or trust that their efforts will be rewarded by the management. There are many factors that affect employee performance like working conditions, worker and employer relationship, training and development opportunities, job security, the organization's overall policies and procedures for rewarding employees. Among all those factors which affect employee performance, motivation that comes with rewards is of utmost importance. Motivation is an accumulation of different processes which influence and direct our behaviour to achieve some specific goal (Baron, 1983).



Rewards can be extrinsic or intrinsic. Extrinsic rewards are tangible rewards and these rewards are external to the job or task performed by the employee. External rewards can be in terms of salary or pay, incentives, bonuses, promotions and job security. Intrinsic rewards are intangible rewards or psychological rewards like appreciation, meeting new challenges, positive and caring attitude from employer and job rotation after attaining the goal. According to Luthans (2002), there are two basic types of rewards, financial and non-financial, and both can be utilized positively to enhance performance behaviours of employees. Financial rewards are pay-for-performance such as performance bonus, job promotion, commission, tips, gratuities and gifts. Non-financial rewards are non-monetary or non-cash and it is a social recognition such as acknowledgement, certificate and genuine appreciation.

Desired performance can only be achieved efficiently, if employees get a sense of mutual gain of the organization as well as the employee himself or herself, with the attainment of that defined target or goal. It is very critical that an organization must carefully set the rewards system to enable it evaluate the employee's performance at all levels and thereafter reward them whether using visible pay for performance of invisible satisfaction.

According to Perry et al. (2006) financial rewards are not the most motivating factor and financial results have a demotivating effect among employees (Srivastava, 2001). Several studies have found that among employees that were surveyed, money was not the most important motivator and in some cases managers have found money to have a demotivating or negative effect on employees. However, some studies indicated that non-monetary types of rewards can be very meaningful to employees and very motivating for performance improvement. The creative use of personalized non-monetary rewards reinforces positive employee behaviours and improves employee retention and performance. These types of recognition can be inexpensive to give but priceless to receive.

Nabiryo (2015) asserts that there is a significant relationship between employees' performance and their job satisfaction. This was revealed in a study regarding rewards and teachers' performance as cited in Atungo (2015). In this study, there was a recommendation that adequate monetary allowances and salary enhancement promotes job security. This is in agreement with Puluhalawa (2013) who disclosed in his observation that regional performance allowances

improve performance significantly to the tune of 84.1% which is an excellent category since the launch of performance allowances in 2004 through 2009 in Gorontalo province.

Many organizations' employees do prefer working in companies that give monetary allowances. When monetary allowances are offered in organizations, workers' absenteeism reduces as revealed by Mukasa (2010), and workers perform beyond the expected levels in order to benefit from such schemes. Rashad and Usman (2011) found out that giving employees' allowances is necessary in the corporate world and modern society because it gives employees a good feeling and self-confidence besides creating customer confidence in the organization including lifting the company's image high.

Cohen (2006) made a proposition that positive attitude about compensation provides special allowance such as overtime, mobile allowances, commissions which are provided to employees which gives them social security and motivates them and thus improves organizational effectiveness. The value of money is basically determined by what people have learned to associate it with. Increase in pay and wages many a time, is considered to be an index of progress and performance among employees.

According to Nisar (2009), many people who have done extensive research on this issue (money and motivation) like David Mc Clelland, point out that several research studies have revealed that persons who score highly on achievement motivation of psychological tests do not work for the prospect of making more money alone. They are motivated instead by the love of accomplishment, interest in their work and by the success itself. On the other hand, people with low achievement drive quite often work for money when it symbolizes something that they dearly want. Monetary rewards create a change in the thinking and behaviour of employees so as to enable them do their jobs more effectively, efficiently and with much commitment, hence increased productivity, morale, reduced costs and reduced absenteeism.

The average performance of an employee has improved significantly since performance bonus was launched in a study that was conducted in Gorontalo province (Puluhulawa, 2013) and as cited by Kiconco (2008). This assertion, however, is not sufficient because there are other intrinsic motivators like recognizing employees, learning opportunities to employees, giving employees challenging work and career advancement among employees (HR Manual, KDLG,

2013). Managers before paying performance bonus need to create avenues of participation and cooperation using follower commands in achieving objectives and paying attention to human behaviour (Nimurungi, 2015).

There are serious limitations when it comes to the design of an effective or fair distribution tool that can make each individual employee receive what is worthy of him or her. Schuster and Zingheim (1992), as cited in Najjinda (2013), have argued that programmes concerning payment should aim at promoting excellent performance depending on the worth of the pay an employee receives in relation to his or her job. The relationship between performance bonus and employee performance in KDLG evidenced in form of team work; meeting deadlines is not so strong a variable to ignite employee performance because there are other variables such as the environment, timing of incentives, whether it embodies competition, what dimensions of performance the incentive reward and payoff magnitude. Other scholars have not examined this and hence the reason for this study being conducted to find out the relationship between monetary rewards and employee performance.

Generally, it is believed that monetary rewards will increase employee performance and effort but research has been inconclusive. The more important dilemma is how monetary rewards affect effort and performance of employees. This is why the study presents a conceptual framework of monetary rewards and employee performance with dimensions like employee effort. Effort can have two directions -- towards a task or towards learning. Both eventually lead to improved employee performance.

Basically, the level of knowledge an employee has on a task can negatively affect an otherwise positive relationship between effort and performance. In other words, monetary rewards may increase an employee's effort but that effort will not necessarily lead to increased performance if the individual is lacking the requisite skills. In some instances, when employees lacked adequate skills to perform the task, monetary rewards only increased certain dimensions of effort (Baily, 1998; Bonner, 2002). The study therefore attempted to provide research ideas that can help shed more light on the relationship between monetary rewards and employee performance measured through effectiveness, efficiency and effort.

### **2.3. Promotion and employee performance**

Promotion of employees from lower positions to higher positions is one aspect that makes them perform an extra mile. Promotion is an upward (vertical) advancement of an employee in an organization to another job commanding greater responsibility, better pay, better status, prestige, higher opportunities, higher authority and higher rank. Promotion is a very important aspect in every organization because almost all the employees are promoted at one time or the other. Employees dream of early promotion and they work effectively so that their dreams come true. A promotion is a long-cherished desire for a long time within the organization and this may lead to frustration and disenchantment with the enterprise itself. Therefore, managers of organizations should have a clear-cut promotion policy to motivate workers for higher performance which will enable organizations achieve their goal and mission.

Government Ministries, Departments and Agencies (MDAs) and other organizations' promotions are given but should be guided basing on requirements like seniority or merit or both. Internal promotions are necessary as they provide opportunities for advancement of employees and enhance their performance at the work place. Promotions act as an incentive for self-development through education, training and active interest in the work assigned. Internal promotions are also useful for raising the morale of employees. Promotion is rightly treated as an appreciation, and efficiency of an employee. It gives the employee more prestige, status, greater skill which encourages the employee to perform his or her tasks better with more efficiency (Steers, 1987).

Every organization should introduce an impartial promotion policy to improve employee performance. Informal promotion system is not fair and should be replaced by a formal promotion system. Such system should be brought to the notice of employees through proper publicity. The basis of promotion, selection procedure and other terms and conditions of promotion should be brought to the notice of all employees. This avoids grievances and complaints of employees as regards promotions given and enhances employee performance. It is desirable to formulate promotion policy after consulting employees as this encourages them to take more interest and initiative in the work assigned. It acts as a motivating factor

and develops a feeling of loyalty among the employees which improves their performance (Joshi, 2004).

It is an undisputed fact that promotions have a salutary effect on the satisfaction of promoted employees' need for achievement, belonging and security, esteem and growth in the organization. An employee feels that his or her experience in the organization is suitably rewarded in terms of promotion and the consequent increase in the pay which encourages the employee to perform better, promotes employee job satisfaction which provides an opportunity to have a continuous and unbroken service, attracts suitable workers to the organization, builds up morale loyalty and a sense of belongingness on the part of employees. This increases their performance, creates a sense of contentment among employees who feel they are being appreciated for their services over a long period which improves their performance. Promotions give psychological satisfaction to employees, reduces labour absenteeism, creates cordial employee-employer relationship which reduces disputes and strikes. Promotion of employees motivates them for higher performance and productivity resulting in the achieving of organization's mission and goal. Finally, several labour problems such as indiscipline, accidents, labour turnover are solved through promotion of employees (Jones, 20013)

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performance in KDLG evidenced in form of team work, meeting deadlines are not so strong variables to ignite employee performance because there are other variables such as the environment, timing of incentives, whether it embodies competition, what dimensions of performance the incentive reward and payoff magnitude. Other scholars have not examined this, which was why the study was conducted to find out the relationship between monetary rewards and employee performance.

Generally, it is believed that monetary rewards will increase employee performance and effort but research on this proposition has been inconclusive. The more important dilemma is how monetary rewards affect effort and performance of employees. This is why the study presents a conceptual framework of monetary rewards and employee performance with dimensions like salary enhancement, monetary allowances and performance bonuses under the independent variable and effectiveness, efficiency and commitment under the dependent variable can have two directions -- towards task accomplishment. Both eventually lead to improved employee performance. Basically the level of task knowledge an employee has can negatively affect an otherwise positive relationship between effort and performance. In other words, monetary rewards may increase an employee's effort but that effort will not necessarily lead to increased performance if the individual is lacking the requisite motivation. In some instances, when employees lacked adequate motivation to perform the task, monetary rewards only increased certain dimensions of commitment, Baily, (1998), Bonner (2002). The study therefore attempted to provide research ideas that can help shed more light on the relationship between monetary rewards and employee performance measured through punctuality, quality of work and employees' habits.

#### **2.4. Recognition and employee performance**

Many people have an inherent feeling that their work must be recognized and acknowledged. Appreciation and applause are the chief ways of recognizing the hard work done by an employee. For example, a pat on the back for doing work in an efficient manner will bring more happiness to the employee than the ritual increment in pay. Advancement of civilization has introduced a welcome concept of recognition particularly among employers. Increasingly, it has been realized that workers -- whether skilled or highly paid or not -- have to be treated

with dignity and hence recognize their service to the organization. The old equation between “master” and “servants” are fast disappearing and workers are increasingly viewed as comrades in the pursuit of common endeavour.

Recognition of workers is an incentive for raising their efficiency in performance, morale and productivity. Other ways of recognition of workers are giving awards for excellent performance and /or giving titles such as ‘employee of the month or year’. Recognition of an employee such as ensuring him or her of security of employment encourages him or her to work with enthusiasm and interest, leading to stability of workforce and increased employee performance. When employees are given the opportunity to participate in the management in the form of suggestion scheme for joint consultation, they feel recognized as partners in the organization which leads to a higher employee performance, thereby helping the organization achieve its strategic objectives.

Employees can be recognized through delegation of authority and duties at different levels in the organization. This will give a sense of value to workers and a feeling of involvement being raised among employees which leads to improved employee performance. The use of employee-oriented supervision which is useful for establishing cordial working relations between employees and their supervisors encourages employees to perform better than before because they feel they are recognized as assets of their organization. Fair treatment of employees through effective communication system with their employees, studying employees problems and difficulties and solving them through suitable remedial measures like employee counselling makes them feel recognized and valued and this reinforces their performance at the workplace (Mullins, 2010).

Employee recognition makes them take active interest in the work assigned and work with full devotion and enthusiasm. Their performance is high and this leads to more production, better quality of production and profit to the organization. Strikes and disputes are minimized or absent and employees offer full cooperation to the management and organization as a whole shown through accomplishment of given tasks on schedule.

Recognition minimizes absenteeism, labour turnover and late coming on the part of employees. Accidents brought about by employees dissatisfaction are minimized and employees' grievances are at their minimum level which leads to better employee performance. Employee recognition creates a favourable and healthy environment in the organization, leading to better employee performance which is beneficial to both management, employees, customers and the society at large (Nisar, 2009). Intervening variables such as Government Policy and working conditions also have a direct effect on employee performance because Government is a key player in determining the working conditions of employees in any economy.

## **2.5. Gaps identified in Literature review**

Many studies have been conducted by many scholars regarding the relationship between Institutional rewards and employee performance in organizations. Falola (2014) and Makanga (2016) carried out a study on teachers' allowances and staff performance in public secondary schools in Lagos, Nigeria and Uganda respectively and found a positive significant relationship between teachers' allowances and staff performance. Although Usman (2011) in his study about monetary rewards and organizational citizenship in selected secondary schools in Uganda found a weak positive non-significant relationship between allowances and teachers, this implies that allowances do not necessarily influence employee performance. However, interviews conducted by the researcher revealed that an improvement in monetary allowances and promptness in payment would lead to a great improvement in employee performance. Unfortunately these studies did not address monetary rewards, employee promotion and recognition and employee performance in Local Governments like Kisoro District Local Government and that is why the researcher particularly carried out a study on the relationship between institutional rewards and employee performance in Local Governments with particular attention to Kisoro District Local Government.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction**

This chapter entails the methodology and various techniques used to conduct the study. The chapter also presents the subsections of the methodology such as the research design, study population, sample size and sampling techniques, study procedures, data collection methods, data collection instruments, data quality control, data analysis, measurement of variables and ethical issues.

#### **3.2. Research design**

The study was guided by a cross-section survey design which is a type of study design used to compare patterns of events across periods of time, for example comparing the effects of institutional rewards on employee performance during the financial year 2015/2016 with financial year 2017/2018. The researcher had two sets of cross-sectional data collection points on the same population to find out the change in phenomenon such as whether there had been improved employee performance across periods before institutional rewards were increased and after they were increased (Orodho, 2003). This was used to examine the relationship between monetary rewards and employee performance in local Government with particular attention to KDLG. Cross-sectional survey design is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho, 2003). It can be used when collecting information about people's attitudes opinions habits or any of the variety of education or social issues (Orodho and Kombo, 2002). The study adopted both qualitative and quantitative approaches to explain and analyse informants' opinions given through questionnaires, Focused Group Discussions and interviews. The qualitative approach facilitated the gathering of in-depth understanding of human behaviour and the reasons that facilitate that type of behaviour and the cause-effect relationship (Mugenda and Mugenda, 1999).

Quantitative approach was used to verify the stated hypotheses of the study where some statistical analysis was used for the understanding of variables (Amin, 2005). The use of triangulation, that is the use of a variety of data sources or methods to examine a specific

phenomenon was employed to collect data regarding monetary rewards and their relationship with employee performance (Mugenda and Mugenda, 1999). The use of triangulation, especially the qualitative approach, provides exploratory evidence in its nature with a rich in-depth qualitative investigation to establish the accuracy of the study findings, hence helping to fill the research gap (Kombo and Orodho, 2002). Research design is very important in the study because it provides a blue print of research, the boundary of research activity and helps in the search of data scientifically (Mugenda and Mugenda, 1999).

### 3.3. Study Population

Study population is defined as a group of individuals, objects or items from which samples are taken for measurement (Kombo, 2002). It is an entire group of individuals, events or objects having a common observable characteristic (Mugenda & Mugenda, 1999). The target population comprised 3 Human Resource Officers based at KDLG headquarters, 50 medical staff from three health centres 60 primary school teachers, 30 secondary school teachers and two head teachers taking 1 from a primary school and another from a secondary school and 5 accountants, hence a total of 150 people as the target population. The researcher distributed 100 questionnaires to 100 respondents, that is 3 Human Resource Officers, 3 Accountants and 2 head teachers, 40 primary school teachers, 30 secondary school teachers, 30 medical staff, while 8 secondary school class teachers picked from the 30 mentioned above participated in the FGD session making a total 108 participants. The study was carried out on this study population because it was easy to access and was of manageable size (Punch, 2000).

**Table 3.1 Shows the category of population, sample size and sampling techniques**

Category	Population	Sample size	Sampling techniques
Human Resource Officers	3	3	Purposive
Primary school teachers	60	40	Simple random sampling
Secondary school teachers	30	30	Census survey
Medical staff	50	30	Simple random sampling
Accountants	5	3	Convenient sampling
Head teachers	2	2	Purposive
<b>Total</b>	<b>150</b>	<b>108</b>	

**Source: HR Department/ KDLG (2016) Based on Krejcie & Morgan (1970), cited in Amin (2005).**

### **3.4. Sampling techniques and sample size**

A purposive sampling technique was used to get data from the Human Resource Officers, head teachers from both primary and secondary schools because the respondents were believed to have knowledge and experience in the area of study and would provide a range of information needed for the study (Amin, 2005). Convenient sampling technique was used to get data from accountants while simple random sampling technique and census survey were used to get data from primary teachers, secondary school teachers and medical staff because the respondents were believed to have knowledge and experience in the area of study. These techniques were used because not all teachers and medical staff could be accessed at a go and therefore they were convenient as far as getting respondents was concerned and they enabled the researcher to access the people who participated in the study (Mugenda and Mugenda, 1999). A reasonable number of subjects, objects or cases that represented the target population were selected. This provided accurate information about groups that were too large to study in their entirety, provided an efficient system of capturing in a small group the variations or heterogeneity that exist in the target population and helped the researchers to obtain a representative sample while every sample of a given size in the accessible population had an equal chance of being selected (Mugenda & Mugenda, 1999).

### **3.5. Study procedures**

After the research proposal, data collection instruments were approved by the researcher's supervisor. The researcher then obtained an introductory letter from the Dean of Directorate of Graduate Studies Kabale University which was presented to KDLG officials for identification purposes. This letter was also presented to the Head teachers, Health Centre In-charges to allow entry to the research area and conduct the study with ease. The KDLG officials, Head teachers and Health Centre in charges helped the researcher to identify key respondents. Regarding the FGD session, the researcher made appointments with the respondents and key informants prior to his visit.

### **3.6. Data collection methods**

A number of data collection methods were used to enrich the study from a logic of triangulation (Macdonald & Tipton, 1999). This argument is further supported by Amin (2005), Mugenda and Mugenda (1999) who advocate for use of triangulation of data collection methods to enrich the study. Data was got using both primary and secondary sources, secondary data was obtained from review of documents, reports websites articles, magazines while primary data was obtained using questionnaires, interview guide and Focus Group Discussion. To investigate the variables under study exhaustively, the researcher used a multiplicity of data collection methods. For example, primary data was obtained using the questionnaire survey method, interviews, and FGD. Secondary data was obtained strictly by means of reviewing documents. The researcher used the following data collection methods:

#### **3.6.1 Interview**

An interview is an oral administration of the questionnaire or an interview schedule. An interview is a conversation between the interviewer and respondents (Amin, 2005). An interview is a face-to-face encounter of a researcher and a respondent to meet the specific research objectives and enables the researcher obtain information which cannot be expressed numerically but used for gathering qualitative data (Amin, 2005; Kombo, 2006). For purposes of collecting data from participants, the researcher sought permission from interviewees and recorded their responses. The researcher used structured, semi-structured and unstructured interviews because they gave in-depth information about particular cases that were of interest to the researcher (Orodho, 2003). Interviews enabled the researcher to obtain historical information and gain control over the line of questions.

#### **3.6.2 Questionnaires**

Questionnaires are a method of collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho, 2003). It can be used when collecting information about people's attitudes opinions, habits, education or social issues (Orodho Kombo, 2002). Questionnaires are used to obtain important information about the population and can easily be administered by the researcher and if well thought before being administered are easy to respond to and provide a high response rate, confidentiality is upheld, saves time, there is no interview bias since questions are on paper (Kombo, 2006).

### **3.6.3 Documentary Review**

This is primarily a secondary data collection method involving the collection and analysis of published materials and information from internal sources (Kombo, 2006). A document review checklist was designed to collect data from secondary sources and this contained key themes to capture data from the various document sources such as textbooks, articles, newspapers and websites. This method provides more cheaply available data which is quicker and easier to access, data is available more conveniently which helps the researcher extend the “time base” of the study and saves time. This method helped in backing up the primary data obtained through questionnaires, interviews and FGDs. However, the researcher is forced to rely on the skills and propriety of the collectors of the data, the researcher may have little or no direct knowledge of the processing methods employed, the researcher is forced to rely on the skills and integrity of the people who collect and analyze the data (Orodho, 2003).

### **3.6.4 Focused Group Discussion (FGD)**

This is a method of data collection which involves a special type of group in terms of its purpose, size, composition and procedures (Kombo, 2006). It is usually composed of 6 to 8 individuals who share certain characteristics which are relevant to the study such as age, education level, gender and profession. It provides information on participants’ beliefs opinions and perceptions. However, the researcher has less control over the flow of the discussion; results are hard to analyze; may require a recorder; and needs serious planning before the discussion is conducted (Mugenda and Mugenda, 1999 ; Kombo, 2006).

One Focused Group Discussion was conducted comprising 8 secondary school teachers. This is because it was easy to access them and was assumed to be representative of the rest of the secondary school teachers in KDLG. These did not participate in filling of questionnaires. The researcher was the principal facilitator. The discussions transpiring in the FGD were used in line with the three specific objectives stated in chapter one. The major areas of discussion focused on the relationship between monetary rewards and employee performance in KDLG. Members of the FGD were selected basing on their particular interest, knowledge ability, and responsibility in the school setup and the information they gave was assumed useful in the study (Amin, 2005).

### **3.7. Data collection instruments**

The study employed both Qualitative and Quantitative data collection instruments for purposes of triangulation to enrich the study. Triangulation is envisaged to promote reliability and validity. These research instruments included interview guide, questionnaires, FGD guide and documentary review checklist.

#### **3.7.1 Interview Guide**

One interview guide was designed and administered to the key informants, especially the 8 secondary school teachers who eventually participated in the FGD. Open-ended questions were contained in the interview guide to provide answers to research questions set in chapter one. The researcher asked questions aiming at stimulating the respondents to give data so as to meet the objectives of the study. This enabled the researcher to get information which could not be directly observed or was hard to put down in writing and to capture meanings beyond words. The advantages of the interview guide is that it helps the researcher to clarify doubts and ensure that the questions are properly understood by repeating or replacing or rephrasing the questions (Sekaran, 2003). An interview guide also saves time, promotes confidentiality and enables the researcher collect information from a larger sample and is flexible to use (Mugenda & Mugenda, 1999).

#### **3.7.2 Questionnaires**

A structured self-administered Questionnaire was used to get information from 40 primary school teachers, 30 secondary school teachers, 30 medical staff, 2 head teachers, 3 accountants and 3 human resource officers from primary schools, secondary schools, health centres and KDLG headquarters and 8 secondary school teachers participated in the FGD. Out of 100 questionnaires distributed, 89 were returned fully filled and these were from 40 primary school teachers, 20 secondary school teachers, 21 medical staff, 3 human resource officers and 3 Accountants.

#### **3.7.3 Documentary Review Guide**

Documentary review guide was designed to collect data from secondary sources that the researcher intended to access and retrieve to back up the study. The documents helped the researcher make an informed comparison of events recorded in the documents. These included

proposals, conference papers, newsletters, periodicals, articles, textbooks, Government reports, newspapers, and policy documents. The guide helped the researcher to access readily available literature to back up the study.

#### **3.7.4. Focused Group Discussion Guide**

Focused Group Discussion guide with open-ended Questions for the respondents was used. The FGD Guide was intended to get data about the relationship between monetary rewards and employee performance in Local Governments with particular attention to KDLG. The Questions asked in the FGD guide were in line with the three specific objectives of the study in chapter one. The three objectives guided the study. The FGD guide was advantageous to the researcher in that members subjected to the guide were expected to give a lot of information regarding the study variables, it was easy for the researcher to quickly identify and explore people's ideas or opinions in the community (Mugenda & Mugenda, 1999).

### **3.8. Data Quality Control**

#### **3.8.1 Validity of instruments**

According to Amin (2005), validity refers to the extent to which an instrument measures what the researcher has designed it to measure. It is the extent to which inferences, conclusions and decisions are made on the basis of test scores and to find whether these inferences are appropriate and meaningful (Mugenda and Mugenda, 1999). Validity is the accuracy and truth of the data and findings that are produced. Validity may be face validity which is the extent to which a measuring instrument appears to others to be measuring what it claims to measure. This was done to ascertain whether the research instruments would measure what they were intended to measure. The instruments were first discussed with the researcher's supervisor for guidance and approval before they were used to adequately handle the variables under investigation.

Validity may also be content validity where the researcher deliberately targets individuals acknowledged to be experts in the topic area to give their opinions on the validity of the measure (Basheka, 2015). The researcher consulted the supervisor who is expected to be knowledgeable on the study topic and requested him to review the process when the instruments were being developed to ascertain their content validity. Once approved by the supervisor to

cover the envisaged content area, the research proceeded to test and pre-test the research instruments. The researcher obtained permission from KDLG officials to ensure that respondents did not fear while giving information to the researcher. If the content validity index was found to be higher than the recommended one at 0.70, then the research instrument was taken to be valid (Mugenda and Mugenda, 1999). The results obtained from the validity test were:-

$$CVI = \frac{\text{Number of relevant items}}{\text{Total number of items}} \times 100$$

$$\text{Hence } CVI = \frac{89}{100} \times 100 = 0.89$$

The content validity index was to be higher than the recommended one at 0.70 and hence the instrument was taken to be valid (Mugenda & Mugenda, 1999)

### 3.8.2. Reliability of instruments

Reliability of an instrument refers to the degree of consistency with which the instruments are able to measure what they are supposed to measure even when repeated several times across similar groups irrespective of who administers them (Amin, 2005). The researcher intended to pretest the instruments to ascertain their reliability calculated using the Cronbach Alpha coefficient with the assistance of computer version, statistical package for social sciences (SPSS) 17.0. According to Sekaran (2003) there is a belief that the closer the Cronbach coefficient is to 1, the higher the consistency and the reliability of the instrument, while coefficient lower than 0.6 is generally poor. If the result was 0.70 and above then the indicator would be that the research instrument used was reliable because the least reliability index as recommended in survey studies is 0.7 (Amin, 2005). The reliability of instruments was tested and calculated using Cronbach Alpha Coefficient with assistance of computer version (SPSS Version 17.0) and results are shown in Table 3.2 below.

**Table 3.2 Shows reliability of results using Cronbach's alpha**

	<b>Cronbach's Alpha</b>	<b>Number of items</b>
Employee performance	.814	10



Monetary rewards	.765	11
Employee promotion	.724	10
Employee recognition	.896	10

According to Sekaran (2003) there is a belief that the closer the Cronbach Coefficient is to 1, the higher the consistency and the reliability of the instrument and Coefficient lower than 0.6 is generally poor. The result of 0.70 indicates that the research instruments used was reliable because the least reliability index as recommended in survey studies is 0.7 (Amin, 2005)

### **3.9. Procedure for Data collection**

The researcher obtained an introductory letter from the Directorate of Graduate Studies, Kabale University. This letter was presented to the District officials of KDLG seeking permission to allow the researcher conduct the study in Kisoro District. After permission was granted, data collection commenced. The Human Resource officers were given questionnaires individually and introduced the researcher to the accountants. This was done through the Chief Administrative Officer (CAO) who is the head of civil service in the District. The researcher then explained to the respondents in Health Centres, primary and secondary schools after getting permission from CAO the purpose of the study seeking their informed consent through confidentiality and integrity as far as the study was concerned. The researcher also reviewed documented literature and wrote notes while reviewing the documented literature to back up primary data collected during interviews and through Questionnaires. The researcher then analysed collected data.

### **3.10. Data Analysis**

Data was analysed using both quantitative and qualitative approaches. The reason for the use of both quantities and qualitative approaches is to get in-depth information in a systematic way in order to come to some useful conclusions and recommendations regarding the three objectives of the study. Qualitative and quantitative data was analysed as discussed below:

### **3.10.1 Quantitative data analysis**

Quantitative data from pre-coded Questionnaires was edited for uniformity, accuracy consistency, completeness and comprehensiveness. Data was entered and analyzed using SPSS (statistical package for social sciences) software version 17.0.

The data was analysed using descriptive statistics to determine frequencies, percentages, mean and standard deviation. Quantitative data was analysed based on the ordinal and nominal scales and regression coefficient establish whether relationships existed among variables. This approach was used because it was accessible on the computer software, was faster and simplified the analysis of data collected.

### **3.10.2 Qualitative Data Analysis**

The data collected using Qualitative approach and interviews, FGD and documents was perused, edited, transcribed, sorted and classified into trends and categories to ascertain completeness aimed at correctness of collected data and then coded. The coding system where a combination of predetermined sub themes and emerging themes included as much information as possible to avoid omission of any details before analysis was done (Muganda & Mugenda, 1999; Creswell, 2009). At this level the data materials which belonged to each category were assembled or grouped together and be analysed. Qualitative data analysis was done manually and responses from FGD and interviews were summarized in narrative form to present the major findings of the study. This helped in the triangulation of the study findings and interpretations were done through search for alternative explanations in regard to the study variables.

### **3.11. Measurement of Variables**

The researcher used the Ordinal scale based on a five item Likert scale because it was very flexible and easy to design compared with other types of scales (Amin, 2005). The rates of the ordinal scale used were 1-5 points showing the respondents level of agreement or disagreement with the statements in the Questionnaire. The Likert scale was used to measure respondents' attitudes, beliefs and opinions towards the study variables. The respondents were asked to give their opinions and indicated this where they strongly disagreed, disagreed, not sure, agreed and strongly agreed with the statements about the study topic. The data was then analysed by categorizing respondents' responses in form of graphs and tables with frequencies and

percentages where 1= Strongly Disagree, 2=Disagree, 3=Not sure, 4=Agree and 5=strongly Agree.

### **3.12. Ethical Considerations**

Researchers whose subjects are people or animals must consider the conduct of their research and give attention to the ethical issues associated with carrying out their research (Kombo, 2003). A good research is carried out with openness, confidentiality, anonymity, informed consent and objectivity (Kothari, 2005). The researcher desisted from plagiarism; however, where other peoples' works were used, the researcher acknowledged them. The researcher ensured confidentiality and privacy of the respondents and ensured that information given by research respondents was used with identifiers and codes and no name of respondents was used in the study. The researcher ensured that all people participating in the study were first briefed and requested to willingly participate and that participation was wholly optional and not out of compulsion and that there would be no gifts like money or anything else given for participation. The researcher always first introduced himself to the respondents and informed them that the study was purely for academic purposes. The researcher was objective enough and ensured that during analysis data all information given and data collected were not misrepresented. The next chapter is chapter four that covers presentation, analysis and interpretation of findings.

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## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

#### 4.1 Introduction

The study assessed the effect of monetary rewards on employee performance in KDLG, Uganda. In this chapter, the researcher presents the study findings, their analysis and interpretation on monetary rewards and employee performance in Kisoro District Local Government.

The chapter presents the study findings through responses on background information such as age classification, highest level of education, marital status, working experience, terms of service, descriptive statistics on opinions of the respondents on the independent and dependent variable, opinions or views of FGD members and the sub conclusion. Findings are presented in tables, frequencies, charts and percentages. The objectives of this study were to establish the effect of monetary rewards on employee performance in KDLG; assess the relationship between employee promotion and employee performance in KDLG; and investigate the relationship between employee recognition and employee performance in KDLG.

#### 4.2 Response rate

Response rate is the ratio of the actual number of respondents in relation to the targeted population. A response rate of 70% and above in a survey study should yield valid findings (Amin, 2005).

**Table 4.1** Shows the response rate

<b>Respondents</b>	<b>Targeted population</b>	<b>Actual respondents</b>	<b>Percentage response rate</b>
Human resource officers	3	3	100%
Primary school teachers	60	40	66.6%
Secondary school teachers	30	30	100%
Medical staff	50	30	60%
accountants	5	3	60%

Head teachers	2	2	100%
<b>Total</b>	<b>150</b>	<b>108</b>	

A total of 100 questionnaires were distributed to primary school teachers, secondary school teachers, medical staff, human resource officers, accountants and head teachers out of which 89 were returned, giving a percentage response rate of 89.0%. Eleven (11%) respondents did not return the questionnaires. The failure to respond to the 11 questionnaires might have been due to the fact that most medical employees were always busy attending to patients who needed their services. The researcher conducted an FGD with 8 secondary school teachers. The responses of these staff were then recorded, written down in the exercise book and later written as a narrative which was believed to be representative of the major findings of the study. The total response rate was 89.(89.0%) The response rate of 89.0% was taken to be valid enough to facilitate the study. The data collected therefore can be used to provide a blue print on which conclusions can be based (Mugenda and Mugenda, 1999).

### 4.3 Demographic characteristics of respondents

This section presents the sample characteristics of the respondents (medical employees). These characteristics are age, gender, highest level of education, marital status, years in service and terms of appointment within the context of KDLG. This was aimed at ensuring that the researcher collected data from legitimate medical employees of KDLG.

#### 4.3.1 Distribution of respondents by age

The researcher took interest in establishing the age categories of the respondents and requested them to indicate their age which are presented in Table 4.2 below.

**Table 4. 2: Shows age of respondents**

Age of respondents	Number of respondents	Percent age %
20-30	4	4.5%
31-40	52	58.4%
41-50	30	33.7%
51 and above	3	3.4%
<b>Total</b>	<b>89</b>	<b>100%</b>

**Source: Primary Data, 2019**

Table 4.2 above shows the age of the respondents and the findings reveal that the majority of the respondents, 52 (58.4%), were between 31 and 40 years, followed by 30 (33.7%) who were between 41 and 50 years 4(4.5%) were aged 20-30 years and lastly those aged 51 years and above were 3(3.4%) . This meant that the respondents were well represented across age classification.

**4.3.2 Distribution of respondents by gender**

The respondents were requested to indicate their gender to enable the researcher get information of gender distribution of the respondents. The gender distribution is presented in Table 4.3 below.

**Table 4. 3 Shows gender distribution of respondents**

<b>Gender of respondents</b>	<b>Number of respondents</b>	<b>Percentage %</b>
Male	66	74.2%
Female	23	25.8%
<b>Total</b>	<b>89</b>	<b>100.0%</b>

**Source: Primary Data, 2019**

Table 4.3 above shows that the majority of the respondents, 66(74.2%), were males compared to their female counterparts who were 23(25.8%). This shows that generally speaking more male employees, 66(74.2%), than female employees, 23(25.8%), participated in the study.

**4.3.3. Distribution of respondents by highest level of education**

The researcher took interest in establishing the highest level of education of the respondents.

This was intended to find out whether the sample was representative of the different levels of education. The results were presented in Figure 4.1 below

Figure 4.1 below shows highest level of education of respondents

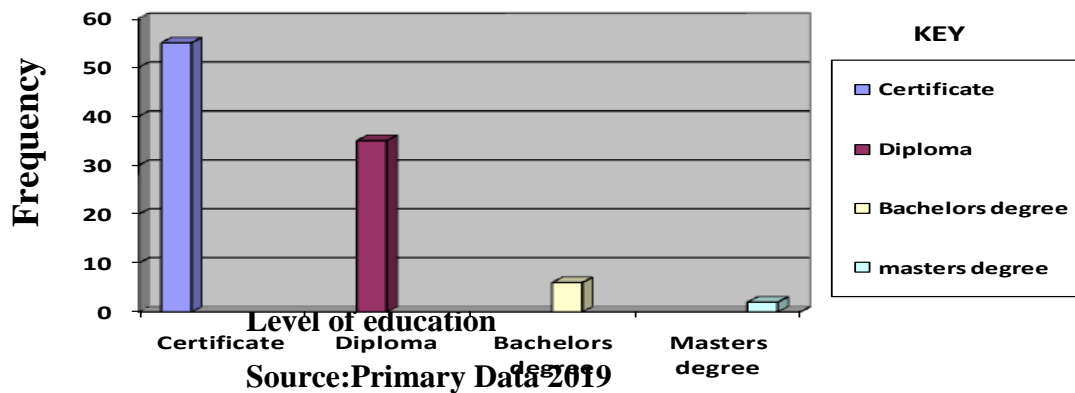


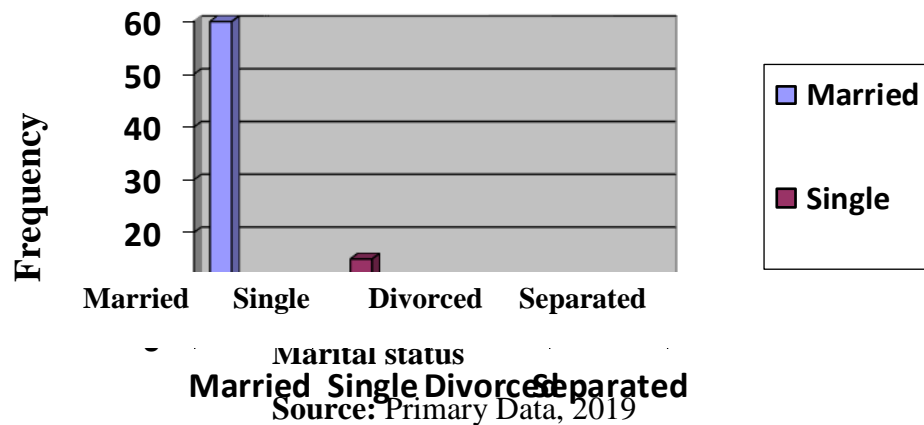
Figure 4.1 Shows distribution of respondents' highest level of Education

The researcher set out to find out the highest level of education and requested respondents to show their highest level of education. The chart above shows that out of 89 respondents 50(56.2%) have a certificate, 30(33.7%) have a diploma, 7(7.9%) hold Bachelor's degree and 2(2.2%) hold Master's degree. The implication of this distribution is that most employees in KDLG have training in their areas of specialization, implying that they provide service with confidence due to their technical know-how.

#### 4.3.4. Distribution of respondents by marital status

The researcher took interest in establishing the marital status of the respondents. This was aimed at finding out whether the sample was a fair representation of the population from the sample that was selected. The results were presented in Figure 4.2 below.

**Figure 4. 2 Shows distribution of respondents by marital status**



**Figure 4. 1 Shows distribution of respondents by marital status**

Respondents were requested to indicate their marital status. The results from the chart above indicate that the majority of employees in KDLG 72(81.0%) were married, while 17(19.0% out of 89 respondents were single and none of them (89 respondents) was divorced or separated (0.0%). The people who responded to the questionnaires and participated in the interviews were in the category of Married and Single. This implied that most employees, 72(81.0%, may not transfer their services and can easily be retained due to family responsibilities and this may enhance better performance among employees

#### **4.3.5. Distribution of respondents by years in service/working experience**

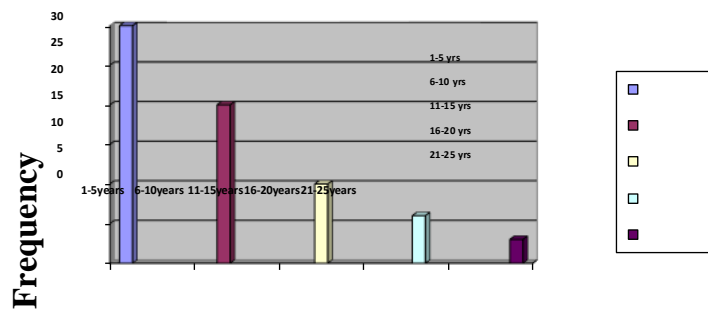
The researcher took interest in establishing the years in service/ working experience of the respondents. This was aimed at finding out how long the respondents had worked in KDLG. The results were presented in Figure 4.3 below.

#### ***4.3.5. Distribution of respondents by years in service/working experience***

The researcher took interest in establishing the years in service/ working experience of the respondents. This was aimed at finding out how long the respondents had worked in KDLG. The results were presented in Figure 4.3 below.



**Figure 4.3 shows the distribution of respondents by years in service/ working experience**



**Years in service**

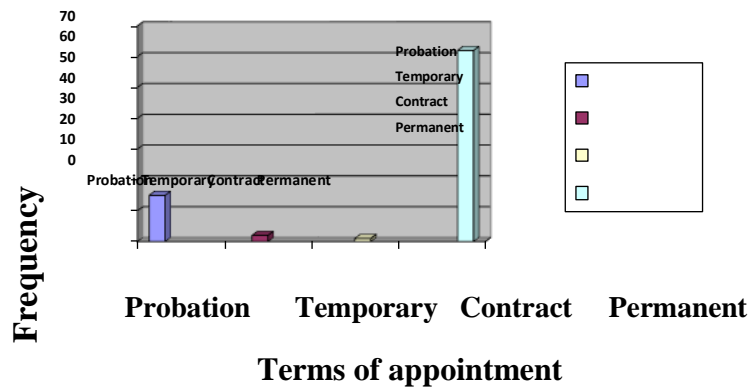
**Source: Primary Data 2019**

Figure 4.3 above shows the distribution of respondents by years in service/ working experience. From Figure 4.3, findings show that 40 (44.9%) respondents had worked for periods between 1 and 5 years, 30(33.7%) for periods between 6-10 years, 10 (11.2%) for periods between 11 and 15 years, 7(7.9%) for periods between 16 and 20 years and 2(2.2%) for periods between 21 and 25 years. The majority of the medical employees 40(44.9%) were new employees in service and hence might have been lacking the necessary experience in the provision of both teaching, medical and administrative services in KDLG.

#### **4.3.6. Distribution of respondents by terms of appointment**

The researcher was interested in establishing the terms of appointment of the respondents. This was aimed at finding out whether the sample was fair representation of the population from which the sample was selected. The results are presented in Figure 4.4 below.

**Figure 4. 4 Shows distribution of respondents by terms of appointment**



**Source: Primary Data 2019**

Figure 4. 4 above Shows distribution of respondents by terms of appointment

From Figure 4.4 above 20(22.5%) of the employees/ respondents were employed on probation terms, 2(2.2%) on temporary terms, 1(1.0%) on contract terms and 66 (74.2%) on permanent terms. This implies that the margin between the various aspects of terms of appointment was represented across most of the employees, the highest number 66(74.2%) being permanent and also confirmed in service hence having a high level of working experience.

#### **4.4. Empirical findings as per objectives of the study**

The study was aimed at investigating the effects of monetary rewards on employee performance. Descriptive statistics were organized on the main variables of the study which are monetary rewards, employee promotion, and employee recognition and employee performance. The findings were analysed, presented and interpreted according to the objectives of the study. The main objective was to establish the effect of monetary rewards on employee performance in KDLG. Employee performance was conceptualized as the dependent variable. The views of the respondents were rated on a 5-point Likert scale. Respondents were asked to respond to the statements on the scale of strongly disagree (ranked 1), disagree (ranked 2), not sure (ranked 3), agree (ranked 4) and strongly agree (ranked 5).

##### **4.4.1 Employee performance**

Employee performance was conceptualized as the dependent variable. The views of the respondents were rated on a 5-point Likert scale. Respondents were asked to respond to the

statements on the scale of strongly disagree (ranked 1), disagree (ranked 2), not sure (ranked 3), agree (ranked 4) and strongly agree (ranked 5)

The results are presented in Table 4.4 below.

**Table 4. 4: Shows responses from respondents to statements on employee Performance**

	Number of respondents					Total responses in percentage
Statements about employee performance	SD 1	D 2	NS 3	A 4	SA 5	
I am ready to work despite any challenges	7(8.9%)	10(11.2%)	20(22.5%)	50(56.2%)	2(2.2%)	100%
My personal input influences the quality of my work	10(11.2%)	25(28.1%)	2(2.2%)	42(47.2%)	10(11.2%)	100%
I am happy with what I get in relation to my effort	11(12.4%)	8(9.0%)	7(7.9%)	49(55.0%)	14(15.5%)	100%
I am conscious of time taken	20(22.5%)	25(28.1%)	9(10.1%)	23(25.8%)	12(13.5%)	100%
I always help colleagues to finish tasks on time	5(5.6%)	20(22.5%)	4(4.5%)	40(44.9%)	20(22.5%)	100%
Employees do complain about the working environment	20(22.5%)	7(7.9%)	7(7.9%)	30(33.7%)	25(28.1%)	100%

**Source: Primary Data 2019**

From Table 4.4 above, the researcher computed the descriptive statistics and the following were the findings. Fifty {50(56.2%)} of the respondents agreed with the statement that they were ready to work despite any challenges, while 2(2.2%) strongly agreed with the statement, 7(8.9%) strongly disagreed, 10(11.2%) disagreed and 20(22.5%) were not sure about the statement that they were ready work despite any challenges in KDLG.

This was supported during the focused group discussion (FGD) where one respondent said

*“Attractive salaries are needed and can promote employee performance in an organization as workers are motivated to work even under unfavorable conditions”.*

Furthermore, on the issue of whether personal input influences the quality of work in KDLG, most of the respondents, 42(47.2), agreed with the statement, 10(11.2%) strongly agreed 10(11.2%) strongly disagreed, 25(28.1%) disagreed and 2(2.2%) were not sure. This is evidenced by what one respondent said:

*“ Kisoro has an environment which favours some employees compared with the neighbouring districts like Kabale, Rukungiri and others because in Kisoro District employees get hard to reach allowances”.*

Again, the majority of the respondents 49(55.0%) agreed that they were happy with what they got in relation to the effort they put in service provision in KDLG, only 14(15.5% strongly agreed while 11(12.4%) strongly disagreed, 8 (9.0%) disagreed and only 7(7.9%) were not sure. One respondent during the focused group discussion (FGD) said:

*“ I am a native of this district and would like to encourage other people to come and work here so that they can get more money in form of hard to reach allowances and also get recognized by being promoted to higher positions”.*

In addition, when asked whether employees were conscious of time taken to accomplish tasks given, 23(25.8%) agreed with the statement, 12(13.5%) strongly agreed, 20(22.5%) strongly disagreed, 25(28.1%) disagreed with the statement while 9(10.1%) were not sure. During an FGD a respondent said:

*“Most employee work seriously to ensure that services are given with the required time so that they can get extra pay in time to avoid being called lazy workers”.*

This means that most of the respondents were in agreement of the statement.

During a face-to-face interview the respondent said:

*“They say no money no life and therefore employers should try their best and give their employees some money so that they can perform better the tasks given to them”.*

When asked whether they always help colleagues to finish tasks on time in KDLG, 40(44.9%) agreed with the statement, 20(22.5%) strongly agreed, 5(5.6%) strongly disagreed, 20(22.5%) disagreed while only 4(4.5%) were not sure. The majority of the respondents were happy that

they were currently working in KDLG and this was supported by what a respondent said during an FGD:

*“We know that with time things will improve, because we expect that our salary and other allowances will be increased and our pay is more than that of the workers elsewhere”*

This implied that most of the respondents agreed that there were happy with increased salaries and other allowances which they get as a result of working in KDLG.

This was supported by another respondent during the face-to-face interview who said:

*“Many people work in order to get money to support their families and also cater for other needs like paying school fees for their children, buying medicine and also buy clothes for the family”.*

Furthermore when employees were asked whether they do complain about the working environment, 20(22.5%) strongly disagreed with the statement that they do complain about the working environment, 7(7.9%) disagreed, 7(7.9%) were not sure and 3(0.337%) agreed that they complained about the working environment, and 25(28.1%) strongly disagreed with the statement.

This was supported by one of the teachers in focused group discussion who said:

*“Salaries in Uganda are the same for doing the same job; therefore I cannot leave Kisoro District to work elsewhere moreover for us we get the hard reach allowance”.*

The findings revealed that there was a significant positive relationship between employee performance and institutional rewards since the majority of the respondents, 30(33.7%) agreed while 25(28.1%) strongly agreed that they were ready to complain about the working environment especially if it was poor in KDLG.

### **The correlation between employee performance and institutional rewards**

The researcher established the correlation between medical employee performance and institutional rewards using computer package, SPSS - 17.0 and the results were as follows:

**Table 4. 5: Shows correlations between employee performance and institutional rewards**

	<b>Employee Performance</b>	<b>Institutional rewards</b>
Employee performance Pearson correlation	1	913
Sig. (2-tailed)		000
N	89	89
Institutional rewards Pearson correlation	913	1
Sig. (2- tailed)	000	
N	89	89

**Correlation is significant at the 0.01 level (2. Tailed)**

**Source: Primary Data, 2019**

Table 4.5 above shows a significant positive relationship between institutional rewards and employees' performance in KDLG ( $r=913$   $P= 0.05$ ). This means that presence of good institutional rewards such as monetary rewards, promotion and recognition of employees is likely to help enhance employee performance at a rate of 91.3%.

#### **4.4.2 To establish the effect of monetary rewards on employee performance in Kisoro District**

The respondents were asked to give their views about the effect of monetary rewards on employee performance in Kisoro District. The views of the respondents were rated on a 5-point Likert scale. Respondents were asked to respond to the statements on the scale of strongly disagree (ranked 1), disagree (ranked 2), not sure (ranked 3), agree (ranked 4) and strongly agree (ranked 5).

The results were presented in Table 4.6 below.

**Table 4. 6: Shows the views of respondents on monetary rewards and employee performance**

	Number of respondents					Total responses in percentage (%)
	SD 1	D 2	NS 3	A 4	SA 5	
<b>Statements about monetary allowances and employee performance</b>						
Monetary allowances encourage me to work with staff mates to finish given tasks	0(0.0%)	2(2.2%)	2(2.2%)	40(44.92%)	45(50.62%)	100%
When I work hard I get an allowance	0(0.0%)	2(2.2%)	4(4.5%)	43(48.3%)	40(44.9%)	100%
if I am given an allowance (money) I will work carefully to avoid poor results	0(0.0%)	6(6.2%)	0(0.0%)	43(48.3%)	40(44.9%)	100%
My good working relations is because I get money allowances	1(1.0%)	0(0.0%)	0(0.0%)	46(51.7%)	42(47.2%)	100%
I am able to complete tasks given because of the good allowances I get	0(0.0%)	2(2.2%)	4(4.5%)	42(47.2%)	45(50.6%)	100%

**Source: Primary Data, 2019**

In Table 4.6 above, the findings reveal that 40(44.9%) agreed with the statement that monetary allowances encourage them to work with staff mates to finish given tasks while 45(50.6%) strongly agreed, 0(0.0%) strongly disagreed, 2(2.2%) disagreed and 2(2.2%) were not sure whether monetary allowances encourage them to work with staff mates to finish given tasks. This was supported during the focused group discussion with one of the secondary school teachers who said:

*“Attractive monetary rewards make workers feel comfortable working with fellow workers and improves their performance which leads to better service delivery”.*

Furthermore, when asked if they would work hard in order to get an allowance, 43(48.30%) of the respondents agreed with the statement while 40(44.9%) strongly agreed, 0(0.0%) strongly disagreed and 2(2.2%) disagreed and 4(4.5%) were not sure. Based on the results in the table above, it may be concluded that more employees were more likely to work hard so as get a monetary allowance since they agreed with the statement.

During a face-to-face interview, the respondent supported the issue of monetary allowances and said:

*“There is no worker who can work if there is no money, other workers are even leaving jobs because of low salaries meaning that money is very important for workers and other people”.*

More so, respondents were asked to give their views on whether giving them an allowance (money) would let them work carefully to avoid poor results. A significantly larger proportion of respondents, 43 (48.3%), agreed with the statement while 48(44.90%) strongly agreed, 0(0.0%) strongly disagreed, 6(6.7%) disagreed and 0(0.0%) was not sure. The implication was that monetary allowances motivate workers to tasks carefully in order to avoid poor results.

Respondents were asked to give their views on whether good working relation were due to the fact that they get money allowances. A significantly larger proportion, 46(51.7%) agreed with the statement while 42(47.2%) strongly agreed, 1(1.0%) strongly disagreed and 0(0.0%) disagreed, 0(0.0%) were not sure. This means that good working relations enhance employee performance.



It may be concluded from these findings that monetary allowances are key in improving employee performance since a large number of respondents were in agreement with the statement.

Further still, when asked about whether they are able to complete tasks given because of the good allowances they got, the majority of the respondents, 42(47.20%), agreed with the statement while 41(46.1%) strongly agreed, 0(0.0%) strongly disagreed, 2(2.2%) disagreed and only 4(4.5%) were not sure. The fact that the majority of the respondents were in agreement with the statement means that monetary allowances enhance employee in KDLG. This was evidenced when one of the respondents said in an FGD that:

*“ There was one Head master who used to tell us that very soon our salaries and other allowances shall be increased and every teacher worked hard and during that year P.L.E results were very good because every teacher worked hard”.*

Thus the findings revealed that monetary rewards have a significant positive relationship with employee performance in KDLG. This was evident because the majority of the respondents agreed that they are able to complete given tasks because of the good allowances they got. It may be concluded from these findings that monetary allowances more likely enhance employee performance in KDLG. This was supported by the views of another respondent during a focused group discussion when she said:

*“Sometime I wonder because it seems it is belief among workers that when salaries are increased it is automatic that they will perform better compared with when allowances are low”*

### **Correlation between monetary rewards and employee performance**

There was need to assess whether there was a correlation between monetary allowances and employee performance. The analysis was done using Pearson product moment correlation coefficient. The results are presented in Table 4.7.

**Table 4. 7: Shows correlation results of monetary rewards and employee performance**

	Employee performance	monetary allowances
Employee performance Pearson correlation	1	913 000

Sig. (2-tailed)	89	89
N		
Monetary rewards Pearson correlation	913	1
Sig. (2- tailed)	000	
N	89	89

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

Table 4.7 above shows a significant positive relationship between monetary rewards and employee performance in KDLG ( $r=.913$   $P<0.05$ ). This means that giving employees monetary allowances enhances their performance at a rate of 91.3% and so KDLG should ensure that employees are given monetary allowance for improved employee performance.

#### **4.4.3 To assess the relationship between employee promotion and employee performance in Kisoro District Local Government**

The respondents were asked to give their views about the relationship between employee promotion and employee performance in Kisoro District. The views of the respondents were rated on a 5-point Likert scale. Respondents were asked to respond to the statements on the scale of strongly disagree (ranked 1), disagree (ranked 2), not sure (ranked 3), agree (ranked 4) and strongly agree (ranked 5) and Std stood for Standard deviation. The results are presented in Table 4.8 below.

**Table 4. 8: Shows the views of respondents on employee promotion and employee performance**

	Number of respondents					Total responses in percentage (%)
	SD 1	D 2	NS 3	A 4	SA 5	
Statements about promotion and employee performance						
Voluntary work I do attracts promotion	3(3.4%)	11(12.4%)	3(3.4%)	34(38.2%)	28(42.6%)	100%

I comply with KDLG's ordinances to get promotion	4(4.5%)	5(5.6%)	11(12.48%)	46(51.7%)	23(25.0%)	100%
I render assistance to work mates so that they finish work on time	1(1.0%)	1(1.0%)	10(11.2%)	37(41.6%)	40(44.9%)	100%
I work beyond official time to be considered for promotion	5(6.2%)	5(5.6%)	2(2.2%)	47(52.8%)	30(33.7%)	100%
I am able to complete tasks given because of the good allowances I get	3(3.4%)	6(6.7%)	3(3.4%)	41(46.1%)	36(40.4%)	100%

**Source: Primary Data, 2019**

From the findings in Table 4.8 above, the majority of the respondents 34(38.2%) agreed that voluntary work they do attracts promotion while 38(42.6%) strongly agreed, 3(3.4%) strongly disagreed, 11(12.4%) disagreed and only 3(3.4%) were not sure. This implied that promotion of employees encourages them to perform better. Many respondents agreed with the statement. This view was supported by one of the respondents during focused group discussion who said: *"I will always remember that person who promoted one of us who provided voluntary service to the sick people at Chahafi health centre IV"*.

More so, when asked if employees complied with KDLG's ordinances to get promotion, a significantly larger proportion of respondents, 46(51.7%), agreed, (23(25.8%) strongly agreed, 4(4.5%) strongly disagreed, 5(5.6%) disagreed; while 11(12.4%) were not sure.

Looking at this significantly larger proportion of respondents in agreement with the statement, it should be concluded that employees would always comply with KDLG's ordinances since this provided opportunities for promotion. This was attested to by one of the respondents who said: *"My boss promised me promotion because of my compliance to the district ordinances and these motivated me to work harder more than my colleagues"*.

Respondents were also asked to give their views on whether they rendered assistance to their work mates so that they finish their work on time. The majority of the respondents, 37(41.6%), agreed with the statement, 40(44.9%) strongly agreed, 1(1.0%) strongly disagreed, 1(1.0%)

disagreed while 10(11.2%) were not sure. This implied that many employees saw it important to render assistance to their work mates in order to finish given tasks on time. This was supported by what one respondent said during the FGD that:

*“Our manager need to encourage all employee to help each other as this helps them to finish work given in time and this improves our performance”.*

In addition, when respondents were asked to give their views on if they worked beyond official time to be considered for promotion, 47(52.8%) agreed, 30(33.7%) strongly agreed, 5(5.6%) strongly disagreed, 5(5.6%) disagreed while 2(2.2%) were not sure. This meant that most of the respondents were in agreement with the statement. One respondent attested to this view by saying that:

*“It high time leaders encouraged a people they lead to work beyond official time and as a reward be considered for promotion and this will automatically improve their performance”*

However this is a contradiction since another respondent said that

*“human beings are naturally lazy and working beyond time even if they know that they will be promoted may not be a big issue to them and there are other things that may make workers perform better”.*

When asked if they were able to complete tasks given because of the good allowances like the promotion they get, 41(46.1%) agreed, 36(40.4%) strongly agreed, 3(3.4%) disagreed with the statement while 6(6.7%) strongly disagreed and only 3(3.4%) were not sure. This implied that employees were able to complete given tasks in time simply because they expected to be motivated through promotion in KDLG. Therefore basing on the above findings, it was evident that promotion of employees had a significant positive relationship with employee performance in organizations such as KDLG because 77(86.5%) of the respondents strongly agreed with the statement.

### **Correlation between employee promotion and employee performance**

There was need to assess whether employee promotion had any correlation with employee performance. The results were presented in Table 4.9 below

**Table 4. 9: Shows correlation results for employee promotion and employee performance**

	Employee performance	Employee promotion
Employee performance Pearson correlation sig. (2- tailed)	1	.913
N	89	89
Employee promotion Pearson correlation sig.(2- tailed)	.913	1
N	89	89

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

**Source: Primary Data, 2019**

Table 4.9 above shows a significant positive relationship between employee promotion and employee performance in Kisoro District local Government ( $r=.913$   $P<0.05$ ). This means that promotion of employees, other factors remaining constant, is most likely to encourage employees to perform better at a rate of 91.3% and hence KDLG should try as much as possible to promote employees for better employee performance.

#### **4.4.4 To investigate the relationship between employee recognition and employee performance in Kisoro District Local Government**

The respondents were asked to give their views about the relationship between employee recognition and employee performance in Kisoro District. The views of the respondents were rated on a 5-point Likert scale. Respondents were asked to respond to the statements on the scale of strongly disagree (ranked 1), disagree (ranked 2), not sure (ranked3), agree (ranked4) and strongly agree (ranked 5). The results are presented in Table 4.10 below.

**Table 4. 10: Shows views of respondents on employee recognition and employee performance**

	Number of respondents					Total responses in percentage (%)
Statements about employee recognition	SD 1	D 2	NS 3	A 4	SA 5	
I work hard in order to be recognized	0(0.0%)	2(2.2%)	4(4.5%)	46(51.7%)	37(41.6%)	100%
I am not ready to work when I am not recognized	41(46.10%)	33(37.0%)	5(5.6%)	3(3.4%)	7(7.9%)	100%
Being recognized may create misunderstanding among staff	42(47.2%)	40(44.9%)	1(1.0%)	4(4.5%)	2(2.2%)	100%
I work with fellow staff members in order to enjoy recognition	10(11.2%)	9(10.1%)	2(2.2%)	37(41.6%)	31(34.8%)	100%
Recognition helps employees performance their duties better	9(10.1%)	8(9.0%)	11(12.4%)	22(24.7%)	39(43.8%)	100%

**Source: Primary Data,2019**

Findings in the Table 4.10 above show that the respondents were asked to give their views on whether they worked hard in order to be recognized and whether this led to improved employee performance: 46(51.7%) agreed, while 37(41.6%) strongly agreed,0(0.0%) strongly disagreed,2(2.2%) disagreed and 4(4.5%) This implied that employee recognition leads to improved employee performance in an organization such as KDLG.

Furthermore, when asked whether they were not ready to work when they were not recognized in the organization, 3(3.4%) agreed with the statement, 7(7.9%) strongly agreed, while 41(46.1%) strongly disagreed,33(37.0%) disagreed and 5(5.6%) were not sure. This implied that if employees were recognized their performance would greatly improve.

About whether being recognized may create misunderstandings among staff in the organization, 4(4.5%) agreed while 42(47.2%) strongly disagreed, 40(44.9%) disagreed, 2(2.2%) strongly agreed and 1(1.0%) was not sure. This implied that employee recognition promotes employee performance since a good number, 42(47.2%), strongly disagreed, 40(44.9%) disagreed with the statement that being recognized may create misunderstanding among staff.

On the issue of whether employees were ready to work with fellow staff members in order to enjoy recognition in the organization, 37(41.6%) agreed with the statement, 31(34.8%) strongly agreed, 10(11.2%) strongly disagreed, 9(10.1%) disagreed and 2(2.2%) were not sure. This implied that recognition of employees is a necessary condition that promotes employee performance. This was supported by the views of one respondent during a FGD who said:

*“Leaders or managers who recognize employees’ efforts and promote them will let these employees work harder and even perform to their best”.*

Further still, on whether recognition helps employees perform their duties better, 39(43.8%) agreed with the statement while 22(24.7%) strongly agreed, 9(10.1%) strongly disagreed, 8(9.0%) disagreed and 11(12.4%) were not sure. Those in agreement were more than those who did not agree with statement ( $39+22=61$  respondents and  $43.8+24.7\% = 69\%$ ) which was significantly larger, and this implied that employee recognition promotes the performance of employee. This was further supported by a respondent during a FGD who said:

*“Good working relationships make our employees develop a sense of working harder and harder and this relation can be recognized and when this happens employees will perform better”.*

The data collected and analysed from Table 4.10 above revealed that the majority of the respondents, 61(69%), agreed that recognition of employees makes employees perform to their best in organizations such as KDLG, hence there was a significant positive relationship between employee recognition and employee performance.

### **Correlation between employee recognition and employee performance**

There was need to assess whether employee recognition correlates with employee performance. The analysis was done using the Pearson product moment correlation coefficient. The results are presented in Table 4.11 below.

**Table 4. 11: Shows correlation results for employee recognition and employee performance**

	Employee performance	Employee recognition
Employee performance Pearson correlation	1	.913
sig.(2 tailed)		.000
N	89	89
employee recognition Pearson correlation	.913	1
sig.(2 tailed)	.000	
N	89	89

Correlation is significant at 0.01 level (2-tailed)

**Source: Primary Data, 2019**

Table 4.11 above shows a significant positive relationship between employee recognition and employee performance in Kisoro District Local Government ( $r=.913$   $P < 0.05$ ). This implies that employee recognition, other factors remaining constant, is most likely to enhance employee performance at a rate of 91.3%, hence KDLG should recognize employees in order to enhance their performance.



## **CHAPTER FIVE**

### **DISCUSSION, SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The study established, assessed and investigated the effect and relationship of institutional rewards on employee performance in Kisoro District. Chapter Four dealt with presentation, analysis and interpretation of data which the researcher obtained from teachers, medical employees and administrative staff in Kisoro District Local Government. The first section of this Chapter presents the discussion in accordance with the objectives of the study which were to assess the effect of monetary rewards on employee performance in KDLG, to assess the relationship between employee performance in KDLG and to investigate the relationship between employee recognition and employee performance in KDLG. The next sections include the summary, conclusion, recommendations, contribution, limitations and areas for future research which were done with close attention and reference to the research objectives and reviewing of relevant literature as presented in the second Chapter of the study.

#### **5.2 Discussion of Findings**

The following sections provide a discussion of findings in Chapter Four which reveal that on the whole employees are of the view that institutional rewards play a very dominant role in enhancing employees' performance and this can be confirmed in the following discussion.

##### **5.2.1 Monetary rewards and employee performance in Kisoro District Local Government**

Monetary rewards affect employee performance and organizational performance. For example when respondents were asked to give their views on employee performance, 40(44.9%) agreed that monetary allowances encourage them to work with staff mates to finish given tasks. Furthermore, 43(48.3%) agreed that when they get an allowance they work hard. Findings of the results in chapter four reveal that employee performance is dependent upon monetary rewards which play a very dominant role in enhancing performance of employees. This implies that monetary rewards have positive significant effects on employee performance.

It further implied that monetary rewards do play a vital role in employee performance (Maclean & Sothern, 2002). Further, most respondents agreed that if they are given an allowance in form of money they will work carefully to avoid poor results hence monetary rewards act as a major motivator in enhancing employee performance which enables an organization like KDLG to reach set goals. The good working relations are due to the fact that employees get money allowances which make them able to complete tasks given and this promotes their performance at the place of work in KDLG. The analysis showed that a unit increase in monetary allowances increased employee performance at a rate of 91.3%.

### **5.2.2 Employee promotion and its relationship with employee performance in Kisoro District Local Government**

One of the critical roles of management and leadership is to create a work environment that will endear the organization to ensure that the performance of the employees is at its maximum. It also included influencing employees' discussion to perform better (Michael, 2010). Beardwell (2007) observes that the role of leadership and supervision are critical in staff performance. The researcher concurs with Mat (2008) who asserts that managers should guide workers in a manner that allows them to perform better in order to achieve the group of overall goals. If institutional rewards in KDLG are given priority, employee performance will be enhanced in a manner that allows them contribute to the overall goal of KDLG. A case in point is when respondents were asked to give their views regarding items on promotion and employee performance and 34(38.2%) agreed and 38(42.6%) strongly agreed that voluntary work they do attracts promotion. Again, 46(51.7%) agreed and 23(25.8%) strongly agreed that they complied with KDLG's ordinances to get promotion, which implied promotion helps employees have their performance enhanced. The study focused on assessing the relationship between employee promotion and employee performance in KDLG. Findings revealed a positive significant relationship between employee promotion and employee performance in KDLG. The analysis showed that a unit increase in employee promotion raises employee performance at a rate of 91.3%.

### **5.2.3 Employee recognition and its a relationship with employee performance in Kisoro District Local Government**

The study aimed at investigating the relationship between employee recognition and employee performance. It is the conviction of the researcher based on the respondents' responses that the Two-Factor Theory is relevant to this study because if institutional rewards in KDLG lead to improved employee performance since they know exactly what is expected of them and giving them specific directions, set employee expectations to achieve performance and satisfy employee expectations, they will be motivated to the extent that it means satisfaction of their needs which will reinforce their performance (Alan, 2008).

Institutional rewards result in good employee performance, low stress, job commitment, high job satisfaction and high employee performance (Gwavuya, 2011). The researcher believes the majority of employees in organizations will remain in their organizations because of good institutional rewards that promote respect and care for employees.

Muindi (2010) also established that lack of institutional rewards, specifically lack of involvement in decision making and inadequate communication, were some of the issues that caused dissatisfaction among academic staff at the University of Nairobi. Therefore available literature indicates that institutional rewards are crucial in staff performance. Basing on the responses on items about how recognition of employees affects employee performance, it is evident that most of the respondents agreed with the statements. For instance, when respondents were asked to give their opinions on items related to employee recognition and employee performance 46(51.7%) agreed and 37(41.6%) strongly agreed that recognition of employees makes them work hard in order to be recognized.

Furthermore respondents' views on recognition of employees and how it makes them ready to work even when they are not recognized revealed that 41(46.1%) strongly disagreed with the statement while 33(37.0%) disagreed with the statement. This implied that recognition of employees helps them become more involved and engaged, which translates into high employee performance in Kisoro District Local Government. The study findings revealed a significant positive relationship between institutional rewards and employee performance in KDLG. The

analysis showed that a unit increase in institutional rewards like employee recognition increases employee performance at a rate of 91.3%.

### **5.3 Summary of Findings**

The following sections summarize the findings on institutional rewards and employee performance based on the specific objectives of the study that established how monetary rewards, promotion and recognition affect employee performance in KDLG.

#### **5.3.1 Monetary rewards and their effects on employee performance in Kisoro District Local Government**

The study aimed at establishing how monetary rewards affect employee performance in Kisoro District Local Government. The study found out that appositve significant relationship existed between monetary rewards and employee performance in KDLG. The analysis showed that a unit increase in monetary rewards increases employee performance at a rate of 91.3% .

#### **5.3.2 Employee promotion and its relationship with employee performance in Kisoro District Local Government**

The study focused on assessing whether employee promotion affects employee performance in KDLG. Findings revealed a positive significant relationship between employee promotion and employee performance in KDLG. The analysis showed that a unit increase in employee promotion increases employee performance at a rate of 91.3%

#### **5.3.3 Employee recognition and its relationship with employee performance in Kisoro District Local Government**

The study aimed at investigating the relationship between employee recognition and employee performance in Kisoro District Local Government. The study findings revealed a significant positive relationship between employee recognition and employee performance in KDLG. The analysis showed that a unit increase in employee recognition increases employee performance at a rate of 91.3 %.

### **5.4 Conclusions on study findings**

From the foregoing discourse, the following conclusions were evident from the study findings.

#### **5.4.1 Monetary rewards and its effect on employee performance in Kisoro District Local Government**

Based on the findings of the study, there is a positive effect of promotion on employee performance in Kisoro District Local Government whereby when institutional rewards are given to the employees, they are encouraged to work with fellow staff to finish given tasks of the organization. For example, when respondents were asked to give their views on employee performance, 50(56.2%) agreed that monetary allowances encourage them to work with fellow staff to finish given tasks. Further, 43(48.3%) agreed that if they got an allowance they would work and 40(44.9%) strongly agreed with the statement. Therefore, monetary rewards positively affect employee performance in KDLG.

#### **5.4.2 Employee promotion and its relationship with employee performance in Kisoro District Local Government**

There is a positive effect between employee promotion and employee performance in Kisoro District Local Government because employee promotion encourages employees to work harder and this makes employee performance to be realized. A case in point is when respondents were asked to give their views on items about employees working voluntarily got promotion and it is most likely that employee performance will be realized on the issue promotion and employee performance: 34(38.2%) agreed that voluntary work attracts promotion and 38(42.6%) strongly agreed with the statement. Again, 47(52.8) agreed that if they worked beyond official time they would be considered for promotion while 30(33.7%) strongly agreed with the statement. Hence promotion of employee positively affects employee performance in Kisoro District Local Government.

#### **5.4.3 Employee recognition and its relationship with employee performance in Kisoro District Local Government**

The findings from the study revealed that recognizing employees can lead to improve employee performance, hence there is a positive relationship between employee recognition and medical employee performance in Kisoro District Local Government. For instance, when respondents were asked to give their opinions on items related to employee recognition and employee performance, 46(51.7%) agreed that they worked hard in order to be recognized and 37(41.6%)

strongly agreed. Furthermore, respondents' views on recognition and how they could get ready to work even when they were not recognized findings revealed that 41(46.1%) strongly disagreed with the statement, 33(37.0%) disagreed. Therefore, employee recognition has positive relationship with employee performance in Kisoro District Local Government.

## **5.5 Recommendations**

Basing on the conclusions made in the study, the researcher made the following recommendations based on the objectives of the study.

### **5.5.1 Monetary rewards and its effects on employee performance in Kisoro District Local Government**

The study brings to the limelight the critical role of monetary rewards in regard to employee performance in Kisoro District Local Government. Institutional rewards have an effect on the profuseness of organizational factors which affect performance. Taking a look at KDLG institutional rewards, there should be a touch on the area of rewarding employees and training hence enhancing their performance. The managers should be responsive to employees' issues and this will show that the managers' guardianship is positive which will bring forth intention in the minds of employees to perform better in KDLG. Employees in KDLG should be spotted as a critical and important resource. In simple terms, it should be stated that if best workers are not rewarded by giving them monetary allowances, promotion and recognition within KDLG, their performance will be negatively affected. The management in KDLG should work towards using good institutional rewards such as monetary rewards, employee promotion and recognition, there-by developing their potential and hence enhancing employee performance.

### **5.5.2 Employee promotion and its relationship with employee performance in Kisoro District Local Government**

There is also need for KDLG to use employee promotion strategies which motivate employees with support, encouragement, praise and coaching, inspirational motivation and espouse an appealing vision and focus their effort and intellectual stimulation, hence promotion of their performance.

### **5.5.3 Employee recognition and its relationship with employee performance in Kisoro District Local Government**

An attempt should be made not to orchestrate the institutional rewards strategies in isolation; but KDLG should ensure that it forms a part of the overall strategies for ensuring better employee performance through giving them monetary rewards promoting and recognizing them. KDLG should formulate rewards policies which promote a sense and feeling of being valued and this will make it easy for KDLG to attract and retain them. KDLG should inculcate the value of employees as assets in its policy framework and this will improve their performance.

### **5.6 Contributions of the study**

The researcher believes the study has made the following contribution.

The findings and recommendations from this study will be helpful to other researchers in future since they will have a source of data during the review of literature which will provide a back- up for their arguments.

The study will also add to the body of existing knowledge since readers of this scholarly work will get readily available information about institutional rewards and employee performance particularly in Kisoro district and can be able to make comparisons with other parts or districts in Uganda.

The findings and recommendations from this study, if adhered to, will help inform better human Resource Management policies at Ministry, Department and Agency level so that human resource-friendly policy mechanisms are formulated to curtail issues related to low and poor employee performance

### **5.7 Limitations of the study**

The researcher during the field exercise of collecting data and thereafter analysing it, faced the following limitations.

The targeted respondents were mostly teachers and medical employees and the questionnaires that were distributed to the respondents were not filled 100%. This was due to the fact that most of them seemed to be very busy with the work of saving lives of their clients since they were

medical personnel while the administrative staff were also busy with administrative and strategic planning schedules. Teachers were also busy attending to their pupils and students. This limitation was however solved by encouraging the respondents to kindly provide the required information.

The study was designed to be conducted in Kisoro District and the time scope was between 2013 and 2017. It became very difficult for the researcher to get the most current information about the study variables and this compelled the researcher to mostly depend on the internet to get current information.

The researcher anticipated getting back the filled questionnaires in the month of May 2019 according to his work plan only to be told by many of the respondents that they had not filled them due to their busy schedules and this delayed data collection and analysis on schedule. However, the researcher politely requested the respondents to fill the questionnaires as soon as they could.

The choice of Kisoro District as an area where the study would be conducted posed many challenges; being hilly, and the researcher found it costly to climb the steep hills. The researcher made many visits to the medical facilities and schools where the respondents work to try to collect the filled questionnaires and on many occasions found that most of the respondents had not filled them and these to and fro journeys made the data collection exercise costly. Despite this, the researcher ensured that the hills were climbed and data was collected with minimum costs.

### **5.8 Areas for future Research**

The study was carried out using a limited scope due to resource constraints. It only concentrated on Kisoro District and the period 2013-2017. There is need for further research in the same field in other districts of Uganda using other time scopes because the giving of institutional rewards to employees is key to any country, remembering that the absence or shortage of institutional reward has serious negative consequences on the population and economy at large as employees' performance is negatively affected.



The study was only limited to institutional rewards and employee performance. There is need for further research on other institutional rewards such as employee encouragement, praise and coaching or career development which directly or indirectly affect employee performance anywhere and everywhere in both private and public organizations.

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## APPENDICES

### Appendix I: Questionnaire For Teachers And Medical Staff

**Dear Respondent,**

I am Thembo Stephenson, a Masters student of Kabale University undertaking a study on **Institutional rewards and employee performance in Local Governments: A case study of Kisoro District Local Government.** Owing to your experience and knowledge about the study you have been specifically chosen as a respondent. This research is purely for academic purposes and the information given will be treated with utmost confidentiality. I kindly request you to answer the questions sincerely. Please do not indicate your name anywhere on the questionnaire. Regarding the monetary and non monetary rewards you receive in KDLG, indicate the extent you agree or disagree with the following statements. From question 1-26, tick (v) on the scales of 1-5 how strongly you agree or disagree with the statements given.

#### SECTION A

#### **Institutional rewards and employee performance in Kisoro District**

**Please put a tick (v) on the right answer**

#### **Back ground information.**

1. Age classification in years. Put a tick (v) in the box next to the right response  
(a) 20-30 ☐ (b) 31-40 ☐ (c) 41-50 ☐ (d) 51 and above ☐
2. Gender  
(a) Male ☐ (b) Female ☐
3. Highest level of education  
(a) Certificate ☐ (b) Diploma ☐ (c) Bachelors Degree ☐  
(d) Master's Degree ☐
4. Marital status  
(a) Married ☐ (b) Single ☐ (c) Divorced ☐ (d) Separated ☐
5. How long have you been working in Kisoro District Local Government?  
(a) 1-5 years ☐ (b) 6-10 years ☐ (c) 11-15 years ☐  
(d) 16-20 years ☐ (e) 21-25 years ☐

6. On what terms of service are you currently employed?

1-Probation ☐      2-Temporary ☐      3-contract ☐      4-Permanent ☐

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

(Please tick the most appropriate options)

		1	2	3	4	5
<b>B</b>	<b>Monetary allowances and employee performance</b>					
1	Monetary allowances encourages me to work with staff mates to finish given tasks.					
2	When I work hard I get an allowance					
3	If iam given an allowance (money)I will work carefully to avoid poor results.					
4	My good working relations is because I get money allowances					
5	I am able to complete tasks given because of the good allowances I get					
<b>C</b>	<b>Promotion and employee performance</b>					
1	Voluntary work I do attracts promotion					
2	I comply with KDLG's ordinances to get promotion					
3	I render assistance to workmates so that they finish work on time					
4	I work beyond official time to be considered for promotion					
5	I finish given tasks without expecting promotion					
<b>D</b>	<b>Recognition and employee performance</b>					
1	I work hard in order to be recognized					
2	I am not ready to work when Iam not recognized					
3	Being recognized may create misunderstandings among staff					
4	Iam ready to work if there is recognition					
5	I work with fellow staff members in order to enjoy recognition					
<b>E</b>	<b>Employee performance</b>					
1	I am ready to work despite any challenges					
2	My personal input influences the quality of my work					

3	I am happy with what I get in relation to my effort					
4	I am conscious of time taken to accomplish tasks given					
5	I always help colleagues to finish tasks on time					

**Thank you for your participation in this study**

## **Appendix II: Focused Group Discussion Guide for Teachers.**

### **Dear participant**

I am Thembo Stephenson, a student at Kabale University pursuing a Masters Degree in Human Resource Management. I am carrying out a research on institutional rewards and employee performance in Local Governments: A case study of Kisoro District Local Government, Uganda. This questionnaire intends to establish and assess the views of Local Government (KDLG) employees on institutional rewards and employee performance. This research is purely for academic purposes and the information given will be treated with utmost confidentiality. I kindly request you to answer the questions sincerely and accurately, please do not indicate your name anywhere on the questionnaire.

**Institutional rewards** refers to any cash or non cash received from Government at any period of the year as reward for the accomplishments of given tasks by the employee while **monetary allowances** means organization's attempt to increase salaries of employees and giving extra pay for extra work done. **Employee performance** is the measure of achievement or failure to achieve a desired result by an employee which leads to either being rewarded positively or negatively.

### **Institutional rewards and employee performance in Kisoro District.**

1. Explain how institutional rewards like monetary allowances affect employee performance in kisoro district.....
2. What do you think is the effect of monetary allowances on employee performance in Kisoro District? .....

3. How does giving monetary allowance to employees affect their performance in Kisoro District?  
.....
4. Suggest any forms of monetary rewards that can affect employee performance in kisoro District?  
.....
5. Suggest reasons why employee promotion may affect their performance.  
.....  
Explain how employee promotion ay improve their performance in Kisoro District.  
.....  
What is the relationship between employee promotion and their attitude towards work performance in Kisoro District?.....
6. What do you think will happen to employees in Kisoro District when they are recognized for accomplishing tasks in or in time? .....
7. Give your opinions why Kisoro District administrators/ managers should use both monetary and non monetary allowances to improve employee performance.  
.....

**Thank you for your time and participation in this study.**

### **Appendix III: Documentary Review Checklist**

<b>No.</b>	<b>Document to be reviewed</b>	<b>Related information to be obtained</b>
1.	Proposals	Methods, theories and findings by other researchers.
2.	Dissertations / Text books	The available literature on existing gaps to be addressed
3.	NGO's reports	Available literature on the status of employee performance in Kisoro District
4.	Kisoro District reports (2012-2016)	Monitory rewards to staff in Kisoro District.
5.	Ministerial reports (2009-2016)	Government interventions in relation to addressing the gaps among employees aimed at improving their performance .
6.	Kisoro District Development Plan (2010-	Available literature on priority areas,



	2016)	achievements, challenges and solutions
7.	Kisoro District Human Resources Manual (2005)	Available literature on how the District recruits, selects, motivates and rewards its employees

**Appendix IV: Table for Determining Sample Size from a given Population**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	256	300	7341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	36
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	244	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

*Note: "N" is population size, "S" is sample size*

*Krejcie, Robert V; Morgan, Daryle W, "Determining sample size for Research Activities" Educational and Psychological Measurement, 1970.*

## APPENDIX VI

**KABALE**

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admissions@kab.ac.ug



**UNIVERSITY**

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Mob: 256-782860259  
Fax: 256-4864-22803  
Website: www.kab.ac.ug

### DIRECTORATE OF POSTGRADUATE TRAINING

May 9<sup>th</sup>, 2019

To whom it may concern

This is to certify that *Mr. Thembo Stephenson* Reg. No. *17/A/MAHRM/033/W* is a postgraduate student of Kabale University studying for a *Masters of Arts in Human Resource Management* in the department of *Business Studies*.

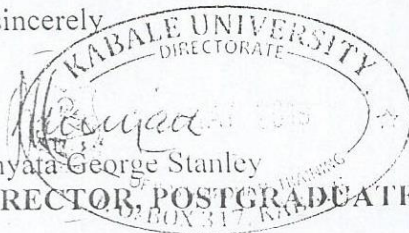
He has successfully defended his Research Proposal for a study entitled,

*"Institutional rewards and employee performance in local governments: A case study of Kisoro District Local Government, Uganda."*

The student is now ready for field work to collect data for him study. Please give the student any assistance you can to enable her accomplish the task.

Thanking you for your assistance,

Yours sincerely



Dr. Kinyata George Stanley

Ag. DIRECTOR, POSTGRADUATE TRAINING