

EFFECTS OF REWARDS ON EMPLOYEE PERFORMANCE
CASE STUDY OF KYAMBOGO UNIVERSITY

BY

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF
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DECLARATION

I **KAGODA FRANCO** hereby declare that this research report presented is my own and original. It has never been submitted to any university for the award of any kind.

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APPROVAL

This research report has been supervised and submitted to Kampala International University under my supervision and approval.

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DEDICATION

With special regards , I would like to dedicate my piece of work to my beloved mother Mrs. Naiwumbwe Edith, my beloved sisters, brothers, friends and Mr Kagoda Dan for their financial and moral support

ACKNOWLEDGEMENT

I would like to thank the almighty God for guiding me through my education, my heartfelt gratitude for my supervisor Mrs. Mpora Rachael for her efforts and knowledge extended to me during her supervision and Kyambogo University for their assistance and encouragement.

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ABSTRACT

The study was an investigation on the relationship between reward and employee performance in the Kyambogo University

The study was guided by a number of objectives. Namely, to find out the forms of rewards used in Kyambogo University; to establish the effects of rewards on employee job performance in Kyambogo University and to establish ways of how to improve rewarding system in the Kyambogo University and the methodology employed include the use of both quantitative and qualitative research designs and the methods of data collection were both the questionnaires and interviews in the commission.

The findings of the study revealed that there was use of both financial and non financial rewards although the former is mostly used; Reward had significant effects on employee performance and therefore, this hindered the attainment of the goals of Kyambogo University. The study reveals that there should be sound rewards system to improve on the performance through both financial and non financial rewards. According to the study findings the rewards have both positive and negative effects on employee performance in the Kyambogo University.

In conclusion, there is use of both financial and non-financial rewards in Kyambogo University.. Hence many ways of how to improve rewarding system in Kyambogo University are through having equitable pay system, through conducting job evaluation, through effective communication, employee recognition among others.

The researcher recommends that introduction of an equitable system or payment, the need to look at other factors that affect employee

performance other than rewards such as employee welfare services like child care, restaurant facilities and others; among others. The researcher recommends that areas of further research are. The effect of rewards on employee commitment and the effect of rewards on employee retention in the organization.

CHAPTER ONE

1.0 INTRODUCTION

The study is an investigation on the relationship between reward and employees' performance in the organization. Furthermore, this aims to give insight to employees and the administration who are working within an organization. The importance of reward and how it affects an organization's performance in its entirety, will be the best deciding measure between good and bad rewarding systems used by prominent Kyambogo University. This chapter presents and describes the background of the study, the statement of the problem, the purpose of the study, objectives of the study, research questions, the scope of the study, and the significance of the study.

1.1 Background of the study

Rewards have been looked at by different people. Worldwide, rewarding employees are seen as an important function in organizations.

Mission of Kyambogo University

To advance and promote knowledge and development of skills in Science, Technology and Education, and in such other fields having regards for quality, equity, progress and transformation of society.

Vision of Kyambogo University

To be a Centre of Academic and Professional Excellence.

In Uganda, reward is a matter of giving back the pay according to the executed job. Example: if one employee porter carries a bag of wheat to a store, then he gets a gallon as a reward, therefore Sudan rewards according to a piece rate per work.

In Kyambogo University do not have a clear backgrounds to why employees are being rewarded since they believe in only rewarding soldier and army who fought the Sudan Government, there can be no progress in the organization without proper reward of the employees; therefore, reward is seen as a strategy to achieve the objectives and goals of Kyambogo University.

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

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

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

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

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

Job performance is defined as a pleasurable feeling that “results from the perception that fulfills or allows for the fulfillment of one’s important job values. Job performance is the perception one’s job enables one to fulfill important job values or the task accomplishment (Wagner III& Hollenbeck, 1992).

According to Wagner III & Hollenbeck, (1992), job performance is measured by self reports and the output per employee. Some measures like the job descriptive index (JDI), emphasize aspects of work such as pay, work itself, supervision and coworkers are used. According to Moorhead & Griffin, job performance is defined as an attitude that reflects the extent to which an individual is gratified or fulfilled in his or her work. A satisfied employee tends to be absent less often, to make positive contributions, and tend to stay with the organization.

Most organizations try to reward their workforce well so as to enable them get satisfied to their jobs, while other organizations still do not reward their work force well including Kyambogo University has failed to reward its workforce well leading to reduced performance of such workforce to their jobs. One civil servant in Kyambogo University called Daniel was complaining about the way employees are paid; that the reward system in the State is not equitable and not fair leading to loss of performance by the employees.

As a student of Human Resource of Kampala International University, Kyambogo University became my major area of concern. This is because failure to have a fair and equitable pay system can result into reduced performance from employees.

1.2 Problem statement

Having fair and equitable pay system has been emphasized by many organizations so as to improve the performance of the work force. "According to the statement from Usman the senior personnel officer Kyambogo University states that there is unfair and inequitable reward system in the local government and it was emphasized by many organizations so as to improve the performance of their workforce.

According to the statement from the senior personnel officer stated that, administrators have failed to reward their workforce to their expectation so as to improve their performance. Usman also added that failure to reward workforce fairly and equitably has resulted into reduced performance of such workforce in the State”. Hence the study finds it worth.

1.3 Research questions

1. What are the forms of rewards used in Kyambogo University?
2. What are the effects of rewards on employee performance in the Kyambogo University?
3. What are the ways of how to improve reward system in the Kyambogo University?

1.4 The purpose of the study

The purpose of this study is to establish the relationship between rewards and employee performance in Kyambogo University

1.5 Hypothesis

- There is a significant relationship between extrinsic rewards and employees performance.
- There exists a significant relationship between intrinsic rewards and employees Performance.

1.6 The significance of the study

The study will be useful because it will contribute to the researcher’s fulfillment of the requirements for the award of bachelor’s degree in Human Resource

The study will be useful to other researchers and lecturers for future references.

The study will be useful in finding out how best the administration of the Kyambogo University can reward their civil servants to improve their performance.

The study will be useful to the policy makers of Kyambogo University in providing effective reward system for employee job performance.

1.7 Objectives of the study

The following will be the objectives under which the research will be carried out;

- i. To find out the forms of rewards used in Kyambogo University.
- ii. To establish the effects of rewards on employee performance in the Kyambogo University To establish the ways of how to improve rewarding system in Kyambogo University

1.8 The scope of the study

1.8.1 Geographical scope

The study was carried out in Kyambogo University. The research will cover the civil servants in the Kyambogo University; including the top officials of the State. The researcher has chosen Kyambogo University due to proximity to the researcher's residence and easy access to the required information.

1.8.2 Time Scope

The research will take a period of two month come up with the valid and reliable research effective reward and employee performance in the month of August and May 2015-2016

1.8.3 Content scope

The study dwelled on the relationship between reward and employee performance in the Kyambogo University, the study first established the forms of reward used in the National Human Rights commission, the effect of reward and employee performance.

1.8.4 Limitation of the study

The researcher faced problems while conducting the research. Some of this problems, amount of time available to gather data was limited, environment was not conducive and the level of security was not sufficient, not getting useful information from respondents who feared releasing the information against the management ethics. For example, the researcher took some questionnaires to respondents and some of them turned them back to the researcher.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter is all about reviewing other scholars and researcher's views and ideas where in the world about the problem under study. It is concerned with the theoretical work of the study and the conceptual frame work of the study. The literatures will mainly take from the secondary sources of data such as text books.

2.1 Theoretical review

A theory refers to a formal set of ideas that is intended to explain what is happening or existing (Armstrong 2006). There are various studies that address the issues involved in assessing the effects of reward on employee performance. Also, there is lack of surveys the factors which play a part in determining an organization's performance. The literature orientation introduces the different theories that talk about organizational reward. These theories try to help understand the problem more and know what various results to be achieved.

The study will be guided by the equity theory of motivation originated by Adams Smith which suggests that behavior is motivated by the desire to reduce guilt or anger associated with social exchanges that are perceived to be unfair. The theory describes the process by which people determines whether they have received fair treatment or not.

More re specifically, equity theory holds that people make judgments about fairness by a ratio of their perceived investments (or in puts) and perceived rewards (or outcomes). They then compare this ratio to a

similar ratio reflecting the perceived costs and benefits of some other person. If these ratios are not equal, the situation is perceived as unfair.

According to Adams Smith, after a person perceives inequity, he/she experiences an unemotional state of either anger or guilt hence resulting into reduced job performance.

According to this study therefore, equity theory holds that rewards will contribute to high levels of job performance only when the person perceives them as equitable.

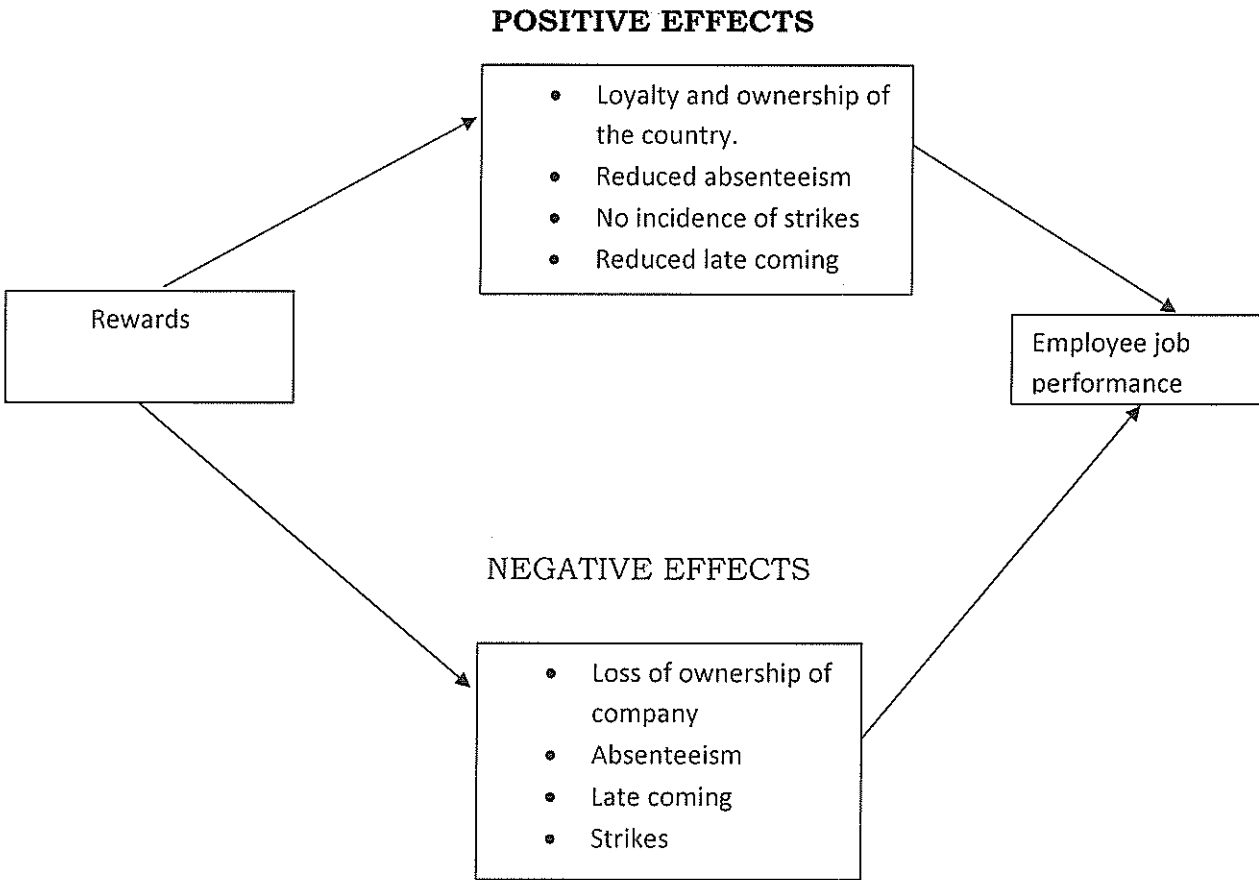
According to Leon Festinger, this occurs when an individual experiences some degree of discomfort resulting from an incompatibility between two cognitions. For example, a consumer may seek to reassure himself regarding a purchase, feeling, in retrospect, that another decision may have been preferable.

While not a theory of reward, per Se, the theory of cognitive dissonance proposes that people have a rewarding drive to reduce dissonance. They do this by changing their attitudes, beliefs, or actions.

2.2 The Conceptual Framework

Independent variable

Dependent variable



The conceptual frame work indicates the variables in the problem under study both independent and dependent variable. The independent variable is reward while the dependent variable is employee job performance. The independent variable has effects on positive and negative effects. The positive effects are employee loyalty and ownership of the organization, reduced absenteeism, reduced incidence of strikes, and reduced late coming hence effective performance from employees. The negative effects are the loss of ownership of the organization from employees, absenteeism, late coming, and strikes hence reduced performance. This is when the reward system is poor.

2.3 Criticism of theories

There is a veritable multiplicity of explanations of value in the *Wealth of Nations*, which makes a history of Adam Smith's views on this subject extremely difficult writing. Many a wise or philosophical sort of observation may be correct in a general way, or largely be precisely true. Perhaps the greater part of what Adam Smith has said on the nature of value consists of reflections of this kind, and the student of his text can never be certain that he really planned to describe the laws of value with that precision which modern theory at least hopes to attain. Still there are some exact theorems laid down. The language in which these are expressed is uniformly flowing and makes good reading but, it seems to be more an eloquent appeal against the shallow mercantilist view of wealth, than attempt at a painstaking analysis of the facts of value.

The following thoroughly typical passage, "Of the Real and Nominal Price of Commodities, or of their Price in Labor and their Price in Money," is truly a call to people to look away from the sole measure of wealth and regard the real source of wealth. But in spite of this it happens to end in a precise proposition or theory of value:

2.4 Empirical review

Rewards that an individual receives are very much a part of the understanding of Research has suggested that rewards now cause satisfaction of the employee to be affected which directly influences the performance of the employee.

Lawler (1985) concluded that factors influence the performance with regards to work. Firstly, it depends on the amount received and the amount the individual feels he or she should receive. Secondly,

comparison to what others collects influences peoples performance, and thirdly, and employee? Satisfaction with both intrinsic and extrinsic rewards receives they desire and in the value they attach to each. And the firth, that many extrinsic rewards satisfy only because they lead to other rewards. All these observations for a diverse reward system. In the study carried out by Jibowo (1977) on the effect of motivators and hygiene on job performance among employees.

2.5 Forms of rewards

According to Ivancevich, (2001), and Armstrong, (2006), reward is categorized into financial and non financial rewards.

Financial rewards are pay employees receive in form of wages, salaries, commission or benefits such as insurance (Ivancevich, 2001).

Financial rewards are either director indirect. Direct financial rewards consist of pay to mployees in form of wages, salaries, bonuses or commission (Ivancevich, 2001).

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

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

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

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

Indirect financial rewards are also called benefits. Employees receive such kinds of rewards in form of insurance services, childcare or elder care services and others (Ivancevich, 2001). Non financial rewards are rewards employees receive in non monetary terms; such rewards include praise, self-esteem, recognition, promotion, job security, well furnished .lean work place compounds and others (Bohlander & Snell, 2004).

Praise; is a form of non financial reward where employees are satisfied because of the dignity they are given from the rest of the employees or from the management of the organization.

Promotion; this is a form of non financial rewards where an employee who have acquired skills and moved from low paying job to high paying job.

Recognition; is a form of non financial reward where employees are recognized for their better performance in the organization. This can be in form of giving certificates of recognition to the employees hence improving their performance effectiveness to their organization (Bohlander & Snell, 2004).

Job security; is a form of non financial reward where employees are given assurance to their jobs resulting into increased employee job performance (Bohlander& Snell, 2004).

2.6 The effects of rewards on employee performance

Rewards have both positive and negative effects on employee performance; this depends whether the reward system is good or when there is bad reward system.

The positive effects of rewards are when the reward system is good. Good reward system drive the business in the direction that is better and therefore, employees attach themselves to the organization.

Good reward system improves employee loyalty and ownership of the organization. This is when the reward system is perceived as equitable (Gate wood et al, 2001).

Good reward system reduces the incidence of strikes from the employees against the organization. This as a result leads to employee job effectiveness (Fisher et al, 2003).

Good reward system reduces the incidence of late coming in the organization, which shows a sign of employee reliance to their performance.

Good reward system results into improved commitment of the employees; this is because the pay is seeing as equitable and hence leading increased performance of the employees (gate wood et al, 2001)

The negative effects of rewards are when the reward system is not equitable and is seen as bad.

Bad reward system can damage the health and well being of the organization because if the reward system of the organization regard un

fair and lower than market standard, employees unions can make strike and stay away from work, hence reduced employee performance.

Bad reward system results into reduced commitment from employees to their jobs; this is when the reward system is perceived to unfair. When the salary of employees is perceived to be unfair, their commitment and their morale reduce, hence reducing the performance of employees (Dare Beach, 2000).

Bad reward system results into loss of ownership or loyalty of employees. This is when reward system is seen to be inequitable and hence affecting the performance of the employees to their jobs.

Bad reward system results into incidences of strikes in the organization; this is because hen employees are not paid fairly, they look for ways to show their dissatisfaction to administrators. This as a result leads to wasted of time and property hence affecting the relationship between the administrators and the employees (Fisher et al, 2003).

Bad reward system therefore, result into incidences of late coming, absenteeism, loss of ownership of employees to the organization, hence reduced job performance from employees (Dare Beach, 2000).

2.7 Way of how to improve rewarding system

There should be individual pay system of rewarding employees. In this system, employees are rewarded after considering their level of skills or seniority (Dessler, 2006).

Job evaluation should be done first before paying the workforce. This will enable the personnel officer to determine the relative worth of the job and then pay accordingly (Schermerhon, 2002).

There should be pay for performance system of rewarding workforce. This system is where by those who performed better should be rewarded for their better performance (Dessler, 2006).

Consider the level of education qualification and pay employees according to the level. This will enable workforce to love the organization and hence attain effective performance (Dessler, 2006).

Equity system of paying employees should be emphasized both internal and external. This equitable system of paying employees will increase their morale towards their jobs increased performance from employees (Bohlander & Snell, 2001).

Training workforce into the required skills, which will enable employees to identify with the organization and get retained hence, increasing the satisfaction of such employees (2006).

Promoting workforce who have attained skills after undergoing training. This will make such employees feel that they belong to the Organization and hence attain job effective performance (Schermerhorn,2002).

Provide job security to the employees, this will enable them have a sense of belongingness to the government hence attainment of performance (Schermerhorn, 2002).

There should be total compensation system of rewarding employees. Total compensation the assessment of employee contributions in order to distribute fairly and equitably these organizational rewards (both direct and indirect) in exchange for these contributions. The direct rewards are employee's base salary and performance based pay. Indirect

compensation can be private protection programs, health care benefits, paid leave and others (Schuler, 2004).

Having proper performance appraisal system where the workforce is made aware about they are performing and rewarding those employees who have performed up to the expectation and having discussion with those employees who have failed to perform up c required performance (Schermerhon, 2002).

Delegation and rewarding employees who have performed better. This will enable the workforce acquire more skills and have a sense of belongingness to the organization, this a result, leads to increased employee performance (Schuler, 2004).

Having open system of communication between the workforce and the management which will result into performance from employees since free communication will increase the interaction between the management and the employees or among employees or among employees themselves (Schuler, 2004).

Rewarding employees after considering the cost of living of the countries or cities where they reside. This will enable the organization to be seen as having an equitable pay system. This is because employees come from countries with differing cost of living because of inflation problem (Bohlander& Snell, 2001).

Pay employees after considering the nature of their jobs, this is because there are dirty jobs which are paid differently from other types of jobs. This will enable the holders of different jobs to be satisfied of their pay and hence performance (Schermerhorn, 2002).

2.8 Knowledge gap

The researcher identified knowledge gap for poor performance due to lack of expertise and competence of employees. It's my advice for future researchers in this firm to work upon the impact of low performance and effectiveness of employee through rewarding system in their future research.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

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

3.1 Research Design

The research involved the investigation and evaluating the role of internal reward in the Kyambogo University. Consequently the research was designed to achieve the objectives set out by the researcher .The research was carried out using both quantitative and qualitative data collection methods.

3.2 Target Population

The population of the study comprised of 200 respondents and this sample was be selected from the employee in the Kyambogo University. There was no discrimination in the selection of this sample, male and female employees were the respondents.

3.3 Description of Sample and Sampling Procedure

The researcher chose 100 respondent using simple random sampling techniques in selection of the respondents, meaning that each and every individual have same chance of being selected be it male or female. In this procedure, the respondents were selected at random, and these respondents were identified according to their willingness and availability to take part in the study.

3.4 Description of the data collection instruments

The data collection instruments were basically questionnaire, and interviews. The questionnaires were administered personally by the researcher to the respondents and were collected after tune interval. Interviews comprised of both structured and unstructured questions.

3.4.1 Questionnaire

Questionnaire is a set of printed questions addressed by the researcher to the respondents for him or her to answer and after answering return the questionnaires to the researcher. The questionnaire were administered personally by the researcher to the respondents and collected after time interval. The questionnaire comprised of both open ended and closed ended questions that required the respondents to answer all the questions to the best of their knowledge and has the following merits, The responses are gathered in a standardised way, so questionnaires are more objective, certainly more so than interviews, generally it is relatively quick to collect information using a questionnaire. However in some situations they can take a long time not only to design but also to apply and analyse.

Potentially information can be collected from a large portion of a group. This potential is not often realised, as returns from questionnaires are usually low. However return rates can be dramatically improved if the questionnaire is delivered and responded to in class .In this study the questionnaires were used because they are cheap, quicker, they covered many respondents, they were free from interview bias, and give accurate information since respondents take their time to answer the questions. However, they have a disadvantage of non response. However there are some demerit of questionnaire like many evaluation methods occur after the event, so participants may forget important issues.

Questionnaires are standardized so it is not possible to explain any points in the questions that participants might misinterpret. This could be partially solved by piloting the questions on a small group of students or at least friends and colleagues. Open-ended questions can generate large amounts of data that can take a long time to process and analyze. Respondents may answer superficially especially if the questionnaire takes a long time to complete. The common mistake of asking too many questions should be avoided. Students may not be willing to answer the questions. They might not wish to reveal the information or they might think that they will not benefit from responding perhaps even be penalized by giving their real opinion.

3.4.2 Interviews

Interviews were also be used in the study and comprised of both structured and unstructured questions which were asked to respondents from Kyambogo University, and requiring answers from these respondents. The interviews were centered on the effects of rewards on employee job performance in Kyambogo University. In this study, interviews were used because they encourage interaction between the researcher and the respondents; there can be clarification of some questions to the respondents and others. Merits of using interview are; if the respondent lacks reading skills to answer, useful for untangling complex topics. The Interviewer can probe deeper into a response given by an interviewee. Interviews produce a higher response rate. However there are some demerit of using interviews such as interviewer can affect the data if he/she is not consistent, it is very time consuming. It is not used for a large number of people. The Interviewer may be biased and ask closed questions.

3.5 Research Procedure

The researcher obtained an introduction letter from Kampala International University, School of Humanities and management sciences of Kyambogo University and permission was got from the top officials of the State to allow researcher to conduct this study.

Respondents were given information on how to go about with the questionnaire filling process and some questions were asked by the respondents where necessary for clarification especially during interviews.

3.6 Description of data Analysis procedure

After collection of data, only correctly filled questionnaires were coded, edited and analyzed. Analysis was carried out by use of frequencies, and percentages and true findings were presented using tables.

CHAPTER FOUR

PRESENTATION OF DATA, INTERPRETATION AND ANALYSIS

4.0 Introduction

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

4.1 Forms of Rewards used in Kyambogo University.

The response is as shown in table 1.

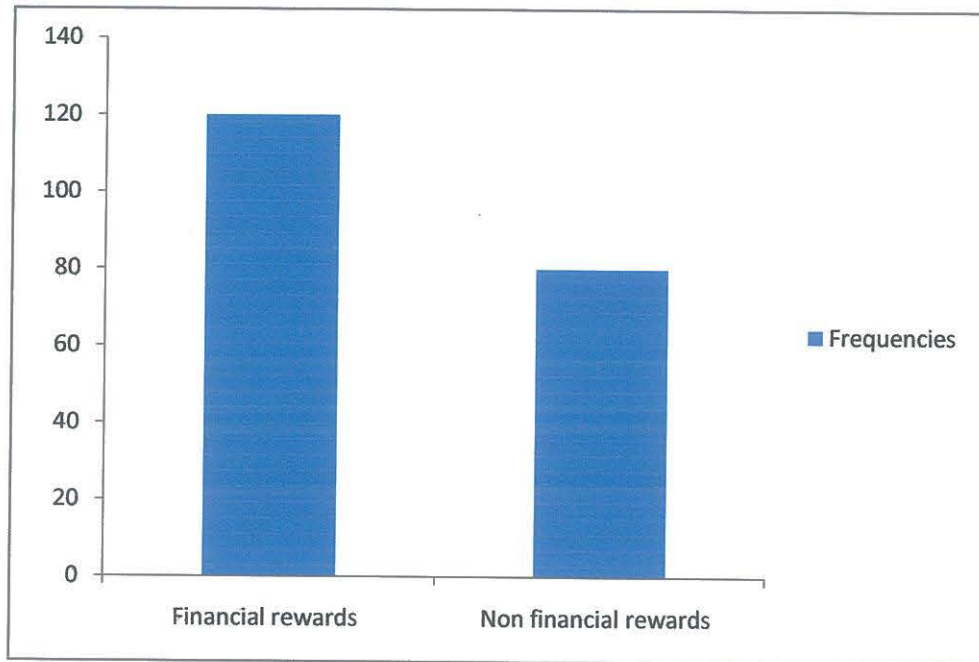
Table 1. Forms of rewards used in Kyambogo University

Response	Frequencies	Percentage (%)
Financial rewards	120	60
Non financial rewards	80	40
Total	200	100

Source: Primary data

The findings in the table showed that many respondents believed that Kyambogo University mostly uses financial rewards as shown by 60% of the respondents while only 40% of the respondents answered that there are non financial rewards. This can also be illustrated on figure 1.

Figure 1: Forms of rewards used in Kyambogo University



According to the research carried out using interviews, the forms of rewards used in Kyambogo University are both financial and non financial rewards; 60% do believe that there is financial rewards while 40% responded that there are non financial rewards in the company.

4.2 Effects of Rewards on Employee performance in Kyambogo University.

The response is as shown in table 2.

effects on employee in Kyambogo University whereas 25% of the respondents believed that rewards have negative effects on employee performance in Kyambogo University.

4.3 Ways of how to Improve Reward Systems in Kyambogo University

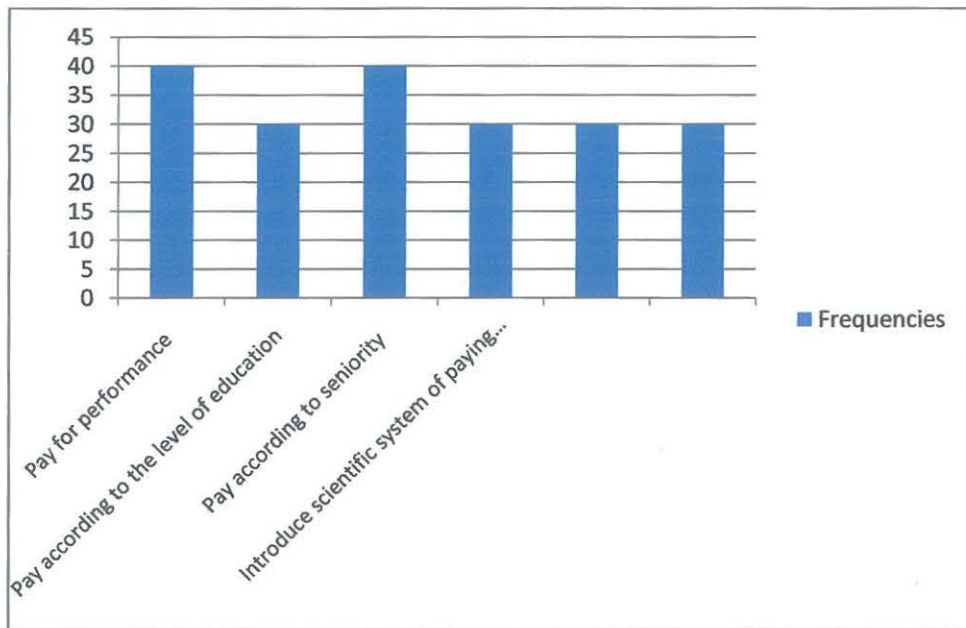
The response is as shown on table 3.

Table 3. Ways of how to Improve Reward Systems in Kyambogo University

Response	Frequencies	Percentage (%)
Pay for performance	40	20
Pay according to the level of education	30	15
Pay according to seniority	40	20
Introduce scientific system of paying staff	30	15
The company should consider internal equity	30	15
The company should consider external equity	30	15
Total	200	100

The findings on the table showed that the respondents gave ways of how to improve reward systems in Kyambogo University are paying for performance, considering internal equity, consider external equity; paying according to the level of education, paying according to seniority, carry out job evaluation before paying employees. This is illustrated on the figure 3.

Figure 3. Ways of how to improve reward systems in Kyambogo University



The data collected using interviews showed that the ways of to improve rewarding systems are through paying according to employee performance, introducing scientific system of paying staff, paying according to employee seniority, give employees recognition after performance, promote employees after acquiring training, having effective communication system and open door policy. This is shown by the following percentages of the respondents as 20%, 15%, 20%, 15%, 15% and 15% respectively.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter covers the discussion of findings of the research carried out, conclusion, recommendations, limitations of the study, and areas for further research.

5.1 Discussion of findings

5.1.1 Forms of rewards used in Kyambogo University.

According to the findings of the study, the forms of rewards used in Kyambogo University are both financial and non financial rewards; but mostly there is use' of financial rewards as said by many respondents, this is also in relation to other previous researchers' report such as Baidit Association (2007) and Mel (2008), UgandaYouth (2008), who stated that, the most commonly used forms of rewards used in Uganda are both financial and non financial rewards. Where they stated that the financial rewards majorly used is direct through salary, and wages whereas the non financial are through recognition of employees.

5.1.2 Effects of rewards on employee performance in Kyambogo University.

From the research findings, the effects of rewards on employee performance effect in Kyambogo University are both positive and negative effects; where positive effects are commitment of employees, employee loyalty, reduced absenteeism, reduced late coming, reduced incidence of strikes and the like; whereas the negative effects of rewards are late coming, strikes in the company (peace full strike), absenteeism, reduced commitment from employees, labor turnover and others. This is in

relation to other previous researchers' reports-Baidit Association (2007), Mei (2008), and Uganda Youth (2008), who stated that rewards have both positive and negative effects on employee performance where the positive effects are employee loyalty, reduced absenteeism and employee commitment, whereas negative effects are late coming, absenteeism, incidence of strikes and reduced employee commitment.

5.1.3 Ways of how to improve Reward Systems in Kyambogo University

According to the research findings, ways of how to improve reward systems in Kyambogo University are; through having individual pay system where there is paying according to the level of education, job evaluation should be done to determine the relative worth of the job, the company should consider internal equity, the company should also consider external equity where it should look at how much other companies are paying, there should be total compensation system of rewarding employees where there is assessment of employee contributions to the organization and pay accordingly, also there should be pay for performance, having effective communication and training of employees and then promoting them. This is in relation to the previous researchers' reports, Baidit Association (2007) ,Mei, (2008) and Uganda Youth(2008), who stated that the ways of how to improve reward systems in Uganda are through paying according to level of education, do job evaluation, consider internal and external equity, 'training employees and promoting such employees after training and paying according to seniority.

5.2 Conclusion

The conclusion of the study is that, the forms of rewards used in Kyambogo University are both financial and non financial rewards.

Rewards certainly have effects on employee performance in Uganda both positive effects and negative effects. The positive effects are improved employee commitment, reduced absenteeism, reduced late coming, reduced incidence of strikes and reduced labour turnover; whereas negative effects are absenteeism, late coming, strikes and labour turnover.

It can also be concluded that the ways to improve reward system in Uganda are through internal equity, external equity, paying according to the level of education, paying according to seniority, carrying out job evaluation to determine the relative worth of the job, and paying for performance.

5.3 Recommendations

The researcher made the following recommendation in relation to the findings and the Conclusion.

- There should be a pay for performance system of rewarding staff; where those employees who have performed better are compensated for their better performance, this will result into improved performance of employees.
- There should be a system of rewarding employees after considering their level of education qualification. This will make employees spur their potentials towards

- Job evaluation should be done first before pay structure is determined so as to determine the relative worth of the job, hence better pay and as a result leads to employee job performance.
- Kyambogo University. should consider the level of skills (seniority) when determining their pay system. This is called individual pay system and it depends on the number of years an employee has served in the State hence employee effective performance.
- Uganda should have a system of rewarding its employees depending on the profitability of the company, whereby when the companies have realized more profits, the pay for the employees is increased.
- There should be promotion of the workforce after they have attained new skills; this will improve on their satisfaction and hence attaining employee performance in the State.

5.4 Limitations of the study

The research study faced the following problems;

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

5.5 Areas of further research

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

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

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APPENDICES

Appendix A

The time frame of the study

Proposal	August-may
Data collection	September
Dissertation writing	January
Submission	May

Appendix B

Budget for the study

No	Items	Quantity	Rate	Amount/sdp
1	Transport services	2 weeks	50*14	700
2	Lunch	2 weeks	30*14	420
3	Typing and printing	48 pages	10*48	48
4	Photocopying	48 pages	5*48	240
5	Stationery	1 ream	1*300	300
6	Miscellaneous			500
	Total			2208

APPENDIX C

QUESTIONNAIRE

Dear respondent ,I am called **Kagoda** , a researcher pursuing a Bachelor's degree inat Kampala International University. I am conducting a research on the effect of rewards on employee performance. This research will be for purely academic purposes. The finding of this research will benefit Kyambogo University as well as my personal career. Please take time to answer for me these questions. All answers will be treated with confidentiality .Section A: Background information

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

Name of the respondent (optional)

Surname.....

Other names.....

Gender of the respondents

Male

Female

Age of the respondents

18-30

30-40

40 and above

Level of education of the respondents

Diploma

Degree

Masters

Others specify.....

Marital Status

Single

Married

Widow

Widower

Divorced

Section B

1. What are the forms of rewards used in The Kyambogo University?

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2. Of the forms, which are commonly used in the Kyambogo University in Uganda?

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Section C

3. Are there effects of rewards on employee performance in the Kyambogo University

Yes

No

4. State the positive effects of rewards on employee performance in the Kyambogo University?

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.....

5. State the negative effects of rewards on employee performance in Kyambogo University.....

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.....

Section D

6. Suggest ways of how to improve the reward system in Kyambogo University.....

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7. Which ones are vital in most organizations?

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.....

THANK YOU SO MUCH FOR YOUR COOPERATION

APPENDIX INTERVIEW GUIDE

1. What are the forms of rewards used in the Kyambogo University?
2. What are the effects of rewards on employee job satisfaction in Kyambogo University?
3. What are the problems with reward system in Kyambogo University?
4. What are the ways of how the reward system in Kyambogo University?