

**THE IMPACT OF REWARD ON EMPLOYEE PERFORMANCE: A CASE
STUDY- MINISTRY OF EDUCATION AND SPORTS IN UGANDA**

BY

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**A RESEARCH REPORT SUBMITTED TO THE SCHOOL
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DECLARATION

I Paul Lakizo John declare that this Report on the “Impact of Reward on Employee Performance” case study of Ministry of Education and Sports in Uganda, is my original piece of work and has not been submitted to any other institution or university for any academic award whatsoever.

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Signature:


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Date:


03/02/2012
.....

APPROVAL

I hereby certify that this work was done under my supervision and with my final approval for submission for the award of the degree of Business Administration of Kampala International University.

Supervisor: Mr. Barasa. O. Henry

Signature



Date:



DEDICATION

This work is dedicated to my beloved family particularly to my father Mr. John Reham and my mother Mrs Grace Awadia. God Bless you all.

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My sincere gratitude goes to all those who academically, psychologically and financially assisted me in my studies. My sincere appreciation goes to my supervisor Mr. Henry O. Barasa for his tireless effort in the supervision of this work. Special appreciation goes to all the lecturers in the School of Business and Management for imparting professionalism into this work. Thanks a great deal.

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LIST OF ACRONYMS

ESA:	Education Standards Agency
NCDC:	National Curriculum Development Centre
NCHE:	National Council for Higher Education
ESC:	Education Service Commission
HRM:	Human Resource Management
SPSS:	Statistical Package for Social Scientists

ABSTRACT

The study on the “Impact of Rewards on Employee Performance” was carried out in the Ministry of Sports and Education in Uganda with specific aims of; assessing reward as a dynamic in performance of employees, the contribution of employees performance to organizational productivity challenges experienced as a result of rewards and intervention measures that can be adopted. A review of related literature was carried out in comprehending the problem, enriching and supplementing the study findings. This was through quantitative and qualitative research designs under which questionnaires and interviews administered to a sample of 60 respondents who were purposively selected.

It was established that, reward as a dynamic creates acceptability of management processes; self initiative and belongingness, plays a compensatory role and helps management to ascertain as to when and how to reward employees. It was also revealed that employees contributed the wellbeing of the organization by attaining set goals, building organisation’s reputation, working productively as a team, boosting management efficiencies and coordinating organization activities. The challenges of rewards in organization performance were identified as creating misunderstandings between workers, employee becoming psychologically conditioned, demotivation of employees in case of absence of rewards, wastage of company resources in cases of labour turnover and inconsistencies in quality output. The study concluded that employee burn out has serious consequences for employees thus calls for reducing through rewards. Thus it is prudent for organizations to recognize the need to be cautious in selecting a reward system that is strategic and free from holding managers liable in cases of their absence.

The study recommended; preventing burnout through feedback both from organizations and co-workers; management should understand what motivates employees; altering of rewards; rewards through employee recognition.

CHAPTER ONE

INTRODUCTION

1.0 Background of the Study

An employee reward system, is set up by organizations to reward performance and motivate employees. They separate consideration from salary but may be monetary in nature. According to Glasscock and Gram (1996), although this has previously been a domain of large organisations, small businesses also employ rewards as a tool to lure top employees in competitive services as well as to increase employee performance. Thus for organization to meet its obligations it must develop a relationship between the organization and employees to fulfill the continually changing needs. Organization expects employees to perform reliably the tasks following set standards and rules through self initiative, supervision, continuous learning and responsiveness to needs. Employees in turn expect fair pay, safe working conditions, and fair treatment (Parker et al, 2001).

Traditionally most reward programmes were vague and often given in response to a manager's perception of when an employee performed exceptionally well with no set standards to measure exceptional performance. This could mean anything from having a good attitude, assisting another department, or being consistently punctual. In current organizational settings organizations understand the great gains derived by linking rewards to their business strategy (Flynn, 1998). In any competitive climate, administrators are looking towards the improvement in services while reducing costs. The stronger the agency the tighter the services, while small organizations need to get more from their employees, their employees are looking for more out of them. The study intended to examine how rewards affect the performance of employees by making a rapid assessment of employees' effort in meeting organizational objectives. Due to this background and setting the research was conducted in the Ministry of Education and Sports in Uganda.

1.1 Statement of the Problem

Rewards have an impact on the performance of employees in any organization and thus may restrict them from effectively playing an active role in the attainment of organizational goals. It is therefore imperative to note that there is a connection between rewards and employee performance which results in complexities in the productivity of the organization and thus generating global concern.

Despite the active role played by employees in the achievement of organizational goals such as working in teams to achieve organizational goals, marketing organization, aiding coordination of organizational activities and promoting efficiencies in administration, their performance is interfered with, by dissatisfactions arising from absence of rewards for their praiseworthy aspects, and thus hinders the productivity of organizations. The study therefore sought to understand the impact of reward on employee performance in organizations particularly the Ministry of Education and Sports in Uganda to provide possible remedies.

1.2 Purpose of the Study

The purpose of the study is to establish the impact of reward on employee performance particularly in Ministry of Education and Sports in Uganda.

1.3 Objectives of the Study

1.2.1 General Objective

The overall objective of the study is to examine the performance of employees in the prevailing reward system in the Ministry of Education and Sports in Uganda.

1.2.2 Specific Objectives

- i) To assess reward as a factor in performance of employees.
- ii) To assess the contribution of employees to organizational productivity.
- iii) To find out the challenges experienced in the operation of the organization as a result of rewards in the Ministry of Education and Sports in Uganda.
- iv) To determine possible intervention measures that can be adopted to curb the challenges experienced.

1.3 Research Questions

- i) What is the contribution of reward to employee performance?
- ii) What is the contribution of employees to organizational performance?
- iii) What are the challenges experienced in organizational productivity as a result of rewards?
- iv) What are the possible intervention measures that can be implemented to curb these reward related issues?

1.4 Scope of the Study

1.4.1 Geographical Scope

The study focused on the departments in the education section of the Ministry of Education and Sports in Uganda. The ministry is located on Parliamentary Avenue in Kampala Central District, with a population of approximately 192 employees according to MOES (1998-2003) report. The Ministry is one responsible for sports and education issues in Uganda. The departments to be covered will include the following; Finance and administration, education planning, pre-primary and primary education, secondary education, higher education, teacher education, special needs and career guidance, business technical/vocational education training, the Education Standards Agency (ESA), the National Curriculum Development Centre (NCDC), the National Council for Higher Education (NCHE), and the Education Service Commission (ESC).

1.4.2 Content Scope

The study will examine the impact of reward on employee performance in the different departments in the Ministry of Education and Sports in Uganda. It will be restricted to challenges experienced in the operation of the agency as a result of rewards with special focus given to assessing reward as a factor in productivity in order to understand its contribution to organizational productivity for purposes of identifying possible remedies that can be adopted to eliminate reward related issues. The study will cover a sample of 60 respondents which will cut across different age group and gender.

1.4.3 Time Scope

The study is expected to cover a period of three months and will take place from August 2011 to October 2011 due to the nature of work activity that is expected to be carried out.

1.5 Significance of the Study

It is expected that when this study is carried out and accomplished successfully, it will contribute substantial awareness on organization productivity by providing useful information to concerned practitioners, both local and international as well government agencies and the entire community on rewards and the improvement of employee performance.

The study will help in identifying appropriate means of determining an immediate solution to reward issues to motivate employees through providing a foundation for future research in narrowing the existing gaps about rewards and employee performance in organizations.

It will also contribute towards organizational improvement in terms of changing employee attitude by addressing reward related issues.

It will be significant to the researcher in fulfilling one of the requirements for award degree of Bachelors in Business Administration.

1.6 Conceptual Framework Showing the Impact of Impact of Reward on Employee Performance.

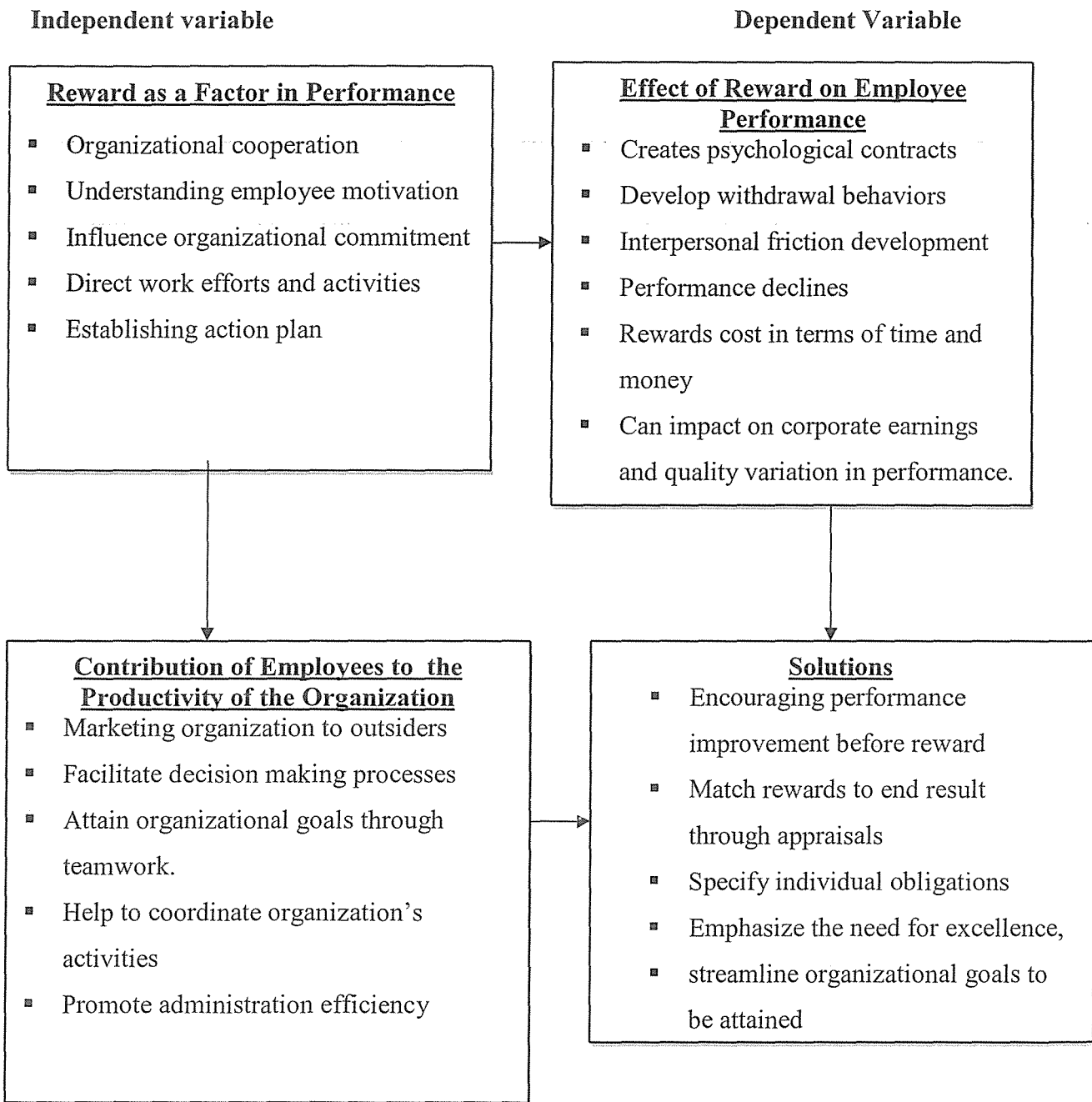


Figure1.1: Conceptual Framework

The independent variable was perceived as the contribution of reward while the impact of reward on employee performance will be perceived as the dependent variable. More so, the study identified the extraneous variables that can also affect the outcome of the study.

The study perceived that, the independent variable is the reward factor in performance which includes influencing organizational commitment, compensating strategy, understanding

employee motivation, directing work efforts and activities, establishing action plan, whose absence may lead to creation of psychological contracts, developing withdrawal behaviors, interpersonal friction development, performance declines, wastage of time and money as well as impacting on corporate earnings and quality variation in performance. Yet the presence of rewards may bring about handling and tackling challenging work in teams, attainment of organizational goals, Marketing organization, aid coordination of organizational activities and aiding promotion of efficiencies in administration. Thus organizations need to emphasize the need for excellence, identify organizational goals to be attained, need to encourage performance improvement before reward, match rewards to results, spell out specifics of every employee, in order to boost their productivity.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The study reviewed literature from various scholars on the major variables of the study which were; to assess reward as a factor in performance of employees; the contribution of employees to organizational productivity; the challenges experienced in the operation of the organization as a result of rewards in the Ministry of Education and Sports in Uganda and determining possible intervention measures that can be adopted to curb the challenges experienced.

2.1 Reward as a Dynamic in Employee Performance

There are a number of different types of reward programs aimed at both individual and team performance which may be adopted by any organization or agency.

2.1.1 Influences Organizational Commitment

Kreitner and Kinicki (1992) note that, a reward process is intended to promote organizational commitment and ultimately improve organizational effectiveness. An employee's experience through reward process may affect their willingness to be committed to their organization. When an employer provides a high quality reward experience it will increase the employees' perceived obligations to the employer which, in turn, affect their attitudes and potentially their behaviours. Organizational commitment is dependent on maintaining a relationship of consistency and good faith, which can be affected by the quality of reward experience. Thus a high quality reward experience should lead employees to feel appreciated by, and be proud of, the organization. In turn they are more likely to identify with and internalize the values of the organization.

Whereas La Motta (1995) recognizes rewards as a motivator and that motivation is operational and thus rewards bring about an inner force that drives individuals to achieve personal and organizational goals. Understanding what motivates employees is one of the key challenges for managers. Although it is not possible directly to motivate others, it is nonetheless important to know how to influence what others are motivated to do, with the overall aim of having employees identify their own welfare with that of the organization.

2.1.2 Gives Employees Organizational Touch

Before plan is launched, a reward is decided, if bonuses are to be relied upon. There is a need to take note of employee performance both good and bad throughout the year. This helps in rewarding employees for longer term performance rather than skipping them because of a mistake that they committed the past few days. At times non cash rewards can have a greater impact for the employees, organizations may at times have to go out of their way to recognize and just give praise employees (Spitzer and Dean, 1996). Other organizations may offer flexible working hours and the occasional afternoons off which have proven to be great rewards.

With extra time, employees can take care of errands and enjoy a full weekend while others will give out gift certificates on rare occasions. In other words they the hours allow employees to take time for family or personal issues such as doctor's appointment and banking errands," as long as the employee is deserving and doesn't abuse the privilege, this can go a long way to building trusting and mature relationships with key workers." If there's one free reward that rises above the rest, it's flexible work schedules. Nearly every well successful organizations flexes time as a perk that offers the most gain with the least pain (Tully and Shawn, 2006).

Part of the recognition factor in rewarding employees is organizational involvement. Management should show the employees that even as subordinates, they are on the same team by tailoring organizational activities to individuals as much as possible in this way organizations customize activities to employees preferences, to create a sense of belongingness (Weber and Joseph, 1991).

2.1.3 Play a Compensative Role

Shawn and Tully (2006) point out that, through variable pay or pay-for-performance, a compensation program in which a portion of a person's pay is considered at risk, employees are tied to the performance of the company. The results of a business unit, an individual's accomplishments, or any combination of these. It can take many forms, including bonus programs, stock options, and one-time awards for significant accomplishments. Some companies choose to pay their employees less than competitors but attempt to motivate and

reward employees using a variable pay program instead. In their book *Fortune*, the test of a good pay-for-performance plan is simple and it must motivate managers to produce earnings growth that far exceeds the extra cost of the program, though employees should be made to stretch, the goals must be within reach.

Rewards programmes according to Kreitner and Kinicki, (1992), come within the overall concept of compensation strategies which are defined as the “deliberate utilization of the pay system as an essential integrating mechanism through which the efforts of various sub-units or individuals are directed towards the achievement of an organization’s strategic objectives” (Beer et al, 1996). They are management tools that hopefully contribute to a firm's effectiveness by influencing individual or group behavior (Lawler, 2003). All businesses use pay, promotion, bonuses or other types of rewards to encourage high levels of performance.

2.1.4 Performance Reward Experience and Human Resource Outcomes

Beer et al (1996) emphasize the importance of the quality of the reward experience to derive from its impact on HRM outcomes, such as job satisfaction, organizational commitment and intention to quit. In this case, job satisfaction becomes the overall degree to which an employee likes his or her job. It is typically seen as a short-term measure as it can be affected by transitory events, this is a measure of employee wellbeing and it is associated with employee productivity and safety. Job satisfaction is the result of an employee's perception of how well their job provides those things that are viewed as important to them. A high quality reward system experience is likely to enhance employees' feelings of self-worth, achievement, attitudes about their job and their feelings of a positive standing in the organization. It is also likely to generate confidence in the quality of the outcomes. A low quality reward experience may result in a lower level of job satisfaction as employee is likely to feel that their contributions are not valued this reduces the employees' feelings of achievement and self-worth, and, ultimately, job satisfaction.

2.1.5 Promote Employee Motivation

At a minimum, employees expect the organization to provide fair pay, safe working conditions, and fair treatment. Like management, employees often expect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility, just how ambitious the expectations of each party are vary from organization to organization. For organizations to address these expectations an understanding of

employee motivation is required (Beer et al, 1996). Carnegie (1999) emphasizes the human aspects of management. They postulate that as it is people who make a business succeed or fail it is the organization's chief responsibility to motivate their people so that they will assure success. Each human being has the potential for creativity and for achieving goals. The infinite question is how organizations reach this potential and how they stimulate creativity and foster in their people the desire to succeed and to achieve self-fulfillment through their work. People need to be respected and treated as precious human capital, more essential to an organization's effectiveness than its financial capital. Employees are now seen as the primary source of a company's competitive advantage. Therefore, the way people are treated increasingly determines whether an organization will prosper or even survive (Lawler, 2003). Organizations are under constant pressure to enhance and improve their performance and are realizing that an interdependent relationship exists between organizational performance and employee performance.

2.1.6 Reward Experience Considerations in Performance

Many organizations trust that performance rewards do result in increases in employee performance and productivity. These improvements are seen to derive from the greater employee identification with and commitment to, the objectives of the organization. Work efforts are directed to activities that will be of benefit to the organization. Poor performing employees are identified during appraisal or evaluation cycle and given feedback on how to improve either verbally or rewarding best performers. They might also undertake some developmental activities, like training, in order to rectify performance deficiencies. Employees are motivated to work at a higher level by the offer of financial incentives that are contingent on their performance, and these financial incentives are important in encouraging the retention of high performing employees. When these positive outcomes are not generated, it is often concluded that the fault lies with the low quality of the reward process (Deeprise, 2000).

2.1.7 Short term Encouragements through Bonuses

Stack and Jack (1999) realized the importance of bonus programs in rewarding individual accomplishment and are frequently used in sales organizations to encourage salespersons to generate additional business or higher profits. They can also be used to recognize group accomplishments and an increasing numbers of businesses have switched from individual

bonus programs to one which reward contributions to corporate performance at group, departmental, or company-wide levels.

Yet with Thornburg and Linda (2004) small businesses interested in long-term benefits should probably consider another type of reward. Bonuses are generally short-term motivators. By rewarding an employee's performance for the previous year, say critics, they encourage a short-term perspective rather than future-oriented accomplishments. In addition, these programs need to be carefully structured to ensure they are rewarding accomplishments above and beyond an individual or group's basic functions. Otherwise, they run the risk of being perceived as entitlements or regular merit pay, rather than a reward for outstanding work. Proponents, however, contend that bonuses are a perfectly legitimate means of rewarding outstanding performance, and they argue that such compensation can actually be a powerful tool to encourage future top-level efforts.

2.1.8 Rewards Help in Establishing Action Plan

Welles and Edward (1994) envisage that, while the goals to be achieved may vary from project to project or staffer to another, the process that to be followed can be duplicated each time, thus the most important details for any compensation plan are that; top performance is rewarded and should be clear for the entire program. There should be a plan and culture that motivates less than top performers strive to do better. Communication is always a key ingredient for the entire program. Much of the program success hinges on people getting a clear and consistent message and understanding the objectives. Thus when communicated to at least people understand that if things don't work out well they are not going to get any incentives.

2.1.9 Group Based Rewards in Cooperation

Spitzer and Dean (1996) envisage that, as more small businesses use team structures to reach their goals, many entrepreneurs look for ways to reward cooperation between departments and individuals. Bonuses, profit sharing, and stock options can all be used to reward team and group accomplishments. An entrepreneur can choose to reward individual or group contributions or a combination of the two. Group-based reward systems are based on a measurement of team performance, with individual rewards received on the basis of this performance. While these systems encourage individual efforts toward common business goals, they also tend to reward underperforming employees along with average and above-

average employees. A reward program which recognizes individual achievements in addition to team performance can provide extra incentive for employees.

2.2 The Contribution of Employees Performance to Organization Productivity

2.2.1 Help in Attaining Company Goals

Employee performance enables organization to meet their objectives by following the guiding principles, observing the organization's vision, mission, and values statements. This information tells them the kind of fundamental practices that are important. They are able to examine instructions on how they should do things as well as what they should do. They also follow rules, regulations, and policies (Caggiano and Christopher, 1997).

2.2.2 Bring about Efficiencies in Administration

Dauten (1999) realizes that assessments of quality typically require the involvement of stakeholders. In the context of performance appraisals, a critical stakeholder is the employee: the performance appraisal process is designed to stimulate employee performance. It is the behaviours and attitudes of employees that are important to the overall success of a performance appraisal process. Employees are sensitive to quality variations in performance appraisal as its processes are a powerful determinant of their prospects within the organization, such as, for example, promotion or termination of employment. Performance appraisal quality variations can generate strong reactions among employees, as well as affecting overall organizational efficiency (Dauten, 1999).

2.2.3 Do Challenging Work by Working with Teams

Employees want to feel that what they do is important. Doing more challenging work or working with different employees are some good examples. Investigate things employees like about where they work. For this matter, organizations should determine what makes them excited and thus this information can be used to explain how effective employee performance can lead to greater job enrichment (Lawler, 2003).

2.2.4 May Help in Marketing Organisation

According to Deeprose (2000) employee performance leads organizations to achieving successes. They may at times work as voluntary marketers on behalf of the organization in the acquisition of new customers through the strategic plans and operational goals for direct or indirect links, yet they have the ability to do so or not to do so. They also enable a smooth

workflow process within and among departments to provide essential information to the organization.

2.2.5 They Aid Coordination of Organizational Activities

La Motta (1995) notes that, employees contribute to the productivity of companies when through teamwork, the organizational staff that is to say managerial, technical, support staff and others are able to work as one body each impacting differently on the attainment of the desired results.

2.3 Challenges Experienced by Organizations as Result of Rewards

Organisations and individuals suffer many severe consequences as a result of employee burnout due to absence of rewards as illustrated;

2.3.1 Withdrawal Behaviors Develop

Withdrawal behaviors develop when employees try to avoid what discomforts them, and those organizational conditions that can cause burnout such as rewards are certainly discomforting. Under these circumstances a logical reaction is to withdraw-leave work early, arrive at work late, take long breaks, and stay away from the workplace as much as possible (Henemen et al, 2003).

2.3.2 Psychological Contracts Created

Shore and Tetrick (1994) During their employment with a particular organisation, employees will seek, process, integrate, interpret and derive meaning from information gained from a number of sources, such as co-workers, supervisors and recruiters, as well as the implied and formal employment contract. From this process employees will create their individual interpretations of their obligations and entitlements that is, their psychological contract with the organisation.

2.3.3 Rewards Cost in Terms of Time and Money

The idea behind profit-sharing is to reward employees for their contributions to a company's achieved profit goal. It encourages employees to stay put because it is usually structured to reward employees who stay with the company; most profit-sharing programs require an employee to be vested in the program over a number of years before receiving any monies. Unfortunately, since it is awarded to all employees, it tends to dilute individual contributions. In addition, while profit is important, it is only one of many goals a company may have and is, according to Jack and Stack (1991) an accumulation of everything that happens in the

business over a given period of time" and is therefore difficult for most employees to connect their actions to. Stack argued that "[employees] have to be able to see the connection between their actions, decisions, and participation, and changes in a company's goals. Like bonuses, profit sharing can eventually be viewed as an entitlement program if the connection between an employee's actions and his or her reward becomes murky.

2.3.4 Interpersonal Friction Develops

Klubnik and Joan (2003) observe that, with a dissatisfied workforce, interpersonal friction results, and misunderstandings crop up. As employees begin feeling cynical and callous toward others, small differences lead to monumental arguments, work assignments begin to seem like insurmountable challenges, and friends begin to look like foes, but rewards can change the work environment.

2.3.5 Performance Declines

Caggiano and Christopher (1997) considered performance declines, to be a subtle result of burnout due to absence of motivating rewards, the quantity of an employee's performance may not diminish but the quality may.

2.3.6 Quality Variation in Performance

In their view, Glascock et al (1996) observed that, the aim of a quality approach is to reduce variation in every process in order to obtain greater consistency. That with performance appraisal a complex process is exhibited with a scope for variation, particularly when the supervisor is required to make subjective judgments of employee performance for appropriate reward, thus focusing on the quantifiable aspects of job performance. Subjective judgments have the potential to dilute the quality of the reward process as they may be influenced by bias or distortion as a result of emotion. Understanding the impact of performance appraisal quality is particularly important as for determining rewarding programme.

2.3.7 Corporate Earnings could be Impacted through Stock Options

Henemen et al (2003) put forward that, previously in the territory of upper management and large companies, stock options have become an increasingly popular method in recent years of rewarding middle management and other employees in both mature companies and start-ups. Employee stock-option programs give employees the right to buy a specified number of a company's shares at a fixed price for a specified period of time usually around ten years.

Like profit-sharing plans, stock options usually reward employees for sticking around, serving as a long-term motivator. Once an employee has been with a company for a certain period of time usually around four years, he or she is fully vested in the program. If the employee leaves the company prior to being fully vested, those options are canceled. After an employee becomes fully vested in the program, he or she can purchase from the company an allotted number of shares at the strike price or the fixed price originally agreed to. One benefit to offering stock options is a company's ability to take a tax deduction for compensation expense when it issues shares to employees who are exercising their options.

Another benefit to offering options is that while they could be considered a portion of compensation, current accounting methods do not require businesses to show options as an expense on their books. This tends to inflate the value of a company. Companies should think carefully about this as a benefit, however. If accounting rules were to become more conservative, corporate earnings could be impacted as a result. Offering additional stock in this manner presents risks for both the company and the employee. If the option's strike price is higher than the market price of the stock, the employee's option is worthless. When an employee exercises an option, the company is required to issue a new share of stock that can be publicly traded. The possibility of reduction of company earnings impacting both the company and shareholders arises when the company has a greater number of shares outstanding. To keep ahead of this possibility, earnings must increase at a rate equal to the rate at which outstanding shares increase. Otherwise, the company must repurchase shares on the open market to reduce the number of outstanding shares.

2.4 Solutions to the Challenges Experienced as a Result of Reward

2.4.1 Reward Program should Identify Organizational Goals to be Attained

In their assertion, Parker et al (2001) noted that, in order to reap benefits such as increased productivity, there is need to design a reward program which identifies company or group goals to be reached and the behaviors or performance that will contribute to this. While this may seem obvious, organizations frequently make the mistake of rewarding behaviors or achievements that either fail to further business goals or actually sabotage them. If teamwork is a business goal, a bonus system rewarding individuals who improve their productivity by themselves or at the expense of another does not make sense. Likewise, if quality is an important issue for an entrepreneur, the reward system that he or she designs should not emphasize rewarding the *quantity* of work accomplished by a business unit.

Therefore according to Parker et al (2001) the keys to developing a reward program are as follows; identification of company or group goals that the reward program will support; identification of the desired employee performance or behaviors that will reinforce the company's goals; determination of key measurements of the performance or behavior, based on the individual or group's previous achievements; determination of appropriate rewards and communication of program to employees

2.4.2 Specifics of every Employee Need to be Spelt Out

Britton et al (2007) put forward that, successful rewards program clearly spell out the specifics for every employee and that, motivation depends on the individual's ability to understand what is being asked of her/him. Once this has been done, reinforcement of the original communication with regular meetings or memos promoting the program is done. To ensure staffs are kept abreast of changes to the system, communications are kept simple but frequent.

2.4.3 Use Rewards to Emphasize the Need for Excellence

According to Henemen et al (2003) emphasized that, in designing a reward program, managers and administrators need to separate the salary or merit pay system from the reward system. Financial rewards, especially those given on a regular basis such as bonuses, gainsharing, should be tied to an employee's or a group's accomplishments and should be considered 'pay at risk' in order to distance them from salary. By doing so, Klubnik and Joan (2005) observe that, a manager can avoid a sense of entitlement on the part of the employee and ensure that the reward emphasizes excellence or achievement rather than basic competency.

2.4.4 Performance should be Improved before it is Rewarded

Deeprouse (2000) recognizes, that properly measuring performance ensures the reward program pays off in terms of organizational goals. Since rewards have a real cost in terms of time or money, small organizations need to confirm that performance has actually improved before rewarding it. The measures need to relate to a small organisation goals. As Thornburg (2004) noted that performance measures in a rewards program have to be linked to an overall business strategy. Most reward programs use multiple measures which can include such variables as improved financial performance along with improved customer service, improved customer satisfaction, and reduced defects.

2.4.5 Rewards should be Matched to End Result

Perfect attendance might merit a different reward than saving the company \$10,000 through improved contract negotiation. Thus, while a rewards program is developed, there is need for an entrepreneur to consider matching rewards to the end result for the company. It is also important to consider rewarding both individual and group accomplishments in order to promote both individual initiative and group cooperation and performance (Dauten, 1999).

In view of the above literature, reward programs have their place in businesses and in the effective performance of organisations. Organisations and businesses should first determine desired employee behaviors, skills, and accomplishments that will support their organisational goals. By rewarding and recognizing outstanding performance, managers will have an edge in a competitive corporate climate.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter explained the specific research methodology and techniques that the researcher employed in order to obtain data. It was an analysis of the geographical study research design, description of the population sampling strategies and sample design, data collection techniques measurements and data analysis techniques.

3.1 Research Design

The study used an explanatory research design because it focuses on perception, facts, feelings, experiences as well as the emotions of respondents since the generated research questions required observance of an explanatory, descriptive and analytical perspective in order to find out the contributions of reward in employee performance, the contribution of employees to organizational productivity, the challenges experienced as result of employees, and solutions that can be devised.

3.2 Study Area

The study took place in the Ministry of Education and Sports in Uganda which is located on Parliamentary Avenue. The agency is purposely selected due to its convenient location and the fact that, it has employees who experience reward related issues and thus harbors the major study elements. The study will cover 12 departments that is to say; Finance and administration, education planning, pre-primary and primary education, secondary education, higher education, teacher education, special needs and career guidance, business technical/vocational education training, the Education Standards Agency (ESA), the National Curriculum Development Centre (NCDC), the National Council for Higher Education (NCHE), and the Education Service Commission (ESC).

It will involve departmental heads, employees as well as support staff for sufficiency of data.

3.3 Sample Size

A sample of 60 respondents was used in the study and cut across different age groups. An equal opportunity was given for each department. Thus, the study involved 5 departmental heads from the five different departments, 36 employees with 3 drawn from each of the departments and 9 support staff. The study covered both skilled and unskilled staff.

3.4 Sample Procedure

The study was done through purposive sampling method where the employees were of significant importance. The employees were selected purposely because they carried out active roles on behalf of the agency. Stratified sampling was administered on the departmental headed purposely because they head personnel and administrative issues and thus have vital knowledge about the subject under the study and therefore satisfy the strata. The support staff was purposely selected because they assist in the maintenance of the agency and thus may have useful knowledge about rewards in the agency's. During the study, the researcher took into consideration the different attributes of respondents such as age, sex and education and procedure therefore relied on demographic characteristics of the study respondents.

3.5 Data Collection

3.5.1 Sources of Data

Primary Data

This was obtained through use of self administered questionnaires and interviews which were directly administered by the researcher.

Secondary Data

This was obtained from the Ministry of Education and Sports on how much has been done now and in the past. Published and unpublished documents, agency reports and internet sources were referred to, to throw more light on rewards and employee.

3.5.2 Research Instruments.

Interviews

The researcher organized key informant interviews with departmental heads who enriched the findings of the study. The researcher interacted with the respondents face to face and ask them relevant questions to the study.

Questionnaires

Both open and close ended questionnaires were used in the collection of data and these were distributed to the employees and support staff who were able to read and understand and fill in the correct information.

3.6 Data Processing

The processing of data was done after the collection of data for verification of the information gathered and for attainment of completeness, accuracy and uniformity. Data editing involved checking the information for errors which was advantageous because it enabled the researcher to delete and eliminate possible errors that were traced that could have manipulated the results of the study. Data was analyzed concurrently to avoid duplication thereby guiding the entire study for balanced and critical analysis. The researcher used hypothesis based on the questionnaire and for other items, tabulation pie-charts and percentage methods was used for data presentation, analysis and qualification.

3.7 Data Analysis

The study explained, described and presented the study findings basing on the specific objectives of the study, and research questions where data analysis was first done through sketchy and generalized summaries of the findings such as observation and conclusions in the process of data collection. Data analysis was done using Statistical Package for Social Scientists (SPSS) version and presented in charts.

3.8 Ethical Consideration

The researcher carried out the study with full knowledge and authorisation of the Departmental Heads. The researcher first of all obtained a letter of introduction from the university, introducing him to the field which he used to erase suspicion by the respondents. The researcher thereafter went ahead to book respondents after which he picked the questionnaires and conducted interviews on agreed upon dates. The researcher also had the task of assuring the respondents of their confidentiality in the proces of coding data.

3.9 Limitations of the Study

The researcher encountered problems in the due course of carrying of the research and these included;

There was a problem of language barrier, particularly in dealing with the support staff, thus researcher had to find an interpreter to translate in Luganda and thus converted the questionnaire to an interview for 3 of the respondents. It is also true that the translation errors are likely to affect the quality of the data collected.

Another problem was limited time, the researcher found it hard to balance books and at the same time carry out the research especially the final compilations, but he however managed by hiring some research analysts in compiling data from the questionnaires. He also made use of most of his free time to compile the report.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSIONS OF THE FINDINGS

4.0 Introduction

This chapter covers the presentation, analysis and discussion of the findings focusing on the main variables of the study which were to assess; reward as a factor in performance of employees; the contribution of employees to organizational productivity; to find out the challenges experienced in the operation of the organization as a result of rewards; to determine possible intervention measure that can be adopted to curb the challenges experienced.

4.1 Demographic Distribution of the Respondents

The study attempted to find out the differences in the demographic characteristics of the respondents and the findings were presented in Table 1 to Table 3.

4.1.1 Distribution of the Respondents by Gender

In regard to the differences in gender of the respondents the results of the findings were as presented in Table 1 and figure 2.

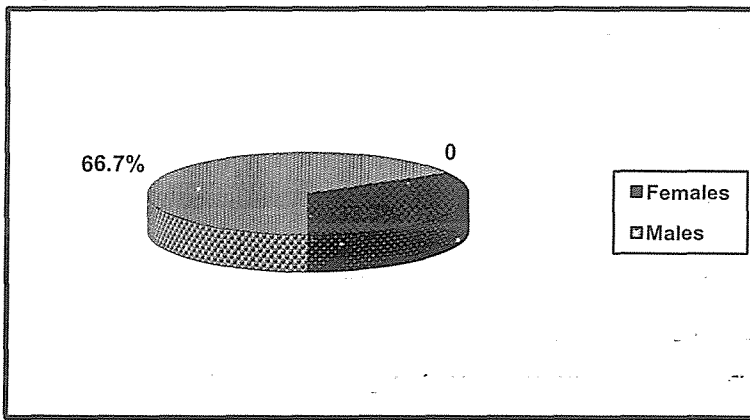
Table 1: Gender Distribution of Respondents

Sex	No of respondents	Percentage
Females	20	33.3%
Males	40	66.7%
Total	60	100

Source: Field Research Findings (2011)

In the findings of the study, it was established that the males dominated the sample and thus constituted 66.7% of the total sample whereas the females constituted the minority sample of 33.3%. According to the researcher male dominated the sample purposely because they normally fill the official positions as compared to men due to existing gender imbalances.

Figure 2: Gender Distribution of the Respondents



Source: *Field Research Findings (2011)*

1.2 Distribution of the Respondents by Age

The study also sought information about the age distribution of the respondents and the findings were as presented in table 2.

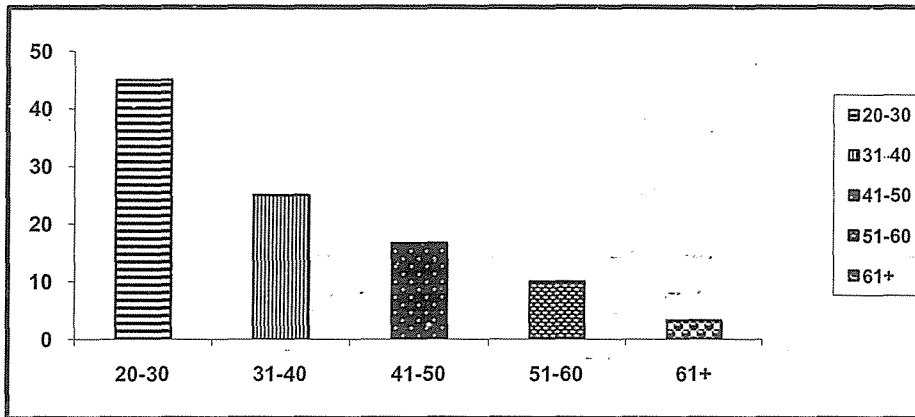
Table 2: Age Distribution of the Respondents

Age group	Frequency	Percentage (%)
20 – 30	6	10%
31 - 40	27	45%
41-50	15	25%
51-60	10	16.7%
61+	2	3.3%
Total	60	100%

Source: *Field Research Findings (2011)*

According to the study findings in table 2 and figure 3, it was revealed that age group 31-40 as represented by 45%, was the most highly represented group, 41 – 50 comprised of (25%), age group 51-60 consisted of 16.7%, the 20 – 30 group consisted of 10% while the 61+ was the least represented sample particularly because they are less energetic and thus may have retired from work.

Figure 3: Age Distribution of the Respondents



Source: *Field Research Findings (2011)*

4.2 Reward as Factor in Performance of Employees

The study aimed at establishing the role played rewards in the performance of employees and the study findings were as revealed in table 5;

Table 3: Reward as a Factor in Performance of Employees

Reward	Agree	Disagree	Total Frequency	Total %age
Compensatory role	45(75%)	15(25%)	60	100
Helps management to ascertain how to reward	22(36.7%)	38(63.3%)	60	100
Spirit of belongingness	49 (81.7%)	11(18.3%)	60	100
Creates self initiative	56(93.3%)	4(6.7%)	60	100
Reward ascertainment	35(58.3%)	25(41.7%)	60	100
Management acceptability	50(83.3%)	10(16.7%)	60	100
Following action plan	11(18.3%)	49(81.7%)	60	100

Source: *Field Research Findings (2011)*

According to the study findings in table 4 it was established the role played by rewards in the performance of employees was; creates self initiative (93.3%), creates acceptability of management processes (83.3%), creates spirit of belongingness (81.7), plays a compensatory role (75%), helps management to ascertain when to reward (58.3%), helps management to ascertain how to reward (36.7%) and employees follow a designed action plan (18.3%).

It was established from the study findings that, rewards bring about a sense of self initiative and creativity whereby employees tend to pursue their careers deeper in order to effectively execute their roles as a way of showing their appreciation to management for rewards received. This is in line with La Motta (1995) who foresaw the role of rewards as a motivator bringing about an inner force that drives individuals to achieve personal as well as organizations goals. Just as Kreitner and Kinicki (1992) uphold that a reward process is intended to promote organizational commitment by improving willingness to work as perceived obligations increase to improve organizational effectiveness.

In the researcher's opinion, this implies that, when employees are rewarded, they are in position to identify with their welfare and that of the organization and thus progressive discipline is created among employees to better understand that a performance problem or opportunity for improvement exists thereby fostering creativity to devise appropriate solutions in overcoming problems encountered while executing duties.

According to the study findings, it was emphasized that, rewards bring about a spirit of belongingness in the employees. According to them, rewards create a sense of involvement which leads employees to committing their effort in the achievement of organizational goals, as though they are working to meet their own goals or ends. This is however, in contention with Weber and Joseph (1991) who foresaw involvement to be a recognition factor of rewarding. Spitzer and Dean (1996) also envisaged that, group reward systems encourage individual efforts toward common business goals just as Tully and Shawn maintained that flexible hours as a reward, build trust and mature relationships with key workers if not abused. In the researcher's view, this is significant of the fact that organization through rewards creates togetherness through building a spirit of involvement. The organization becomes more or less a family where by in a family if some essential is lacking, the bread winners don't rest until it is fulfilled. In the same way rewards instill a sense of discipline which puts a demand on individual effort to ensure that tasks are accomplished for organizational goals to be achieved. That is to say individual employees tend to give priority preference to meeting the organizational goals rather their own preferences.

Further still, it was also pointed out that rewards create acceptability of the management process. In other words it links management to employee, by putting a demand on the urge of the employees to accomplish tasks assigned by the management efficiently and effectively as

a way of appreciation. This corresponds with Beer et al (1996) on how on a minimum, employees expect organizations fair pay depending on their involvement and responsibility towards work to be motivated. Carnegie (1999) in the same way postulates that, because it is due to the effort of people that makes organizations succeed, it becomes the responsibility of management to motivate them, just as Lawler (2003) observed that, organizations have realized that a relationship exists between employee performance and organizational performance which has put organizations under constant pressure to enhance and improve their performance.

It thus appears that, if management does not take a step to motivate the employees, then it is most likely that, they will withdraw commitment and become reluctant to accomplishing organizational goals, thereby rendering management powerless. In other words, employees may not feel obliged, thus may lack self drive to work. This in turn will put a demand on the managers to maximally supervise organizational activities, which otherwise would not have been the case in the presence of rewards.

It was also noted from the findings that, rewards play a compensatory role which incorporates the organization's system to planned goals. In other words they induce work levels or standards capable of meeting organizational set goals, by capturing the mind to respond and think in line with management. This is also envisaged by Kreitner and Kinickie (1992) who realized that reward programmes embrace compensation strategies through pay promotions and bonuses in encouraging high level performances, just as Lawler saw it as a management tool which influences individual behavior. However, according to Beer et al (1996) the situation is just similar, rewards purposefully utilize pay system as an integrating mechanism in directing efforts of various sub-units to achievement of strategic objectives. In the same manner, Shawn and Tully (2006) looked at variable pay as a compensation program considering the portion of an employee's pay at risk in order to tie employees to performance of company roles. Stack and Jack (1999) also envisaged the importance of bonus programs as rewards recognized for group accomplishments, although according to Thornburg and Linda (2004) criticize bonuses as reward that encourages short term commitment.

In the researcher's findings therefore, it can be held that, when rewards are given, employers risk winning back employee high level performances. Thus rewards are for purposes of influencing a positive behavior or attitude towards work and are given to redirect the individual's mind to aim at help the organization to attain success however, for consistency rewards need to be future oriented not short term.

In relation to the above, it was established that with rewards, management is able to know how or what kind of reward should be given to who and who should not receive. The respondents further stated that, rewards help managers to manage without much effort exerted. According to them, minimally supervised work with high commitment driven through rewarding employee effort fetches quality results than maximally supervised work without commitment of employees. Thus according to the respondents, different people exert effort different and thus rewards should not be at the same footing. Similarly, Beer et al (1996) envisaged the same when they observed that, the quality of reward experience is derived from its impact on management outcomes such as job satisfaction, organizational commitment and intention to quit.

This implies that, there is need for rewards to create job satisfaction as a way of employees to feel appreciate and contented to retain their jobs, in other words they should be rewarded with particular attention given to how much effort one has exerted.

It was also established that through rewards management is able to ascertain when to reward. In other words it is able to determine when a need to reward should arise and when to hold back reward, thus it does not reward unnecessarily. This is also envisaged by Deeproose (2000) who realized that performance rewards should be derived from greater employee identification with their commitment to the organizations objectives. Thus according to Deeproose employees are given rewards that are contingent to their performance.

This implies that, employees who are poorly performing are identified and management takes up to rewarding to rewarding those employees that have been identified as best performers to create an impact on the poor performers to exert more pressure and commitment towards work to be part of the next rewarding.

Reward was also reported to play a vital role in employee performance by redirecting their efforts to an established action plan by the management. That at times changes come up within the organization and because employees are not motivated, may be less willingly to swiftly carry out the changes, even when they can.

This is also in line with Welles and Edward (1994) who argued that, goals to be achieved may vary and procedure may be duplicated over time, thus need for a plan and culture that motivates for employees to do better.

In the researcher's opinion, this implies that, there is need for rewards to redirect efforts of the employees in case there is a change in plan of action as time/competition may desire, or else employees may find a way out not to perform highly by pretending to be trying their efforts to the readjusted programmes, even it cases when they perfectly know what to do.

1.3 Contribution of Employees to Organization Performance

The study further sought about employee contribution on organizational performance and the study findings were as indicated in table 4.

Table 4: Employee Contribution to Organization Performance

Contribution of Employees	Agree	Disagree	Frequency	Total
Goal attainment	55(91.7%)	5(8.3%)	60	100
builds organization's reputation	45(75%)	15(25%)	60	100
Productivity through teamwork	52(86.7%)	8(13.3%)	60	100
Boost management efficiencies	47(78.3%)	13(21.7%)	60	100
Coordinate organization activities	37(61.7%)	23(38.3%)	60	100

Source: Primary data (2011)

Contributions mentioned were goal attainment (91.7%) builds organization's reputation (75%), productivity through team work (86.7%), Boost management efficiencies (78.3%), and coordinating organization's activities (61.7%).

In the study, it was noted that employees help the organization to meet its success through achievement or attainment of organizational goals. It was submitted that, when all the work is done and accomplished in time the organization is able to secure a position of high profile before the public. This is in contention with Caggiano and Christopher (1997) who noted that employee performance helps organization to meet their objectives through following guiding principles, observing vision, mission, and values statements, thus important aspects are followed.

According to the research findings, this implies that, employees follow organizational instructions to implement the desired measures in order to meet organizational objectives, therefore for the great implementation work that they do, they desire rewarding.

It was established from the study findings that, employees help in boosting management efficiencies. According to the respondents, by fulfilling their tasks the performance of the management is also accomplished. Just as Dauten (1999) foresaw that through performance appraisals, a critical stakeholder is the employee and how it is the behaviours and attitudes of employees that are important to the overall success of a performance appraisal process. This signifies that, employees as determinants of the organization's success, also work towards promotion and retention of their jobs, thereby executing their duties with extra care in such a way overall organization efficiency is attained.

In addition to the above, it was also noted from the respondents that, employees help in improving organization's productivity when they come together as a team through hard work and compromise. They are able to maintain a good working environment which motivates and inspires them to work effectively in teamwork to produce incredible results. Through teamwork the employees can clearly communicate to each other and derive efficiencies through interpersonal interactions for the benefit of the organization. It was also noted that, employees are able to articulate their feelings, express plans and goals, share ideas and see each other's viewpoints despite their established roles, which enables them as team members to understand their role and responsibilities on the team thereby working in harmony. This is in line with Lawler (2003) who noted that, the employees do challenging work by working in teams to ensure that what they do is important, thus organizations should determine what excites employees for greater job enrichment.

In the research findings, this implies that when employees do what they can to better organization performance, likewise the organization should find out about excites them to ensure that it also builds on this excitement to meet its ends.

According to the study findings, it was further established that, employees build the agencies' reputation by working so hard to ensure that the Ministry meets its set goals as expected by the public, this can be providing best services and the right directives towards work in so doing the organization gains trust of the public thereby building a reputation and high company profile when compared with other agencies in performance. This is also supported

by Deeprase (2000) who noted that, employee at times work as voluntary marketers on behalf of the organization, thus they lead to organizations achieving success through enhancing strategic plans and operational goals for direct and indirect linkages. This implies that, it is in the hands of the employees to either build or destroy the organization's image. Thus in a motivated environment employees will ensure that they attain a high profile name on behalf of their company.

Coordinating of organization's activities was yet another contribution of employees to the organization performance as mentioned by the respondents. That when employees are able to work as a team the organization as a complex system becomes one and coordinated since all activities are in one way or another interconnected. This same situation was earlier envisaged by La Motta (1995) that, employees contribute to the productivity of companies when through teamwork, the managerial, technical, support staff are able to work as a group. In the research findings, this implies that employees may work in a coordinate manner to execute organizational roles with each of them fulfilling their roles as individuals but in a connected way which simplifies the complexities that would have otherwise been experienced in the organization.

4.4. Challenges Experienced in Performance as a Result of Rewards

The study further sought views on the problems encountered in performance as a result of rewards in an organization, and these are shown in table 5.

Table 5: Challenges Experienced in Performance as a Result of Rewards

Challenges	Agree	Disagree	Total Frequency	Total Percentage
Employees conditioned	48(80%)	12(20%)	60	100
Absence of rewards demotivates	47 (78%)	13(22%)	60	100
Misunderstandings between workers	50(83%)	10(17%)	60	100
Inconsistencies in quality	40(67%)	20(33%)	60	100
Waste organisation's resources	45(75%)	15(25%)	60	100

Source: *Field Research (2011)*

According to the study findings the following challenges were found to be experienced by organizations as a result of rewards; misunderstandings between workers (83%), employees become conditioned (80%), demotivated by absence of rewards (78%), waste organization's resources (75%) and inconsistencies in quality (67%).

According to the research findings, misunderstandings between employees develop as a result of withdrawn rewards. That when employees get used to being rewarded for excellent work, withdrawal of such rewards in case shortages or deficits arise, and just the best individuals are rewarded, this also becomes a challenge to management when misunderstandings crop up. In the same way Klubnik and Joan (2003) observed that, rewards lead to interpersonal friction when workforce is dissatisfied.

According to the researcher, this implies that those that are not rewarded become jealous of others leading to disagreements on work assignments and breaking the spirit of teamwork and making it hard for tasks to be accomplished since it creates enmity at work.

It was established through the research findings that, when employees' behavior is often times directed through rewards, they become conditioned in other words they work expecting rewards in that, in case these are not given, employees become less willing to cooperate or work, just as Shore and Tetrick (1994) foresaw this as a psychological contract when employees create their individual interpretations of their obligations and entitlements every after excellently accomplishing tasks. In the researcher's opinion, this implies that, employees should not so often be given rewards as appreciation for excellent work done, or else they become addicted to rewards. In this case management needs to alternate in ways of showing its gratification to excellent and extra ordinary performances.

In relation to the above, employees are demotivated by absence of rewards and may at one point withdrawal labour or simply sit back as a way of expressing their unappreciative attitude to management policies. In a similar way Henemen et al (2003) commented on the developing of withdrawal behaviors such as reporting late on duty and leaving early in case rewards are absent. Employees are not willing to work or exert their efforts as expected in other words, the employees try to avoid what discomforts them due to burnout from unrewarded effort. Similarly, Caggiano and Christopher (1997) commented on performance declines to emerge from burnout due absence of rewards.

This implies that if employees are not rewarded, organization is likely to experience inefficiencies resulting from performance declines as a result of lack of self initiative or simply a need to sabotage as a way of retaliation for unrewarded excellent efforts exerted.

It was further established through the study findings, that rewards are at times costly and are therefore a wastage of the organization's resources. This was particularly attributed to the fact that, at times rewards don't fetch the desirable results when employees psychologically become attached. Just as Jack and Stack foresaw that the purpose of rewards is make employees stay put, but dilutes individual contributions.

It was also submitted from the study findings, that rewards result in inconsistencies in quality such that whenever they are present the quality of work produced improves and when withdrawn, the quality declines. Just like Glascock et al (1996) pointed out that, the quality approach is to reduce variation in every process in order to obtain greater consistency but as a performance appraisal it is a complex process exhibited with a scope for variation. In case organizations lack incentives for reward employee performance efficiency reduces as a way of expressing their dissatisfaction to management thereby producing low quality or poor services than when rewards are present and employees are more willing to please the management. This implies that at times it is hard for organizations to retain employees even when they keep attracting them through rewards, they will still look for better opportunities, thus a wasting a company's resources and on the other hand, employees begin to take rewards as compulsory and thus loose meaning.

According to the study findings, rewards create dissatisfactions and may lead to labour turnover thereby affecting the finances of a business in recruiting and training new manpower. Just as Henemen et al (2003) foresaw the impact of corporate earnings on stock options, whereby after employee become fully vested in the program, may purchase from the company an allotted number of shares at the strike price, which inflates the value of a company. In other words, it reduces company earnings. Implying that rewards create job retention upon which employees later gain an upper hand in purchasing shares thereby reducing a company's corporate earnings.

4.5. Solutions to Challenges Experienced

The study sought views on solutions to challenges experienced by organization as a result of rewards and these were as presented in table 6.

Table 6: Solutions to Challenges Experienced as a Result of Rewards

Solution	Agree	Disagree	Frequency	Total
Strategic in rewarding	42 (70%)	18(30%)	60	100
Depend on goal setting	52 (87%)	8(13%)	60	100
Should rely on final outcome	49(82%)	11(18%)	60	100
Identified roles	50(83%)	10(17%)	60	100
Depend on quality performance	54(90%)	6(10%)	60	100

Source: Field Research Findings (2011)

Solutions were suggested to be management to depend on quality of work done (90%), rely on goal setting to reward (87%), take a strategic position while giving rewards (70%), should rely on identification of roles as well as final outcome (82%).

According to the study findings, it was suggested that quality should be significant of the rewarding system in other words that management should try to measure performances in order to be able to reward strategically. Just as Deeprise (2000) foresaw the need to measure performances to pay off in terms of organizational goals. In a similar manner Thornburg (2004) bargains for performance measures in a rewards program to be linked to an overall business strategy. This implies that, rewards need to be measured not by mere appreciation but observing organizational goals and contribution assessments.

According to the study findings, it was suggested that, rewards should be based on goal setting. That the ministry should first of all set goals which individuals should follow should attain organizational success. This is in the same line with Parker et al (2001) who pointed out on reward program identifying organization goals to be attained. That goal should be set and how behaviors of performance will reach the desired goals. Thus according to Parker this calls for identification of the desired employee performance or behaviors that will reinforce the company's goals. This implies that as management should be in position to identify goals

and set strict goal attainment levels that have to be followed in attaining those ministerial goals which may only be readjusted with management plans.

It was suggested in the study findings, that there is need for management to be strategic while giving rewards that management should give rewards without purpose. That is to say management requires to measure and know why it is rewarding and when it is rewarding and these rewards should be assessed to suit particular behavior. Just as Henemen et al (2003) emphasized the need for rewards to emphasize excellence which is reason as to why, Klubnik and Joan (2005) foresaw that rewards should be strategic to relieve managers of entitlement on the part of the employees. This implies that, there is need for administration to be strategic in giving rewards to avoid being taken for granted and held responsible in case of failure to reward.

The study suggested that, rewards should be given depending on the outcome of the performance, thus need to be matched to end result that before rewards are given, management needs to look at the effort incurred in attainment of a desirable goal, was work accomplished prior time or after the set time. Such measures are all of significant importance as mentioned by the respondents. This is in contention with Dauten (1999) who noted that, rewards should be based on perfect attendance of roles thus a need to match results. In the researcher's opinion this implies that, in case rewards are to given, there is need for administration to match results to desired levels of performance not merely rewarding for accomplished tasks.

The study further suggested that there is need for rewards to be based on identification of the specific roles of employees to the organization's wellbeing. That specific roles played by individual employees ought to be rewarded separately not as a group. This is in contention with Britton et al (2007) who put forward that, specifics of every employee need to be spelt out and successful rewards program should clearly spell out the specifics for every employee to reward accordingly. In the researcher's opinion, this implies that, reward should not be group based much as employees may work as a team but rather need to be given on individual basis to identify the unique contributions of every employee.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter covers the summary, conclusions and recommendations of the study findings on the three major variables.

5.1 Summary of the Findings

According to the findings it was revealed that reward is of significance importance in the performance of employees and therefore required because employees play a significant role in the success of the organization. However, rewards are without challenges as revealed in the previous chapter to which solutions to curb such challenges have been suggested.

5.1.1 Reward as a Dynamic in the Employee Performance

The study suggested that, reward as a factor in the performance of employees plays a compensatory role, creates a spirit of belongingness, self initiative, leads to acceptability of management, executing of desired plans as well as help in the ascertainment of how and when to reward employees.

It can be emphasized that, employees have the capacities for creativity and for achieving organizational goals, thus organization should have a way of exploring and utilizing these capacities to foster creativeness. This is by way of respecting and appreciating individual capacities incurred in the wellbeing of the organization since this determines how much more effort employees may be willing to exert in the future. Through rewards individual effort is redirected and tailored towards bridging organizational activities to attainment of success without management having to waste its resources on supervisory manpower. Rewards should be given depending on a comparison of how much one has contributed and how plans of action have been readjusted in relation to amount of effort desired. Besides this, rewards need to be future based selected programs or else may lead to abrupt deterioration if short term based.

5.1.2 Contribution of Employee Performance to Organization Productivity

The study revealed that, employees contribute towards the productivity of the organization in terms of goal attainment, building organization's reputation, improving organization's productivity through teamwork, boosting management efficiencies and coordinating work activities.

Organization productivity is exhibited when employees rely on company measures to pursue goals, and will in most cases ensure that work is accomplished within the set time period. Not only this they employee's have a name to protect within the organization for purposes of promotion and job retention, thus try to perform their best when assignments are given to them. Employees often times work as a team to improve productivity through sharing ideas, communicating to each other as well as work in harmony this wipes out complexities that otherwise would have interfered with the organizational activities. Thus employees may do whatever is possible to build company profile by following the right directives and taking the right measures to pursue the desired objectives.

5.1.3 Challenges Experienced in Performance as a Result of Rewards

The study revealed that rewards condition employees, their absence demotivates employees, the also create misunderstandings between employees as well as create inconsistencies in quality and rewards also are a wastage of company resources.

Through rewards, organization encounter challenges by awarding a particular best performing group, this brings about jealousies at work and unwillingness to cooperate thus execution of roles becomes a slow and complex process. Employees also suffer from psychological contracts when they are left to get used to receiving rewards in appreciation of work done and thus end up developing withdrawal behaviors when they burnout at work thereby leading to performance declines. Rewards also prove to be costly and waste the company's resources when employees fail to stay put and take rewards for granted.

5.1.2 Solutions to Challenges Experienced as a Result of Rewards

The study suggested solutions to be management to depend on quality of work done, rely on goal setting to reward, take a strategic position while giving rewards and to rely on identification of roles as well as final outcome.

It was submitted that, quality is significant of desired output when rewarding thus should be based on goal setting to achieve desired levels of performances and management should set reason clear as to why it is rewarding and purposes for which it is rewarding. Rewards should also count on the performance of outcome by measuring effort incurred and should be based on identification of specific roles of employees.

5.2 Conclusion

5.2.1 Reward as a Dynamic in Employee Performance

The study concluded that for any ministry to successful win employee commitment, high performance levels of employees need to be rewarded, because everybody needs to be appreciated for the excessive and excellent work done, or else ministry goals will not be achieved when employees remain demotivated and less willing to work.

5.2.2 Contribution of Employee Performance on Organization Productivity

The study concluded that, a company's success lies in the hands of the employees, and so does its failure, therefore employers (management) needs to give prior consideration to motivate workers to think in line with the organization's objectives which can cost effectively be done through identifying the possibilities to reward excellent performances and utilize them to keep employees motivated. Because if motivated employees may commit to performing organization goals as directed and may work as a system to simplify complexities of the organization.

5.2.3 Challenges Experienced by Organization as a Result of Rewards

The study concluded that, employee efficiencies are a result of rewarded efforts, employees need to be rewarded to perform effectively in order to be willing to extend and commit their hours to work. Rewards may not be the best solution to keep employees put in their positions at work because they at times they can be taken as compulsory for excellent. Rewards create inconsistencies and loose meaning, implying that, performance results are deliberated through presence or absence of rewards, thus a compulsory other than an encouraging process.

5.2.4 Solutions to Challenges Experienced as a Result of Rewards

The study concluded that, rewards need to be strategic if they are to yield desired benefits, or else employees may take them for granted and begin to hold administrators liable in case of failure to meet rewards in the future. Before rewarding management should identify goals and

set strict goals. Rewards are more effective if administration matches results to desired levels of performance and should be based on individual basis rather than group if impact is to be significant to individual excellences performed.

5.3 Recommendations

On summarizing the findings and drawing conclusions of the findings, the researcher made the following recommendations that there is need to;

Co-workers should also be used as a potential source of feedback about how well employees are doing on their jobs before rewards are given. This is because, co-worker evaluations have an advantage of being fully aware of the constraints placed on employees by the organization.

There is need for management to understand what motivates employees in performance and this should be strategically established to yield significant benefits. That is to say rewards programmes should come within the overall concept of compensation strategies in form of a deliberate utilization of the pay system as an essential integrating mechanism.

Prevent burnout by increasing the amount of feedback that workers receive about their job performance. Employees should not seldom hear of organizational issues only when they go right but should also hear on the other part of the story. This can be right because they can also act as advisors being in the center of the organization's activities.

Rewards offered to employees need to be altered over time for rewards not be viewed as an organization's compulsory contribution and this should be individually accorded to enhance individual capacities.

Rewards through employee recognition also have a resultant positive impact on motivation and thus result in higher levels of job performance when unique aspects of individuals are realized separately and not rewarded as a group.

5.4 Suggestion for Future Research

This study looked at the impact of reward on employee performance, thus the researcher suggests that more studies should be conducted on leadership skills on employee motivation.

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APPENDICES

APPENDIX (I): QUESTIONNAIRE SCHEDULES

Dear Respondent,

I am Paul Lakizo John, a student from Kampala International University pursuing a Bachelors degree in Business Administration. I am conducting a research on the “Impact of Reward on Employee Performance” Case Study of Ministry of Education and Sports in Uganda, which is part of the requirement of the award of the Bachelor of Arts Degree in Business Administration of Kampala International University and I kindly request you, to fill in the blank boxes and spaces as indicated. All the information provided will be used purposely for academics only and all information given will be treated with the utmost confidentiality it deserves.

INSTRUCTION: PLEASE TICK WHERE APPROPRIATE

Section A: Biographical Information.

- 1) Sex
a) Male b)Female
- 2) Age
A) 25-34 years B) 35-44 years C) 45-54 C) 55 & plus
- 3) Education level
A) Certificate B) Diploma C) Bachelors D)Others (specify).....
- 4) Marital Status
A) Single B) Married C) Widowed D) Divorced

Section B: Reward as a Factor in Performance of Employees

- 5) What do you understand by term employee reward?
.....
.....
- 5) What is the contribution of reward to employee performance?
.....

.....
7) Does the ministry experience any problems arising from rewards?

a) Yes b) No

b) If yes, which are they? Explain.

.....
.....

Section C: Contribution of Employees to Organizational Performance

8. Have employees contributed in any way to the success of the Ministry?

a) Yes b) No

Justify your opinion

.....
.....

9) Does the success of the Ministry rely on the effort of the employees?

a) Yes b) No

If yes/no state

.....
.....

10) Employees need to be motivated through rewarding their praiseworthy aspects to boost organizational productivity.

a) Yes b) No

If yes state them/ if no why?

.....
.....
.....

Section D: Challenges experienced by Organizations as a Result of Rewards

11) Are there any challenges experienced in the productivity of the ministry that are resulting from rewards?

a) Yes b) No

If yes what are these challenges and how have they affected the performance of the organization?

.....
.....
.....

Section E: Solutions to Challenge Encountered

2. This ministry is working towards solving the challenges resulting from rewards?

a) Yes [] b) No []

If yes/no state

.....
.....

3. In view of your experience, what remedies would you recommend to curb reward related issues?

.....
.....

2. Does the ministry award its employees for their great and hard work done?

a) Yes b) No

If yes/No state why.

.....
.....

Thanks for your Response

APPENDIX (II): INTERVIEW GUIDE

SPOT INFORMATION

- A) Paul Lakizo John Date of Interview:.....
- B) Interview number 1, 2, 3. etc....
- C) Survey Interview
- D) Despite the positive contribution of rewards to employee performance in organizations/agencies, organizations tend not to reward employees for their praiseworthy aspects/contributions to the agencies. This demotivates employees who become less willing to effectively dedicate their effort to the productivity of the organization, thereby generating global concern and thus needs to be addressed.

Guiding Issues

- The total number of employees
- Contribution of reward to employee performance
- Contribution of employee to organization productivity
- Challenges experienced by agency as a result of rewards
- Solutions/measures that can be undertaken to curb the issues arising from rewards.