

REWARDS AND EMPLOYEE PERFORMANCE IN COMMUNITY POLYTECHNICS IN WAKISO AND LUWERO DISTRICTS: A CASE STUDY OF GOMBE AND BOWA COMMUNITY POLYTECHNICS IN UGANDA

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Abstract

The study explored whether there was a relationship between payment of staff and employee performance at Gombe and Bowa Community Polytechnics. Specifically, the study examined the level relationship between payment of staff and the level of employee performance in Gombe and Bowa Community Polytechnics. The Case Study research design was adopted and both qualitative and quantitative methods were used. A sample size of 54 respondent instructors filled the Structured Questionnaire, while 8 key informants were interviewed. Data was there after analysed using descriptive and inferential statistics for quantitative data while thematic content analysis was used for qualitative data. The findings of the study revealed that payment of staff increases employee efficiency, commitment and effectiveness only when the policies and practices are performance focused, timely, flexible and localized.

Keywords

Payment of staff, employee performance and Community Polytechnics

Introduction

Performance of any organization largely depends on the performance of its employees. Successful organizations are increasingly realizing that there are a number of factors that contribute to performance but human resource is clearly most critical (Mello, 2005). In spite of the size and nature of the organization, the activity it undertakes and the environment in which it operates, its success depends on its employees' decisions and their behaviors. To evaluate performance of employees in an organization is one of the major purposes of employing human resource practices. In

the competitive environment of modern era organizations are persistently improving performance of their employees by improving human resource practices.

Caliskan (2010) acknowledged that human resource practices are the main source of competitive advantage. Many researchers have proven that human resource practices have a significant and positive relationship with employee's performance (Tessema & Soeters, 2006). Since motivation vary between top management and employees, it is important to understand what motivates them, what factors influence motivation and which rewards influence motivation in order to enhance productivity (Chandrasekar, 2011). The study was guided by both the Valency Instrumental Expectancy and Equity Theories (Adams & Armstrong, 2012). The Expectancy Theory by Vroom (1964) explains why employees work and behave in the way they do in terms of efforts and the decisions they make to stay with an organisation. It also describes what organizations do to encourage employees to apply their efforts and abilities to achieve desired goals and stick to the organisation. Similarlry, the Equity Theory focuses on the perception of fairness of distribution of Pay from similar contributions into group tasks and personal relationships.

THE RELATIONSHIP BETWEEN PAY AND PERFORMANCE AT GOMBE AND BOWA COMMUNITY POLYTECHNICS IN UGANDA

Pay is an important feature of human resource after all; it is the main reason why people work. It is a sensitive and controversial area that has been extensively debated at both practical and theoretical levels. In the US, the term "Compensation" is used to encompass everything received by an individual in return for work (Ransson, & Frelin, 2016). Employees may see compensation as return in exchange between their employer and themselves, as an entitlement for being an employee of the company or as a reward for a job well done.

Pay structures are one of the important parts of reward systems. If properly designed and maintained they provide a logically designed framework within which an organization pay policy can be implemented. Pay determines job hierarchy, pay levels and the scope for pay progression and provides the basis upon which relatives can be managed. Different organizations have different ways or rewarding their employees and pay/

salary is one of the major ways of rewarding employees. Pay is mainly in monetary terms (money) and it is the major compensation medium. It is designed in a way that it will attract, motivate and retain competent employees (Armstrong, 2008).

Lawler's model indicates that when employee reward / salary or pay is not perceived to be enough, the effect will be absenteeism, labour turnover, job dissatisfaction and may lead to corruption. Salary is a form of periodic payment from an employee which may be specified in an employment contract regardless of hours worked (Cheng & Kadir, 2018). Employees tend to look for jobs that are highly paying, although of recent employees prefer being paid on time rather than high pay.

It is argued that how the organization rewards its employee can determine its success and meeting the target. There is an indication that salary continues to evolve as part of the system of all the combined rewards that employers offer to their employees. This usually influences performance to some degree because salary is a regular prompt payment which is believed to induce commitment to work. In considering pay and taking it as a powerful factor that influence staff performance, the researcher deemed it fit to investigate this relationship.

We hypothesize that there is no significant relationship between Pay and employee Performance in Gombe and Bowa Community Polytechnics

Methodology

We used a Case Study Design as suggested by Mohajan (2018). It involved careful and complete study of the unit of analysis. The target population for the study was 82, a sample size of 66 was selected (Krejcie and Morgan, 1970). The Case Study research design was adopted and both qualitative and quantitative methods were used. Cross Sectional Survey method was used to collect Quantitative data since it enables collection of information from a large number of respondents in a short time (Creswell, 2013). A sample size of 54 respondent instructors filled the Structured Questionnaire, while 8 key informants were interviewed. Data was there after analysed using descriptive and inferential statistics for quantitative data while thematic content analysis was used for qualitative data. Using a Statistical Package

for Social Scientists (SPSS) data was analysed at Univariate, Bivariate and Multivariate levels.

Results and Discussion

Background of Respondents

The findings revealed that majority of the respondents (59.2%) were male, majority (40.8 %) were aged between 35 - 44 years, majority of respondents (63.0 %) had worked in the profession from 6-10 years and (46.2%) had a Bachelor's degree while 31.6% had Master's degree.---

LEVEL OF PAY AND EMPLOYEE PERFORMANCE (N=54)

Variable	Min	Max	Mean	SD
Pay	10.00	38.20	30.30	3.87
Employee Performance	47.00	67.30	52.17	3.45

Source: Primary data (2021)

Pay: Values =>32 (agree - strongly agree), mean good pay

Employee Performance: Values =>60(agree - strongly agree), mean high accomplishment of job tasks

The findings in the Table 1 revealed that the Mean and Standard Deviation scores for pay were Mean = (30.30) and SD= (3.87). These scores were slightly lower than 32 the threshold value, implying that generally respondents disagreed that the salaries and allowances they receive can enable them to meet their current and future life needs. This means respondents were not motivated enough by the pay they received to be committed and effectively execute their job tasks.

The researcher then explored the aspects of pay that contributed to the status of pay. Frequency analysis was used and aspects with mean response => 3.5 implied that respondents agreed to being satisfied with pay. The findings are presented in the Table 2 below.

Table 2: Mean responses, SD and ratings on Aspects of Pay (N=54)

Aspect	Mean Response	SD	Rating
The salary I receive motivates me to offer services	3.87	1.30	Agree
I am given housing allowance to motivate me to do my job	3.46	1.11	Agree
I earn sufficient overtime allowance every month	3.25	1.25	Not sure
My arrears are all cleared to date	3.26	1.24	Not sure
I am satisfied with the salary increment that I am given every year.	3.27	1.44	Not sure
The monthly allowance satisfies me to dedicate my services to my job	2.42	1.31	Disagree
I am able to save a significant part of my salary	2.93	1.20	Not sure
I am able to meaningfully invest using part of my salary	2.17	1.13	Disagree

Source: Primary data (2021)

Key: 1=Strongly disagree, 2=disagree, 3=not sure 4= agree, 5=Strongly agree

Mean response >3.5 implies respondents agreed

The findings in Table 2 above show that respondents agreed to only 2 aspects of pay. They agreed that salary motivates them to offer services (Mean response=3.78, SD = 1.30) and housing allowance motivates them to do their job (Mean response=3.46, SD = 1.11). Generally, respondents disagreed to being satisfied by the monthly allowances, being able to meaningfully invest using part of their salary and being satisfied with the salary increment given every year.

The status of pay was explored using key informant interviews, in order to collaborate the views of instructors. Key informants indicated that they mainly rely on the Government Payment Structure and pay roll which is quite rigid. For example, one of the Principals explained that,

“our paymnet rels on government re-imbursement which in

most cases come late. Our institutions are not able to generate funds internally to supplement pay roll payments". A Human Resource person added that financial incentives like bonus and allowances are supposed to come from internally generated funds, but these are very minimal and only come from NGOs, with very strict spending rules".

The Head of Department added that,

"sometimes salary takes long to come from government; it becomes difficult for employees to work whole souled without money".

The researcher had hypothesized that Pay would significantly motivate employees to do their job tasks effectively, however, the hypothesis was rejected.

This finding is in agreement with Akhtar, Khalid, & Hussain (2019) who explain that effective reward strategies should be performance focused to motivate employees to actively express and invest themselves emotionally, cognitively, and physically in their job tasks for the good of the organisation. Similarly, Day, (2008) and Seijts, et al., (2006) emphasise that when the pay is low, employees express low attachment and commitment to their job tasks.

Conclusion and Recommendation

The study findings have revealed that pay can significantly increase employee efficiency, commitment and effectiveness, which subsequently increases job performance. However, for this to be achieved, the organization needs to have pay policies and practices that are performance focused, timely, flexible and localized.

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