



**REWARDS AND EMPLOYEE MOTIVATION IN MANUFACTURING
COMPANIES IN UGANDA AT PARAMBOT BREWERIES LIMITED
IN UGANDA**

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DECLARATION

I, Bonnefance Barongo, declare that this research report is my original work and has to the best of my knowledge, never been submitted for the award of a degree or any other award in a University or other institutions of higher learning.

Signature

Date

APPROVAL

This study was conducted with our supervision and the research report has been submitted to Uganda Management Institute for examination with our approval.

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Date

DEDICATION

To my late son, Leonard Barongo, (RIP, 5 August 2008). You departed too soon at only ten years. Nevertheless, you went in favor of your God. You were my best friend and the most brilliant juvenile I have ever interacted with in my life.

ACKNOWLEDGMENT

I must admit that producing this work inevitably drew on the experiences of others. Indeed, contribution of many people with whom I have interacted has been a collective effort.

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ABSTRACT

The study was to assess the effect of rewards on employee motivation in manufacturing companies in Uganda, taking a case of Parambot Breweries Ltd. The specific objectives of the study were to examine the effect monetary rewards on employee motivation at Parambot Breweries Ltd (PBL) and to determine the effect of non-monetary rewards on employee motivation at Parambot Breweries Ltd. The study adopted case study design, using questionnaires, interviews and document reviews and studied a sample size of 80. Purposive and simple random sampling techniques were used to select the respondents. Qualitative data was analyzed using content analysis and quantitative analysis was analyzed using Pearson correlation and regression analysis. The study established that monetary rewards had a significant positive relationship ($r = .692$, $p = .000$) with employee motivation in manufacturing companies in Uganda. In addition, non-monetary rewards had a significant positive relationship ($r = .685$, $p = .000$) with employee motivation in manufacturing companies in Uganda. The study concluded that bonus was the only monetary reward that had strong positive relationship with employee motivation while praise was the only non-monetary reward that had strong positive relationship with employee motivation in manufacturing companies in Uganda. The study recommended that PBL management should adopt a policy of bonus to all employees offering in form of a 13th cheque every December, as incentive and ministry of labor should use the findings of this study to lobby parliament to enact bonus as a statutory monetary reward. Finally, PBL should use “Public Praise” as an integral part of performance management strategy to increase employee motivation.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The study assessed the effect of rewards on employee motivation in manufacturing Companies in Uganda using Parambot Breweries Limited (PBL) as a case. The independent variable in the study was rewards, while the dependent variable was employee motivation. This chapter is arranged as follows: introduction, background to the study, statement of the problem, general objectives, specific objectives of the study, research questions, hypotheses, conceptual framework, significance, justification of the study and operational definitions.

1.2 Background to the Study

1.2.1 Historical background

According to Kroth (2007), motivation research has a long history of considering employee motives and needs starting with Maslow in 1943, followed by McClelland in 1961 and Alderfer in 1969. Interest in these areas peaked in the 1970s and early 1980s. The majority of work on motives and needs in the 1990s falls into three areas: an examination of the job attributes that motivate individuals, research that examines need for achievement, and research on the Protestant work ethic.

In ancient times, the price for labor was goods in kind (Barter system). However, things evolved over time, until the industrial revolution where greater emphasis was placed on the relationship between work output and rewards. The relationship between monetary and non-monetary reward and motivation of employees was well articulated during the industrial revolution, when Wilson Taylor carried out the time and motion studies in the 1940s. Studies carried out on monetary and non-monetary rewards and motivation show

that monetary and non-monetary reward management strategies may possibly have the power of enhancing motivation in one way and diminishing it in others. That the better the monetary and non-monetary rewards, the higher the levels of motivation and greater levels of employee Performance (Khan, Farooq & Ullah, 2010).

According to the 8th annual Asia Pacific, Latin America and Africa salary increase and survey, organizations that maintain effective monetary and non-monetary reward policies are likely to have a sustained competitive advantage as key employees are effectively locked into their careers and employment costs are minimized. The report further revealed that: Switzerland increased the base pay by 3.2% in 2007, Venezuela by 12.3% in 2007 and 16.2% in 2008, India 11.4%, and Argentina 10.3% in 2008 respectively. In 2009, the survey showed that Venezuela (Latin America) raised salaries by 18.8%, followed by Sri Lanka (in Asia) with 15.3%, then Hungary (in Europe) with 7.5% (Hewitt associates, 2009 Global HR Study). From the survey report, the following issues were of interest to the researcher: The trend of salary increases point to the fact that Asia and Latin American countries are trying hard to retain their skilled employees and probably aim at attracting complex skills from other countries to their organizations. This probably explains why there are emerging economies in Asia and Latin America.

In United States of America (USA), a survey that was carried out by HR consultancy Towers Watson found that despite the recent effects of Global recession and massive employee layoffs, US companies were expected to raise salary budgets by 2.9% in 2012 on average (Tomeka, 2011). The survey report confirms the hypothesis that there is a strong relationship between monetary and non-monetary rewards and employee motivation, as advocated by W. Taylor in the time and motion studies during the late 1940s. Wellesley consulting noted that the annual increases of single digit percentages do

not compare well with the double-digit inflation growth in many least developed countries. It was observed that this could have been the cause for the formation of employee Trade unions to negotiate better pay and terms of employment (Nandanwar, Surnis & Nandanwar, 2003). This argument is re-enforced by the fact that many employers especially multinational companies (MNC's) have resorted to outsourcing manpower, using part-timers and retired professionals in order to render Trade Unions useless. Many private manufacturing companies in sub-Sahara Africa are run by multinational companies in which case they mind about profit maximization than reasonable salary increases to the local employees. In August 2012, up to 1000 mineworkers in Marikana mine, Rustenburg South Africa went on a wildcat strike arguing, "They had already sacrificed too much to settle for anything less than a 22% salary increase". When the strike began, Lonmin halted production and said that it was unlikely to fulfill its full year guidance of 750,000 ounces (approximately 21.25 Metric Tons) of platinum. Lonmin said it had to monitor its bank debt levels due to the disruption (British Broadcasting Corporation, 2012). The strike left 34 miners shot dead and political tensions in South Africa. This could probably explain the other rampant industrial actions such as those of COSATU in South Africa, Ndola in Zambia, the torching of sugar plantations and high labor turn over in Brewery Companies in Uganda.

The fixing of minimum wage in Uganda can be traced from 1935 when the first Minimum Wages Board for fixing the minimum wage of the unskilled employees was set up. However, it was not until 1947 that the government appointed Wage Boards on a regional basis. Since then several minimum wages have been suggested and the most recent one being U.shs. 6,000/= which was recommended by the 1984 Minimum Wages Advisory Board Federation of Uganda employers, is currently consulting organizations on the approach that should be adopted in setting up of the minimum wage.

Three options are being explored including sector-based minimum wages, a single minimum wage and geographically based minimum wages. It is very important that regardless of the strategy, which is adopted, the initial minimum wages rates should minimize the loss of jobs while preserving international competitiveness (Federation of Uganda Employers, 2011). The existence of modern breweries in Uganda dates back to 1951, when the Muljibhai Madhvani group established Nile breweries Limited as an unlisted company, based in Jinja (Ssendaula, 2012).

1.2.2 Theoretical background

Many theories have been advanced to explain rewarding and employee motivation. The study adopted salient among them, which were Victor Vroom's Expectancy Theory, Herzberg's two factor Theory, and Maslow's Needs Hierarchy theory. These theories explain the methods of motivating employees, which are broadly categorized under content, process, and re-enforcement theories. Content (needs) theories define what motivates (the satisfaction of needs based on their relative strengths) people, while process (cognitive/psychological) theories define how people are motivated and by what goals. The theories are based on variables that influence behavior such as expectancy, drive and incentives. The study was underpinned by all the three theories of motivation, because they helped the researcher to examine the relationship between monetary rewards and employee motivation in detail. They also guided the study to determine the effect of non-monetary rewards on employee motivation.

Vroom's Expectancy Theory bases itself on the premise that employees perform to the level that they believe maximize their overall best interests. The theory emphasizes the needs for organizations to relate rewards directly to performance and to ensure that the

rewards provided are those rewards deserved and wanted by the recipients. According to Robbins (2003), it holds a positive correlation between desirable rewards and efforts that remain strong enough to drive performance. In the expectancy theory of motivation, Victor Vroom holds that behavior results from conscious choices among alternatives, to maximize pleasure and minimize pain. The key factors influencing choices are expectancy, instrumentality, and valence, with each factor representing a belief.

Nayab (2010) explains the three factors as follows: Expectancy or subjective probability refers to the expectations and confidence of employees regarding their ability to perform a task, or the strength of an employee's belief on the accomplishment of a task. Instrumentality is belief linked to outcome, or the perception of whether one will actually get the desired results on accomplishment of the task. Employees, for instance, link their high level of performance to desired rewards, and remain motivated to perform to achieve the reward. The higher the probability of securing the desired reward, the higher the effort put in by the employee. Valence refers to the emotional orientations of people regarding the outcomes or rewards, or the level of satisfaction people expect to get from the outcome, as opposed to the actual satisfaction they get after attaining the reward. The primary motivator to undertake a task is not any reward, but the reward that the person holds high or wants. An outcome shows positive valence if the employee prefers having the specified reward to not having it. Examples of such positive rewards are extrinsic rewards such as pay and recognition. Victor Vroom suggests that organizations looking to motivate employees need to ensure that all three factors: Expectancy, Instrumentality and Valence remain positive or high. Even achieving two out of these three factors do not motivate the employee.

Herzberg's Two Factor Theory was also relevant to this study. Herzberg's Two Factor Theory posits that intrinsic factors (motivators) are related to job satisfaction whereas extrinsic factors (hygiene) are environmental and associated with low satisfaction (Riley, 2005). Herzberg distinguishes between firstly 'hygiene' extrinsic factors such as pay and organization policy and procedures that cause dissatisfaction in the workplace if absent or insufficient. Secondly, 'satisfiers' which are intrinsic factors such as the 'value' of the work, achievement, recognition, responsibility and potential for growth which positively motivate people.

Maslow's Needs Hierarchy was another relevant theory that links rewards to employee motivation in this study (Reid-Cunningham, 2008). The assumption of this theory is that within every human being, there exists a hierarchy of five needs, which include physiological, safety/security, social/belongingness, esteem and self-actualization. Maslow defined the hierarchy of needs with fundamental physiological needs at the base and rising through safety, social needs and culminating in the need for self-fulfillment. Maslow's theory was first developed in 1943. This is 70 years ago. New theories of motivation have been developed since. These tend to center on cognitive or process theories – how people think about their 'reward'. This emphasizes the need for clear role definitions and understanding, effective learning and development interventions and a link between performance and reward (not necessarily, performance related pay).

1.2.3 Conceptual background

A reward is any extrinsic factor that motivates an individual or a group of individuals to achieve an important organization goal on top of his/her/their intrinsic motivation. It is a factor aiming to shape or direct behavior (Armstrong, Brown, & Reilly, 2010). In other words, rewards are inducements that serve as a motivational device for a desired action or

behavior. Rewards can be classified according to the different ways in which they motivate agents to take a particular course of action. One common and useful taxonomy divides tangible rewards into two broad classes as monetary and non-monetary rewards. Monetary rewards are said to exist where an agent can expect some form of monetary return - especially money - in exchange for acting in a particular way. On the other hand, non-monetary rewards are said to exist where an agent does not expect any form of monetary return. This study adopted Armstrong, Brown and Reilly's (2010) definition, which refers to rewards as something that motivates an individual to perform an action.

Many contemporary authors have defined motivation differently; for example, Kreitner (1995) defines motivation as the psychological process that gives behavior purpose and direction. Buford, Bedeian and Lindner (1995) defines it as a predisposition to behave in a purposive manner to achieve specific, unmet needs. Higgins (1994) defines it as an internal drive to satisfy an unsatisfied need and Bedeian (1993) defines it as the will to achieve. Abdulsalam, Damisa and Iliyasu (2007) defines employee motivation as a reflection of the level of energy, commitment, and creativity that a company's workers bring to their jobs. According to Arnold, J. et al. (2010), motivation consists of three components: direction (what a person is trying to do), effort (how hard a person is trying) and persistence (how long a person keeps on trying). For this study, motivation was operationally defined as the inner force that drives individuals to accomplish organizational goals and will be characterized by individual's desire, individual's internal drive, individual's willingness, individual's direction, individual's effort and individual's persistence.

1.2.4 Contextual background

Contextually, rewards are a means to achieve organizational goals. They must serve the aims of an organization. In this study, employees motivation has proven a problem at PBL. Various researches have shown the correlation between rewards and employees motivation. PBL products are mainly marketed in Northern Uganda, South Sudan, eastern D.R. Congo, and Rwanda. To remain competitive on the market, PBL operates a human resource policy. For instance, it grants employees annual pay increment of five percent, and has medical insurance scheme for employees.

However, review of records on recruitment and resignation, from Human Resource Department of PBL reveals low employee motivation among most of the staff. For example between 2008 and 2012, a total of 21 staff and 17 administrative staff, summing to 38 staff, felt low morale toward work; the number of employees in 2008 was 12 while in 2010 was 23, presently it is 31. This shows an increase in the number of staff demoralized to work over time.

The low employee motivation could be related to the reward system. This is because there have been complaints from workers about the rewards. Some employee complain that the salary and wages they get are not commensurate to the effort they provide. Other employees complain that they work overnight but they are not given adequate allowances. For example, some cite the increasing prices of goods and services that have occurred during the past five years yet the increase in salary has not kept pace with the increasing commodity and service prices. This predicament has interested the researcher to investigate rewards and employee motivation at PBL.

1.3 Problem Statement

Reward systems in manufacturing companies, just like in any other organizations are meant to facilitate and promote employee motivation. In the same vein, manufacturing companies in Uganda attach utmost attention to the reward systems. One of these manufacturing companies is Parambot Breweries Limited (PBL). The company is spending lots of money on its reward programs, which aim to motivate its employees (PBL management report, 2010). For example, the company adopted reward policies and practices such a 5% annual increase and medical insurance it thought would be favorable to motivate its employees. Despite the illustrated commitment to reward systems in terms of money, PBL continues to experience a problem of low employee motivation. For example, there is a high rate of employee turnover. Five senior employees (including three marketing managers) resigned their jobs in 2011. There has been a low interest towards work as noted in the PBL management report (2010). All these are indicators of poorly motivated workforce. Furthermore, factory workers threatened to burn the factory in June 2009 because of low salaries (PBL-HR monthly reports 2009-2011). If this situation continues, the performance of PBL will decline (in form of lost market share, increased recruitment costs and bad image in the market), production would also go down and consequently employees will be laid off. The implication would be an increase in unemployment in the country and loss of Government revenues (Consumer and Corporation Taxes). The consequences are likely to undermine Uganda's efforts to attain an export led economy as projected in vision 2040, In addition, laid off employees will not be able to meet their financial obligations. This study therefore assessed the relationship between rewards and motivation of employees at Parambot Breweries Limited, to determine if there is an effect of rewards on motivation of employees in manufacturing Companies in Uganda.

1.4 General Objective

The general objective of the study was to assess the relationship between rewards and employee motivation in manufacturing companies in Uganda, taking a case of Parambot Breweries Ltd.

1.5 Specific Objectives

The following objectives guided the study:

1. To examine the effect monetary rewards on employee motivation at Parambot Breweries Ltd.
2. To determine the effect of non-monetary rewards on employee motivation at Parambot Breweries Ltd.

1.6 Research Questions

The study was guided by the following questions:

1. What is the effect monetary rewards on employee motivation at Parambot Breweries Ltd?
2. How do the non-monetary rewards affect employee motivation at Parambot Breweries Ltd?

1.7 Hypothesis of the Study

The study tested the following hypotheses:

1. There is a positive significant effect of monetary rewards on employee motivation in manufacturing companies in Uganda.
2. There is a positive significant effect non-monetary rewards on employee motivation in manufacturing companies in Uganda.

1.8 Conceptual Framework

Independent Variable (IV)

Dependent Variable (DV)

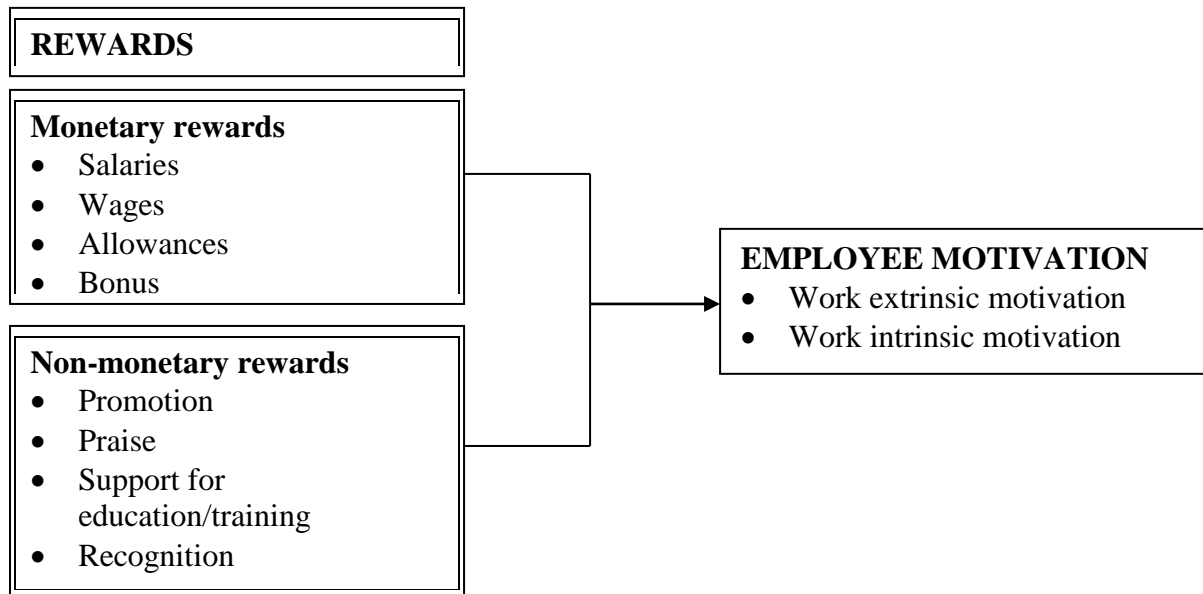


Figure 1: Hay Group engaged performance model

The conceptual framework in Figure 1 was adapted from the Hay group engaged performance model developed in the late 1990's in UK by the Hay Group. The original model comprised of six key elements, which included, tangible and intangible rewards (quality of work, inspiration/values, future growth/opportunity, work life balance, and enabling environment). In their study, tangible rewards focused on monetary and non-monetary rewards while intangible rewards focused on intrinsic job values (Armstrong & Hellen, 2007).

The conceptual framework attempts to explain the relationship between rewards (independent variable) and employee motivation (Dependent variable). The study looked at the components of monetary rewards in the following context: salaries, wages, allowances and bonus. The study also assessed the non-monetary rewards in terms of promotion, praise, training and recognition. The arrow on the conceptual framework corroborate with the hypotheses that rewards have positive relationship with motivation

among the employees of Parambot Breweries Ltd. Poor rewards contribute to low employee motivation and vice versa.

1.9 Significance of the Study

The Manufacturing sector in Uganda is vital for the desired economic transformation. It can be achieved if new manufacturing companies such as PBL can effectively meet their production, performance and export targets, yet this is dependent on work force that is well motivated. The study focused on reward factors in terms of monetary and non-monetary rewards and found out how they motivate employees at PBL. It will probably guide policy makers to formulate policies that address employee motivation. Furthermore, the study should Increase a frontier of knowledge on the area of study. On successful presentation of a research report, it should enable the researcher attain a Masters' Degree of Business Administration of Uganda Management Institute (UMI).

1.10 Justification of the Study

This study was conducted because of the importance of motivated employees in an organizational context. Motivated employees are more productive, more efficient and more willing to work towards organizational goals than the employees who are experiencing low levels of motivation (Hunter et al 1990). The success of any business depends largely on the motivation of the employees. Human resources are essential to the prosperity, productivity and performance of any company. Motivation is the key to creating an environment where optimal performance is possible. The aim of this thesis was to find out how the financial and non-financial rewards are affecting employees' motivation in manufacturing organizations. What made this topic interesting was to provide practical guidance for the case study organization to reduce the knowing-doing gap when improving and implementing the reward practices. This study also offered significant

insight to the employees' attitudes and satisfaction towards the rewards in use and the level of motivation the employees felt to have. The results could be used to develop the reward practices in right direction in Parambot Breweries Limited and help the company motivate its employees better, according to their needs.

1.11 Scope of the Study

1.11.1 Content scope

The scope of study was limited to monetary rewards, non-monetary rewards and motivation among the employees of Parambot Breweries Ltd.

1.11.2 Geographical scope

The study was carried out at Parambot Breweries Limited in Kampala headquarters located at Kitetika Seven Miles along Kampala- Gayaza Road, in Wakiso District.

1.11.3 Time scope

This study focused on the company's operations between January 2008 and April 2013. This period is when the company experienced high voluntary labor turnover indicating low employee motivations.

1.12 Operational Definitions

Allowances: Referred to a sum of money PBL allotted or granted for a particular purpose, as for expenses.

Bonus: Referred to something that PBL gave or paid over and above what is strictly due, or in addition to what is expected for instance money or an equivalent given in addition to an employee's usual compensation.

Employee motivation: Referred to both the intrinsic and extrinsic behavior of employees towards accomplishing at PBL's goals.

Employee: Individual providing services to PBL as an employer for compensation and whose duties are under the control of the PBL. It also referred to an individual providing labor to PBL in return for rewards.

Extrinsic motivation: The motivation that comes from outside an employee of PBL. The motivating factors were external, or outside, rewards such as money or grades. An extrinsically motivated person works on a task even when they have little interest in it because of the anticipated satisfaction they will get from some reward.

Intrinsic motivation: The motivation that comes from inside an employee of PBL rather than from any external or outside rewards, such as money or grades. The motivation comes from the pleasure one gets from the task itself or from the sense of satisfaction in completing or even working on a task.

Monetary rewards: Referred to compensation given to PBL employees, which involved cash.

Non-monetary rewards: Referred to compensation given to PBL employees, which did not involve cash.

Praise: Was the act of PBL of making positive statements about its employees and acts of employees either in public or privately.

Recognition: Referred to PBL's acknowledgement of the unique employees' contribution and the value of expertise and experience of an employee.

Recognition: Was a comprehensive judgment on a worker's contribution at PBL, genuine feedback based on terms of the work process as well as dedication and motivation. It also involves evaluating and acknowledging the results of work. Examples of recognition include employee assistance programs, sending employee for a symposium, allow flexible

work hours, give exceptional support during difficult event, and nomination on special committees.

Salary: Agreed-upon and regular compensation for employment at PBL that were paid in any frequency but, in common practice, is paid on monthly and or on hourly, daily, weekly, or piece-work basis.

Wage: PBL monetary rewards computed on hourly, daily, weekly, or piece work basis.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review about the relationship between rewards and motivation of employees in manufacturing companies in Uganda. The literature is arranged under the following themes, theoretical review, monetary rewards and employee motivation, non-monetary rewards and employee motivation and summary of literature.

2.2 Theoretical Review

2.2.1 Hierarchy of needs

According to the theory developed by Abraham Maslow in 1943, human motivation is born by the emerged unsatisfied needs one tries to satisfy. This theory is presented in this thesis as it is considered among the fundamental motivation theories to which other need theories of motivation have been built on and it is still being applied in many organizational contexts (Robbins, 2003). The theory is based on five human needs namely physiological, safety, social, esteem and self-fulfillment. The needs are arranged from the basic human needs to the higher level needs. The basic needs, which include physiological and safety needs, are the ones, which can be satisfied externally. While the higher level needs, which include social, ego and self-actualization needs, can be satisfied internally (Robbins, 2003)

The idea behind this theory is that rewards given to employees help them meet their needs and when a need is achieved, other, higher level needs emerge and the satisfied need no longer motivates an individual (Armstrong, 2009). Therefore, for rewards to be effective in motivating employees, they should be tailored to priority needs of the employees. In

addition, before one tries to satisfy the higher level needs through rewards, the basic level needs have to be satisfied first.

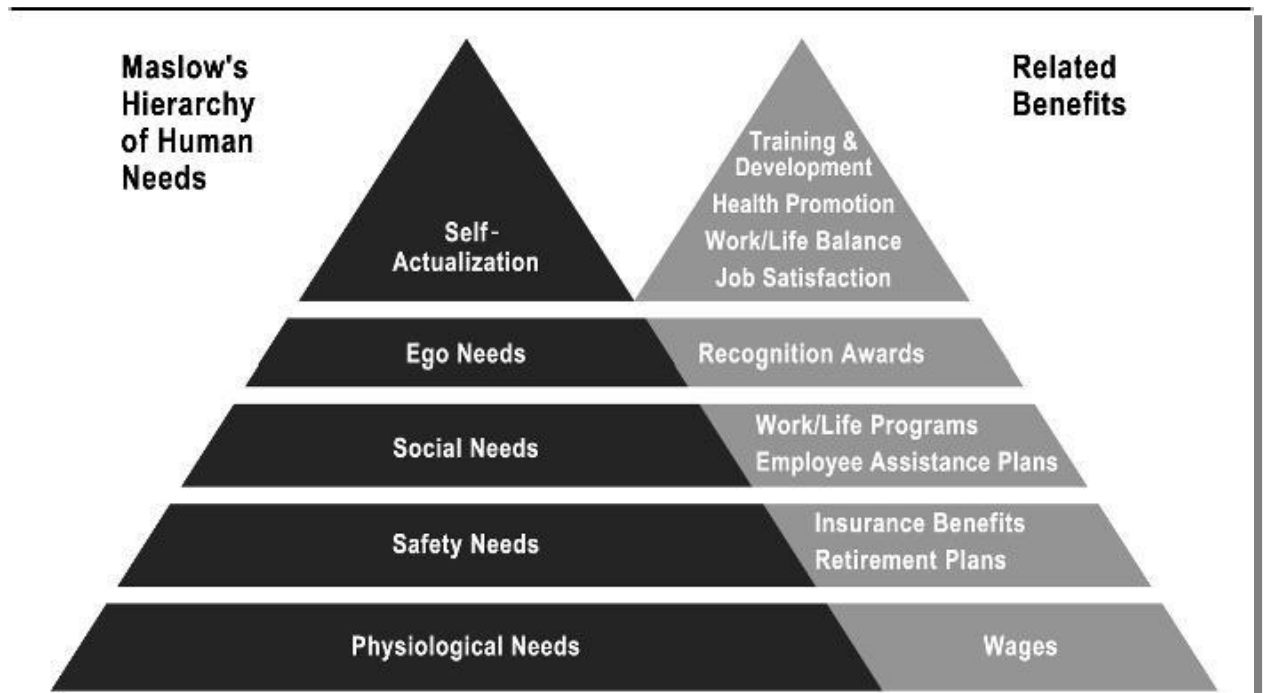


Figure 2: Maslow's hierarchy of needs and related benefits

Source: Kroth (2007)

Figure 2 above demonstrates the link between motivating employees through meeting their needs with corresponding rewards as presented by Maslow's theory. In an organizational context even the higher level needs can be satisfied by simply offering recognition and growth opportunities in the organization so long as the lower level needs are satisfied first by fair base pay and benefits offered to the employees (Jensen et al., 2007). For example, in work situation pay is basic need in Maslow's theory because employees work for money, which helps them be able to acquire other basic needs such as food, clothings to mention some. Thus, an employee is likely to think of other high level needs before for instance insuring that there is food on the table. Therefore, better pay enables the employee to first feed and then think of any other need which is not immediate,

Ramlall (2004) mentions in his article that Maslow found that humans have unmet or emerging needs which should be satisfied as soon as possible and in an organizational context managers should try to motivate employees by providing rewards which could satisfy the unsatisfied needs as soon as they emerge. Ramlall further point out that Champagne and McAfee argue in their book that those managers who are able to understand the individual employee needs and how to satisfy those needs, are the most successful ones and are able to create better work environments and retain motivated employees.

Maslow's theory has not avoided criticism. Robbins (2003) refers to Wahba and Bridwell who claims that there is lack of evidence that the needs are organized as Maslow presented them in a hierarchical manner and it is unclear whether the unsatisfied needs create any motivation. Wahba and Bridwell as cited in Robbins (2003) question whether once an individual has satisfied a lower level need, it activates an individual to seek for a higher-level need satisfaction. Hall and Nougaim, Lawler and Suttle, and Rauschenberger et al as cited in Robbins (2003) were unable to validate Maslow's theory in practice.

2.2.2 Two-factor theory

Also known as motivator-hygiene theory was developed by Frederick Herzberg et al in 1959 (as cited in Riley, 2005). Converse to Maslow's theory, Herzberg also emphasizes the importance of the human growth and self-actualization needs and according to him it must be the job characteristics which satisfy the individual growth needs with in an organizational setting (Pinder, 2008). Herzberg's theory is reviewed as it includes important aspects regarding motivators and demotivators in an organizational environment.

Herzberg et al in 1959 (as cited in Riley, 2005) asked respondents in different countries, jobs, in small and big organizations to specify the factors which led to favorable job attitudes and those which led to negative job attitudes. Sixteen (16) factors of which 46 % led to dissatisfaction and 54% of which led to job satisfaction were found. It is important to highlight that for Herzberg there is no absolute job satisfaction which opposite would be absolute job dissatisfaction, he states that the factors which lead to satisfaction or dissatisfaction are distinguishable and distinct from each other's, and therefore different factors lead to job satisfaction and to job dissatisfaction respectively. The factors, which lead to job satisfaction, are called motivators and these are associated with the work itself. The factors leading to dissatisfaction are called hygiene factors and these are associated with the factors outside the job. Motivator factors include achievement, recognition, work itself, responsibility and growth/advancement. All the motivator factors represented the non-monetary rewards in this study. Hygiene factors include; salary/wage, company policy and administration, supervision, interpersonal relationships, working conditions, status and security. Among the hygiene factors, salary/wages in this study represented the monetary rewards while company policy and administration, supervision, interpersonal relationships, working conditions, status and security represented the non-monetary rewards.

In 1987, Herzberg presented criticism towards the blind use of hygiene factors as motivators arguing that these factors only move the employees to wanted direction but do not motivate them. Herzberg describes the movement as a fear of punishment or failure to get extrinsic rewards such as salary. When it comes to pay, for example, he concludes that money is a stimulus, which helps employees to satisfy their primary needs such as hunger and therefore resulting in pain avoidance practice. However, when using salary as a

motivator the employees are not actually motivated. Employees are motivated only to get more salary, and the one who is actually motivated is the employer who is giving the reward to an employee. He also notes that when talking about salary increase, one needs constant reinforcement of this practice and therefore higher expenses are a result of the factors, which are not even motivating. Herzberg further concludes that the presence of hygiene factors at best result in no satisfaction on the job and their absence creates dissatisfaction.

Robbins (2003) asserts that when managers are eliminating the factors, which create dissatisfaction such as low salary, they achieve “neutral” status but not necessarily employee motivation. Herzberg posits that improvement of hygiene factors serve to remove the impediments to positive job attitudes.

Herzberg emphasizes the need for achievement, which results in psychological growth and can be gained at the work places through job content. It is the job enrichment, which results into motivation and brings the effective utilization of personnel to use in companies. He concludes that motivation is a function of growth from getting intrinsic rewards out of interesting and challenging work.

2.2.3 Expectancy theory

Expectancy theory was first developed by Victor Vroom in 1964. Porter and Lawler expanded Vrooms work in 1968 as presented below. According to Robbins (2003), Vroom’s expectancy theory refers to the strength and attractiveness of individual’s expectation of the outcome produced by performance. According to this theory, the attractiveness of expected reward for given input determines one’s motivational soundness and whether that reward responds to the individual’s personal goals. This

theory emphasizes the needs for organizations to relate rewards directly to performance and to ensure that the rewards provided are those rewards deserved and wanted by the recipients.

Victor Vroom presents three factors that direct human behavior, which are valence, instrumentality and expectancy. Robbins (2003) explains that there are three relationships; effort-performance, performance-reward and rewards-personal goals, which direct individual behavior as, depicted in the following diagram.

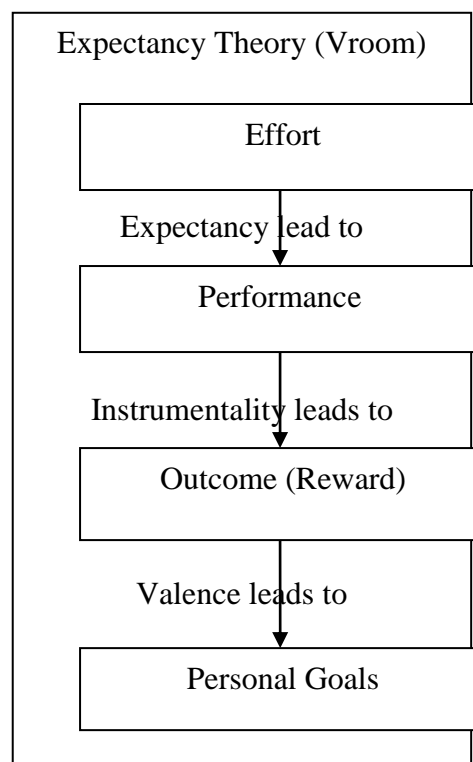


Figure 3: Vroom's expectancy theory

Source: Nayab, N. (2010)

Robbins (2003) argues that the expectancy theory gives good explanation as to what hinders employees from being motivated. That they feel that excellent performance is not acknowledged in the organization due to several reasons. If the organization's performance appraisal system is created to evaluate non-performance related factors such

as tenure, an individual may feel that no matter how much they work they will not be rewarded. Employees may also feel that the supervisor do not like them and therefore they are not given fair appraisals. Employees may think that they do not have the needed competencies to gain high performance levels, which will be rewarded. The most pessimistic view is that great performance will never be acknowledged in the organizational context.

Porter and Lawler in 1968 found that the past and current rewards direct one's behavior. They expand Vroom's theory by presenting the note of employee's ability, traits and role perceptions, which affect the level of performance. The two scholars further observe that individuals who possess high employee abilities outperform those who lack these abilities (Ramlall, 2004).

This is one of the areas where the expectancy theory underpins the objective of this study given the fact that what motivates employees is the relatedness of the expected outcome. One's motivation can be influenced by providing rewards, which are in accordance with an individual's personal goals so that they create valence.

2.3 Monetary Rewards and Employee Motivation

According to Armstrong, Brown and Reilly (2010), people work in order to satisfy their needs and these needs can be met through monetary rewards. This also applied to PBL employees. Monetary rewards are repayment in cash (money form) for a given work done by employees in an organization such as PBL. Employees would go any extent to increase their cash income just as they will do anything to prevent their source of income from being eliminated. The fact that employees fear to lose their jobs serves only to buttress the importance of this physiological factor. Cash is an extremely effective

motivator simply because money is indispensable for survival in an economy. Monetary rewards in modern societies are the most transferable means of satisfying basic needs. However, satisfaction of physiological, security and social needs can hardly be achieved with money. Other rewards tend to have little motivational value if monetary rewards are perceived to be inadequate. Monetary rewards take variety of forms and include wages, salary, allowances and bonus.

According to Cole (2002), salary is a fixed annual amount payable to an employee monthly through the payroll. A salary system can best be considered as a mechanism by which an organization plans on how to attract, retain, reward and motivate its employees. It ignores both time taken and quality produced. Drucker (1999) argues that there is a basic conflict between wage (daily pay) as living and wage as a cost. A living wage needs to be predictable, continuous and adequate to the expenditures of a family, its aspirations, and its position in society. Wage as a cost needs to be appropriate to the productivity of a given employment or industry. Gupta and Shaw (1998) argue that not all jobs are interesting and challenging in nature, that if we would live in an ideal world everyone would be intrinsically motivated and rewarded, but in many work places, this is not the reality. They conclude that money matters to most people and it motivates because of the symbolic and instrumental value it bears. Symbolic value of money recaps what people think about it, for instance instrumental value of money means the ends we can get for exchanging it.

Pitfield (1980 as cited in Kenneth, 2002) argues that bonus provide greater rewards for output above a certain agreed level. They may be based on individual output or on the output of a group. Bonus adds flexibility to a compensation plan, which may be pegged to high performance, output levels or length of service. Cole (2000) posits that allowances

are forms of compensation that are intended to make an employee comfortable, beyond normal pay for time worked. Such compensations include housing, transport, medical, and lunch, entertainment and hardship allowances among others.

Kepner et al. (2001) explains that the purpose of monetary rewards is to reward employees for excellent performance through money. Traditionally, monetary rewards have helped employers to maintain positive motivational environments for employees. In spite of the positive role monetary rewards have played, workers tend to have different attitude towards monetary rewards. According to Nelson, (2004), when monetary rewards are used to recognize employees for good work done, they might send wrong signals to the employees by driving them to reach for individual gains at the expense of teamwork. Gupta and Shaw (1998) also acknowledge that the signals monetary rewards send to employees, noting that human beings are cognitive processors who understand the signals management sends through rewards by highlighting to employees what kind of behavior is valued.

Kohn (1993) states that monetary rewards at best create temporary compliance, meaning that money motivate people as long as they get another pay increase. Temporary compliance refers to the shortsighted value money adds to an individual's motivation. Once a pay increase is received, it motivates for a short period, thereafter motivation declines gradually and employees start to wait for another pay increase. Kohn concludes that, "promising a reward to someone who appears unmotivated is a bit like offering salt water to someone who is thirsty". In other words, he criticizes the use of money as a motivator because it instead demotivates employees in anticipation for more money.

The most common of the diverse reaction to wages and salaries by workers is that once it exceeds minimum levels, it is regarded as a measure of fairness. Gellermen (1976) insisted that pay, if only it could be properly packaged, would somehow bring about the desired approach to work. Bob (2010) argued that employee's perception of his pay in relation to other employees of similar status could affect the employee motivation. From his work, when there is a discrepancy between what he gets and his efforts in relation to what employees of similar status gets, the employee become demotivated with the job. Ojo (2011) stated that managers and supervisors need to apply situational appropriate motivational factors in the context of their peculiar organizational environment.

However, criticism has been presented towards pay for performance practices and why it actually does not work efficiently. Pfeffer (1998, pg. 115) stated that this kind of reward practice has negative impacts on employee performance: "Despite the evident popularity of this practice, the problems with individual pay are numerous. It has been shown to undermine teamwork, encourage employees to focus on the short term.....". Some criticisms of unsuccessful monetary reward systems are a lack of openness, no agreed upon tasks and criteria, no job specificity, no ongoing skilled feedback, no maintenance and information systems, and no follow-up research.

Recent findings in psychology suggest that monetary incentives should be used with caution and complemented by nonmonetary ones. Monetary incentives tend to be most effective when there is a clear and immediate causal link between an individual action and a desired outcome, and when the desired outcome is easily measurable. It against the literature reviewed that this study investigated what various scholars said was actually happening at PBL in terms of effect of monetary rewards on employee motivation.

2.4 Non-Monetary Rewards and Employee Motivation

The importance of non-monetary rewards in motivating employees is supported by various studies and mentioned in writings of many authors. Nelson (2001) conducted a study about the effect of non-monetary rewards on employee motivation, from 1999 to 2000, in 34 organizations of U.S.A. ranging from Universal Studios to the U.S. Postal Service, with the following results. It was found 90.5% of the managers agreed on the idea that recognizing employees helps them get motivated and 84.4% of the managers responded that providing non-monetary recognition to the employees when they do good work helps to increase their motivation and performance. On the employees' side, the research revealed that for the 77.6% of the employees, it is extremely important to be recognized by their managers when they do good work. Wiscombe (2002) also supports the fact that people really want to be recognized for contributing to the job, thus, recognition and praise are among strong motivators. In her opinion, non-cash incentives are not only cost effective, but also can contribute a lot to raising morale, increasing productivity, improving quality, safety standards and customer service. Non-monetary rewards is the answer that Wiscombe gives to the question of how to maintain and improve worker morale while minimizing labor costs.

According to Gale (2002), non-monetary rewards are evaluated as more valuable than monetary rewards. In her article, she emphasizes that when you pay people for doing a good job, it becomes part of their salary expectations; a non-monetary reward, however - whether it is a trip or a coffee mug- is a luxury separate from compensation that shows respect and commends accomplishment.

Nelson (2001) also supports the view that there is a strong link between non-cash rewards and improved job motivation. He thinks that non-cash rewards lower stress, absenteeism,

and turnover and raise morale, productivity, competitiveness, revenue and profit. These findings have further confirmed the importance and effectiveness of non-monetary rewards in the motivation of personnel. Nelson however points out that cash rewards may have some definite drawbacks. The money that is paid to employees for the job done is compensation. He argues that of late, monetary incentives as well have begun to be regarded as rights rather than rewards and the increasing demand for material rewards is rapidly destroying their usefulness as rewards and managerial tools. Another drawback to be considered is related with the decrease in teamwork as employees concentrate primarily on individual cash gains.

In comparing, the cash rewards with non-monetary rewards, Spitzer (1998) notes that the correlation between the monetary value of rewards and motivation is not very high and in most jobs the best performers are not necessarily the highest-paid ones. He emphasizes that money, as a reward tends to create “money motivation” rather than “good-work motivation” in the sense that when people struggle for monetary rewards, they may sacrifice quality to take the shortest and fastest way to maximize their monetary gain. Moreover, it is likely that the employees soon become “habituated” to monetary rewards and start to see them as entitlements. Spitzer also draws attention to a study showing that a pay rise, on average, has a motivational impact of less than two weeks.

Saxby (2002) draws attention to the impact of recognition programs on motivation of employees and stresses the fact that recognition comes in many forms, from a hand-written thank-you note, to the manager or president of the company praising their work, to the plaque with their name on it that sits in the lobby. Nelson (2004, pg. 45) stresses that praise and recognition are the most efficient intrinsic rewards an employee wants to hear on the premise that they are contributing at their workplaces. He quotes a summary

from Kanter's article that "Compensation is a right; recognition is a gift". Nelson also observes that recognition, especially if showed in public in front of the other employees sends favorable signals to the other employees of what kind of behavior is valued and desirable to management. He summarizes that "Compensation is a right; recognition is a gift".

According to Jensen et al. (2007), intangible rewards determine why an employee would choose one company over another when tangible rewards given are the same. Companies can really stand this way out of the crowd by the use of the attractive rewards.

The main stream among the researchers believe that non-monetary rewards are more efficient while not neglecting the monetary rewards which are always present in organizational context. For example, Mottaz in 1988 (as cited in Armstrong, Brown & Reilly, 2011) emphasizes the importance of non-monetary rewards that they portray the significance of monetary rewards as follows: "- - few, if any, workers would continue to work on a job for very long if monetary rewards were completely inadequate (pg. 22)". In addition, Buckman (1991) argues that the monetary rewards act in the background, but what really makes a difference in employee's organizational behavior are the non-monetary rewards.

Jenkins, Mitra, Gupta and Shaw (2002) on the benefits of tangible non-monetary rewards constitutes one of the significant studies regarding the use and effectiveness of non-monetary rewards. They argued that the use of tangible non-monetary incentives might accomplish the objective of motivating employees in a lowest cost better than the market value of that incentive in cash. Tangible non-monetary rewards refer incentives with a substantial market value, such as vacation travel, tickets to restaurants etc. Among the

short-term benefits of non-monetary tangible incentives is that first, a firm might be able to obtain these incentives for a lower net cost than the employee could on his or her own. Second, it is likely that a cash incentive will be mentally combined with the rest of the employee's salary, evaluating it in the same account as regular salary. As a result, it may lose its effectiveness as a motivating factor. A company could solve this problem to some extent by issuing a separate check, or by having a ceremony or plaque, but it is likely that employees will have a strong tendency to consider this money as more salary rather than an incentive. For the incentive to be more motivating than cash the incentive will need to be segregated in the employee's mind, it should be unique. Tangible non-monetary incentives had better serve to this objective. Third, tangible non-monetary incentives often carry utility beyond the pure consumption value of the incentive, that is, it has social aspects as well. An employee receiving a trip to a touristic place will be able to tell his fellow employees and friends about it, and gain some utility from this social interaction.

Scott (2002) further draws our attention to the long-term benefits of tangible non-monetary rewards as follows. First, tangible non-monetary rewards might be perceived as gifts, which change the nature of the employment relationship. In other words, instead of a pure exchange relationship where services are exchanged for money, the giving of gifts may produce more sincere relationships and increase in the commitment of the personnel. More committed employees are less likely to withdraw from an organization. Second, a tangible non-monetary incentive like a trip to a touristic place will be remembered longer and more clearly than what is done with a cash bonus. This type of incentive creates fond memories (e.g. photographs of the trip) that will create a positive feeling in employees, which will induce more positive attitude towards an organization.

Despite all the arguments supporting the use of non-monetary rewards in employee motivation, there are some views regarding the possibility of failure for the non-monetary incentives as well. First, possession of money is generally seen as a symbol of power and prestige in society and some employees may think that money is the only and sufficient way to realize all their dreams. Such a consideration may underestimate the value of non-monetary incentives if put to employees' opinion polls. The use of non-monetary incentives may also be resisted because employees may evaluate it as a threat to the amount of monetary compensation that they wish to get instead. Good pay is usually necessary to employee satisfaction and must be carefully taken into consideration in all personnel matters.

Yavuz, 2004) emphasized that the employee should not feel that he/she is underpaid. Despite the importance of non-monetary Rewards, pay continues to be seen as the best and most tangible way of recognizing the employees' worth to an organization. There are some views that any amount of human relations cannot compensate for the insufficiency of monetary rewards whereas it may be possible to make use of the non-monetary incentives in addition to monetary incentives to motivate the employees further. It against the literature reviewed that this study investigated what various scholars said was actually happening at PBL in terms of effect of nonmonetary rewards on employee motivation.

2.5 Summary of Literature Review

The chapter reviewed theories that specifically explain the relationship between rewards and employee motivation. The theories include the expectancy theory, hierarchy of needs theory and the two-factor theory. From the review, it seems there is no single theory of motivation that adequately explains the relationship between rewards and motivation. The integrated use of the three theories helped to explain the relationship better. Apart from

linking rewards to employee motivation, the theories had some criticisms. In addition, literature related to the objectives of the study was reviewed. The literature mainly focused on how the dimensions of monetary and non-monetary rewards affect employee motivation. The dimensions of intrinsic and extrinsic motivation were also discussed in this review. The literature further cautioned that both monetary and non-monetary rewards might not always have a positive effect on employee motivation as had been hypothesized in this study. Under certain circumstances, they might instead contribute to low employee motivation. Hence, the study assessed the effect of rewards on employee motivation.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the methodology that the study followed; research design, the study population, sample size, sampling techniques and procedure, data collection methods, data collection instruments, data quality control, data analysis and measurement of variables used in the study.

3.2 Research Design

A case study design was used in assessing the relationship between rewards management and employee motivation. This type of research design emphasizes detailed contextual analysis of a limited number of events or conditions and their relationships. The research design enabled an in depth study of rewards and employee motivation at Parambot Breweries Limited and later enabled the researcher to generalize the empirical results to manufacturing companies in Uganda. The design also helped to test whether scientific theories and models as discussed in chapter two, actually work in real life. Both quantitative and qualitative approaches were adopted in the study. This was because the quantitative approach allowed the researcher to solicit information that could be quantified while the qualitative approach allowed the researcher to solicit information that could not be quantified (Mugenda & Mugenda, 1999). Combining numerical and textual information helped the researcher enrich the interpretation of findings of the study.

3.3 Study Population

The study took place at Parambot Breweries Ltd headquarters located at seven M miles from Kampala, along Gayaza road in Wakiso District. In the study, the target population

was all employees and management categorized as follows: Top Managers (9), line managers (10), and non-management staff (80).

3.4 Sample Size and Selection

The ultimate sample size of 80 respondents was determined based on Statistical table of Krejcie and Morgan (1970 as cited in Amin, 2005) (See Appendix D).

Table 1: Category, population, sample and sampling technique

Category	Target population	Sample size	Sampling techniques
Top management	9	9	Purposive sampling
Line management	10	10	Purposive sampling
Non-management staff	80	61	Simple random sampling
TOTALS	99	80	

Source: Approved PBL Organization Chart (2012)

Thus, from the table, nine top management staff, 10 line management staff and 61 non-management staff were selected.

3.5 Sampling Techniques and Procedure

The study used both purposive and simple random sampling techniques. A sample of 80 respondents was selected. In selecting the respondents' categories, purposive sampling was used on the first and second category of respondents who were members of management because they were assumed to have more credible data on the policies and operations of the company. Simple random sampling was used on the third respondent category that is the 80 non-management staff. Each of the respondents had an equal chance of being selected and the 61 were arrived at objectively.

3.6 Data Collection Methods

Data for the research was collected using three methods namely; - self-administered questionnaire survey, documentary reviews and face-to-face interviews. Questionnaire survey and face-to-face interviews were used to enable the researcher obtain first-hand information from the field. Documentary reviews enabled the researcher obtain information on already existing literature about rewards and employee motivation at PBL. This information was collected mainly from reports, records, and the internet.

3.6.1 Questionnaire survey

A questionnaire survey was used to collect information from non-management staff. This method involved collecting information from a sample of non-management staff in a systematic way. Questionnaire survey was used for this category of respondents to save on time because their number was big for face-to-face interviews.

3.6.2 Documentary reviews

The study involved carrying out library and office research where secondary sources about the research questions were considered. This included related literature on annual management reports, personnel records, payrolls, and attendance time records, human resource manual, Uganda Employment Act, Textbooks and online sources (internet). Established libraries and record offices were visited such as PBL Human resource records office, Uganda Management Institute Library, and Makerere University Business School library. It aided cross validating primary data and provided a basis for explaining key concepts in the study (Amin, 2005).

3.6.3 Face-to-face interviews

Personal interviews were also used to get more in depth data. Onen and Oso (2008) state that interviews helps the researcher to collect information that cannot be observed or are difficult to put down in writing as well as historical data. This enabled clarification of questions where need arose. It was also used to capture the meanings of variables beyond the words. According to Mugenda and Mugenda (1999), probing interviews are time consuming and subjective because the interviewer is left with a lot of freedom. To limit these disadvantages, the researcher gained control over the line of questioning, which allowed the interviews to last 2 to 3 hours.

3.7 Data Collection Instruments

The researcher used structured questionnaires, interview guide and documentary review checklist. These enabled the researcher gather both quantitative and qualitative data both at primary and secondary levels. The three tools were used in order to capture data to the full extent possible including; - archived historical data, behaviors that cannot be observed on spot, and “off record comments”.

3.7.1 Structured questionnaires

Questionnaires were used for collecting data because they were easy to administer, they enabled the collection of data from a large number of respondents and allowed respondents to give sensitive information without fear as their personal identity was not needed on the questionnaire. This supports Amin (2005)’s contention that questionnaires offer greater assurance of anonymity. Since most of the potential respondents were able to read and write in English, questionnaires were self-administered and structured. The questions in the questionnaire were developed after reviewing literature. The questions were close ended and thus generated options for rating which helped to attain objectivity,

ease of analysis and economy as they were time saving (Mugenda and Mugenda, 1999). Likert's scale statements having five category response continuum of 5-1 were used with numerical five as "strongly agree" and numerical one as "strongly disagree". The total scores from the responses were computed to measure the variables under study (see appendix A).

3.7.2 Documentary review check list

Documentary review checklist containing a list of documents considered salient was used and this provided necessary data for the study. The documents for review were obtained from established documentation centers such as Uganda Management Institute, and Makerere University Business School and Federation of Uganda Employers' (FUE) libraries. More documents were analyzed from PBL Human resource and Finance offices. Secondary literature was obtained from; management reports, personnel records, payrolls, attendance time records, Human resource manual, Uganda Employment Act, Textbooks and online sources (internet) (see Appendix C).

3.7.3 Interview guide

Face-to-face interviews were conducted using the interview guide that was administered to the two general managers, eight line managers and the head of human resources in order to capture in-depth, credible data. The questions in the interview guide were also developed based on the literature reviewed. The Managing director could not be accessed because of an extremely busy schedule. This was a limitation as the researcher missed to capture policy issues from the head of policy in PBL (see appendix B).

3.8 Procedure of Data Collection

After the research proposal together with data collection instruments had been approved, the researcher obtained a letter from the head of Higher Degrees Department (HDD) at Uganda Management Institute (UMI), granting permission to proceed for data collection. The letter was presented to Management of PBL for acceptance and authorization to undertake the study in their organization. The researcher made contact with the various authorities where the study was carried out and together they made appointments when to carry out the study. The authorities' permission to the researcher was of great significance in clarifying and averting suspicion about the study and helped to elicit increased willingness on the part of respondents to be objective and honest while responding to questions posed to them. The researcher recruited and trained a research assistant in collecting data from the respondents (using questionnaires). This approach enabled proper planning and mobilization of resources on the agreed dates. Apart from informal planning meetings with the HR office, the researcher together with his assistant made two main visits to the respondents and collected data. The researcher ensured that during data collection, questions were discussed in the presence of respondents in order to be well understood. Where necessary adjustments were made to reduce chances of non-compliance and non-reliability of the tool. Thereafter, data was collected, presented and later analyzed.

3.9 Validity and Reliability of Instruments

3.9.1 Validity

Validity is the ability to produce findings that are in agreement with theoretical or conceptual values; in other words to measure what is supposed to be measured (Amin, 2005). The validity of the research instrument was determined by pretesting. Mugenda and Mugenda (1999) assert that pre testing ensures clarity

and accuracy of results so that data collected gives meaningful, reliable results representing variable in the study. Research instruments were given to two lecturers who commented on ambiguity, difficult, content, relevance of the questions. The researcher then used the following formula to establish content validity index (CVI) of the questionnaires.

$$\text{Content validity Index (CVI)} = \frac{\text{Relevant items by all judges as suitable}}{\text{Total number of items judged.}}$$

The rating from the lecturers are presented in the following table

Table 2: Lecturers' ratings for calculating validity

Raters	Relevant items	Not relevant items	Total
Rater 1	39	6	45
Rater 2	35	10	45
Total	74	16	90

$$\text{Thus, CVI} = \frac{74}{90} \approx .822$$

The overall Content Validity Index (CVI) of the instrument was .822 above the average acceptable Index of 0.7, and thus, the questionnaire were accepted as valid (Amin, 2005).

3.9.2 Reliability

According to Mugenda and Mugenda (1999), reliability refers to the measure of the degree to which a research instrument yields consistent results or data after repeated trials. Internal consistency method was employed. To ensure reliability, the questionnaires were pilot tested involving 20 respondents and subjecting the findings to Cronbach's reliability index, using SPSS programme. Questions were pretested for reliability to similar study. The questions therefore, had coded choices to be ticked,

pretest results weighted and reliability tested. Results from the field were subjected to a cronbach alpha reliability as recommended by Amin, (2005). An alpha of 0.7 or higher is sufficient to show reliability. The closer it is to 1 the higher the internal consistency in reliability (Sekaran, 2003). The following table presents the findings.

Table 3: Reliability of questionnaire

Variable	Alpha	No. of items
Monetary rewards	.700	18
Non-monetary rewards	.758	20
Employee motivation	.766	7

The alphas of the variables were all above .70 and thus the questionnaire were considered suitable for data collection.

3.10 Data Analysis

Data analysis involved entering, cleaning and summarizing data obtained from the different respondents. Descriptive statistics in form of frequencies and percentages were obtained and used. After presenting the descriptive statistics for each of the objectives, inferential statistics in the form of Pearson correlation, coefficient of determination and regression were computed and interpreted. Data was analyzed by use of SPSS to derive statistics for further use in dissertation writing at 0.05% level of significance. This value was chosen at the discretion of the researcher and because it is usually the most commonly used value in social sciences (Onen & Yuko, 2008).

Interviews generated qualitative data because of face to face interactions that were held with the management team of PBL. The respondents were asked questions relating to their areas of interest where the interviewer was taking notes against each research question. The questions were arranged in such a way that all study variables were handled

and questions relating each independent variable to the dependent variable were included. Content analysis was manually done into themes of similar opinions on a given variable, key areas of divergence and areas where the respondents suggested improvement on the study variable.

3.10.1 Quantitative data analysis

The quantitative raw data was from the questionnaires only. In order to draw meaning, the raw data was cleaned, sorted and coded; it was then analyzed using SPSS in order to generate descriptive and inferential statistics. After presenting the descriptive statistics for each of the objectives, inferential statistics in the form of Pearson correlation, coefficient of determination and regression were computed and interpreted to determine the extent to which the independent variable relates to the dependent variable. The regression coefficient model was used to determine which components of the independent variable significantly or do not significantly, relate to the dependent variable. The results were presented in form of tables, and figures (graphs & pie charts) for easy interpretation.

3.10.2 Qualitative data analysis

Qualitative data was collected using an interview guide during discussions with key respondents in meetings. Documentary reviews were done using a documentary checklist. Data was organized in themes and sub themes for easy analysis (thematic analysis). The data then was used to reinforce information got from questionnaires to draw better interpretations.

3.11 Measurement of variables

The variables of the study were measured using a nominal scale and ordinal scale, specifically, the five point likert scale. Thus, different variables were measured at

different levels. The nominal scale measurement was used in the first part of the questionnaire. According to Mugenda and Mugenda (1999), nominal scales are assigned only for purposes of identification but do not allow comparisons of the variable being measured. The researcher used the ordinal measurement, which categorizes and ranks variable, being measured like uses of statements such as strongly agree, agree, no comment, disagree and strongly disagree (Amin, 2005) to measure rewards and employee motivation. The numbers in the ordinal scale represented relative position or order among the variable (Mugenda & Mugenda 1999; Amin 2005). Both nominal and ordinal scales were used to measure discrete variables and only the specified numbers such as 1, 2, 3, 4, and 5 applied (Amin, 2005).

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents, analyzes and interprets the results. It is divided into four major sections. The first section presents results about the response rate. The second section presents results on demographic information. The third section presents descriptive results then inferential statistics.

4.2 Response Rate

The percentage of people who respond to a survey is called the response rate (Hamilton, 2003). This rate is important and should not be left to chance. High survey response rates help to ensure that survey results are representative of the target population. A survey must have a good response rate in order to produce accurate, useful results. In this study, the sample was 85 PBL staff, but the study managed to get 65 PBL staff. The break down is shown in the following table.

Table 4: Response rate

Title	Sampled size	Responses received	Percentage
Top management	9	5	56%
Line management	10	6	60%
Non-management staff	61	54	88.5%
Totals	80	65	81%

Source: Primary data

From Table 4, the total number of questionnaires that were administered was 61 out of which the responses were 54. So response rate was $54/61 \times 100 = 88.5\%$. Thus, the response rate 88.5% was above the recommended two-thirds (67%) response rate (Amin,

2005; Mugenda & Mugenda, 1999). According to Babbie (2004), a response rate of 50% is considered adequate, 60% good and 70% very good for analysis and reporting.

4.3 Demographic Information of PBL non-management staffs

PBL non-management staffs were asked about their gender, education level, tenure at the company and age. Findings are presented in the following sub sections.

4.3.1 Gender of respondents

Respondents were asked about their gender. This was because gender of the respondents was important in determining whether the sample that participated in the study was representative of the composition of population. Findings are presented in Table 5.

Table 5: Findings about gender of PBL non-management staff

Gender of PBL non-management staff	Frequency	Percent
Male	29	53.7
Female	25	46.3
Total	54	100.0

Source: Primary data

From table 5, Findings show that the males that participated in the study were 53.7% as compared to the 46.3% female counterparts. This was because the organization employs more male compared to female. This finding implies validity of the study in terms of gender in that both male and female were fairly represented in the study. Thus, information obtained about rewards and motivation was not gender biased as in terms gender of distribution of the population.

4.3.2 Level of education of respondents

PBL non-management staff were asked about their education. Findings are presented in Figure 4, below.

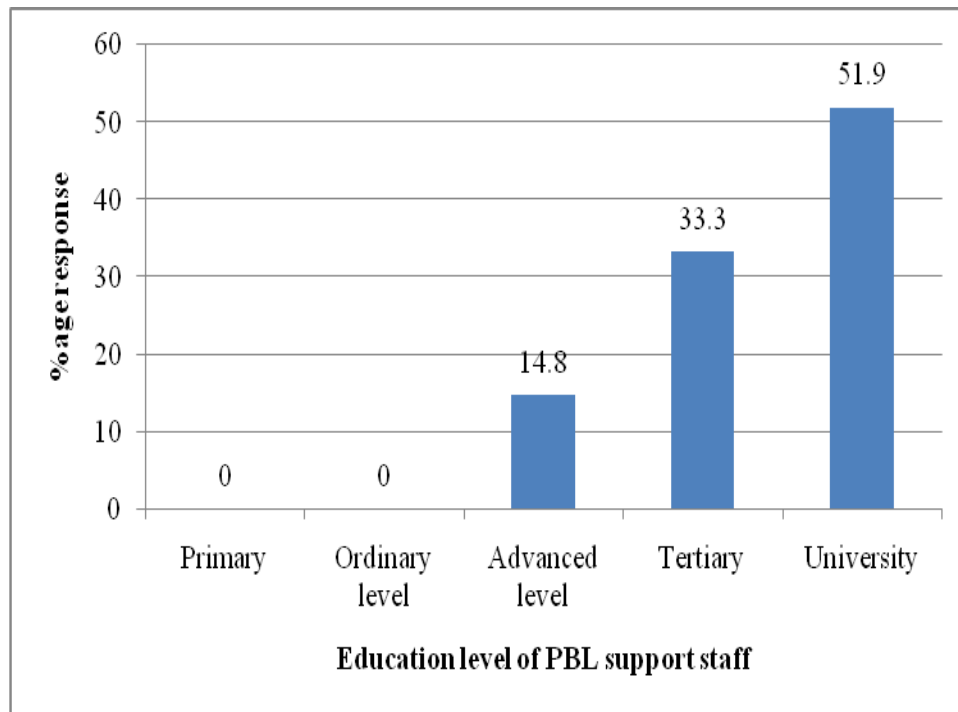


Figure 4: Findings about education level of PBL non-management staff

Source: Primary data

Findings show that all PBL non-management staff (100%) who participated in the study had at least an advanced level of education. This is attributed to the PBL employment policy, which aims at employing people with at least an advanced level of education. The implication of these findings is that the education background of the PBL non-management staff were to respond to information about rewards and employee motivation at PBL, because they had good command of English language, which was used in the questionnaire. In fact, the response rate of 88.5% only serves to confirm this.

4.3.3 Years of PBL non-management staff working with the organization

PBL non-management staffs were asked about their years of working with the organization. Findings are presented in Figure 5.

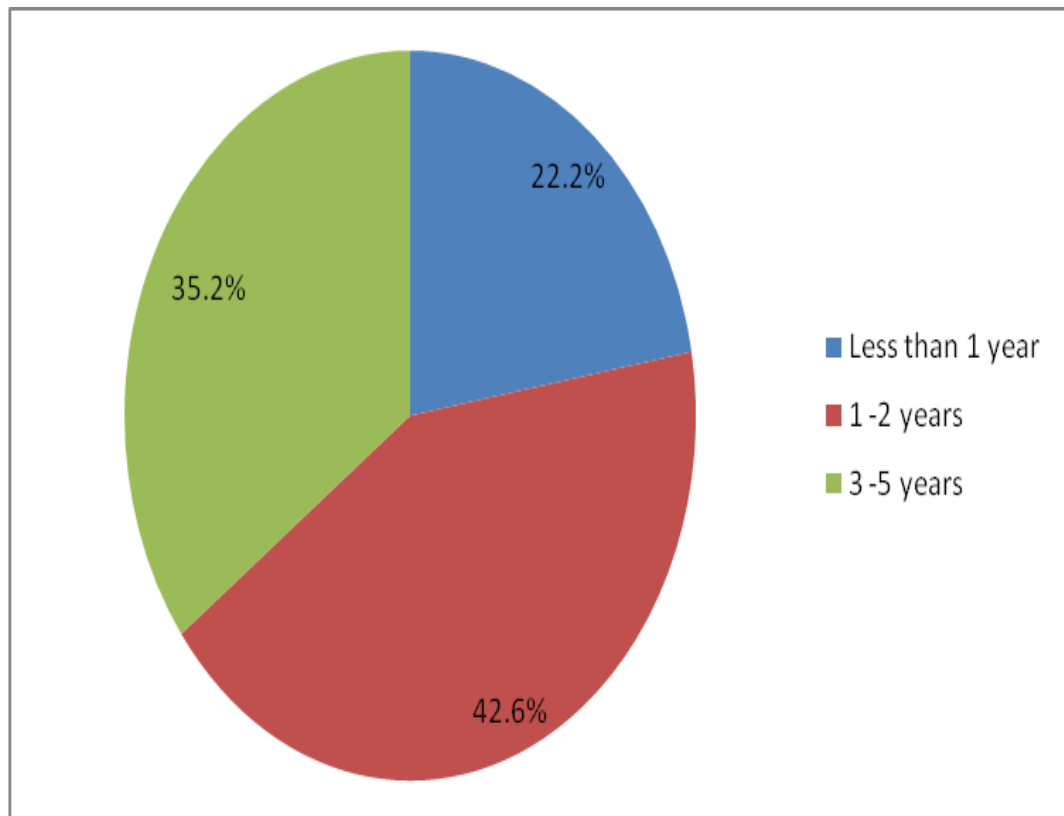


Figure 5: Findings about tenure of PBL non-management staff

Source: Primary data

Findings show that most of the PBL non-management staff (over 77.8%) who participated in the study had worked with the PBL for more than one year. Very few PBL non-management staff (22.2%) had worked for it less than 1 year. This implies that the respondents are knowledgeable; they understand the company business and are perceived to know particular contributing factors that affect employee motivation at PBL. Therefore, the PBL non-management staff who participated in this study provided dependable information about the rewards and employee motivation at PBL.

4.3.4 PBL non-management staffs' age

PBL non-management staffs were asked about their age. Findings are presented in Figure 6.

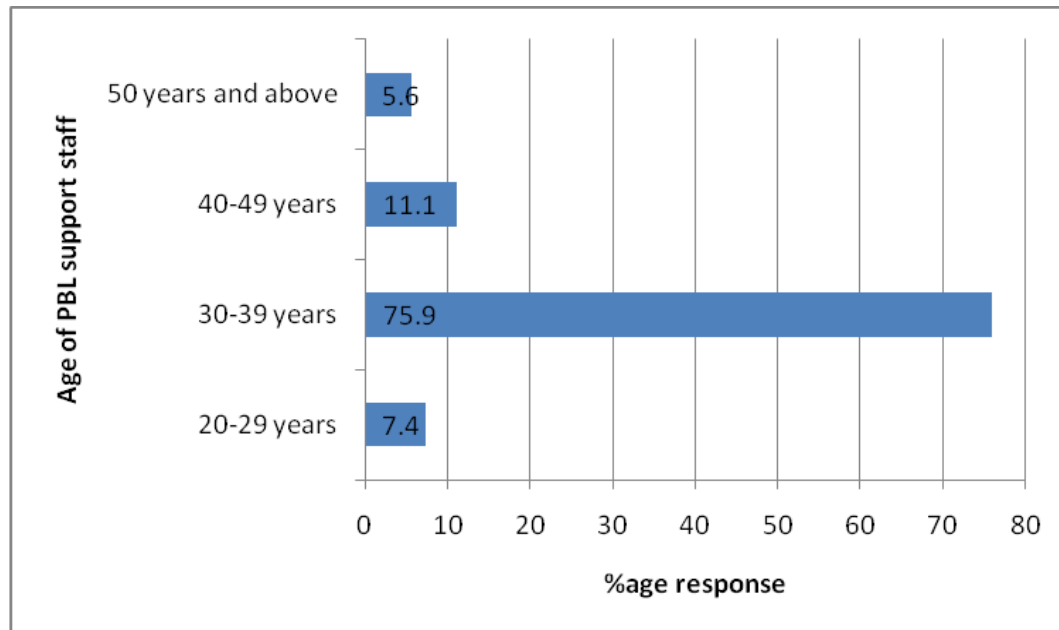


Figure 6: Findings about ages of PBL non-management staff's

Source: Primary data

Findings show that most PBL non-management staff (over 90%) who participated in the study were aged 31 years and above. This is attributed to the fact that in line with the Ugandan employment Act, 2006, normal retirement age is fixed at 55 years, which probably explains the composition of employees aged 30 to 50 years in most Ugandan private companies. Further findings show that over 83% of the staffs, who responded, were aged less than 40 years. According to the UNDP Human Development Index (HDI), (trends from 1990 - to date), average Ugandan life expectancy was 45.6 years in 2012. The implication was that the age group of Ugandans who are less than forty is the most active in employment whereby the nature of rewards given highly affects their motivation, which in turn supports the basis of expectancy theory. Lastly, the findings show that 100% (all the 54 respondents) were above 18 years, and according to Uganda's constitution, a person of 18 years and above is considered an adult. Thus, the implication

is that all the 54 responses were gathered from informed opinions and independent judgments hence forming reliable data for discussions, conclusions and recommendations about the effect of rewards on employee motivation.

4.4 Monetary Rewards and Employee Motivation at PBL

APA style that UMI proposes to its students recommends to first present descriptive statistics before the corresponding inferential statistics. Thus, this approach was adopted in this study and the descriptive statistics that were used were frequencies and percentages. After presenting the descriptive statistics for each of the objectives, inferential statistics in the form of Pearson correlation coefficient and regression were computed and interpreted.

4.4.1 Descriptive results about monetary rewards at PBL

In order to measure monetary rewards three indicators were used and these included salary/wages, allowances and bonus. Fifty four (54) PBL non-management staff were requested to respond using a five-point response Likert scale: “Strongly disagree”, “Disagree”, “Not sure”, “Agree”, and “Strongly agree” to 18 items about monetary rewards as shown in Table 6. The items are presented in the first column of Table 6 and the proportion of PBL non-management staff to the responses on each of the items is presented in form of frequencies and percentages in columns 2 to 6. The last column presents the total percentage of PBL non-management staff on each of the items. The analysis and interpretation of the findings about monetary rewards follows the presentation of findings in Table 6.

Table 6: Findings about monetary rewards

Items about salary/wages	SD	D	NS	A	SA	Total
1. PBL always pays me a salary/wage at work	0 (0%)	0 (0%)	0 (0%)	46 (85%)	8 (15%)	54 (100%)
2. PBL always pays my salary/wage in time	3 (6%)	24 (44%)	0 (0%)	19 (35%)	8 (15%)	54 (100%)
3. The salary/wage PBL pays me is adequate	10 (19%)	31 (57%)	0 (0%)	12 (22%)	1 (2%)	54 (100%)
4. PBL has been increasing my salary/wage during price rises	10 (19%)	25 (46%)	0 (0%)	18 (33%)	1 (2%)	54 (100%)
5. The salary/wage PBL pays me is better compared to what I should have got in similar organizations	3 (6%)	28 (51%)	2 (4%)	12 (22%)	9 (17%)	54 (100%)
6. The salary/wage PBL pays me is worthy the services that I offer.	5 (9%)	32 (60%)	0 (0%)	13 (24%)	4 (7%)	54 (100%)
Items about allowances						
7. PBL always gives me allowances (such as transport allowance, housing allowance, etc.) as an addition to my salary/wage	0 (0%)	0 (0%)	0 (0%)	41 (76%)	13 (24%)	54 (100%)
8. PBL always gives me allowances in time	10 (19%)	27 (50%)	0 (0%)	13 (24%)	4 (7%)	54 (100%)
9. The allowance PBL gives me is adequate	8 (15%)	30 (55%)	0 (0%)	10 (19%)	6 (11%)	54 (100%)
10. PBL has been increasing my allowances when prices increase	13 (24%)	33 (61%)	0 (0%)	5 (9%)	3 (6%)	54 (100%)
11. The allowances PBL gives me are better compared to what I should have got in similar organizations	5 (9%)	27 (50%)	3 (6%)	11 (20%)	8 (15%)	54 (100%)
12. The allowances PBL gives me are worthy the services that I offer.	11 (20%)	30 (56%)	0 (0%)	11 (20%)	2 (4%)	54 (100%)
Items about bonus						
13. PBL always gives me a bonus as an addition to my salary/wage	0 (0%)	0 (0%)	0 (0%)	42 (78%)	12 (22%)	54 (100%)
14. PBL always gives my bonus in time	3 (6%)	28 (51%)	0 (0%)	14 (26%)	9 (17%)	54 (100%)
15. The bonus PBL gives me is adequate	6 (11%)	31 (58%)	0 (0%)	13 (24%)	4 (7%)	54 (100%)
16. PBL has been increasing my bonus when prices increase	10 (19%)	27 (50%)	0 (0%)	13 (24%)	4 (7%)	54 (100%)
17. The bonus PBL gives me is better compared to what I should have got in similar organizations	9 (17%)	29 (54%)	4 (7%)	8 (15%)	4 (7%)	54 (100%)
18. The bonus PBL gives me is worthy the efforts that I offer.	5 (9%)	31 (58%)	0 (0%)	12 (22%)	6 (11%)	54 (100%)

Source: Primary data

Key: SD = strongly disagree, D = Disagree, NS = Not sure, A = Agree, SA = strongly agree

To analyze the findings, respondents who strongly disagreed and those who disagreed were combined into one category who “opposed” the items. In addition, respondents who strongly agreed and those who agreed were combined into another category who “concurred” with the items. Thus, three categories of respondents were compared, which included “Respondents who opposed the items”, “Respondents not sure with the items”

and “Respondents who concurred with the items”. The scales were combined for easy presentation, analysis and interpretation (Amin, 2005) as shown in the following paragraph.

Findings relating to salary/wages in Table 6 show that all PBL non-management staff (100%) concurred on item 1, which stated that PBL always pays me a salary/wage at work. This shows that PBL always paid its staff a salary/wage at work. However, findings show that half of the non-management staff (50%) concurred to one item (that is item 2) while the other half opposed the item. This shows that PBL always paid salary/wage in time half to half of its non-management staff while it rarely did so to the other half of the non-management staff. Lastly, findings show that most non-management staff opposed four items (that is item 3, 4, 5 and 6) compared to PBL non-management staff who concurred to these items. For example, it is shown that fewer PBL non-management staff (24%) concurred that the salary/wage PBL paid to them was adequate compared to 76% of the PBL non-management staff who were opposed. Fewer PBL non-management staff (35%) concurred that PBL had been increasing their salary/wage during price rises compared to 65% of the PBL non-management staff who were opposed. Fewer PBL non-management staff (39%) concurred that the salary/wage PBL paid them was better than what they should have got in similar organizations compared to 51% of the PBL non-management staff who were opposed while very few (4%) were not sure. Lastly, fewer PBL non-management staff (31%) concurred that the salary/wage PBL paid them was worthy the services their offered compared to 69% of the PBL non-management staff who were opposed. Thus, these findings show that for most non-management staff, the salary/wage PBL paid was inadequate, was not increase during price rises, was lower than that of similar organizations and was not worthy the services their offered.

In addition, findings relating to allowances in Table 6 show that all PBL non-management staff (100%) concurred to one item (that is item 7). This shows that PBL always paid its staff allowances at work as an addition to my salary/wage. However, findings show that most non-management staff opposed five items (that is item 8, 9, 10, 11 and 12) compared to PBL non-management staff who concurred to these items. For example, it is shown that fewer PBL non-management staff (31%) concurred that PBL always gave them allowances in time compared to 69% of the PBL non-management staff who were opposed. Fewer PBL non-management staff (30%) concurred that the allowances PBL paid to them was adequate compared to 70% of the PBL non-management staff who were opposed. Fewer PBL non-management staff (15%) concurred that PBL had been increasing their allowances during price rises compared to 85% of the PBL non-management staff who were opposed. Fewer PBL non-management staff (35%) concurred that the allowances PBL paid them was better than what they should have got in similar organizations compared to 59% of the PBL non-management staff who were opposed while very few (6%) were not sure. Lastly, fewer PBL non-management staff (24%) concurred that the allowances PBL paid them was worthy the services their offered compared to 76% of the PBL non-management staff who were opposed. Thus, these findings show that for most non-management staff, the allowances PBL were not paid in time, were inadequate, were not increase during price rises, were lower than that of similar organizations and were not worthy the services their offered.

Furthermore, findings relating to bonus in Table 6 show that all PBL non-management staff (100%) concurred to one item (that is item 13). This shows that PBL always paid its staff bonus at work as an addition to my salary/wage. However, findings show that most non-management staff opposed five items (that is item 14, 15, 16, 17 and 18) compared to PBL non-management staff who concurred to these items. For example, it is shown that

fewer PBL non-management staff (43%) concurred that PBL always gave them bonus in time compared to 57% of the PBL non-management staff who were opposed. Fewer PBL non-management staff (31%) concurred that the bonus PBL paid to them was adequate compared to 69% of the PBL non-management staff who were opposed. Fewer PBL non-management staff (31%) concurred that PBL had been increasing their bonus during price rises compared to 69% of the PBL non-management staff who were opposed. Fewer PBL non-management staff (22%) concurred that the bonus PBL paid them was better than what they should have got in similar organizations compared to 71% of the PBL non-management staff who were opposed while very few (7%) were not sure. Lastly, fewer PBL non-management staff (33%) concurred that the bonus PBL paid them was worthy the services they offered compared to 67% of the PBL non-management staff who were opposed. Thus, these findings show that for most non-management staff, the bonus PBL was not paid in time, was inadequate, was not increased during price rises, was lower than that of similar organizations and was not worthy the services they offered.

Interviews with the 11 key informants shed more light on monetary rewards at PBL and were supportive of the findings obtained using questionnaire. Key informants revealed that most PBL employees were not adequately rewarded with financial rewards. They opined that financial rewards offered to employees were inadequate. Indeed, emphasizing the inadequacy of the salary, one Top Manager said:

....most employees are not satisfied with the amount of money that PBL pays them. It's indeed inadequate. The cost of living has gone up and most employees find it difficult to afford daily expenses like transport, house rent, food, medical care and school fees for their family members from what they earn as their salary.

Similarly, a line manager had this to say:

The salary some employees get is not enough yet they have to pay for rent and cater for their home needs. Some employees wonder why this PBL cannot realize that the cost of living is so high to increase their salaries given that they are overworked.

The quotation suggests that financial rewards are not structured proportionately to reward PBL employees, which in turn lowers motivation at their jobs.

Generally, findings show that monetary rewards to PBL non-management staff were not satisfactory. From the conceptual framework, the explanation was that if this happens to be the case, employee motivation would be low. Thus, the following section presents findings about employee motivation.

4.4.2 Descriptive results about employee motivation at PBL

PBL non-management staff responded to seven items about employee motivation by indicating their agreement using a five-point Likert scale. The items are presented in the first column of Table 7 and the proportion of PBL non-management staff to the responses on each of the items is presented in form of percentages in columns 2 to 6. The last column presents the total percentage of PBL non-management staff on each of the items. The analysis and interpretation of the findings follows the presentation of findings in Table 7.

Table 7: Findings about employee motivation

Items about employee motivation	SD	D	NS	A	SA	Total
1. PBL's employees have the desire to do work	11 (20%)	30 (56%)	4 (7%)	7 (13%)	2 (4%)	54 (100%)
2. PBL's employees have the desire to help co-workers	11 (20%)	26 (49%)	4 (7%)	12 (22%)	1 (2%)	54 (100%)
3. PBL's employees are always willing to do work	3 (6%)	28 (51%)	2 (4%)	13 (24%)	8 (15%)	54 (100%)
4. PBL's employees are always willing to help co-workers	10 (19%)	29 (52%)	3 (6%)	9 (17%)	3 (6%)	54 (100%)
5. PBL's employees are always persistent to provide help to do their work	9 (17%)	27 (50%)	4 (7%)	11 (20%)	3 (6%)	54 (100%)
6. PBL's employees always put in extra effort to do their work	12 (22%)	25 (46%)	4 (7%)	10 (19%)	3 (6%)	54 (100%)
7. PBL's employees always put in extra effort to help co-workers	4 (7%)	29 (54%)	5 (9%)	9 (17%)	7 (13%)	54 (100%)

Source: Primary data

Key: SD = strongly disagree, D = Disagree, NS = Not sure, A = Agree, SA = Strongly agree

Findings show that most PBL non-management staff opposed all items compared to PBL non-management staff who concurred to these items while very few PBL non-management staff were not sure. A comparison on these items shows that the percentage of PBL non-management staff that opposed ranged from 57% to 76% while the percentage that was not sure ranged from 4% to 9% and the percentage of that concurred ranged from 17% to 39%. From these comparisons, it can be seen that the percentage that opposed the items were higher compared to the percentage that concurred while the percentages that were not sure were too small. Thus, from this analysis, the following is the interpretation. Findings show that most PBL's employees had no desire to do work, were rarely willing to do work and help co-workers, were rarely persistent to provide help to do their work, and rarely put in extra effort to do their work and help co-workers.

Generally, this shows low motivation among employees at PBL. However, this does not imply that low motivation among employees was due to poor monetary rewards unless inferential statistics confirm.

Thus, after establishing PBL non-management staff’s views on monetary rewards and employee motivation under the first objective, the next step was to test the first hypothesis using inferential statistics. Findings are presented in sub section 4.4.3.

4.4.3 Testing first hypothesis

The first hypothesis stated, “*There is a positive significant effect of monetary rewards on motivation of Employees at Parambot breweries Ltd*”. Pearson correlation coefficient (r) was used to determine the strength of the relationship between monetary rewards and the employee motivation. The coefficient of determination was used to determine the effect of monetary rewards on the employee motivation. The significance of the coefficient (p) was used to test the hypothesis by comparing p to the critical significance level at (0.05). This procedure was applied in testing the other hypotheses and thus, a length introduction is not repeated in the subsequent section of hypothesis testing. Table 8 presents the test results for the first hypothesis.

Table 8: Correlation between monetary rewards and employee motivation

	Monetary rewards
Employee motivation	$r = .692$ $r^2 = .479$ $p = .000$ $n = 54$

Source: Primary data

Findings show that there was a strong positive correlation ($r = .692$) between monetary rewards and employee motivation. Since the correlation does not imply causal-effect as stated in the first objective, the coefficient of determination ($r^2 = .479$), which is a square of the correlation coefficient was computed and expressed as a percentage to determine the variance in employee motivation due to monetary rewards. Thus, findings show that monetary rewards accounted for 47.9% variance in employee motivation. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation ($p = .000$) is less than the recommended critical significance at 0.05. Thus, the effect was significant. Because of this, the hypothesis “*There is a positive significant effect of monetary rewards on motivation of Employees at Parambot Ltd*” was accepted.

The implication of these findings is that monetary rewards had a significant effect on employee motivation at PBL Ltd. The strong correlation implied that a change in monetary rewards was related to a big change in employee motivation. The positive nature of the correlation implied that the change in monetary rewards and employee motivation was in the same direction whereby improvement in monetary rewards was related to improvement in employee motivation and vice versa.

Further analysis was conducted using a regression to determine the effect of the dimensions of monetary rewards (salary/wages, allowances and bonus) on employee motivation. Findings are presented in Table 9, accompanied with an analysis and interpretation.

Table 9: Effect of dimensions of monetary rewards on employee motivation

<i>Regression Statistics</i>					
Multiple R		.756			
R Square		.571			
Adjusted R Square		.545			
Standard Error		2.863			
Observations		54			

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Sig. F</i>
Regression	3	545.5	181.8	22.2	.000
Residual	50	410.0	8.2		
Total	53	955.5			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	.65	2.83	.23	.820
Salary/wages	.31	.17	1.82	.074
Allowances	-.15	.18	-.81	.421
Bonus	.80	.14	5.59	.000

Source: Primary data

Findings in Table 9 show a strong linear relationship (Multiple R = .756) between the combination of dimensions of monetary rewards (salary/wages, allowances and bonus) and employee motivation. Going by the adjusted R Square, it is shown that the combination of dimensions of monetary rewards (salary/wages, allowances and bonus) account for 54.5% variance in employee motivation. These findings were subjected to an ANOVA test, which showed that the significance (Sig F = .000) of the Fishers ratio (F = 22.2) was less than the critical significance at .05. Hence, the findings were accepted.

The coefficients findings show that only bonus singularly had a significant effect on employee motivation because its significant p-value was less than the critical significance at 0.05. Salary/wages and allowances did not significantly affect employee motivation given that their significant p-values were greater than the critical significance at 0.05.

The Interviews shed some light to the effect of monetary rewards on employee motivation at PBL. For example, despite the negative view about monetary rewards, key informants also held positive views. In an interview with Line Manager 5, the study discovered that whenever employees get rewards based on their performance it brought in a sense of fairness that it was compensation for their efforts. Line Manager 5 remarked, “.....*when employees are given such rewards, they feel their efforts are compensated for and they are considered useful to the functioning of PBL.....*”.

4.5 Non-Monetary Rewards and Employee Motivation at PBL

Before testing the second hypothesis, descriptive results (frequencies and percentages) relating to non-monetary rewards were presented, analyzed and interpreted. Findings are presented in the following sub-section.

4.5.1 Descriptive results about non-monetary rewards

In order to measure non-monetary rewards four indicators were used and these included promotion, praise, education/training and recognition. Fifty four (54) PBL non-management staff were requested to respond using a five-point response Likert scale: “Strongly disagree”, “Disagree”, “Not sure”, “Agree”, and “Strongly agree” to twenty items about non-monetary rewards as shown in Table 10. The items are presented in the first column of Table 10 and the proportions of PBL non-management staffs’ responses on each of the items are presented in form of frequencies and percentages in columns 2 to 6. The last column presents the total percentage of PBL non-management staff on each of the items. The analysis and interpretation of the findings about non-monetary rewards follows the presentation of findings in Table 10.

Table 10: Findings about Non-Monetary Rewards

Items about staff promotion	SD	D	NS	A	SA	Total
1. PBL always promotes its staff	1 (2%)	5 (9%)	3 (6%)	34 (63%)	11 (20%)	54 (100%)
2. I have ever been promoted at PBL	1 (2%)	29 (53%)	2 (4%)	13 (24%)	9 (17%)	54 (100%)
3. PBL's staff promotions are timely	9 (17%)	32 (59%)	4 (7%)	7 (13%)	2 (4%)	54 (100%)
4. I am happy with PBL's staff promotions	11 (20%)	25 (47%)	4 (7%)	12 (22%)	2 (4%)	54 (100%)
5. PBL's staff promotions are not discriminative	2 (4%)	29 (53%)	2 (4%)	12 (22%)	9 (17%)	54 (100%)
Items about staff praises						
6. PBL always offers praises to its staff for outstanding performance	6 (11%)	29 (54%)	3 (6%)	12 (22%)	4 (7%)	54 (100%)
7. I have ever been praised for outstanding performance at PBL	8 (15%)	29 (53%)	4 (7%)	10 (19%)	3 (6%)	54 (100%)
8. PBL's staff praises for outstanding performance are timely	11 (20%)	30 (56%)	4 (7%)	6 (11%)	3 (6%)	54 (100%)
9. I am happy with PBL's staff praises for outstanding performance	3 (6%)	32 (59%)	5 (9%)	9 (17%)	5 (9%)	54 (100%)
10. PBL's staff praises for outstanding performance are not discriminative	6 (11%)	31 (57%)	5 (9%)	8 (15%)	4 (7%)	54 (99%)
Items about staff education/training						
11. PBL always offers support to its staff education/training	4 (7%)	27 (50%)	2 (4%)	12 (22%)	9 (17%)	54 (100%)
12. PBL have ever offered support to my education/training	9 (17%)	28 (52%)	4 (7%)	12 (22%)	1 (2%)	54 (100%)
13. PBL's support to staff education/training are timely	9 (17%)	27 (50%)	4 (7%)	13 (24%)	1 (2%)	54 (100%)
14. I am happy with PBL's support to staff education/training	2 (4%)	27 (49%)	2 (4%)	13 (24%)	10 (19%)	54 (100%)
15. PBL's support to staff education/training are not discriminative	7 (13%)	27 (50%)	3 (6%)	13 (24%)	4 (7%)	54 (100%)
Items about staff recognition						
16. PBL always recognizes its staff for outstanding performance	3 (6%)	10 (19%)	4 (7%)	29 (53%)	8 (15%)	54 (100%)
17. I have ever been recognized for outstanding performance at PBL	9 (17%)	26 (48%)	4 (7%)	12 (22%)	3 (6%)	54 (100%)
18. PBL's staff recognitions for outstanding performance are timely	4 (7%)	27 (51%)	5 (9%)	13 (24%)	5 (9%)	54 (100%)
19. I am happy with PBL's staff recognitions for outstanding performance	8 (15%)	34 (62%)	1 (2%)	9 (17%)	2 (4%)	54 (100%)
20. PBL's staff recognitions for outstanding performance are not discriminative	5 (9%)	25 (46%)	2 (4%)	14 (26%)	8 (15%)	54 (100%)

Source: Primary data

Key: SD = strongly disagree, D = Disagree, NS = Not sure, A = Agree, SA = strongly agree

Findings relating to staff promotion in Table 10 show that most PBL non-management staff concurred to item 1 (83%) compared to that opposed (11%) while very few staff were not sure (6%). This shows that PBL always promoted its staff. However, findings show that the percentage of PBL non-management staff that concurred to one item (that is

item 2) (41%) was almost equal to the percentage of PBL non-management staff that opposed this item (55%) while few PBL non-management staff were not sure about this item (4%). This shows that slightly less than half of the PBL non-management staff had never been promoted while slightly over half of the PBL non-management staff had been promoted. Lastly, findings show that most non-management staff opposed three items (that is item 3, 4 and 5) compared to PBL non-management staff who concurred to these items while very few PBL non-management staffs were not sure. A comparison on these items shows that the percentage of PBL non-management staff that opposed ranged from 57% to 76% while the percentage that was not sure ranged from 4% to 7% and the percentage of that concurred ranged from 17% to 39%. From these comparisons, it can be seen that the percentage that opposed the items were higher compared to the percentage that concurred while the percentages that were not sure were too small. Thus, from this analysis, the interpretation is that for most PBL staff, promotions were not timely, they were unhappy with staff promotions and staff promotions were discriminative.

Findings regarding staff praise in Table 10 show that most PBL non-management staff opposed all the items compared to staff who concurred while very few staff were not sure. A comparison on these items shows that the percentage of PBL non-management staff that opposed ranged from 65% to 76% while the percentage that was not sure ranged from 6% to 9% and the percentage of that concurred ranged from 17% to 29%. From these comparisons, it can be seen that the percentage that opposed the items were higher compared to the percentage that concurred while the percentages that were not sure were too small. Thus, from this analysis, the interpretation is that for most PBL staff, the company rarely offered praises to its staff for outstanding performance, they had never been praised for outstanding performance, staff praises for outstanding performance were

not timely, they were unhappy with staff praises for outstanding performance and staff praises for outstanding performance were discriminative.

Findings regarding staff education/training in Table 10 show that most PBL non-management staff opposed all the items compared to staff who concurred while very few staff were not sure. A comparison on these items shows that the percentage of PBL non-management staff that opposed ranged from 53% to 69% while the percentage that was not sure ranged from 4% to 7% and the percentage of that concurred ranged from 24% to 43%. From these comparisons, it can be seen that the percentage that opposed the items were higher compared to those that concurred, while the percentages that were not sure were too small. Thus, from this analysis, the interpretation is that for most PBL staff, PBL rarely offered support to its staff's education/training, PBL had never been offered support to their education/training, the support to staff education/training were not timely, they were unhappy with support to staff education/training and the support to staff education/training was discriminative.

Findings relating to staff recognition in Table 10 show that most PBL non-management staff concurred to one item (that is item 16) (68%) compared to staff who opposed (25%) while very few staff were not sure (7%). This shows that PBL always recognized its staff for outstanding performance. However, findings show that most non-management staff opposed four items (that is item 17, 18, 19, and 20) compared to PBL non-management staff who concurred to these items while very few PBL non-management staffs were not sure. A comparison on these items shows that the percentage of PBL non-management staff that opposed ranged from 55% to 77% while the percentage that was not sure ranged from 2% to 9% and the percentage of that concurred ranged from 21% to 41%. From these comparisons, it can be seen that the percentage that opposed the items were higher

compared to the percentage that concurred while the percentages that were not sure were too small. Thus, from this analysis, the interpretation is that most PBL staff, had never been recognized for outstanding performance, staff recognitions for outstanding performance were not timely, and recognitions for outstanding performance were discriminative.

Interview findings shed more light about non-monetary rewards at PBL. When key informants were asked about the non-monetary rewards PBL offered its employees, it was established that these included promotion, appreciations, written or verbal thanks, good working conditions, gift offering and recognition. Others were challenging responsibilities and training. During the interview, line manager 2 responded in the following quotation when asked about non-monetary rewards at PBL.

Appreciation and promotion are mostly used. Good performing employees are appreciated during company ceremonies and end of year party. However, employees prefer salary increment to any other form of reward. Promotions would be good but when they promote you, they add on you more responsibilities and promotions are sometimes given according to one's relationship with the supervisor.

From the quotation, it can be observed that although PBL workers were recognized through promotion, the process was not transparent because some of the workers' promotion depended on one's relationship with the supervisor. In addition, these forms of appreciation and recognition are not very effective given that employees preferred salary increment.

Perceptions of key informant at PBL indicated that the use of non-monetary rewards was not at the adequate levels in the organization. When key informants were asked how effective had been PBL's non-monetary rewards. One of the managers responds thus;- *“Non-monetary rewards are not effective. For example, it takes some staff three to five years to advance to the higher position, while other staffs, it is above five years”*.

Regarding the effectiveness of non-monetary rewards, it was learnt during the interviews that workers feel recognized and appreciated from the jobs they do as shown in the following comment:

.....When promoting someone, even if you do not add much to their salary, they still feel that they have made a great step in their career or profession and a recognizable contribution in the organization.

Thus, from the comment, it is shown that employees at PBL are given non-monetary rewards in form of promotion. These help to improve employee motivation.

A recently promoted Line Manager 4 in support had this to say:

I have been working with this organization for six years. I have already had three promotions. Therefore, it really encourages me and other workers who also were promoted.

Generally, findings show that non-monetary rewards to PBL non-management staff were not satisfactory. From the conceptual framework, the explanation was that if this happens to be the case, employee motivation is likely to be low. However, this does not imply that low motivation among employees was due to poor non-monetary rewards unless inferential statistics confirm. Thus, after establishing PBL non-management staff's views

on non-monetary rewards, the next step was to test the second hypothesis using inferential statistics. Findings are presented in sub section 4.5.2.

4.5.2 Testing second hypothesis

The second null hypothesis stated, *“There is a positive significant effect non-monetary rewards on employee motivation in manufacturing companies in Uganda”* Pearson correlation coefficient (r) was used to test the hypothesis. Table 11 presents the test results.

Table 11: Correlation between non-monetary rewards and employee motivation

	Non-monetary rewards
Employee motivation	$r = .685$ $r^2 = .469$ $p = .000$ $n = 54$

Source: Primary data

Findings show that there was a strong positive correlation ($r = .685$) between non-monetary rewards and employee motivation. The coefficient of determination ($rho^2 = .469$) shows that non-monetary rewards accounted for 46.9% variation in employee motivation. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation ($p = .000$) is less than the recommended critical significance at 0.05. Thus, the relationship was significant. Because of this, the hypothesis *“There is a positive significant effect non-monetary rewards on employee motivation in manufacturing companies in Uganda”* was accepted.

Thus, the implication of the findings was that non-monetary rewards had a significant positive relationship with employee motivation at PBL Ltd. The strong correlation implies that a change in non-monetary rewards relates to a big change in employee motivation. The positive nature of the correlation implied that the change in non-

monetary rewards and employee motivation was in the same direction whereby improvement in non-monetary rewards was related to improvement in employee motivation and vice versa.

A further analysis was conducted using a regression to determine the strength of relationship between the dimensions of non-monetary rewards (promotion, praise, education/training and recognition) and employee motivation. Findings are presented in Table 12, accompanied by analysis and interpretation.

Table 12: Relationship of dimensions of non-monetary rewards and employee motivation

<i>Regression Statistics</i>	
Multiple R	.730
R Square	.533
Adjusted R Square	.495
Standard Error	3.018
Observations	54

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Sig. F</i>
Regression	4	509.1	127.3	14.0	.000
Residual	49	446.4	9.1		
Total	53	955.5			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	-3.32	4.03	-.82	.414
Promotion	.32	.17	1.84	.072
Praise	.73	.13	5.46	.000
Education/training	.20	.20	1.00	.323
Recognition	.32	.22	1.44	.157

Source: Primary data

Findings in Table 12 show a strong linear relationship (Multiple R = .730) between the combination of dimensions of non-monetary rewards (promotion, praise, education/training and recognition) and employee motivation. The adjusted R Square

shows that the combination of dimensions of non-monetary rewards (promotion, praise, education/training and recognition) account for 53.3% variation in employee motivation. These findings were subjected to an ANOVA test, which showed that the significance (Sig F = .000) of the Fishers ratio ($F = 14.0$) was less than the critical significance at .05. Hence, the findings were accepted.

The coefficients findings show that only praise singularly had a significant positive relationship with employee motivation because its significant p-value was less than the critical significance at 0.05. Promotion, education/training and recognition were not significantly related to employee motivation given that their significant p-values were greater than the critical significance at 0.05.

Interview findings supported the findings obtained from questionnaires. In particular, key informants considered non-monetary rewards among the most important factors that increase their employees' desire to exert more effort in their jobs. The findings suggest that non-monetary rewards may have a high motivating power at PBL if the employees and management value them highly. Most of the responses indicated that the employees are quite positive towards the use of non-monetary rewards in the workplace and can be effective in motivating them, complementing monetary rewards.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the findings from the study, discusses the empirical results in view of the research objectives, stated hypotheses and similar findings in other research elsewhere. The researcher's conclusions are presented and finally recommendations made for future studies on the subject of rewards and employee motivation.

5.2 Summary

5.2.1 Monetary rewards and employee motivation

Monetary rewards had a significant effect on employee motivation at PBL. In particular, the strong relationship implied that a change in monetary rewards effects to a big change in employee motivation whereby improvement in monetary rewards caused an improvement in employee motivation and vice versa. Monetary rewards accounted for 47.9% variation in employee motivation. In addition, there was a strong linear relationship between the combination of dimensions of monetary rewards (salary/wages, allowances and bonus) and employee motivation. The combination of dimensions of monetary rewards (salary/wages, allowances and bonus) accounted for 54.5% variation in employee motivation. However, only bonus singularly had a strong positive relationship with employee motivation while salary/wages and allowances did not significantly affect employee motivation.

5.2.2 Non-monetary rewards and employee motivation at PBL

Non-monetary rewards had a strong relationship with employee motivation, implying that a change in non-monetary rewards effects a big change in employee motivation whereby

improvement in non-monetary rewards caused improvement in employee motivation and vice versa. Non-monetary rewards accounted for 46.9% variation in employee motivation. In addition, there was a strong linear relationship between the combination of dimensions of non-monetary rewards (promotion, praise, education/training and recognition) and employee motivation. The combination of dimensions of non-monetary rewards (promotion, praise, education/training and recognition) accounted for 53.3% variation in employee motivation. However, only praise singularly had a strong positive relationship with employee while promotion, education/training and recognition did not significantly affect employee motivation.

5.3 Discussion

5.3.1 Monetary rewards and employee motivation at PBL

The first hypothesis stated, *“There is a positive significant effect of monetary rewards on employee motivation in manufacturing companies in Uganda”* Monetary rewards studied in the hypothesis included salary/wages, allowances and bonuses. The inferential statistics indicated a significant positive relationship between monetary rewards and employee motivation. This implied that monetary rewards greatly affected employee motivation.

Findings of this research support other studies, which also established that better monetary rewards contribute to high employee motivation while poor monetary rewards contribute to low employee motivation. Cole (1997) established that provision of stable monetary rewards contributes to employee motivation and stability on the job. Armstrong (2001) opines that with fair monetary rewards adjusted to employees’ basic needs, their levels of motivation rise and they continue to work for the organization. According to

Armstrong (2009), financial rewards must be provided based on skills, competence, and contribution to the organization.

Armstrong (1996) supports the study findings when he acknowledges that financial rewards provide the means to achieve a number of different ends. In agreement, Coombs (2005) posits that when employees' financial rewards fail to keep pace with the cost of living they undergo a reduction in real income, their morale suffers and the able ones shift to better paying jobs. Govinda and Varghese (1993) looks at this scenario and affirm that where employees are disillusioned and frustrated about conditions of service, motivation tends to decrease.

The findings of this study also concur with Maslow as cited in Griffin (2004) as he observes that monetary rewards in form of cash payments have an upper hand in influencing motivation of employees. In addition, Robbins (2003) stresses that monetary rewards have the strongest energizing force that increases motivation of employees on their jobs. Kabiito (2003) in a study about monetary rewards and motivation of civil servants in Masaka District administration concurs with the study findings, because he established that the more monetary rewards are offered to employees, the more their motivation increases hence the desire to work for the District. The researcher concludes therefore that also monetary rewards have significant positive relationship with employee motivation in manufacturing companies in Uganda.

However, the findings of this study differed with studies and authorities, which indicated that monetary rewards do not significantly influence employee motivation. For instance, War (1956 cited in Cole 1997) does not support the findings of this study because in his study of a large sample of men and women, he found that they could continue working

even if there were no financial expectations, which contradicts Vroom's expectancy theory as well.

In this study, when dimensions of monetary rewards were tested on employee motivation, the outcome showed that salary/wages and allowances did not have a significant relationship with employee motivation. Maicibi (2003) agree with the findings of this study in that he found that salary is not a strong motivator for employees. Other research findings were also contrary to the findings of this study. For instance, Mullins (2002) asserted that workers would be motivated on their jobs by obtaining highest possible wages and salaries. Maslow as cited in Griffin (2004) where he observes that monetary rewards in form of cash payments have an upper hand influencing motivation of employees since with money they can afford the basic needs of life buttresses Mullins findings.

5.3.2 Non-monetary rewards and Employee motivation at PBL

The second hypothesis stated, *"There is a positive significant effect non-monetary rewards on employee motivation in manufacturing companies in Uganda"* Non-monetary rewards were conceptualized as promotion, praises, education/training and recognition. The inferential statistics indicated that there was a positive relationship between non-monetary rewards and employee motivation. Braton and Jeffrey (2002) support the findings that non-financial rewards highly motivate employees in an organization. Furthermore, Namutebi (2006) was in agreement the findings of this study in her study about reward management practices and job motivation of secondary school teachers in Wakiso District, she established that when non-financial rewards like recognition, and challenging responsibilities, are extended to teachers, their motivation increases.

Armstrong (2009), points out that Non-financial rewards make workers more comfortable on the job, which fulfills the notion that employees are totally rewarded than merely throwing money at them. He adds that creating a work environment in which individuals are shown appreciation is likely to be a more certain way to enhance motivation to the organization.

Luthan, Suzanna and Peterson (2006) supported the findings from their study on the impact of non-monetary rewards (incentives on the business unit outcome and motivation of employees amongst non-management staff of Virginia Polytechnics Institute). They empirically found out that there was a positive relationship between non-monetary incentives and employee motivation. When employees were provided non-monetary rewards like housing, flextime, telecommunicating, vacation, learning and development opportunities, recognition of achievements, tasks for or other assignments and sincere praise, their motivation increased and the reverse was true. In support of the foregoing findings, Armstrong (2001) notes that money is not everything for employees because they need additional attention to make them motivated in their jobs.

The finding of this study that better non-monetary rewards increase motivation among employees in organizations, show that non-monetary rewards can be part of comprehensive motivation improvement strategy. This study established that non-monetary motivators such as; praise and support for education/training were available in PBL although most employees did not access them. This therefore explains the low motivation levels at PBL. The research findings further, corroborates Kasser and Ryan's (1996) view that intrinsically motivated behavior is alleged to be derived from and satisfy innate psychological needs from non-monetary rewards. The same view is grounded in the conceptual framework of this study.

The study established that among the non-monetary rewards, recognition did not affect motivation. Jimenez (1999) and Allen and Helms (2002) differ from the findings of this study emphasizing that an important goal of recognition is increased employee motivation.

Maicibi (2003) also supports the findings of this study that non-monetary rewards have a positive relationship with employee motivation. He identified three main effects of types of non-monetary rewards as the need for power, need for affiliation and need for achievement as contained in the two-factor theory, which was one of the three theories of motivation that guided this study. Musaazi (2005) observes that absence of effective reward strategy that considers the needs of employees and their aspirations demoralizes them leading to low motivation. It is concluded in this study that inaccessibility to non-monetary rewards, negatively affects employee motivation at PBL.

Nelson (2004) concur with the findings of this study praise has a strong positive relationship with employee motivation. He contends that the type of non-monetary rewards employees appreciate most is to be praised by people they work directly for. The number one choice for non-monetary rewards is sincere praise given in a timely manner with specific examples. Allen and Helms' (2002) research confirmed the importance of regular expressions of appreciation by managers and leaders to encourage behavior of employees such as being motivated to the organization. In agreement with the findings of this study, Ahuja (2002) stresses that there must be transparent promotional policies in organizations to keep employees efforts and minds directed on the job.

5.4 Conclusions

5.4.1 Monetary rewards and employee motivation at PBL

The first objective was, “to examine the effect monetary rewards on employee motivation at Parambot Breweries Ltd”. The research question was “What is the effect monetary rewards on employee motivation at Parambot Breweries Ltd? The researcher had hypothesized that *“There is a positive significant effect of monetary rewards on employee motivation in manufacturing companies in Uganda”*. The findings of this study showed that bonus was the only monetary reward that had strong positive relationship with employee motivation at Parambot breweries limited. Yet the Uganda employment Act, 2006, (part IX – Severance allowance), section 90, provide for bonus under gratuity and terminal benefits, but not statutory monetary rewards. Bonus adds to labor costs and is not a statutory reward component in Uganda. Based on the findings of this study, it is concluded that manufacturing companies pay attention to other monetary rewards such as salaries, wages and allowances while underrating the use of bonus. This explains the low levels of employee motivations, which manifest in form of strikes, high labor turnover and low productivity.

5.4.2 Non-monetary rewards and employee motivation at PBL

The second objective was *“to determine the effect of non-monetary rewards on employee motivation at Parambot Breweries Ltd”* The research question was *“How does the non-monetary rewards effect employee motivation at Parambot Breweries Ltd (PBL)?”* The researcher had hypothesized that, *“There is a positive significant effect non-monetary rewards on employee motivation in manufacturing companies in Uganda”*. The findings of this study showed that praise was the only non-monetary reward that had strong positive relationship with employee motivation at Parambot breweries limited. According to the two-factor theory, Praise is a powerful ‘satisfier’, which increases intrinsic

motivation of employees without incurring any cost. Centered on the empirical results of this study, it is concluded that manufacturing companies focus on other non-monetary rewards such as promotions and support for education/training while underestimating the power of praise, yet Abraham Maslow places it at a higher level of self-esteem in his 1943 model of needs hierarchy. This explains the low levels of employee motivations, which are noticeable in form of low interest towards work, no desire to take on extra tasks and hesitancy to help co-workers.

5.5 Recommendations

5.5.1 Monetary rewards and employee motivation at PBL

From the conclusions of this study, it is recommended that the management of PBL should adopt a policy of giving “incentive” bonus to all employees at least once a year. An ideal method for all manufacturing companies in Uganda could be the payment of a 13th Cheque in December just before the employees go for Christmas. This strategy will help Ugandan companies to; motivate employees, reduce on labor turnover and remain competitive in the growing regional markets.

Federation of Uganda Employers (FUE), Uganda manufacturers’ Association (UMA) and ministry of labor should use the findings of this study to lobby the parliament of Uganda to amend section 90 of Employment Act, 2006, to become a statutory monetary reward in the terms of employment. This could be achieved in the next one year.

5.5.2 Non-monetary rewards and employee motivation at PBL

Based on empirical results, it is recommended that the management of PBL in particular and the rest of the manufacturing companies in Uganda generally, should introduce a policy of “public praise” at departmental and corporate levels respectively. Extra ordinary

acts such as; generation of new ideas, willingness to work extra hours, long service, and helping others, should regularly be documented by supervisors. Such employees should be publicly praised in Monthly general meetings chaired by a Chief Executive officer of a company. This strategy could be integrated into performance management to increase intrinsic motivation, and reduce labor turnover among supervisory level employees.

5.6 Limitations of the study

The study was successful, though some limitations were encountered.

Some potential respondents who were considered to hold key policy information could not be reached for interview despite several reschedules. While some respondents considered it a waste of time as they had participated in such research previously, with no financial rewards. Time was lost as the researcher offered explanations that the study was purely for academic purposes.

Fourteen respondents (11.5%), failed to return the questionnaires issued to them, which was a limitation on the researcher's progress as timelines, had to be revised and in some cases extra costs were incurred in availing extra questionnaires.

5.7 Contribution of the Study to Existing Body of Knowledge

While existing literature showed how monetary and non-monetary rewards affected employee motivation, none of the scholars gave evidence in the context of PBL. Thus, the findings of this study provide this information about the effect of monetary and non-monetary rewards affected on employee motivation in PBL, which can be referred to by other scholars.

5.8 Areas for Further Research

The content scope of this study was limited to rewards and employee motivation, generalized to manufacturing companies in Uganda. The same study could be replicated with leadership styles as a predictor variable and employee motivation as a dependent variable. A study conceptualized under job design as independent variable and employee motivation in a hospitality industry (such as McDonalds) would be of interest to researchers.

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APPENDICES

Appendix A: Questionnaire for Parambot Breweries Ltd Non-management staff

Dear Respondent,

Kindly spare some few minutes to respond to the following questions. Information received from you is for academic purposes and will be kept confidential. You will not be victimized for whatever answer you have given and to ensure this; you are not required to identify yourself anywhere on the questionnaire.

Section A: Demographic.

1. Gender: Male Female (Please tick)
2. Education level (indicate highest)
 - Primary O-Level A-Level Tertiary University
3. Years you working with the organization : (Less than 1 year) (1-2 years) (3-5 years) (5-10 years) (Above 10 years)
4. Age (20-30) (31-39) (40-49) (Above 50)

Section B: Monetary rewards

How strongly do you agree or disagree with the following statements about monetary rewards by Parambot Breweries Ltd? Tick the most appropriate response using the following scale. Please do not omit any feature.

SD = strongly disagree D = Disagree NS = Not sure A = Agree
SA = strongly agree

Items about monetary rewards	SD	D	NS	A	SA
Salary/wage					
1. Parambot Breweries Ltd always pays me a salary/wage at work	1	2	3	4	5
2. Parambot Breweries Ltd always pays my salary/wage in time	1	2	3	4	5
3. The salary/wage Parambot Breweries Ltd pays me is adequate	1	2	3	4	5
4. Parambot Breweries Ltd has been increasing my salary/wage during price rises.	1	2	3	4	5
5. The salary/wage Parambot Breweries Ltd pays me is better compared to what I should have got in similar organizations	1	2	3	4	5
6. The salary/wage Parambot Breweries Ltd pays me is worthy the services I offer.	1	2	3	4	5

Allowances					
7. Parambot Breweries Ltd always gives me allowances (such as transport allowance, housing allowance, etc.) as an addition to my salary/wage	1	2	3	4	5
8. Parambot Breweries Ltd always gives my allowances in time	1	2	3	4	5
9. The allowances Parambot Breweries Ltd gives me are adequate	1	2	3	4	5
10. Parambot Breweries Ltd has been increasing my allowances when prices increase.	1	2	3	4	5
11. The allowances Parambot Breweries Ltd gives me are better compared to what I should have got in similar organizations	1	2	3	4	5
12. The allowances Parambot Breweries Ltd gives me are worthy the services that I offer.	1	2	3	4	5
Bonus					
13. Parambot Breweries Ltd always gives me a bonus as an addition to my salary/wage	1	2	3	4	5
14. Parambot Breweries Ltd always gives my bonus in time	1	2	3	4	5
15. The bonus Parambot Breweries Ltd gives me is adequate	1	2	3	4	5
16. Parambot Breweries Ltd has been increasing my bonus when prices increase	1	2	3	4	5
17. The bonus Parambot Breweries Ltd gives me is better compared to what I should have got in similar organizations	1	2	3	4	5
18. The bonus Parambot Breweries Ltd gives me is worthy the efforts that I offer.	1	2	3	4	5

Section C: Non-monetary rewards

How strongly do you agree or disagree with the following statements about non-monetary rewards by Parambot Breweries Ltd? Tick the most appropriate response using the following scale. Please do not omit any feature.

SD = Strongly Disagree D = Disagree NS = Not sure A = Agree

SA = strongly agree

Items about non-monetary rewards	SD	D	NS	A	SA
Promotion					
1. Parambot Breweries Ltd always promotes its staff	1	2	3	4	5
2. I have ever been promoted at Parambot Breweries Ltd	1	2	3	4	5
3. Parambot Breweries Ltd's staff promotions are timely					
4. I am happy with Parambot Breweries Ltd's staff promotions	1	2	3	4	5
5. Parambot Breweries Ltd's staff promotions are not discriminative	1	2	3	4	5
Praise					
6. Parambot Breweries Ltd always offers praises to its staff for outstanding performance	1	2	3	4	5
7. I have ever been praised for outstanding performance at Parambot Breweries Ltd	1	2	3	4	5
8. Parambot Breweries Ltd's staff praises for outstanding					

performance are timely					
9. I am happy with Parambot Breweries Ltd's staff praises for outstanding performance	1	2	3	4	5
10. Parambot Breweries Ltd's staff praises for outstanding performance are not discriminative	1	2	3	4	5
Training					
11. Parambot Breweries Ltd always offers support to its staff education/training	1	2	3	4	5
12. Parambot Breweries Ltd have ever offered support to my education/training	1	2	3	4	5
13. Parambot Breweries Ltd's support to staff education/training are timely	1	2	3	4	5
14. I am happy with Parambot Breweries Ltd's support to staff education/training	1	2	3	4	5
15. Parambot Breweries Ltd's support to staff education/training are not discriminative	1	2	3	4	5
Recognition					
16. Parambot Breweries Ltd always recognizes its staff for outstanding performance	1	2	3	4	5
17. I have ever been recognized for outstanding performance at Parambot Breweries Ltd	1	2	3	4	5
18. Parambot Breweries Ltd's staff recognitions for outstanding performance are timely	1	2	3	4	5
19. I am happy with Parambot Breweries Ltd's staff recognitions for outstanding performance	1	2	3	4	5
20. Parambot Breweries Ltd's staff recognitions for outstanding performance are not discriminative	1	2	3	4	5

Section D: Employee motivation

How strongly do you agree or disagree with the following statements about employee motivation by Parambot Breweries Ltd? Tick the most appropriate response using the following scale. Please do not omit any feature.

SD = Strongly Disagree D = Disagree NS = Not sure A = Agree
SA = strongly agree

Items about employee motivation	SD	D	NS	A	SA
1. Parambot Breweries Ltd's employees have the desire to do work	1	2	3	4	5
2. Parambot Breweries Ltd's employees have the desire to help co-workers	1	2	3	4	5
3. Parambot Breweries Ltd's employees are always willing to do work	1	2	3	4	5
4. Parambot Breweries Ltd's employees are always willing to help co-workers	1	2	3	4	5
5. PBL's employees always persist and do their work whatever	1	2	3	4	5

the circumstances.					
6. Parambot Breweries Ltd's employees always put in extra effort to do their work	1	2	3	4	5
7. Parambot Breweries Ltd's employees always put in extra effort to help co-workers	1	2	3	4	5

Thank you for cooperation

Appendix B: Interview Guide for Parambot Breweries Ltd management

Dear Respondent,

Please kindly spare some few minutes to respond to the following questions. Information received from you is for academic purposes, will be kept confidential. To ensure this, the interviewee will remain nameless.

1. What monetary rewards (payments in money terms) does Parambot Breweries Ltd mostly offer its employees? How often does PBL carry out /salary surveys?
2. What is your comment on the rewards that are being offered by PBL to its staff?
3. How effective has been Parambot Breweries Ltd's monetary rewards?
4. How have Parambot Breweries Ltd's monetary rewards affected its employee motivation?
5. What non-monetary rewards (payments in non-money terms) does Parambot Breweries Ltd mostly offer its employees? Kindly comment on the process.
6. How effective has been Parambot Breweries Ltd's non-monetary rewards?
7. How have Parambot Breweries Ltd's non-monetary rewards affected its employee motivation?
8. Does PBL have a salary structure? How are jobs graded?
9. What is the Policy on Promotions, Bonuses, praise and recognition?
10. What policy issues does PBL need to examine in order to keep employees motivated?

Thank you for cooperation

Appendix C: Documentary Checklist

Dear Sir/Madam,

Please kindly spare some few minutes to help me access any of the documents from your organization containing the following information. Information received from you is for academic purposes.

Monetary rewards

Journal with information about monetary rewards

Articles with information about monetary rewards

Minutes with information about monetary rewards

Management reports with information about monetary rewards

Payrolls

Newspapers with information about monetary rewards

Newsletters with information about monetary rewards

Non-monetary rewards

Journal with information about non-monetary rewards

Magazines with information about non-monetary rewards

Articles with information about non-monetary rewards

Minutes with information about non-monetary rewards

Management reports with information about non-monetary rewards

Newspapers with information about non-monetary rewards

Newsletters with information about non-monetary rewards

Employee motivation

Journal with information about employee motivation

Magazines with information about employee motivation

Articles with information about employee motivation

Minutes with information about employee motivation

Management reports with information about employee motivation

Newspapers with information about employee motivation

Newsletters with information about employee motivation

Personnel records with information about employee motivation

Attendance time records

Human resource manual with information about employee motivation

Thank you for your cooperation

**Appendix D: Krejcie and Morgan Table for Determining Sample Size(S) Required
for the Given Population Sizes (N)**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	266	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	10000	384

SOURCE: Krejcie and Morgan (1970), Determining sample size for research activities, Educational and psychological measurement, 30,608, sage publications.

Appendix E: Financial Budget

The costs for the study amounted to UGX 1,368,000.

	ITEM	QUANTITY	UNIT COST	TOTAL COST
1.	Reams of paper	3	14,000	42,000
2.	Disc (Flash)	1		20,000
3.	Surfing	Internet modem plus monthly subscription	80,000 + 85,000	165,000
4.	Secretarial Services			55,000
5.	Photocopying	2 times	20,000	40,000
6.	Transport, Lunch, Phone calls	3 months	200,000	600,000
7.	Binding & report	10 copies	5000	50,000
8	Research Assistants	One person	300,000	300,000
9	Data analysis and SPSS			110,000
10	Editor/Proof reader	One person	100,000	100,000
	TOTAL		UGX	1,482,000

Appendix F: Work Plan and Time Frame

ACTIVITY	2012/2013									2013
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN-DEC.
Drafting a research idea										
Defining the research objectives										
Review of literature										
Drafting the research methodology										
Proposal Development and submission.										
Proposal Review and Defence										
Data collection										
Report writing										
Presentation for Defence										

