

**AN ANALYSIS OF THE CONTRIBUTION OF HUMAN RESOURCE
MANAGEMENT PRACTICES TO MOTIVATION AMONG
BANK OF UGANDA EMPLOYEES**

By

**OSCAR EDDY KIIZA
13/MMSHRM/31/59**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF MANAGEMENT SCIENCE
IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF A
MASTER'S DEGREE IN MANAGEMENT STUDIES (HUMAN RESOURCE
MANAGEMENT) OF UGANDA MANAGEMENT INSTITUTE**

FEBRUARY 2018

DECLARATION

I, Oscar Eddy Kiiza, hereby declare that this is my original work and that it has never been submitted to any university or institution for any academic award before. In cases where works of other scholars have been used in this study, the works have been duly acknowledged.

Signed

Date

APPROVAL

This is to certify that this study was conducted under our supervision and the dissertation has been submitted for award with our approval as the candidate's supervisors.

Signature:

Date:

Dr. James Luyonga Nkata

Uganda Management Institute Supervisor

Signature:

Date:

Assoc. Prof. Gerald Kagambirwe Karyeija

Uganda Management Institute Supervisor

DEDICATION

This work is dedicated to my family and friends in recognition of their unreserved encouragement and support.

ACKNOWLEDGEMENTS

In a special way, I wish to thank my supervisors Dr. James Luyonga Nkata and Associate Professor Gerald Kagambirwe Karyeija; Mr. Solomon Osewe Oketcho, the Executive Director Administration, Bank of Uganda and Mr. Charles Mugisa for their encouragement, wise counsel and positive criticism, which enabled me to persevere for the duration of this programme.

TABLE OF CONTENTS

DECLARATION	i
APPROVAL.....	ii
DEDICATION	iii
ACKNOWLEDGEMENTS	iv
TABLE OF CONTENTS	v
LIST OF ABBREVIATIONS AND ACRONYMS.....	ix
BOU	ix
ABSTRACT	x
CHAPTER ONE	1
INTRODUCTION.....	1
1.1 Introduction	1
1.2 Background to the Study	1
1.2.1 Historical Background.....	2
1.2.2 Theoretical Background	3
1.2.3 Conceptual Background	4
1.2.4 Contextual Background.....	5
1.3 Statement of the Problem	5
1.4 General Objective.....	6
1.5 Specific Objectives.....	6
1.6 Research Questions	7
1.7 Hypotheses	7
1.8 Conceptual Framework	7
1.9 Significance of the Study	8
1.10 Justification of the study	9
1.11 Scope of the Study.....	9

1.11.1 Geographical Scope.....	9
1.11.2 Content Scope.....	9
1.11.3 Time Scope.....	10
1.12 Operational Definitions of Terms	10
1.12.1 Performance appraisal	10
1.12.2 Reward and compensation management	10
1.12.3 Employee engagement	10
CHAPTER TWO.....	11
LITERATURE REVIEW.....	11
2.1 Introduction	11
2.2 Theoretical Review	11
2.1.1 Expectancy theory	11
2.1.2 Goal setting theory	12
2.3 Related Review of HRM Practices and Employee Motivation.....	13
2.3.1 Performance appraisal and Motivation.....	13
2.3.2 Reward and Compensation Management and Motivation	15
2.3.3 Employee Engagement and Motivation	16
2.4 Summary of Literature Review	17
CHAPTER THREE.....	19
RESEARCH METHODOLOGY	19
3.1 Introduction	19
3.2 Research Design.....	19
3.3 Study Population	19
3.4 Sample size and selection.....	19
3.5 Sampling Techniques and Procedures.....	20
3.6 Data Collection Methods.....	21

3.6.1 Survey Questionnaire	21
3.6.2 Face to Face interviews	21
3.7 Data Collection Instruments	21
3.7.1 Structured Questionnaire	21
3.7.2 Semi structured interview guide	22
3.8 Data Quality Control	22
3.8.1 Reliability	22
3.8.2 Validity	23
3.9 Data Collection Procedure	24
3.10 Data Analysis	24
3.10.1 Quantitative data analysis	24
3.10.2 Qualitative data analysis	25
3.11 Measurement of Variables	26
3.12 Ethical Considerations	26
CHAPTER FOUR	27
PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS	27
4.1 Introduction	27
4.2 Response Rate	27
4.3 Findings on respondents' background characteristics	27
4.3.1 Gender Characteristics	28
4.3.2 Age Structure	28
4.3.3 Marital Status	29
4.3.4 Level of Education	29
4.3.1.5 Years of Working Experience	30
4.4 Empirical Findings	30
4.4.1.1 Specific Objective 1: Performance Appraisal and Employee Motivation	31
4.4.1.2 Hypothesis 1: Performance Appraisal and Employee Motivation	32

4.4.2.1 Specific Objective 2: Reward and compensation management and Motivation	33
4.4.2.2 Hypothesis 2: Reward and compensation management and Employee Motivation.....	35
4.4.3.1 Specific Objective 3: Employee Engagement and Employee Motivation.....	36
4.4.2.2 Hypothesis 3: Employee Engagement and Employee Motivation	38
CHAPTER FIVE.....	40
SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS	40
5.1 Introduction	40
5.2 Summary	40
5.2.1 Specific Objective 1	40
5.2.2 Specific Objective 2	40
5.2.3 Specific Objective 3	41
5.3 Discussion of findings.....	41
5.3.1 Specific Objective 1	41
5.3.2 Specific Objective 2	42
5.3.3 Specific Objective 3	42
5.4 Conclusions	43
5.4.1 Specific Objective 1	43
5.4.2 Specific Objective 2	43
5.4.3 Specific Objective 3	44
5.5 Recommendations	44
5.5.1 Specific Objective 1	44
5.5.2 Specific Objective 2	44
5.5.3 Specific Objective 3	45
5.6 Areas of future research	45
5.7 Limitations of the Study	45
REFERENCES.....	47
APPENDICES.....	55

LIST OF ABBREVIATIONS AND ACRONYMS

BC	Before Christ
BOU	Bank of Uganda
CIPD	Chartered Institute of Personnel and Development
EACB	East African Currency Board
HBRAS	Harvard Business Review of Analytical Studies
HHRP	History of Human Resource Practices
HRM	Human Resource Management
IEP	Institute of Employment Studies
UK	United Kingdom
USA	United States of America

ABSTRACT

This study analysed the contribution of Human Resource Management practices to motivation among Bank of Uganda (BOU) employees. Specifically, the study sought to analyse the contribution of; performance appraisal, reward and compensation management and engagement practices to motivation among BOU employees. The study used the descriptive research design and adopted both the qualitative and quantitative approaches. Data was collected using a structured questionnaire and interview guide from a sample of 100 respondents. The data was quantitatively and qualitatively analysed using measures of central tendency, Pearson's correlation, regression analysis and content analysis respectively. The findings of the study indicated that performance appraisal, reward and compensation management and employee engagement practices positively and significantly contribute to motivation among Bank of Uganda employees.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Management scholars and practitioners postulate that people are the most critical resource of an organisation considering that people design and control other organisational resources such as capital, land and also manage other people. In recognition of their importance of people, organisations are compelled to institute ways of effectively and efficiently managing them. One such ways is by putting in place appropriate Human Resource Management (HRM) practices. A review of literature reveals that there are a number of HRM practices that organisations can establish including; recruitment and selection, human resource planning, performance appraisal, training and development, career management, reward and compensation, employee engagement among others. This study analysed the contribution of HRM practices to motivation among BOU employees. The HRM practices were conceived as the independent variables while motivation among BOU employees was the dependent variable.

This chapter comprises the background of the study, statement of the problem, general and specific objectives, research questions, hypotheses, scope, significance, justification, potential limitations to the study and operational definitions of the key terms and concepts used in the study.

1.2 Background to the Study

Over the years, the HRM function has grown in status to become a strategic partner in business and organisational management, with similar boardroom prominence with units including finance, strategy, accounting, sales and marketing (Dulebohn, Ferris, & Stodd,

1995). Likewise, motivation has become a critical aspect of HRM and as such, to date, organisations find it fitting to establish and implement HRM practices to ensure that their employees are motivated. This section constitutes the historical, theoretical, conceptual, and contextual aspects as explained below:

1.2.1 Historical Background

Various attempts to trace the evolution of the discipline of HRM have generally focussed around specific periods of time and experiences in countries and regions such as the United Kingdom (UK), Australia, the United States of America (USA) and Asia (Nankervis et.al, 2011; Kelly, 2003; Ogier, 2003). Specifically, in the UK and the US, the practice of personnel management evolved in response to the extensive implementation of the mass production agenda. Under the agenda, goods were manufactured more cheaply because of power-driven equipment and improved production systems. However, this created monotonous and unhealthy jobs, which resulted in conflict between the employees and management. Consequently, public attention was placed on terms and conditions of employment, and forced employees to collectively demand for better working conditions. According to Nankervis et.al (2011), the conflicts between the employees and employers were brought to the fore by the Humanitarian, Cooperative and Marxist theories of the early 1900s, which set the ground for the birth and development of trade unions and industrial relations systems both of which are vital features of present-day HRM (Nankervis et.al, 2011). Following the pressure from labour movements, the UK and USA governments enacted various laws to regulate the working hours of children and women; institute minimum wages for male labourers and safeguard workers from unhealthy working conditions.

In the 1990s, management theorists initiated the process of examining the nature of work and work systems, and to establish simulations based on evolving psychological and sociological changes. The Classical school mode, founded by Taylor (1914), emphasised focus on the job itself and the proficient adaptation of employees to work processes. The Behavioural school model such as the Mayo's Hawthorne Studies focused on employees and how to satisfy their needs in order to achieve desired organisational productivity. Subsequent management theories such as systems theory and contingency approaches have endeavoured to use earlier concepts to benefit both employees and organisations.

1.2.2 Theoretical Background

This study focussed on two motivation theories; Expectancy and Goal setting theories, which were developed by Vroom (1964) and Locke (1968) respectively. The two theories were preferred because they offer the strongest foundation for people motivation and have a direct application to work settings.

The expectancy theory suggests that people join organisations with expectations about their needs and previous experiences, which impact on how the people react to the organisation. Subsequently, an individual's behaviour arises from his or her considered choice and consequently select among available options so as to optimise personal outcomes. The theory also has three significant elements namely: expectancy, instrumentality, and valence. On the other hand, the goal setting theory states that goal setting is an important mechanism of motivating oneself and other people. The theory is widely regarded as being very useful and valid in the fields of HRM, industrial and organisational psychology and organisational behaviour.

1.2.3 Conceptual Background

HRM practices and employee motivation were the key concepts of this study. HRM has been defined in various ways. Boxall *et al* (2007) defines HRM as “the management of work and people towards desired ends”. John Storey (1989) indicates that HRM is a “set of interrelated policies and practices with an ideological and philosophical underpinning” and suggests four aspects that constitute HRM including a strategic thrust informing decisions about people management; a particular constellation of beliefs and assumptions; reliance upon a set of “levers” to shape the employment relationship and the central involvement of line managers. Bakke (1966) refers to HRM practices as being the general responsibility of management of an organisation to effectively and efficiently use its human resource to achieve organisational objectives. Suazo *et al.*, Martinsons (1995); Collins and Clark (2003) describe HRM practices as the principal means through which organisations influence skills, attitudes and behaviours of employees. Wood and Wall (2002) indicate that HRM practices comprise of organisational activities that focus on recruitment, development and management of employees.

Katou and Budhwar (2006) identified four essential practices namely training and development, recruitment and selection, performance appraisal and reward and compensation that make a contribution to employee motivation. The four practices were referred to as the “*traditional practices*”. Daud (2006) supported the use of the four traditional practices as a means of motivating employees. More recent studies such as Sun, Aryee and Law (2007) suggest that selective staffing, extensive training, result-oriented appraisal, and incentive rewards are some of the practices that organisations could use to manage and motivate their employees. Other research studies indicate that critical HRM practices such as HR planning (Mathis and Jackson, 2004); recruitment and selection (Kulik, 2004); job analysis (Cascio, 2006; Dessler, 2003); compensation and reward (Milkovich and Newman, 1999); training

and development (Kundu, 2003); career management; performance appraisal; employee diversity and attitudes (Armstrong, 2006) among others impact on employee motivation.

This study focused on three HRM practices including performance appraisal, reward and compensation management and employee engagement to motivation among Bank of Uganda employees. The three HRM practices were selected from amongst the traditional practices cited by Katou and Budhwar (2006) and those cited in more recent research studies.

1.2.4 Contextual Background

BOU was established on 15th August 1966 by an Act of Parliament. Prior to that, the East African Currency Board (EACB) executed the central banking activities for the three East African countries of Kenya, Tanzania and Uganda.

One of BOU's strategic objectives is "To enhance employee motivation". In pursuit of this objective, BOU has put in place various mechanisms to motivate its employees; one of which is establish and implement effective HRM practices such as recruitment and selection, innovation, delegation, leave management, reward and compensation, training and development, performance appraisal, employee engagement.

This study focused on the contribution of three HRM practices namely performance appraisal, reward and compensation management and employee engagement to motivation among Bank of Uganda employees.

1.3 Statement of the Problem

Employee motivation has been and remains a topic of great interest in the field of management. Indeed, many organisations establish and implement HRM practices as one of

the approaches of motivating their employees. However, much as establishing and implementing HRM practices is important, organisations also need to continuously analyse whether or not the established and implemented HRM practices translate into the envisioned outcomes. Usually, the results of the analysis would then form a justification for the continued implementation, review and or improvement of the existing HRM practices.

In the case of BOU, there are a number of HRM practices that have been established and implemented. However, there is no evidence arising from research or survey to show that the established practices have translated into a motivated workforce. Certainly, this omission could result in BOU's inability to achieve its desired objective of having motivated employees.

Therefore, considering the prevailing situation, this study sought to analyse the contribution of three HRM practices to motivation among BOU employees.

1.4 General Objective

The general objective of this study was to analyse the contribution of HRM practices to motivation among Bank of Uganda employees.

1.5 Specific Objectives

The specific objectives of the study were:

- i) To analyse the contribution of performance appraisal to motivation among Bank of Uganda employees
- ii) To analyse the contribution of reward and compensation management to motivation among Bank of Uganda employees

- iii) To analyse the contribution of employee engagement to motivation among Bank of Uganda employees.

1.6 Research Questions

The research questions for this study were:

- i) How does performance appraisal contribute to motivation among Bank of Uganda employees?
- ii) How does reward and compensation management contribute to motivation among Bank of Uganda employees?
- iii) How does employee engagement contribute to motivation among Bank of Uganda employees?

1.7 Hypotheses

The hypotheses for this study were:

- i) Performance appraisal has a positive and significant contribution to motivation among employees
- ii) Reward and compensation management has a positive and significant contribution to motivation among employees
- iii) Employee engagement has a positive and significant contribution to motivation among employees.

1.8 Conceptual Framework

Figure 2 overleaf describes the conceptual framework of the study with the three HRM practices as the independent variables and motivation among BOU employees as the dependent variable.

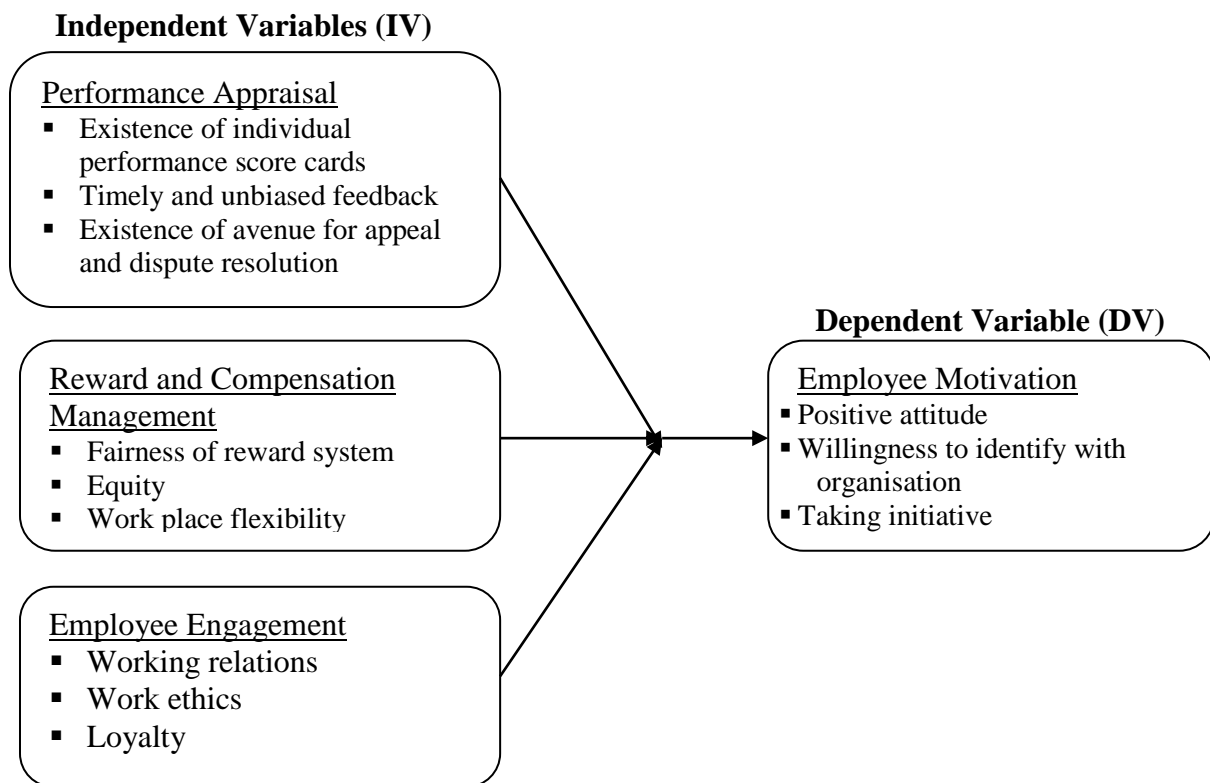


Figure 2: Conceptual framework: HRM practices have a positive and significant contribution to motivation among BOU employees

Source: Framework developed by researcher

The above framework postulates that HRM practices, represented by their respective constructs, positively and significantly contribute to motivation among BOU employees. The constructs for performance appraisal practices were: existence of individual performance score cards, timely and unbiased feedback and existence of avenue for appeal and dispute resolution; those of reward and compensation management practices included fairness of reward system, equity and work place flexibility while those of employee engagement practices included working relations, work ethics and loyalty.

1.9 Significance of the Study

The study will enable BOU identify possible gaps and provide insight within its existing HRM framework relating to employee motivation. In addition, the findings of the study will

enable BOU align its employee motivation strategies with its strategic objectives. Further, the findings of the study may be used by policy makers to reinforce existing practices in public sector management. The study findings may also add to the existing body of knowledge relating to the contribution of HRM practices on employee motivation. The findings of the study may further serve as a secondary source of information for prospective researchers.

1.10 Justification of the study

Considerable research has been undertaken relating to HRM practices and employee motivation across different organisational settings. Bernard in Stoner, et al. (1995) recognised the needs of employees and indicated that, "the ultimate test of organisational success is its ability to create values sufficient to compensate for the burdens imposed upon resources contributed." However, the lingering question remains what the contribution of the established HRM practices is to motivation among workers. This analysis, therefore, sought to fill this gap.

1.11 Scope of the Study

1.11.1 Geographical Scope

Considering the logistical challenges, this study was conducted only at the BOU headquarters in Kampala much as BOU has branches in Jinja, Mbale, Masaka, Mbarara, Kabale, Fort Portal, Gulu and Arua.

1.11.2 Content Scope

This study was limited to three HRM practices and employee motivation. The HRM practices included performance appraisal, reward and compensation management and employee engagement.

1.11.3 Time Scope

The time scope of the study was 3 years.

1.12 Operational Definitions of Terms

1.12.1 Performance appraisal

Referred to the Bank's periodic process of assessing employees' job performance based on individual score cards.

1.12.2 Reward and compensation management

Referred to the Bank's established procedures, rules, and standards associated with provision of rewards and compensation to employees.

1.12.3 Employee engagement

Referred to the Bank's initiatives to get employees to be enthusiastic, fully involved in and committed to its values and thus act in a manner that promotes the interests of the organisation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This study analysed the contribution of HRM practices to motivation among BOU employees. This chapter presents a review of literature relating to the study. Particularly, the chapter presents and elaborates on the relevant theories relating to the study; a critique of the theories; an analysis of relevant literature and a summary of the literature review.

2.2 Theoretical Review

2.1.1 Expectancy theory

This theory was developed by Victor Vroom in 1964 and is considered to be one of the most prominent motivation theories at work places, mainly because of it explains a person's choice of behaviour over others. According to Redmond (2010), the theory is comprised of three component including: Expectancy, which is the conviction that increased effort will yield better performance based on the thinking that "If I work harder, I will make something better"; Instrumentality which may be defined as the belief that if a person performs well, then the person will receive a valued outcome; and Valence, which relates to "value" and refers to principles of desirability of outcome.

The theory postulates that people have varying aspirations and to the extent that they can be motivated if they believe that there exists: a positive correlation between their effort and performance; favourable performance will translate into a desirable reward and that the reward will fulfil an essential need. Basically, the urge to fulfil a need is sufficient to make the effort worthy (Lawler, Porter. L., Vroom, 2009). Consequently, it was concluded that an employee's force of motivation is a product of Expectancy, Instrumentality and Valence.

However, in spite of its influence, the expectancy theory has been criticised. Lawler and Porter (1967), Porter and Lawler (1968), Graen (1969) and Lawler (1971) are some of the critics of the theory. Critics argue that the expectancy is too simplistic since it assumes that if an employer puts in place an enticing enough reward like a financial bonus then an employee will exert more effort to obtain the reward, According to the critics, this may only work if the employee believes that the reward is beneficial to his or her immediate needs. Subsequently, Lawler (1971) proposed an update to the expectancy theory based on four claims that; if there are various outcomes, employees will ordinarily make a choice among the outcomes; employees believe that their action(s) will result into the outcome they desire; a preferred outcome emanated from the employee's behaviour and that the employee's actions were derived from the employee's preferred outcome and expectation.

2.1.2 Goal setting theory

This theory was developed by Latham and Locke (1979). The theory postulates that motivation is higher when employees are assigned clearly defined, demanding, acceptable and specific goals and provided with feedback on performance. A goal can be defined as the purpose of an action or task, which a person intentionally desires to accomplish (Locke and Latham, 2002; Locke and Latham, 2006). Goal setting entails establishing a framework that guides actions and behaviours with a view of improving performance.

Nonetheless, whereas advocates of the goal setting theory argue that the theory has a considerable influence on motivation, there are counter arguments that the benefits of goal setting have been exaggerated and that the systematic deficiencies emanating from goal setting have been overlooked. Some of the reported draw backs of the theory include a narrow focus on short term gains and loss of sight of the possible devastating long term

effects on the organisation, corrosion of organisational culture, an upsurge in unethical behaviour, distorted risk preferences and reduced intrinsic motivation.

2.3 Related Review of HRM Practices and Employee Motivation

Several studies suggest that effective HRM practices enhance motivation of employee. Gagné and Deci (2005) and Akerlof and Kranton (2005) suggest that where employees relate with the basic purpose that an HRM practice serves or contributes to, they are more likely to feel that the practice is also serving their own purposes. Bowen and Ostroff (2004) emphasise that instigating a wide range of practices is valuable in consolidating the HRM message. This is consistent with the suggestion that the impact of HRM practices is dependant on instigating bundles of HRM practices because, in combination, the practices inspire employees to do more and to enjoy what they do. The subsequent subsections below are thematically presented in tandem with the objectives of this study.

2.3.1 Performance appraisal and Motivation

Performance appraisal has evolved over time; from the traditional way of analysing where those involved are now viz-a-viz where they have come from into a strategic process that links corporate objectives, performance standards and evaluation to which the performance reviews are often applied (Pickette, 2003). According to Fisher, Schoenfeldt and Shaw (2003) part of the foundation for the long term attainment of an organisation's objectives is its ability to measure how well its employees perform within a pre-set period and how effectively the organisation uses the collected information to certify that performance meets set standards, and continuously improves. Kumar (2005) defines performance appraisal "as a tool to achieve a variety of human resource management objectives". Kulwamt Singh Pathania, Anuradha D. Pathak and Ashish Kumar Nag (2011) state that "performance appraisal is a management tool predominantly used to measure the standards set by the management of its

employees”. Studies show that performance appraisal not only serves to ascertain how well employees perform their assigned responsibilities, but also guide on how to improve performance, by which employees may be motivated to work efficiently and effectively. In their study on the impact of performance appraisal to motivation, Jurjen J.A. and Kamphorst Otto H. Swank (2012) found that, ordinarily, encouraging evaluations motivate employee as opposed to negative appraisals. The study also established that the outcomes of appraisals on employees’ future performance depend on the employees’ opinion of the capability of the supervisors to assess their performance. Kofi Osei Akuoko (2012) established that an employee’s response to the perceived fairness and accuracy of the appraisal process may impact on his or her motivation to correct weaknesses or develop untapped potential. Smita A. Kumbhar (2011) opines that it is every organisation’s duty to motivate and influence the behaviour of its employees through performance appraisal.

Conversely, Nida Jamil (April, 2006) who studied the impact of performance appraisal on the behaviour, attitudes and self-drive of employees of a private sector bank in Pakistan and established that performance appraisal does not have an obvious positive effect on motivation or future performance. Karyeija (2010) wrote that according to Vallance (1999), the main controversy of the performance appraisal is this: “On the one hand, appraisal seeks to pass judgment or opinion on the work performance and ability of an employee, while on the other, it seeks to counsel the employee about his or her performance and development needs. Much of the controversy performance appraisal attracts is due to these different goals”. Karyeija (2010) further wrote that in their book, “*Pay for Performance: Evaluating Performance Appraisal and Merit Pay*”, Milkovitch et al. (1991) note that performance appraisal systems have validity and reliability problems. Mickerney (1995) stressed the intricacy of performance appraisal by describing it as “*a difficult and complex activity*”, which often is not executed well by several organisations, the result of which is that it causes a contrary

effect to that which was intended. This study established that performance appraisal practices positively and significantly contribute to motivation among BOU employees.

2.3.2 Reward and Compensation Management and Motivation

Reward and compensation management is considered to be the foundation of the relationship between the employer and employee. Reward and compensation management relates to the design and execution of strategies and practices, the purposes of which is to incentivise employees consistently, equitably and fairly and in accordance with the ethos of the organisation. This is intended to enable the organisation achieve its strategic goals. An organisation's reward and compensation management practices emanate from the organisation's business strategy taking into account the external and internal environment within which the organisation operates. Typically, a large share of employees' income is in form of wages, salaries and related allowances. Aligning reward and compensation with the desired behaviours motivates employees and enables organisations achieve their goals and objectives (Torrington et al., 2008). Otieno (2006) indicated that focusing on the primary needs of employees and putting in place a fair reward system are among the major principles of a good reward system. According to Tella, Ayeni and Popoola (2007), a properly developed system of reward and compensation can elicit employee motivation; otherwise, a poorly developed reward system can result in low morale.

Whereas the benefits of establishing appropriate reward and compensation practices for employee motivation are apparent, the process is very challenging. In some organisations, there exist differences between salaries and benefits even for employees with similar or comparable qualifications and competencies. A case in point in Uganda is the Civil Service, which has gross differences in the pay levels; for instance, a staff in the Office of the Auditor General at a salary scale of U1S earns a monthly salary, which is 8 times more than his or her

colleague in the traditional public service. Similarly, the Executive Director of Kampala Capital City Authority (KCCA) earns a gross monthly salary of UGX43.7 million while that of National Planning Authority (NPA) earns a monthly salary of UGX12.5 million, which is less than 50% of the former's pay (Ministry of Public Service salary structure, 2011). This inequality in reward and compensation could explain the deplorable employee motivation within the traditional public service institutions. Nonetheless, this study established that reward and compensation management positively and significantly contributes to motivation among Bank of Uganda employees.

2.3.3 Employee Engagement and Motivation

According to CIPD (2012), employee engagement has, over time, become a model through which organisations can elicit extra or discretionary effort from their employees. Reilly and Brown (2008) indicated that the expressions “job satisfaction”, “motivation” and “commitment” are progressively being replaced with the term “engagement” because engagement appears to be more appealing. An in-depth review of research by The Conference Board, Towers Watson, Harvard Business Review, The Hay Group and Deloitte Consulting showed that organisations that solve the employee engagement challenge could expect tremendous benefits especially higher employee motivation. Kahn (1990: 894) defined employee engagement as “the harnessing of organisation members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”. Harter et al (2002: 269) stated that engagement was “the individual’s involvement and satisfaction with as well as enthusiasm for work”. Macey et al (2009) defined engagement as “an individual’s purpose and focused energy, evident to others in the display of personal initiative, adaptability, effort and persistence directed towards organisational goals”. The Institute for Employment Studies (IES) defines employee engagement as “*a positive attitude held by the employee towards the organisation and its*

values” and specifies that “*engaged staff think and act in a positive way about the work they do, the people they work with and the organisation that they work in*” (NHS Employers, 2013). This depicts employee engagement as a deep connection that employees have with all aspects of their work life. Alfes *et al* (2010) indicated that engagement entails three principal features namely *intellectual engagement*, which is thinking hard about the job and how to do it better; *affective engagement*, which is feeling positively about doing a good job and *social engagement*, which is enthusiastically taking prospects to discuss work-related improvements with others at work.

The benefits of employee engagement notwithstanding, some studies indicate that employee engagement is and remains a major challenge for organisations worldwide even for those organisations that already have employee engagement programs in place. Most organisations do not have formalised and well thought out programmes to promote employee engagement at the workplace (HBRAS, 2013).

Some of the employee engagement initiatives in BOU include periodic staff interactions with the Deputy Governor, monthly Departmental and quarterly Directorate meetings, annual team building retreats, annual staff sports day and staff party among others. The initiatives are geared towards building and enhancing relationships, sharing views and providing upward and downward feedback on issues pertinent to the organisation. This study established that employee engagement practices positively and significantly contribute to motivation among Bank of Uganda employees.

2.4 Summary of Literature Review

The review of literature reveals that a lot of research effort has been devoted to the topics of HRM practices and motivation. A central idea that has emanated from the research is that

HRM practices are not a “one size fits all”, which implies that different organisations need to select and customise the HRM practices to fit their particular circumstances. Thus, organisations should continuously analyse, review, update and implement HRM practices depending on their own prevailing circumstances if the organisations are to achieve their envisioned objectives. This study established that HRM practices positively and significantly contribute to motivation among BOU employees.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This study analysed the contribution of HRM practices to motivation among BOU employees. This chapter presents the methods used in the study and includes the research design study population, sample size and selection; sampling techniques, data collection methods and data collection instruments. The chapter also presents the data analysis techniques, quality control, measurement instruments and the ethical considerations.

3.2 Research Design

Considering the need to obtain a situational picture of employees' opinions regarding the contribution of the three selected HRM practices to motivation, the descriptive research design was preferred for this study.

3.3 Study Population

The study population comprised of all employees of BOU and non-executive members of the BOU Board of Directors. The various categories of the population included the non-executive Board (5), Executive Officers (92), Middle level Managers (120), other Technical Officers (153) and Support staff (710).

3.4 Sample size and selection

This study's sample size was 100 respondents, which was approximately 10% of the population size at a confidence interval of 99%. Mugenda and Mugenda (2003) indicated that a sample size of 10% is a good representation of the population. The sample was drawn from

across all categories of the population. The population, sample size and sampling techniques used are detailed in table 3.4 below.

Table 3.4: Population and Sample size distribution and sampling technique used

Category	Total Population	Sample Size	Sampling Technique
Non-Executive Board Members	5	2	Convenience sampling
Executive Officers	92	13	Stratified simple random
Middle level Managers	120	15	Stratified simple random
Other Technical Officers	153	20	Stratified simple random
Support Staff	710	50	Stratified simple random
TOTALS	1080	100	

Source: Bank of Uganda

3.5 Sampling Techniques and Procedures

Considering the variability of the population, stratified simple random sampling and convenience sampling techniques were considered to be the most appropriate for this study. The stratified simple random sampling technique involves separating the population into the different sub-populations. For this study, the population was separated into its respective classes of Executive Officers, Middle level managers, Other Technical Officers and Support staff. Thereafter, random sampling was applied to each of the classes to ensure that the final sample included all categories of staff. For the case of the non-Executive Board members, the convenience sampling technique was applied in selecting the sample of 2. Convenience sampling was preferred considering the mobility and availability of the members.

3.6 Data Collection Methods

A survey questionnaire and face to face interviews were used to collect primary data. The methods were chosen taking into account the financial cost implication and ease of administering the methods compared to other methods.

3.6.1 Survey Questionnaire

This method facilitated the collection of quantitative data from a large number of respondents. This method was preferred because the study entailed collection, analysis and interpretation of responses and opinions of a group of people chosen from an identified population.

3.6.2 Face to Face interviews

This method was used to obtain first-hand information from the respondents. The interviewer was able to undertake in-depth probing and seek clarity based on the responses of the respondents, which enhanced the quality of the information obtained.

3.7 Data Collection Instruments

3.7.1 Structured Questionnaire

This instrument comprised of closed questions to which the respondents were expected to respond to. The instrument was preferred considering that it would take a relatively short period of time to administer, was financially cost effective and data collected could easily be quantified and analysed. The respondents were required to complete and submit a hard copy. The questionnaire was divided into two sections, A and B. Section A comprised of five questions pertaining to gender, age, marital status, highest level of education and number of years that the respondents have worked at BOU. Section B required the respondent to

indicate the extent to which they agreed or disagreed with various statements based on a 5 point Likert scale ranging from 1 to 5, which represented strongly disagree and strongly agree respectively. The section was divided into 4 parts. Part I had 10 questions relating to the contribution of performance appraisal to motivation among BOU employees; Part II had 8 questions relating to the contribution of reward and compensation practices to motivation among BOU employees; Part III had 11 questions relating to the contribution of employee engagement practices to motivation among BOU employees and Part IV had 10 questions relating to the general aspects of motivation. The questionnaire is attached as appendix 1.

3.7.2 Semi structured interview guide

This instrument was used to obtain information pertaining to the role of the Board of Directors in HRM policy formulation at strategic level. Depending on the interviewees' responses, follow up questions were posed for clarity. Each of the interviews lasted approximately an hour. The interview guide is attached at appendix 2.

3.8 Data Quality Control

3.8.1 Reliability

For this study, a test-retest reliability coefficient, which is the “degree to which scores are consistent over time”, was used. The test-retest process involves subjecting a sample of the respondents to the same test on two separate occasions. The scores of the first and second rounds of the test are then correlated to obtain the coefficient. The test-retest reliability coefficient (coefficient of stability) varies between 0 and 1, where: 1 implies perfect reliability; ≥ 0.9 implies excellent reliability; $\geq 0.8 < 0.9$ implies good reliability; $\geq 0.7 < 0.8$ implies acceptable reliability; $\geq 0.6 < 0.7$ implies questionable reliability; $\geq 0.5 < 0.6$ implies poor reliability; < 0.5 implies unacceptable reliability; 0 implies no reliability. For this study,

a sample of 10 respondents was subjected to the same questions on two separate instances. The scores on the two instances were then correlated to establish the test-retest reliability coefficient, which were 0.753, 0.710 and 0.722 pertaining to the contribution of performance appraisal, reward and compensation and employee engagement to motivation among BOU employees respectively. Considering that the coefficients were within the band of $\geq 0.7 < 0.8$, it was concluded that the instrument was of acceptable reliability.

Regarding the reliability of the face to face interviews, interview questions were pre-determined to ensure that every interviewee was subjected to the same questions, though with a possibility for the interviewer to probe further for clarity.

3.8.2 Validity

Validity describes the degree to which an instrument measures what it rationally should measure. A research study with high validity implies that the measured items will be closely linked to the test's intended focus. For this study, construct validation, which is the “degree to which an instrument measures an intended hypothetical construct” was used to measure validity. In addition, the Pearson product moment correlation coefficient was used to measure the strength and direction of the linear relationship between the independent and dependent variables. The coefficient varies between +1 and -1 inclusive, where +1 is total positive correlation, 0 is no correlation, and -1 is total negative correlation. Coefficients of 0.752, 0.692 and 0.701 in respect of the contribution of performance appraisal, reward and compensation and employee engagement to motivation among BOU employees respectively were obtained, which showed that the strength of the contribution of the HRM practices to motivation was positive and significantly strong.

The validity of face to face interviews was enhanced by ensuring that the interviews were structured in a methodical manner. McDaniel, Whetzel, Schmidt, and Maurer (1994) established that validity was the highest when interviews were highly structured and conducted by one person. The interviews of this study were carried out in a structured and methodical manner and by the same researcher to ensure validity.

3.9 Data Collection Procedure

To facilitate data collection, a letter from Uganda Management Institute (UMI) introducing the researcher to BOU was obtained. BOU granted a no objection to the request following which questionnaires were distributed to the respondents. 98 questionnaires were distributed and the respondent were given a period of two days to complete and return the questionnaires. Of the 98 questionnaires, 84 were completed and returned, representing an 85.7% response rate. In addition, a request for appointment to interview the 2 non-executive members of the BOU Board of Directors was submitted through the Board Secretary's office. The request was granted. Overall, the response rate was 86%.

3.10 Data Analysis

Data was quantitatively and qualitatively analysed.

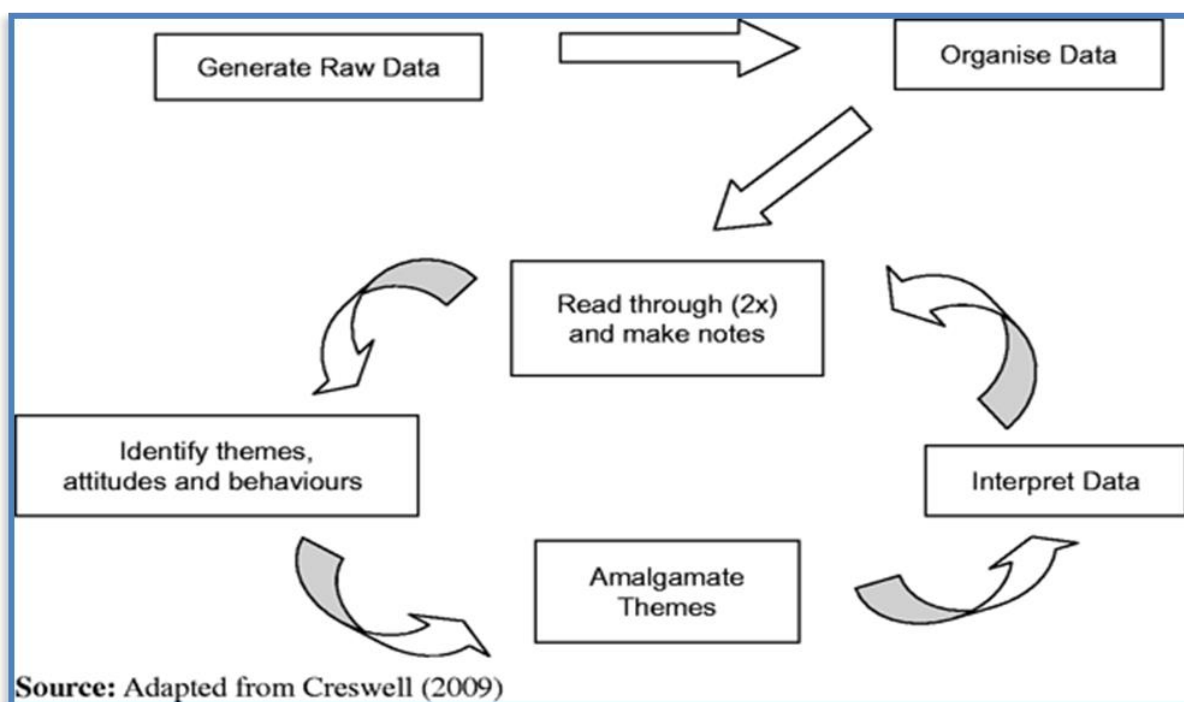
3.10.1 Quantitative data analysis

Data was analysed using descriptive and inferential statistical techniques. The descriptive statistics used included mean, percentages and standard deviation. The inferential statistics included Pearson's product moment correlation coefficient and regression analysis, which were used to test the linear dependence and strength of the relationship between the independent and dependent variables respectively. The direction of the relationship between the variables is shown by either a positive or negative sign of the value of the Pearson's coefficient. A positive sign implies positive correlation, that is, an increase in one variables

triggers an increase of the other also increases while a negative sign implies negative correlation, that is, an increase in one variable triggers a decreases of the other variable (Black, 1999). A correlation of +1 or -1 indicates perfect correlation. In contrast, a correlation of 0 shows no correlation between the independent and dependent variables. Further, according to Cohen (1988), a correlation of 0.5 to 1 is large and strong; 0.30 to 0.49 is medium, 0.1 to 0.29 is small and less than 0.1 is very weak. In addition, regression analysis was performed to establish the adjusted R-square, which indicates the extent to which the independent variable explains the dependent variable.

3.10.2 Qualitative data analysis

The data and information emanating from the interviews with the 2 non-executive members of the Board of Directors was analysed following content analysis process based on the Creswell (2009) model, which is indicated below.



3.11 Measurement of Variables

The nominal, ordinal and Likert rating scales were used to measure the variables. Mugenda and Mugenda (2003) approve of the use of these scales. The nominal scale measured gender and marital status; the ordinal scale measured level of education, age and years of experience and the five point Likert type scale with a range of 1 to 5 measured the respondents' perceptions of the independent and dependent variables.

3.12 Ethical Considerations

The researcher briefed the respondents of the purpose of the study indicating that the study was only for academic purposes. The respondents voluntarily consented to participate in the study and the responses were treated with the utmost confidentiality. Further, in order to avoid plagiarism, works of other scholars used in this study were duly acknowledged through citation and referencing.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This study analysed the contribution of HRM practices to motivation among BOU employees. This chapter presents, analyses and interprets the findings of the study. Specifically, the chapter presents the response rate, the respondents' background characteristics and empirical findings.

4.2 Response Rate

The detailed response rate of the study is detailed below.

Instrument	Target response	Actual response	Response rate
Questionnaire	98	84	85.7%
Interview guide	2	2	100.0%
Total	100	86	86.0%

Source: Primary Data

From the table above, out of the target sample of 98 respondents, only 84 respondents completed and returned the questionnaire, representing an 85.7% response rate. All the two targeted respondents for the face to face interviews were interviewed, representing a 100% response rate. Thus, the overall response rate for the study was 86%, which was deemed to be very good in view of Sekaran (2003) who indicated that a response rate of above 60% was very good.

4.3 Findings on respondents' background characteristics

This section presents the respondents' bio data. The demographics include Gender, Age structure, Marital status, Level of Education and Working Experience.

4.3.1 Gender Characteristics

Table 4.3.1 Gender distribution

Coding: M=Male; F=Female			
Code	Gender	Frequency	Percentage
M	Male	49	57%
F	Female	37	43%
	Total	86	100%

Source: Primary data

Table 4.3.1 above shows that there were 49 male respondents (57%) and 37 female respondents (43%). The sample was considered to be gender balanced, which enhanced the credibility of the findings and minimised gender bias.

4.3.2 Age Structure

Table 4.3.2: Age structure

Coding: 20-30=1; 31-40=2; 41-50=3; 51-60=4			
Code	Age bracket	Frequency	Percentage
1	20 - 30	18	20.9%
2	31 - 40	46	53.5%
3	41 - 50	16	18.6%
4	51 - 60	6	7.0%
	Total	86	100%

Source: Primary data

Table 4.3.2 above shows that there were 46 respondents (53.5%) in the age bracket of 31 – 40 years, 18 respondents (20.9%) in the bracket of 20 – 30 years, 16 respondents (18.6%) in the bracket of 41 – 50 years and 7 respondents (7%) in the bracket of 51 – 60 years, which was representative of the population and enabled the researcher to capture the unique needs and expectations across the age spectrum of BOU employees.

4.3.3 Marital Status

Table 4.3.3: Marital Status

Coding: Single=1; Married=2; Other=3			
Code	Marital status	Frequency	Percentage
1	Single	27	31.3%
2	Married	55	63.9%
3	Other	4	4.7%
	Total	86	100%

Source: Primary data

Table 4.3.3 above shows that 55 respondents (63.9%) were married, 27 respondents (31.3%) were single and 4 respondents (4.7%) indicated “Other” status. The distribution implied that the sample was fairly well spread out, which enabled the researcher to obtain information pertaining to the unique needs and expectations of the respondents within the different marital bands, thus enhancing validity and generalizability of the findings.

4.3.4 Level of Education

Table 4.3.4: Level of Education

Coding: Certificate=1; Diploma=2; Bachelor's=3; Masters=4; PhD=5			
Code	Level of Education	Frequency	Percentage
1	Certificate	4	4.6%
2	Diploma	8	9.3%
3	Bachelor's	36	41.9%
4	Masters	38	44.2%
5	PhD	0	0%
	Total	86	100%

Source: Primary data

Table 4.3.4 shows that 82 respondents (85.4%) had either Diplomas, Bachelor’s or Master’s degrees. Only 4 respondents (4.6%) had Certificate level education. Considering the

respondents' levels of education, it was deduced that the respondents were able to comprehend and appreciate the purpose of the study and therefore their responses could be relied upon.

4.3.1.5 Years of Working Experience

Table 4.3.5: Years of Working Experience

Coding: <1 year=1; 1-5=2; 6-10=3; 11-15=4; > 15 years=5			
Code	Years of experience	Frequency	Percentage
1	<1	5	5.8%
2	1 to 5	21	24.4%
3	6 to 10	36	41.9%
4	11 to 15	8	9.3%
5	> 15	16	18.6%
	Total	86	100%

Source: Primary data

Table 4.3.5 above shows that 81 respondents (94.2%) had working experience of one year or more. Only 5 respondents (5.8%) had working experience of less than one year. According to Hackett (1996), organisations should maintain a notable core of experienced workers while also ensuring that fresh and new workers are recruited to avoid stagnation. The sample was considered to be a fairly good representation of the population based on years of working experience, which enhanced the validity and reliability of the study.

4.4 Empirical Findings

This section presents the key descriptive and inferential statistics based on the three specific objectives of the study. The descriptive results are analysed using measures of central tendency including means and standard deviations of the responses under each variable. The findings were further analysed using the narratives and inferential statistics.

4.4.1.1 Specific Objective 1: Performance Appraisal and Employee Motivation

The first specific objective was to analyse the contribution of performance appraisal on motivation among Bank of Uganda employees. Based on the findings, it was established that performance appraisal positively and significantly contributes to motivation among BOU employees. The findings are presented in table 4.4.1.1 below.

Table 4.4.1.1: Performance Appraisal and Employee Motivation

Question	Mean	Standard Deviation (SD)	Top Two Box scoring criterion (% who Agree or Strongly Agree)
At the beginning of every year, I agree with my supervisor about my job score card	3.83	1.102	73.49%
I always look out for the periodic performance appraisal exercise with optimism because it provides a platform for me to receive feedback on my performance	4.06	1.068	82.14%
I am aware of the contribution of my job score card to the overall Bank strategy	4.26	0.866	89.29%
I have a clear understanding of the required performance standards to successfully perform my duties	4.31	0.864	91.67%
There is consistency in the application of the appraisal criteria for measuring performance	4.01	0.943	77.38%
The scoring and supervisor comments during the performance appraisal exercise are fair, which is fulfilling	4.05	0.757	80.95%
I receive timely feedback regarding my performance following the appraisal exercise, which encourages me to look out for the next appraisal	3.88	0.937	76.19%
All promotions and salary increments are derived from the performance appraisal exercise	3.72	1.016	60.71%
My work gives me a feeling of personal accomplishment	4.03	1.000	78.57%
There are well laid down procedures for appeal in the event that I disagree with my supervisor's assessment	3.79	0.899	70.24%
Overall (mean) averages	3.99	0.945	78.06%

Source: Primary data

Table 4.4.1.1 shows the results of the descriptive statistics pertaining to ten (10) statements relating to performance appraisal. The means and standard deviations at 99% level of significance attributable to the various statements ranged from 3.72 to 4.31 and from 0.757 to 1.102 respectively. Further, the table shows the scores of the top two box scoring criterion (*percentage of respondents who Agree or Strongly Agree*), which range from 60.71% to 91.67%. Overall, the average of means, standard deviations at 99% level of significance and scores of the top two box scoring criterion were 3.99, 0.945 and 78.06% respectively. Considering that the overall average mean of 3.99 was greater than 3 and very close to 4, which, under the Likert scale falls in the “Agree” category.

In addition, during the face to face interviews, the interviewees revealed that the Board of Directors takes keen interest in employee performance appraisal and that on an annual basis; considers performance appraisal reports and makes appropriate decisions. An analysis of the responses of the face to face interviews revealed that performance appraisal positively and significantly contributes to motivation among BOU employees.

Thus, based on the analysis, it was concluded that performance appraisal positively and significantly contributes to motivation among BOU employees.

4.4.1.2 Hypothesis 1: Performance Appraisal and Employee Motivation

Table 4.4.1.2(a): Pearson’s correlation coefficient

		Performance Appraisal	Motivation
Performance Appraisal	Pearson Correlation	1	.894**
	Sig. (2-tailed)		.000
	N	84	84
Motivation	Pearson Correlation	.820**	1
	Sig. (2-tailed)	.000	
	N	84	84

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

Source: Primary data

Table 4.4.1.2(a) above shows the output of the Pearson’s correlation coefficient test between performance appraisal and employee motivation. A coefficient, r , of 0.820 at 99% level of confidence was obtained. Considering Cohen (1988), the correlation coefficient of 0.820 is positive, large and strong since it falls within the band of 0.5 to 1. Thus, for this study, there is a positive linear relationship between performance appraisal and motivation among BOU employees.

Table 4.4.1.2(b) Regression Analysis

<i>Regression Statistics</i>					
Multiple R					0.820163229
R Square					0.672667723
Adjusted R Square					0.668675866
Standard Error					0.394368987
Observations					84

<i>ANOVA</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	26.20783	26.20783	168.5099734	0.00000
Residual	82	12.75321	0.155527		
Total	83	38.96104			

Source: Primary data

Table 4.4.1.2(b) above shows the output of the regression analysis between performance appraisal and motivation. An adjusted R square value of 0.669 (66.9%) was obtained. This implied that performance appraisal accounted for 66.9% of motivation among BOU employees, which is significant.

4.4.2.1 Specific Objective 2: Reward and compensation management and Motivation

The second specific objective was to analyse the contribution of reward and compensation management to motivation among BOU employees. Based on the findings, it was established

that reward and compensation positively and significantly contributes to motivation among BOU employees. The findings are presented in table 4.4.2.1 below.

Table 4.4.2.1: Reward and Compensation Management and Employee Motivation

Question	Mean	Standard Deviation (SD)	Top Two Box scoring criterion (% who Agree or Strongly Agree)
I am aware of the various Bank reward and compensation initiatives	4.19	0.988	86.90%
The reward and compensation (benefits) offered by the Bank are equitable across all categories of employees	3.77	1.101	64.29%
The salary package offered to me by the Bank is commensurate to my responsibilities	4.09	1.113	80.95%
The Bank appropriately rewards staff who are hard working	3.63	1.166	61.90%
Bank rewards and employee benefits are consistently and periodically reviewed	3.88	1.011	70.24%
The Bank recognises employee loyalty	3.71	1.018	64.29%
The Bank appropriately rewards employee loyalty	3.45	1.057	52.38%
Job performance is an important factor in determining the rewards	3.64	1.143	65.48%
Overall (mean) averages	3.79	1.075	68.30%

Source: Primary data

Table 4.4.2.1 above shows the results of the descriptive statistics pertaining to eight (8) statements relating to reward and compensation management. The means and standard deviations at 99% level of significance attributable to the various statements ranged from 3.45 to 4.19 and from 0.988 to 1.166 respectively. Further, the tables shows the scores of the top two box scoring criterion (*percentage of respondents who Agree or Strongly Agree*) ranged from 52.38% to 86.90%. Overall average of mean scores, standard deviation at 99% level of significance and scores of the top two box scoring criterion were 3.79, 1.075 and 68.30%

respectively. Considering that the overall average of means of 3.79 was greater than 3 and close to 4, which, under the Likert scale, could fall in the “Agree” category.

Further, during the face to face interviews, the interviewees indicated that reward and compensation management was one of the most important components of BOU’s strategy of attracting, motivating and retaining talent. An analysis of the responses reveals that reward and compensation management positively and significantly contributes to motivation among BOU employees.

Thus, from the analysis, it was concluded that reward and compensation management positively and significantly contribute to motivation among BOU employees.

4.4.2.2 Hypothesis 2: Reward and compensation management and Employee Motivation

Table 4.4.2.2(a): Pearson’s correlation coefficient

		Reward and Compensation	Motivation
Reward and Compensation	Pearson Correlation	1	.894**
	Sig. (2-tailed)		.000
	N	84	84
Motivation	Pearson Correlation	.795**	1
	Sig. (2-tailed)	.000	
	N	84	84

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

Source: Primary data

Table 4.4.2.1(a) above shows the output of the Pearson’s correlation coefficient test between reward and compensation management and employee motivation. A coefficient, r, of 0.795, statistically tested at 99% level of confidence was obtained. Considering Cohen (1988), the correlation coefficient of 0.795 is positive, large and strong since it falls within the band of

0.5 to 1. Thus, for this study, there is a positive linear relationship between reward and compensation management and motivation among BOU employees.

Table 4.4.2.2(b): Regression analysis

<i>Regression Statistics</i>					
Multiple R		0.794778769			
R Square		0.631673292			
Adjusted R Square		0.627181503			
Standard Error		0.418335717			
Observations		84			

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	24.61064782	24.61064782	140.6284387	0.000000
Residual	82	14.35039128	0.175004772		
Total	83	38.96103909			

Source: Primary data

Table 4.4.2.2(b) shows the output of the regression analysis between reward and compensation management and motivation. An adjusted R square value of 0.627 (62.7%) was obtained. This implied that reward and compensation management accounted for 62.7% of motivation among BOU employees, which is significant.

4.4.3.1 Specific Objective 3: Employee Engagement and Employee Motivation

The third specific objective was to analyse the contribution of employee engagement practices to motivation among Bank of Uganda employees. Based on the findings, it was established that employee engagement positively and significantly contributes to motivation among BOU employees. The findings are presented in table 4.4.3.1 overleaf.

Table 4.4.3.1(a): Employee Engagement and Employee Motivation

Question	Mean	Standard Deviation (SD)	Top Two Box scoring criterion (% who Agree or Strongly Agree)
The Bank encourages staff participation in HR policy formulation	3.48	1.114	51.19%
The Bank encourages staff participation in decision making	3.57	1.067	59.52%
Staff can exercise independent thought in executing their duties	3.73	1.001	61.90%
I have a strong sense of belonging to the Bank	4.12	1.046	84.52%
The Bank's working environment is both inspiring and supportive	4.24	0.887	89.29%
I voluntarily put in extra effort beyond expectations in order to complete my work assignments	4.25	0.909	90.48%
There is free flow of information between Management and the rest of the staff	3.71	1.126	65.48%
My supervisor recognises and values my ideas and opinions, which inspires me	4.04	0.963	83.33%
Bank interest always prevails over my personal interest during the execution of my duties	4.17	0.824	89.29%
There is strict adherence to Bank rules and procedures with little or no room for improvement	3.64	1.071	63.10%
There are regular departmental meetings to encourage communication with peers and supervisors	3.89	1.120	71.43%
Overall averages	3.90	1.011	73.59%

Source: Primary data

Table 4.4.3.1(a) shows the output of the descriptive statistics pertaining to eleven (11) statements relating to employee engagement practices. The means and standard deviations at 99% level of significance attributable to the various statements ranged from 3.48 to 4.25 and from 0.824 to 1.126 respectively. Further, the table shows the scores of the top two box scoring criterion (*percentage of respondents who Agree or Strongly Agree*) ranged from 51.19% to

90.48%. The overall average of mean scores, standard deviation at 99% level of significance and scores of the top two box scoring criterion were 3.90, 1.011 and 73.59% respectively. Considering that the overall average mean of 3.90 was higher than 3 and closer to 4, which, under the Likert scale, was categorised as “Agree”.

Furthermore, during the face to face interviews, the interviewees indicated that, over the years, employee engagement had become one of the critical aspects of modern day management, which contributes to the “feel good” factor (motivation) among employees. An analysis of the responses of the interviews revealed that employee engagement positively and significantly and positively contributes to motivation among BOU employees.

From the above analysis, it was concluded that employee engagement positively and significantly contributes to motivation among BOU employees.

4.4.2.2 Hypothesis 3: Employee Engagement and Employee Motivation

Table 4.4.3.2(a): Pearson’s correlation Coefficient

		Employee Engagement	Motivation
Employee Engagement	Pearson Correlation	1	.814**
	Sig. (2-tailed)		.000
	N	84	84
Motivation	Pearson Correlation	.814**	1
	Sig. (2-tailed)	.000	
	N	84	84

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

Source: Primary data

Table 4.4.3.2(a) above shows the results of the Pearson’s correlation coefficient test between employee engagement and employee motivation. A coefficient, r, of 0.814 statistically tested at 99% level of confidence was obtained. Considering Cohen (1988), the correlation

coefficient of 0.814 is large and strong since it falls within the band of 0.5 to 1, which implies that, for this study, there is a positive linear relationship between employee engagement and motivation among BOU employees.

Table 4.4.3.2(b): Regression analysis

<i>Regression Statistics</i>					
Multiple R		0.820163229			
R Square		0.672667723			
Adjusted R Square		0.668675866			
Standard Error		0.394368987			
Observations		84			

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	26.20783	26.20783	168.5099734	0.00000
Residual	82	12.75321	0.155527		
Total	83	38.96104			

Source: Primary data

Table 4.4.3.2(b) above shows results of the regression analysis between employee engagement and employee motivation. An adjusted R square value of 0.669 (66.9%) was obtained. This implied that employee engagement practices accounted for 66.9% of motivation among BOU, which is significant.

This chapter dealt with the description, presentation, analysis and interpretation of the data obtained from the respondents. Qualitative and quantitative analyses were used to establish the contribution of the three HRM practices to motivation among Bank of Uganda employees. Results of the analyses indicated that the three selected HRM practices positively and significantly contribute to motivation among BOU employees.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study analysed the contribution of HRM practices to motivation among BOU employees. This chapter summarises and discusses the findings of the study as indicated in chapter four, based on which conclusions and recommendations are made. The chapter also includes areas for further research.

5.2 Summary

5.2.1 Specific Objective 1

Specific objective 1 of this study was *“To analyse the contribution of performance appraisal to motivation among Bank of Uganda employees”*. Three constructs were used to measure the contribution of performance appraisal practices to motivation among BOU employees. The constructs included; existence of individual performance score cards, timely and unbiased feedback and existence of avenue for appeal and dispute resolution. Based on the analysis of the descriptive and inferential statistics, it was concluded that performance appraisal practices positively and significantly contribute to motivation among BOU employees.

5.2.2 Specific Objective 2

Specific objective 2 of this study was *“To analyse the contribution of reward and compensation management to motivation among Bank of Uganda employees”*. Three constructs were used to measure the contribution of reward and compensation management practices to motivation among BOU employees. The constructs included; fairness of reward system, equity, work place flexibility. From the analysis of the descriptive and inferential

statistics, it was concluded that reward and compensation management positively and significantly contributes to motivation among BOU employees.

5.2.3 Specific Objective 3

Specific objective 3 of this study was “*To analyse the contribution of employee engagement to motivation among Bank of Uganda employees*”. Three constructs were used to measure the contribution of employee engagement practices to motivation among BOU employees. The constructs included; working relations, work ethics and loyalty. From the analysis of the descriptive and inferential statistics, it was concluded that employee engagement practices positive and significantly contribute to motivation among BOU employees.

5.3 Discussion of findings

This study sought to establish the contribution of three selected HRM practices namely performance appraisal, reward and compensation management and employee engagement practices to motivation among BOU employees. The findings of the study are discussed below with reference to existing empirical literature.

5.3.1 Specific Objective 1

It was established that performance appraisal practices positively and significantly contribute to motivation among BOU employees. The finding is consistent with that of Muhammad S. Malik & Surayya A. (2003), who indicated that performance appraisal makes a significant contribution to employee motivation. The finding is also consistent with that of Mason (2001) who established that one of the aspects that motivate employees about their work is obtaining timely feedback regarding their performance. The results of the study could be attributed to the employees’ good understanding of their individual roles and required performance

standards, coaching and mentoring by their supervisors, receipt of timely feedback and sense of personal accomplishment.

5.3.2 Specific Objective 2

It was established that reward and compensation management practices make a positive and significant contribution to motivation among BOU employees. The finding is consistent with that of Lopez E.M (1981) who found out that reward motivates employees. Further, Ting (1997) found out that compensation was one of the most important elements of employee motivation. The finding is also supported by the results of a research conducted by MacDonald (as cited in Greenfield, 1993) within the top 100 companies in South Africa, where 96% of respondents pointed out that rewards were a very important motivating factor. In addition, the findings are consistent with those of Horton (2007), who indicated that organisations with effective reward systems are more likely to have motivated employees than those with ineffective reward systems. The results of this study could be attributed to the perceived fair and equitable reward and compensation system in BOU.

5.3.3 Specific Objective 3

It was established that employee engagement practices make a positive and significant contribution to motivation among BOU employees. The finding is consistent with that of Saks (2006), who found out that the consequences of employee engagement are positive on motivation and are reflected through devotion of greater amounts of employee cognitive, emotional, and physical resources for the organisation. Also, the finding is consistent with that of William and Kinicki (2008); Dessler (2008) and Armstrong, (2008) who found out that to develop motivated employees, a manager must empower workers and create a conducive workplace. The finding is also consistent with that of Chenevert and Tremblay (2009) who established that worthy employee engagement practices have a positive impact

on motivation among employees. Also, Cowling (2009) found that inadequate employee engagement with top management deters involvement of junior staff in decision making processes on matters pertaining to HR policy formulation and implementation, which hinders motivation. Further, the finding is consistent with that of Ulrich (2007) who indicated that working environment characterised by poor employee engagement practices propagates poor leadership styles that hinders motivation among employees. The findings of the study could be attributed to the good working environment, the employees' perception that BOU recognises and values their ideas and opinions and existence of avenues for employees to interact with, give and receive feedback to and from peers and supervisors.

5.4 Conclusions

This section presents the conclusion of the study focussing on the lessons learned under each of the objectives.

5.4.1 Specific Objective 1

Best practices dictate that employees must be continuously appraised based on a predetermined benchmark. In addition, it is expected that employees are appraised in a timely and fair manner and that feedback on performance is provided in a timely manner. This study revealed that performance appraisals largely hold employees accountable for past behaviour and performance. It would be valuable for organisations to adopt a futuristic and long term perspectives in its performance appraisal system as a means of enhancing motivation among its employees.

5.4.2 Specific Objective 2

Ichniowski et al., (1997) argue that much as incentive pay plans positively and substantially impact on workers' motivation, they should be implemented in combination with other

motivation strategies. Generally, it seems that most reward and compensation systems are skewed towards financial rewards yet some employees are motivated by prefer non-financial rewards.

5.4.3 Specific Objective 3

Whereas many organisations have established initiatives geared towards employee engagement, the initiatives seem to “stand alone” and not compliment each other. Going forward, it would be ideal for organisations to establish a comprehensive strategy to enable them achieve their desired outcomes.

5.5 Recommendations

In view of the above, the following recommendations are proposed:

5.5.1 Specific Objective 1

As an improvement measure, BOU should consider improving the current performance appraisal system to include futuristic and long term goals. This could enable the Bank to nurture desired behaviours, attitudes and competencies among employees.

5.5.2 Specific Objective 2

Considering that financial rewards dot not appeal to all employees as a motivating factor, there is need for BOU to develop a holistic reward and compensation strategy that takes into account the diverse and unique needs and expectations among its employees.

5.5.3 Specific Objective 3

There is need for BOU to develop a comprehensive and robust “*employee engagement strategy*” focusing on visible and empowering leadership, organisational culture and empowerment of employees to participate in decision making. It is through such initiatives that BOU can create and build an environment of mutual trust, respect and good working relationships which will enhance employee motivation.

5.6 Areas of future research

Considering that there are a number of HRM practices, it is recommended that more research be undertaken to analyse the contribution of other HRM practices such as training and development, recruitment and selection, career management to motivation.

5.7 Limitations of the Study

The identified limitations were that;

Considering that motivation is unique to individuals, there was a risk of over generalisation of results. This limitation was minimised by ensuring that the design and responses to the questionnaire and findings of the study were categorised in a manner that considerably reflected the attributes of each HRM practice under study.

Further, there was a possibility that the study could have been subjected to the bias and prejudices of the respondents. In order to minimise this risk, the respondents were urged to be as honest as possible and use their best judgment.

Lastly, the study was carried out with limited financial and time resources. Nonetheless, effort was made to ensure that the limitations did not substantially impact on the completion timeliness.

REFERENCES

- Ahmedabad, I. (2005). Inadequate human resource management practices have led to poor motivation. *The Financial Express*. Retrieved from: <http://financialxpress.com/news/inadequatehrmpracticeshaveledtopoormotivation/76403/0>
- Akerlof, G.A. and R.E. Kranton 2005. Identity and the economics of organisations. *Journal of Economic Perspectives* 19: 9–32.
- Alfes, K., Truss, C., Soane, E.C., Rees, C. and Gatenby, M. (2010). *Creating an engaged workforce*. London: Chartered Institute of Personnel and Development. Accessed at: http://www.cipd.co.uk/subjects/empreltns/general/creating_engaged_workforce.htm
- Armstrong, M. (2006). *A Handbook of Human Resource Management Practice*, (10th ed.). London, England: Kogan Page
- Armstrong, M. (2014). *A Handbook of Human Resource Management Practice*, (13th ed.). London, England: Kogan Page
- Barney, J. “Strategic factor markets: expectations, luck, and business strategy”, *Journal of Management Science*, 1986, Vol. 32, No. 10, 1231-1241.
- Bank of Uganda Employee Satisfaction Survey Report, November 2015
- Baron, J. N., and Kreps, D. M. 1999. *Strategic Human Resources: Frameworks for General Managers*. New York: John Wiley.
- Barney, J. “Is the resource-based “view” a useful perspective for strategic management research? Yes”, *Academy of Management Review*, 2001, Vol. 26, No. 1, 41-56.
- Beer, M., Spector, B., Lawrence, P.R., Quinn Mills, D. and Walton, R.E. (1984) *Human Resource Management*. New York: Free Press.
- Bond, T. & Fox, C. (2007). *Applying the Rasch Model: Fundamental Measurement in Human*

- Sciences*. 2nd Edition. New Jersey: Lawrence Erlbaum Associates.
- Bowen, D. E. & Ostroff, C. (2004). Understanding HRM-firm performance linkages: The role of “strength” of the HRM system. *Academy of Management Review*, 29, 203-221.
- Boyle, Daniel C. (1997). The 100 club. In *The 100 Club – A Successful Employee Recognition System* (On-line). Retrieved from: <http://www.100club.net/Default.htm>
- Cascio, W. F. 2006. *Managing human resources: productivity, quality of work life, profits* (7th ed.). Burr Ridge, IL: Irwin/McGraw-Hill.
- Collins, C. J., & Clark, K. D. 2003. Strategic human resource practices, top management team social networks, and firm performance: The role of human resource in creating organisational competitive advantage. *Academy of Management Journal*, 46(6):740-751.
- Daft, R.L. (2006). *The new era of management*. South-Western: Ohio. Thomson
- Daud, N.B., 2006. Human Resource Management Practices and Firm Performance: The Moderating roles of Strategies and Environmental Uncertainties.
- Dessler, G. (2003). *Human Resource Management* (10th ed.). New Jersey: Prentice Hall
- Fletcher C. (2001) ‘Performance appraisal and management: the developing research agenda’, *Journal of Occupational and Organisational Psychology*, Vol. 74: 473–87.
- Fletcher, C. & Bailey, C. (2003). Assessing Self-awareness: Some Issues and Methods. *Journal of Managerial Psychology*. 18(5): 395-404.
- Fombrun, C.J., Tichy, N.M. and Devanna, M.A. (1984) *Strategic Human Resource Management*. New York: Wiley.
- Frederick, W. T. (1911). *The principles of scientific management*: Library of Congress
- Gagne, M., & Deci, E. L. (2005). Self-determination theory and work motivation. *Journal of Organisational Behaviour*, 26, 331–362.

Gareth R. J., Jennifer M. G. (2003). *Contemporary Management* (3rd ed.). Boston; London, England: McGraw-Hill/Irwin, 732 pages

Gay, L. R. (1996). *Educational research: Competencies for analysis and application* (5th ed.). New York: Macmillan.

Global Journal of Human Resource Management Vol.3, No.3, pp.58-73, May 2015

Graen, G. (1969). Instrumentality theory of work motivation: Some experimental results and suggested modifications. *Journal of Applied Psychology Monograph*, 53, 1-25.

Griffin, J. (2004). Developing strategic KPIs for your BPM system. *DM Review*, 14 (10), 70.

Guest, D.E (1987) Human Resource Management and Industrial Relations. *Journal of Management Studies*, 24: 503–521.

Harter, J.K., Schmidt, F.L. and Hayes, T.L. (2002) ‘Business-unit level relationship between employee satisfaction, employee engagement, and business outcomes: a meta-analysis’, *Journal of Applied Psychology*, Vol 87, pp268-79.

Harvard Business Review Analytic Services study, (2013). The Impact of employee engagement on performance: https://hbr.org/resources/pdfs/comm/achievers/hbr_achievers_report_sep13.pdf

Hendry, C. (1995). *Human Resource Management: A Strategic Approach to Employment*, Oxford: Butterworth- Heinemann.

International journal of academic research in business and social sciences, (July 2013), Vol. 3, No. 7 ISSN: 2222-6990

Kagan, J. (1972). *Journal of personality and social psychology*, Vol 22(1), 51-66. Retrieved from <http://dx.doi.org/10.1037/h0032356>

Kahn, W.A. (1990) ‘Psychological conditions of personal engagement and disengagement at

work', *Academy of Management Journal*, Vol 33, pp692-724.

Karyeija, G. K. (2010). Performance appraisal in Uganda's civil service: *Does administrative culture matter?* (Doctoral dissertation, Faculty of Social Sciences, University of Bergen, Bergen, Belgium). Retrieved from: <http://www.google.com>

Katou, A.A., & Budhwar, P.S. (2006). Human resource management systems and organisational performance: A test of a mediating model in the Greek manufacturing context. *International Journal of Human Resource Management*, 17, 1223-1253.

Kelly D. (2003) *A shock to the system? The impact of HRM on academic IR in Australia in comparison with the USA and UK, 1980–1995*. *Asia Pacific Journal of Human Resources*, 41(2), pp. 149–71.

Kulik, C.T. (2004). Human resource for the non-HR Managers, *New Jersey: Lawrence Erlbaum Associates Publishers*.

Kundu, S. C. (2003). Workforce diversity status: a study of employees' reactions Industrial. Management & Data Systems, 103 (4), pp. 215-226. 173 *European Journal of Economics, Finance and Administrative Sciences - Issue 24* (2010).

Latham, G. P., & Locke, E. A. (1979). "Goal setting: a motivational technique that works." *Organisational Dynamics*, 8, 68-80.

Lawler, E. E., & Porter, L. W. (1967). Antecedent attitudes of effective managerial performance. *Organisational Behaviour and Human Performance*, 2, 122-142.

Lawler, E. E. (1971). *Pay and organisational effectiveness: A psychological view*. New York: McGraw-Hill.

Locke, E. A., & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation. *American Psychologist*, 57(9), 705-717.

Locke, E. A., & Latham, G. P. (2006). New Directions in Goal-Setting Theory. *Current Directions in Psychological Science*, 15(5), 265-268.

- Macey, W. H., Schneider, B., Barbera, K. M., & Young, S. A. (2009). *Employee Engagement*, Malden, MA, Wiley-Blackwell
- Mackey, K. & Johnson, G. (2000). *The Strategic Management of Human Resources in New Zealand*, Auckland: Irwin/McGraw-Hill.
- Managing for sustainable employee engagement: *Developing a behavioural framework*. CIPD (2012).
- Marshall, J., Blank, D., and Meeden, L. (2004). *An emergent framework for self-motivation in developmental robotics*. In the third international conference on development and learning, pages 104–111.
- Mathis, R. L., & Jackson, J. H. (2004). *Human Resource Management* (11th ed.), Singapore: Thomson Asia Pte. Ltd.
- Milkovich, G.T., Gerhart, B., Hannon, J. (1991). The effects of research and development intensity on managerial compensation in large organisations.
- Milkovich, G.T. & Newman, J.M. (1999). “*Compensation*”, New York: Irwin/McGraw-Hill.
- Mugenda O.M. & Mugenda A.G. (2003). *Research Methods Quantitative and qualitative approaches*. Nairobi: Acts Press.
- Nankervis, A, Compton, R. Baird, M. & Coffey, J. (2011). *Human resource management strategies and processes* (7th ed.), South Melbourne, Victoria: Cengage Learning.
- Otieno (2006) as cited in NYANDEMA, Caleb Ochenge and Dr. WERE, Susan. 2014 role of reward systems in employee motivation in Kenyan deposit taking micro finance institutions, a case study of Faulu Kenya. *International Journal of Social Sciences Management and Entrepreneurship* 1(2):203-220, August 2014

- Pathania, K. S., Nag, A. K., & Pathak, A. D. (2011). “*Effectiveness of performance appraisal system of insurance sector - A Study Of Himachal Pradesh*”. *Gurukul Business Review (GBR)*, pp.19-23.
- Pickette, L. (2003). Transforming the Annual Fiasco. *Industrial and Commercial Training*. 35(6): 237-240.
- Pinder, C. C. (1987). Valence-instrumentality-expectancy theory. In R. M. Steers & L. W. Porter (Eds.), *Motivation and work behaviour* (4th ed.) (pp. 69-89). New York, NY: McGraw-Hill.
- Porter, L. W., & Lawler, E. E. (1968). *Managerial attitudes and performance*. Homewood, IL: Dorsey Press and Richard D. Irwin.
- Reilly, P and Brown, D (2008) Employee engagement: future focus or fashionable fad for reward management? *WorldatWork Journal*, 17 (4), pp 37–49
- Rumelt, Richard, “Towards a strategic theory of the firm”, in Lamb, R., (Ed.), *Competitive Strategic Management*, Prentice-Hall, 1984, Englewood Cliffs (NJ).
- Ryan, R. M., Deci, E.L. (2000). Self-determination Theory and the facilitation of intrinsic motivation, social development, and well being. *American Psychologist*, 55, 68-78.
- Scott, S.G. & Einstein, W.O. (2001). Strategic Performance Appraisal in Team-based Organisations: one size does not fit all. *Academy of Management Executive*. 15(2): 107-116.
- Stoner, R., James A. F., Freeman, E., & Gilbert, Jr. D. (2003). “*Management*” (6th ed.). New Delhi, India: Prentice-Hall
- Storey, J. (1992) *Developments in the Management of Human Resources*. London, England: Blackwell Business.

- Sun, L. Y., Aryee, S., & Law, K. S. (2007). High-performance human resource practices, citizenship behaviour, and organisational performance: A relational perspective. *Academy of Management Journal*, 50(3), 558–577.
- Schuler, R. S., & MacMillan, I. C. (1984). Gaining competitive advantage through human resource management practices. *Human Resource Management*, 23(2), 241–256.
- Sziligy (2003) as cited in NYANDEMA, Caleb Ochenge and Dr. WERE, Susan. 2014 role of reward systems in employee motivation in Kenyan deposit taking micro finance institutions, a case study of Faulu Kenya. *International Journal of Social Sciences Management and Entrepreneurship* 1(2):203-220, August 2014
- Tella, A., Ayeni, C., & Popoola, S. (2007). Work motivation, job satisfaction, and organisational commitment of library personnel in academic and research libraries in Oyo State, Nigeria. *Library Philosophy and Practice*, 9(2), 13.
- The Conference Board Report, (December, 2012). Accessed at:
<https://www.conference-board.org/topics/publicationdetail.cfm?publicationid=2382>
- Thomas, K. W. (2000). Intrinsic motivation and how it works. *Training*, 37(10), 130-135.
- Torrington, D., Hall, L. & Taylor, S. (2008). *Human resource management*. Essex, England: Prentice Hall
- Truss, C, Schantz, A, Soane, E, Alfes, K and Delbridge, R, (2013) Employee engagement, organisational performance and individual well-being: exploring the evidence, developing the theory, *International Journal of Human Resource Management*, 24 (14), pp 2657–69
- Wall, T.F. and Wood, S.J. (2005), ‘The romance of human resource management and business performance, and the case for big science’, *Human Relations*, vol. 58, no.4, pp. 429-462.

Walton, R.E. (March, 1985). *From control to commitment in the workplace*. Harvard Business Review. Retrieved from: <https://hbr.org/1985/03/from-control-to-commitment-in-the-workplace>

Wood, S.J. & Wall, T.D. (2002) “Work Enrichment and Employee Voice in Human Resource Management- Performance Studies” *The International Journal of Human Resource Management*, Vol. 18(7): 335–372.

APPENDICES