



**REWARDS AND SALES FORCE PERFORMANCE IN THE PHARMACEUTICAL  
INDUSTRY: A CASE STUDY OF LABOREX UGANDA LIMITED**

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**DECLARATION**

I, Patrick Collins Emopus hereby declare that this work is original and is my own. This dissertation has never been presented to any other University for any academic award.

Date.....

Signed.....

**APPROVAL**

This dissertation was written under our supervision and is submitted for examination with our approval as supervisors.

Signed:.....

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Date:.....

Signed:.....

Mr. Hannington Businge

## **DEDICATION**

This dissertation is dedicated to my parents, my family and all that supported me during the entire program.

## **ACKNOWLEDGEMENT**

I, Patrick Collins Emopus would like to give thanks to all the persons that have become a bigger part of this study. First and foremost I would like thank the Lord our God for giving me strength to complete this study on time.

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## TABLE OF CONTENTS

DECLARATION .....	i
APPROVAL .....	ii
DEDICATION .....	iii
ACKNOWLEDGEMENT .....	iv
TABLE OF CONTENTS.....	i
LIST OF TABLES .....	vii
LIST OF ACRONYMS .....	viii
COH: Country Operations Head.....	viii
LUL: Laborex Uganda Limited .....	viii
ABSTRACT.....	ix
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Introduction.....	1
1.2. Back ground to the study .....	1
1.2.1. Historical Background .....	1
1.2.2 Theoretical Background.....	3
1.2.3 Conceptual Background.....	4
1.2.4 Contextual Background .....	5
1.3 Problem statement.....	6
1.4 General Objective .....	7
1.5 Specific objectives .....	7
1.6 Research questions.....	7
1.7 Hypotheses of the study .....	7
1.8 Conceptual framework.....	8

1.9 Significance of study.....	8
1.10 Justification of the study .....	9
1.11 Scope of the study.....	9
1.13 Operational definitions.....	9
<b>CHAPTER TWO .....</b>	<b>12</b>
<b>LITERATURE REVIEW .....</b>	<b>12</b>
2.1 Introduction.....	12
2.2 Theoretical literature review .....	12
2.3 Review of related literature.....	15
2.3.1 Non-financial rewards and sales force performance.....	16
2.3.2 Financial rewards and sales force performance .....	18
2.4 Summary of Literature review .....	21
<b>CHAPTER THREE .....</b>	<b>22</b>
<b>METHODOLOGY .....</b>	<b>22</b>
3.1 Introduction.....	22
3.2 Research design .....	22
3.3 Study population .....	22
3.4 Sample size .....	23
3.5 Sampling Techniques and procedure .....	24
3.6 Data collection methods.....	25
3.6.1 Questionnaire survey .....	25
3.6.2 Interview .....	25
3.6.3 Documentary review .....	25
3.7 Data collection instruments.....	26
3.7.1 Questionnaires.....	26

3.7.2 Interview guide .....	27
3.7.3 Document review checklist.....	27
3.8 Data Quality control.....	27
3.8.1 Reliability.....	27
3.9 Data collection procedure .....	28
3.10 Data Analysis .....	29
3.10.3 Measurement and variables.....	30
3.11 Ethical considerations .....	30
<b>CHAPTER FOUR.....</b>	<b>31</b>
<b>DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS .....</b>	<b>31</b>
4.0 Introduction.....	31
4.1 Response rates.....	31
4.2 Demographic Information of respondents .....	33
4.2.1 Age distribution of respondents .....	33
4.2.2 Gender of respondents .....	34
4.2.3 Education level of respondents .....	35
4.2.4 Length of Service of respondents .....	36
4.3 Descriptive Statistics for the Study Variables .....	37
4.3.1 Summary Descriptive Statistics .....	37
4.3.2 Performance of Sales force .....	38
4.4 The effect of financial rewards to the performance of sales force.....	40
4.4.1 Results for financial rewards .....	40
4.2 Hypothesis one test results: financial rewards and performance of sales force.....	44
4.5 The effect of Non-financial rewards .....	45
4.5.1 Results of Non-financial rewards.....	45

4.5.2 Hypothesis two test results: non-financial rewards and the performance of sales force .....	48
4.6 The contribution of financial and non-financial rewards on performance of sales force .....	50
4.7 Summary .....	50
<b>CHAPTER FIVE .....</b>	<b>51</b>
<b>SUMMARY, DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>51</b>
5.0 Introduction.....	51
5.1 Summary.....	51
5.1.1The effect of financial rewards on performance of sales force at LUL .....	51
5.1.2 The effect of Non-financial rewards on performance of sales force at LUL.....	53
5.2 Discussion .....	54
5.2.1The effect of financial rewards on the performance of sales force at LUL .....	54
5.2.2 The effect of Non-financial rewards on the performance of sales force at LUL .....	55
5.3 Conclusion... ..	57
5.3.1The effect of financial rewards on the performance of sales force at LUL .....	56
5.4 Recommendations.....	58
5.4.1...The effect of financial rewards on the performance of sales force at LUL .....	57
5.4.2 The effect of Non-financial rewards on the performance of sales force at LUL .....	58
5.5 Limitations of the study .....	59
5.6 Contribution of the study .....	59
5.7 Recommendation for further research .....	59
REFERENCES .....	61
APPENDIX A: REWARDS AND PERFORMANCE OF SALES FORCE IN THE.....	i
APPENDIX B: INTERVIEW GUIDE .....	i
APPENDIX C: DOCUMENTARY REVIEW CHECKLIST .....	i
APPENDIX D: TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN .....	i

POPULATION. .... i

APPENDIX E: WORK PLAN ..... i

APPENDIX F: BUDGET ESTIMATE ..... i

## LIST OF FIGURES

Figure 1 : Conceptual framework showing how rewards affect performance.....	8
Figure 2 : shows that people are motivated by different hierarchical levels starting from the most bottom of the pyramid.....	13
Figure 3: Distribution of respondents by age.....	33
Figure 4: Distribution of respondents by gender .....	34

## LIST OF TABLES

Table 1: Results of the cronbach’s reliability test.....	28
Table 2: Results of the response rate of respondents.....	32
Table 3: Distribution of respondents by level of education.....	35
Table 4: Distribution of respondents by length of service at Laborex Uganda Limited.....	36
Table 5: Summary descriptive statistics for rewards and performance .....	37
Table 6: Showing the response to the statements describing the feelings of sales force at Laborex on performance. ....	38
Table 7: Results showing respondents feelings on the statements about financial rewards.....	41
Table 8: Correlation of financial rewards on the performance of sales force.....	44
Table 9: Results showing respondents feelings on the statements about non-financial rewards..	46
Table 10: Correlation of non-financial rewards and performance.....	49
Table 11: Table showing regression results for financial, non-financial rewards and performance .....	50

## LIST OF ACRONYMS

<b>COH:</b>	Country Operations Head
<b>LUL:</b>	Laborex Uganda Limited
<b>ISO:</b>	International Organization for standardization
<b>OAG:</b>	Office of the Auditor General
<b>OTC:</b>	Over The Counter
<b>TQM:</b>	Total Quality Management
<b>KAMs:</b>	Key Accounts Managers
<b>UMI:</b>	Uganda Management Institute
<b>StdDev:</b>	Standard Deviation

## **ABSTRACT**

The study investigated the effect of rewards on sales force performance in the pharmaceutical industry taking a case study of Laborex Uganda Limited (LUL).

The specific objectives of the study included; to assess the effect of financial rewards on the performance of sales force at LUL and to assess the effect of non-financial rewards on the performance of sales force at LUL.

The sample size was 59 with 53 actually responding giving a response rate of 90% which is acceptable. The study involved a case study design with both qualitative and quantitative methods of data analysis used. Data was collected, coded, cleaned and analyzed using Statistical Package for Social Sciences (SPSS version 20). Data analysis involved use of both descriptive and inferential statistics such as; mean, standard deviation, percentage, correlation coefficient and regression analysis and the results of the study showed;

a positive significant correlation between financial rewards (Salary, bonus and commission) and performance. Further regression showed that 26% of the variations in performance of sales force is explained by financial rewards.

A positive significant correlation between non-financial rewards (recognition, opportunities for growth and development) and performance. Further regression showed that 14% of the variations in performance of sales force is explained by non-financial rewards.

The study recommended that; LUL develops several criteria for considering payment of salary based on qualification, experience and expertise, for determining bonus pay that incorporates the extra sales achieved, for identifying and recognizing sales that have excelled, for promotions and implementation of mentorship programs for employees' skills development.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Introduction**

This chapter presents the background to the study, statement of the problem, general objective of the study, specific objectives of the study, research questions, hypotheses, conceptual framework, significance and justification of study, scope of study, definition of concepts and key terms.

The study assessed the contribution of rewards to the performance of sales force in the pharmaceutical industry, taking a case study of Laborex Uganda Ltd (LUL). Non-financial rewards were conceptualized as recognition and opportunity for growth & development while financial rewards were conceptualized as salary, bonus and commission.

Sales force performance was conceptualized in terms of sales target, number of calls made per day, number of calls made per customer in a month, compliance to company's policies.

Rewarding sales representatives enhances their commitment and effort towards achieving the organizational goal thus improving company performance and avoiding unnecessary increase in company expenses (Kow & Yew, 2012).

### **1.2. Back ground to the study**

#### **1.2.1. Historical Background**

In the past the reward for labor was goods. However, after the industrial revolution, greater emphasis was put on rewarding performance with financial and non-financial incentives. Research on rewards and performance management strategies have shown that performance of sales

representatives can either be enhanced or compromised depending on how the reward system is implemented (Kahn, Farouq & Ulah, 2010).

Sales representatives have existed for a long time. Relatively smaller enterprises played a major role in the economic environment before the industrial revolution making sale of goods a lot easier (Stills, 2006).

In the past business was run by individuals who were instrumental in delivering all duties but marketing and accounting. The industrial revolution resulted into a range of organizational changes to business enterprises that impacted on the quantities of production thus generating a need to create a team of sales executives tasked with responsibility of increasing share of voice amongst the prospective buyers (Stills, 2006).

Successful companies understand the customers' needs and expectations and align processes accordingly. This alignment can take two dimensions; horizontal alignment, vertical alignment.

Horizontal alignment is about the connection between the customers and organization processes and has been a key concern in Total Quality Management (TQM).

Edward Deming introduced the concept of TQM which stipulated that Quality is a customer issue which arises because customers require products and services which not only meet their performance requirements but are satisfactory in terms of safety, length of working life and pride of ownership. TQM also calls for responsiveness at all stages of the business and most especially in the department of sales which must be able to recognize the changing needs of customers and prospects. As a result, more companies employed sales representatives in consultative roles as opposed to the role of order picking.

### **1.2.2 Theoretical Background**

This study was guided by three theories; the hierarchy of needs theory by Maslow (1954) which states that man is a wanting animal, only an unsatisfied need can motivate behavior and the dominant need is the prime motivator of behavior. The needs are fundamental, physiological, safety, social esteem, and self-fulfillment (Armstrong, 2004).

The Herzberg two factor models which is also referred to as the motivation hygiene theory postulates that the factors leading to job satisfaction and motivation are distinct from the factors that lead to job dissatisfaction. There are two groups of factors; satisfiers or motivators which are intrinsic to the job i.e. achievement, recognition, the work its self, responsibility and growth. “Dissatisfaction avoidance” or “hygiene” factors which are extrinsic to the job and include pay, company policy and administration, personal relations, status and security. Any feeling of satisfaction resulting from pay increase is likely to be short-lived compared to the long lasting satisfaction from work itself (Armstrong, 2004).

Equity theory of motivation which is based on the premise that employees put forth a particular level of effort that compares to the reward potential resulting into equality between the inputs and outputs. Inputs include; effort and enthusiasm, skills and abilities, flexibility and adaptability, loyalty and commitment to the organization while outputs include; financial compensation, praise and recognition, additional responsibility and autonomy, job security, career advancement and personal growth (Pride et al., 2010).

### **1.2.3 Conceptual Background**

A reward is any extrinsic factor that motivates an individual or group of individuals to achieve an important organization goal on top of their intrinsic motivation. A reward can be financial or non-financial and aims to shape or direct behavior (Armstrong, 2010).

A non-financial reward is defined as anything that exists in any form of non-monetary return and includes; praise, recognition, personal growth, responsibility, and quality of work life (Armstrong, 2010).

A financial reward is a monetary incentive that an employee earns as a result of good performance and includes; salary, bonus, commission, pay rise (Armstrong, 2010).

This study focused on non-financial and financial rewards identified by Armstrong and Brown (2001); recognition and personal growth; salary, bonus and commission respectively.

Recognition can be done by a word of encouragement publically, dinner with Chief Executive Officer (CEO), enhanced decision making, prepaid holiday package or an upgraded work place (Shaw, 2001).

Personal growth and development involves but is not limited to promotions that result into change of job titles. Change of title from sales representative to senior sales representative can be used to recognize different levels (Lucas, 2009).

Salary is a payment made at the end of every month in compensation for work rendered to the employer.

Bonus is a supplementary payment as an incentive or reward for hard work and is often connected to performance such as generating more sales or motivating a production line to meet or exceed a quota (Basu et al., 1985).

Commission is a payment based on performance measure such as dollar or unit sales volume or profitability of sales (Basu et al., 1985).

Byengoma (2007) argues that sales force performance is the extent to which sales men exert effort to achieve an organizations sales goals.

#### **1.2.4 Contextual Background**

CFAO is a multinational company engaged in the sales of manufactured goods, especially automobiles and pharmaceutical products. It has operations in Africa and France's former colonies and overseas territories. Laborex Uganda Limited (LUL) is a branch of CFAO that boasts of more than half a century experience in distribution of pharmaceutical products and has its global and regional headquarters in France and Kenya respectively. LUL is certified by International Organization for standardization (ISO) and is involved in the importation, distribution and marketing of branded, generic and Over The Counter (OTC) Pharmaceuticals.

LUL directly employs 17 field sales forces and also works with 43 associates of a range of multinational companies who are paid a monthly salary depending on their qualification, experience and expertise. Sales representatives that meet or exceed their quarterly targets are paid a bonus equivalent to their monthly salary.

Opportunities for growth have been provided to some employees that have been loyal to LUL over the years. However, there is not a written down criteria on career development. Recognition of excelling employees is only done at the end of year party.

Provision of cars to enhance proficiency at work is to some sales representatives while others receive a transport allowance.

### **1.3 Problem statement**

The pharmaceutical industry in Uganda has played a major role in improving citizens' health outcomes, productivity and life expectancy through availing the latest formulations on the market at various prices thus resulting in an increase in demand for medicines and health supplies in the last two decades (Rugumambaju & Kotyabami, 2010).

The increased demand for medicine has provided a platform for stiff competition among distributors; LUL, Phillips Pharmaceuticals, Star Pharmaceuticals, Surgipharm and Abacus Pharmaceuticals. This competition has prompted LUL to pay the sales force salaries higher than most of the competitors including bonuses and allowances (Human Resource report, 2012). LUL has strived to motivate its sales force further through provision of adequate product training, car loans and mileage. This has led to growth of the company sales over the years. However, the extent of growth has gradually declined over the years; 60% growth in 2012, 30% growth in 2013 and 20% growth in 2014 (sales report, 2014). This trend is bound to continue if nothing is done at all and will affect the dream of LUL becoming the fastest growing pharmaceutical distributor in Uganda ensuring that it is the best place to work and ranked number one by the year 2020. Achievement of this goal has been further compromised by stiff competition from Phillips Pharmaceuticals, Star Pharmaceuticals, Surgipharm and Abacus Pharmaceuticals.

This study was therefore, conducted to provide a platform to enable Laborex Uganda Ltd achieve their 2020 dream.

#### **1.4 General Objective**

The study assessed the effect of rewards on sales force performance at Laborex Uganda Ltd.

#### **1.5 Specific objectives**

(i) To assess the effect of financial rewards on the performance of sales force at Laborex Uganda Ltd.

(ii) To assess the effect of non-financial rewards on the performance of sales force performance at Laborex Uganda Ltd.

#### **1.6 Research questions**

(i) How do financial rewards affect sales force performance at Laborex Uganda Ltd?

(ii) How do non-financial rewards affect sales force performance at Laborex Uganda Ltd?

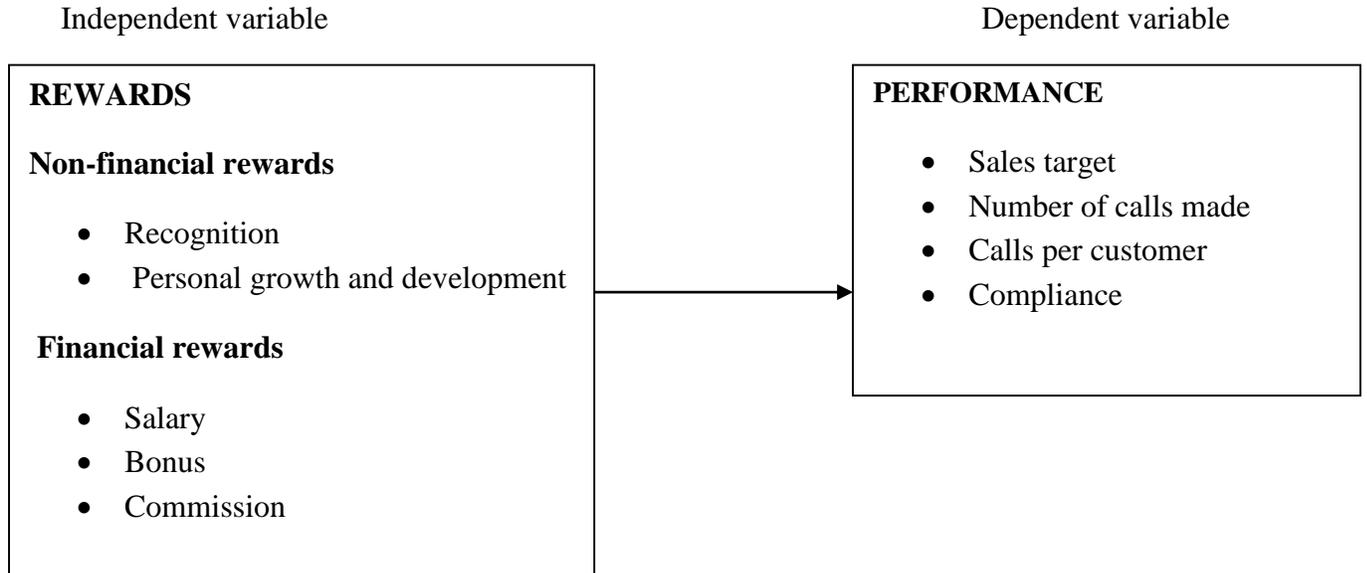
#### **1.7 Hypotheses of the study**

Financial rewards have a significant effect on sales force performance.

Non-financial rewards have a significant effect on sales force performance.

## 1.8 Conceptual framework

The conceptual frame work shows how rewards and performance were operationalized.



**Figure 1 : Conceptual framework showing how rewards affect performance.**

**Source: Adopted with modification from Armstrong, (2004).**

The conceptual framework shows how financial rewards and non-financial rewards affect performance of sales force. Non-financial and financial rewards are the independent variable while performance of sales force is the dependent variable. Non-financial rewards includes; recognition, personal growth and development. Financial rewards includes; salary, bonus and commission. Sales force performance was conceptualized as sales target, number of calls per day, number of calls per customer in a month and compliance to company's policies.

## 1.9 Significance of study

The findings add onto the existing body of knowledge and also provide a platform for Laborex Uganda Ltd as well as other Pharma companies to make informed decisions while developing and implementing reward systems. This further serves as a reference for future research.

### **1.10 Justification of the study**

A range of studies have been conducted to assess the relationship between rewards and sales force performance in the telecom, beverage industries but the pharmaceutical industry in Uganda.

Other studies have been conducted in different contexts in developed and other African countries that may not allow for generalization of findings to the Ugandan context. This therefore provided a platform for research in the pharmaceutical industry.

### **1.11 Scope of the study**

Laborex Uganda Ltd is located in Kampala. The study engaged sales force in Kampala.

The study assessed the effect of financial rewards and non-financial rewards on the performance of sales force at Laborex Uganda Ltd.

The study assessed the period of performance from the year 2012 to 2014.

### **1.13 Operational definitions**

A reward is any extrinsic factor that motivates an individual or group of individuals to achieve an important organization goal on top of their intrinsic motivation (Armstrong, 2010).

A non-financial reward is defined as anything that exists in any form of non-monetary return and for purpose of this study included; recognition and personal growth & development (Armstrong, 2010).

Recognition refers to publicly acknowledging performance of an individual and making them a reference for others to emulate (Armstrong, 2010).

Personal growth and development involves but is not limited to promotions that result into change of job titles. Change of title from sales representative to senior sales representative can be used to recognize different levels (Lucas, 2009).

Financial rewards are tangible or cash returns that may include salaries/wages, bonuses and allowances among others (Milkovich and Newmans, 2010). For purposes of this study, financial rewards included salary, commission and bonus.

Basic salary is a fixed amount of money or compensation paid to an employee by their employer in return for work performed (Healthfield, 2012). Basic salary can also refer to the basic wages that workers earn or basic wages within more specific parameters (Hartman, 2012)

Bonus is a supplementary payment as an incentive or reward for hard work. It is often directly connected to performance such as generating more sales or motivating a production line to meet or exceed a quota (Basu et al., 1985).

Commission is a payment based on performance measure such as dollar or unit sales volume or profitability of sales (Basu et al., 1985).

Sales force performance is the financial result of a sales person attributable to selling activities (Humberg & Muller, 2011). For purpose of this study sales force performance was looked at as; Sales target, number of calls made per day, number of calls made per customer, compliance.

A Sales target is a goal set for a sales person or sales department measured in revenue or units sold for a specific time (Kumer & Meenakshi, 2011).

Number of calls per day refers to the number of customers visited in a day with an objective of selling (Kumer & Meenakshi, 2011).

Number of calls per customer refers to the number of sales visits per customer made by a sales person during a marketing cycle (Kumer & Meenakshi, 2011).

Compliance refers to the act of conforming to the company's standard operating procedures (Kumer & Meenakshi, 2011).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviewed studies done by other scholars and identified how they relate to this study.

This chapter presents the theoretical review and literature with respect to the objectives.

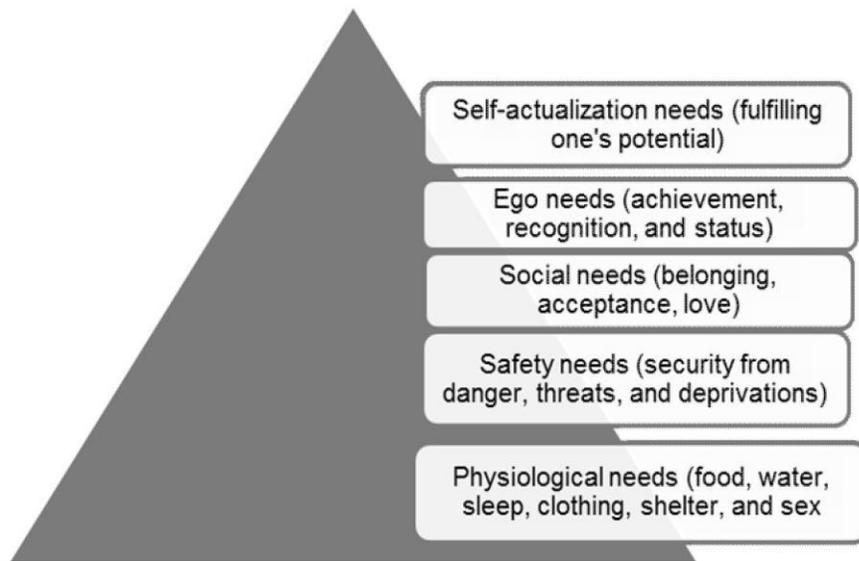
#### **2.2 Theoretical literature review**

This was guided by three theories; Abraham Maslow's hierarchy of needs theory, Frederick Herzberg's two factor theory and Equity theory.

##### **2.2.1 Maslow's hierarchy of needs theory**

Motivation of human is from the most bottom of the pyramid in a hierarchical manner and achievement of one need only presents desire to achieve the next (Ramlall, 2004). Physiological needs; food, water and shelter are the foundation of the pyramid. If any of the physiological needs is missing, people are motivated to meet the missing need. When physiological needs are met, people work harder to meet their needs for safety and security. People are further motivated to meet the needs represented at the higher levels of the pyramid. The third level of the pyramid is needs associated with love and belonging. These needs are met through satisfactory relationships with family members, friends, peers, classmates and other people with whom individuals interact with. Having satisfied physiological and security needs, people can venture out and seek relationships from which their need for love and belonging can be met. Satisfactory meeting of the need for love and belonging only motivates one to develop

Feelings of self-worth and self-esteem (Martin & Joom is, 2007).



**Figure 2 : shows that people are motivated by different hierarchical levels starting from the most bottom of the pyramid.**

**Source: adopted from Wei & Yew, (2012).**

### **2.2.2 Herzberg's Two factor theory**

This theory was postulated by Herzberg in 1959 and states that two different sets of factors affect job satisfaction and dissatisfaction; satisfiers or motivators which are intrinsic to the job ie achievement, recognition, the work its self, responsibility and growth. “Dissatisfaction avoidance” or “hygiene” factors which are extrinsic to the job and include pay, company policy and administration, personal relations, status and security. Any feeling of satisfaction resulting from pay increase is likely to be short-lived compared to the long lasting satisfaction from work itself. Performance improvement can be as a result of satisfaction of motivating factors as opposed to satisfaction of hygiene factors which only prevent dissatisfaction and poor performance (Nelson et al., 2013).

### **2.2.3 Equity theory of motivation**

This theory is based on the premise that employees put forth a particular level of effort that compares to the reward potential resulting into equality between the inputs and outputs. Inputs include; effort and enthusiasm, skills and abilities, flexibility and adaptability, loyalty and commitment to the organization while outputs include; financial compensation, praise and recognition, additional responsibility and autonomy, job security, career advancement and personal growth. When a balance is achieved between inputs and outputs, employees work towards higher productivity levels. Employees expect adequate rewards for their efforts and these rewards should be impartial. This implies that if an employee is offered a reward for a particular level of productivity, the same reward should be offered to another employee who puts forth the level of effort required to earn that award. Inequalities in rewards can lead to lower levels of job satisfaction and low employee morale causing performance problems that may impact the entire organization. If the employees perceive the award of rewards to be partial then the following may happen; ask for equitable treatment, look for ways to make their effort greater by comparison, put in a lower level of effort, and seek new opportunities within or outside the current organization (Pride et al., 2010).

Maslow's hierarchy of needs theory and Herzberg's theory agree that specific set of needs must be met in order to propitiate behaviors; through a hierarchy of needs in Maslow and through a two way paradigm in Herzberg's in which two specific needs must be met. Whereas Maslow is more specific in terms of categorization of areas of human need including less concrete areas such as emotions and other feelings, Herzberg's motivation is the prevailing attitude among individuals to develop in a healthy, mental and physical way. Therefore, it's prudent to note that performance of individuals is not only driven by pay but also personal needs. It is therefore, important to identify

other factors that enhance motivation like career development and advancement. Unless deficiency needs of an employee are fulfilled, their performance may not improve (Ramlall, 2004).

Herzberg's two factor theory has also been critiqued to confuse events causing feelings of satisfaction and dissatisfaction with the agent that caused the event to happen and the value of the factors differed as a function of the occupational level of the employee.

Abraham Maslow's theory of hierarchy of needs and Herzberg's two factor theory provided a theoretical framework for relating both financial and non-financial rewards to sales force performance while the equity theory provided a platform for employees to achieve a balance between inputs and outputs thus improve productivity levels and also provide a framework to establish whether the sales force feel that the rewarding process is impartial.

Different scholars have carried out studies that have established the relationship between rewards and performance. However, the context in which these studies were conducted is different thus findings are not easily generalized. It also remains contested whether the rewarding of employees improves efficiency and effectiveness. This study therefore, sought to establish the effect of financial rewards and non-financial rewards on the performance of sales force at Laborex Uganda Ltd.

### **2.3 Review of related literature**

A reward is any extrinsic factor that motivates an individual or group of individuals to achieve an important organization goal on top of their intrinsic motivation. A reward can be either non-financial or financial and aims to shape or direct behavior (Armstrong, 2010).

A non-financial reward is defined as anything that exists in any form of non-monetary return and includes; praise, recognition, personal growth, responsibility, and quality of work life (Armstrong, 2010).

A financial reward is a monetary incentive that an employee earns as a result of good performance and includes; salary, bonus, commission, pay rise(Armstrong, 2010).

This study focused on non-financial and financial rewards identified by Armstrong and Brown (2001); recognition and personal growth; salary, bonus and commission respectively.

### **2.3.1 Non-financial rewards and sales force performance**

Non-financial rewards were reviewed in terms of recognition, opportunity for personal growth and development and their effect on sales force performance.

Recognition forms an integral part of a company's total reward system. Formal organizations recognition schemes are designed in a manner that aligns the overall company objectives such as improved productivity, reduced operation costs, better customer service and quality products (Luthans, 2006).

Organizations do have varying recognition schemes that are constantly redesigned to meet the ever changing employee needs. This ensures effective employee performance, satisfaction and commitment to improved performance and retention (Luthans, 2006).

Vouchers instead of cash as rewards may enable employees travel or participate in any other form of activities thus providing a lasting experience. These activities maybe of the nature that employees would not spend personal cash on (Luthans, 2006).

A transparent selection criterion ensures impartiality. A cross functional selection committee provides justifiable and satisfactory nominees in the business context rather than a particular function thus ensuring that awards are on merit. Use of consensus to select nominees ensures that integrity is maintained (Kakebega & Moody, 1994). However, the main short coming is that this explanation is not based on empirical findings thus the need for a study to qualify this.

Recognition takes different forms; dinner with the CEO, upgraded work place, enhanced decision making.

Recognition by the employer or community is one of the most motivating factors for health workers. However the extent to which impartiality is ensured is still a grey area. Workers are further encouraged to work harder when they get good results from their work, being useful to the community, and taking care of the people. In Tanzania, it was observed that the need to feel valued and supported is greater and being trusted by the community is a crucial component of motivation (Mischa et al., 2008).

Sales representatives that have an opportunity for growth in career for example when promoted can be motivated as this is a sign that the company acknowledges the effort of the sales representative by offering a higher position and authorize more empowerment to the sales representative.

Takashi (2006) studied Japanese professionals from Toyota Motors and found out that promotion influences employees work motivation. Sales representatives feel appreciated by the organization thus the motivation to work even harder to bring their performance to the peak. Promotion is an incentive to lower cadre employees that find prestige and pay that come with higher designations

important. Promotion also enables matching of employees to jobs because of the different skills and abilities that the individuals present with (Armstrong, 2008).

According to the two factor theory, the continuous process of increasing skills and capabilities drive people to work, achieve and feel satisfied. At a stage where monetary pay and incentives no longer motivate, provision of professional training and mentoring programs enhance performance (Wei and Yew, 2012).

Mischa et al 2008 argue that training enables employees take on more demanding duties and to achieve personal goals of professional advancement as well as allow them cope with their job requirements especially for young health professionals.

Health workers are reluctant to work in rural areas as opportunities for career development are typically less compared to urban areas. Health workers take pride and are motivated when they feel that they have the opportunity to grow. Job definition is important not only in terms of affecting satisfaction and organizational commitment but also progress of staff (Mischa et al., 2008).

However, these studies were carried out in different African countries that are affected by different issues and therefore, the effect opportunity for growth would have on sales force performance in the local context was assessed.

### **2.3.2 Financial rewards and sales force performance**

Financial rewards were reviewed as salary, bonus and commission and their effect on sales force performance.

Salary reflects the position of employees in the rank hierarchy as a function of ability or skills, age and performance. However the latter has played a marginal role, whereas ability or skills and age have been the most determinants. Most companies previously had a pay component which was explicitly and directly linked to age, but ability or skill as criteria for evaluation in the skill grading system have in principle been the most important factors for pay (Conrad, 2010).

Salary should be integrated with other incentives so that health workers are not enticed to migrate to other areas. Low salaries are demotivating and health workers feel their skills are not valued thus requiring them to take second jobs to supplement their income and this compromises productivity (Mischa et al., 2008). However, the extent to which productivity is compromised is not clearly spelt out.

Seniority related pay system has been gradually replaced by performance related pay system in most of the Japanese companies since 1990. The urge to contain rising personal costs led to companies experimenting new compensation practices thus incorporating performance based elements as part of their compensation system (Conrad, 2010). However, it remains contested whether these reforms have led to efficiency and effectiveness given the fact that a number of companies still experience difficulties with the new pay system and continue to adjust thus making these reforms an ongoing process. These difficulties have led to calls for return to the seniority related pay system despite the fact that performance related elements have started to and continue to play a stronger a role in pay determination (Takahashi, 2004).

Academic opinion on bonuses remains divided with some stressing the aspect of profit sharing (Freeman & Weitzman, 1987) and others down playing it (Ohashi, 1989; Brunello, 1991; Morishima, 1997)

Bonus payments in Japan have been negotiated between the employers and labor unions and the latter have recently considered bonuses as part of regular pay which must not be linked to company profits. However, one in every four public firms uses profit sharing plans where the bonuses are linked to firm performance such as profit (Conrad, 2010).

Bonuses used to be paid as a certain number of months' worth of base pay, usually not reflecting personal or company performance. Much as there are still differences in arrangements for manager-class and file employees, the new bonus systems are split into two parts; one part is still paid as a multiple of base pay and depends more on individual performance in the case of managers and skill in the case of rank and file employees. The other part is dependent on employees' performance, with a stronger inclination to end results for managers and more abilities for rank and file employees. Furthermore, some companies add a bonus payment component that is explicitly linked to company performance over the past year (Conrad, 2010).

Commission is paid to real estate agents that usually bear a large fraction of the costs of marketing property like a home, taking potential buyers on visits to the home and negotiating offers. The commission is a fixed percentage of the sales price split equally between the buyer's agent and the seller's agent (Panle& Pathak, 2010). In situations where there is no buyer's agent, the seller's agent receives the entire commission. A higher commission is associated with a higher likelihood of sale, a modest impact on the days on the market and overall no impact on the sales price. However, the prices that the agents charge their clients may not be a signal of quality given that commissions appear not to be informative of the agent's impact on days on the market or sales price. Therefore, how the sellers and buyers match with agents and each other and the overall value of intermediation remains to be answered (Panle& Pathak, 2010).

Surveys indicate that an overwhelming majority of homes in the city of Boston, United States of America (USA) are sold with the aid of a licensed real estate agent or broker.

## **2.4 Summary of Literature review**

Literature review showed that managers tend to assume that financial incentives are the best motivators and that developing a compensation package is the only thing that must be done to motivate sales force. However, evidence has shown that money is not the best motivator but a variety of factors; recognition, promotions, encouragement, praise also motivate performance.

Further literature review agreed that both financial and non-financial rewards are influential on sales force performance. However, the context in which the studies were carried out in the different countries varied thus not necessarily generalizing the findings to other countries and other industries. It was therefore, prudent to find out the effect of both financial and non-financial rewards on sales force industry in the pharmaceutical industry in the local context.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the methodology that was adopted during the study. It further describes and discusses the research design, sample size, the data collection methods and data collection instruments, data management and analysis procedure. Steps that were undertaken to ensure that the findings of the study are valid and reliable as well as measurement of variables also are presented in this chapter.

#### **3.2 Research design**

A research design is a master plan that specifies the methods and procedures for collecting and analyzing data to get the required information (Sekaran, 2003). The research design provides a framework for the collection and analysis of data (Bryman 2012). The study adopted the case study design.

#### **3.3 Study population**

A population is the entire group of events, people or things that the researcher wishes to study (sekaran, 2003).

The population involved all 70 employees; top management, country operations heads, medical representatives, sales representatives, telesales.

### 3.4 Sample size

A sample is a collection of some elements of a population (Amin, 2005). From a target population of 70 a sample of 59 was investigated. The size was determined using the sample size table by Krejcie and Morgan 1970.

**Table 1: Details of how sample was selected**

The table shows the category of employees from which the study sample was drawn.

Category of respondents	Population	Sample size	Sampling technique
Top management	3	3	Purposive Sampling
Country Operations Heads	3	3	Purposive Sampling
Key Account Managers	4	4	Purposive Sampling
Medical Representatives	43	34	Simple Random Sampling
Sales representatives and telesales team	17	15	Simple Random Sampling
Total	70	59	

**Source: Adopted with modification from Laborex Uganda Limited Human Resource report, (2015).**

The categories of respondents sampled include; top management, country operations head, key account managers, sales and telesales representatives. The top management comprises of the director, sales manager and commercial manager. The medical representatives are employed to raise awareness amongst the doctors in different hospitals and clinics in Kampala on how patients

can benefit from the pharmaceutical products. The sales representatives visit pharmacies to check stock levels and pick orders. The telesales call the pharmacies and hospitals to raise awareness of the available pharmaceutical products at Laborex Uganda Ltd.

### **3.5 Sampling Techniques and procedure**

#### **3.5.1 Simple random sampling**

Simple random sampling also called random sampling involves selection of the sample randomly from the sampling frame using either a computer or a random number table (Saunders, Lewis & Thornhill, 2012). A sampling frame for any probability sample is a complete list of all cases in the population from which the researcher's sample is drawn (Saunders et al, 2012). Simple random sampling was adopted in the selection of medical, telesales and sales representatives. A list of medical and sales representatives and telesales personnel was obtained from Laborex Uganda Ltd and put in a rota to ensure that everyone had an equal chance of being selected.

#### **3.5.2 Purposive sampling**

This a type of sampling where the researcher uses their judgment to select cases that enable them answer their research questions and meet their objectives (Saunders et al, 2012). Purposive sampling is often used when working with very small samples such as in case study research and the researcher wishes to choose cases that are particular very informative (Neuman2005 as cited in Saunders et al, 2012).The researcher in this study therefore chose to interview the country operations heads, sales manager, commercial manager and director because of their wealth of knowledge in the study area. Appointments were set up and a set of questions administered using an interview guide (Interview guide attached as appendix.....).

## **3.6 Data collection methods**

### **3.6.1 Questionnaire survey**

Questionnaire survey is a method of data collection in which information is gathered through questioning (Sarantakos, 2013).

A questionnaire survey was carried out and involved collecting information from a sample of medical representatives, sales representatives and telesales team using questionnaires. The respondents were given the questionnaires and feedback collected within two weeks. This enabled the researcher save time and costs.

### **3.6.2 Interview**

An Interview is a method of data collection where the researcher verbally questions the respondent (Sarantakos, 2013). The interview process involves identification of respondents, conducting the interview and ending the interview (Sarantakos, 2013). The researcher identified the Country Operations Heads, Director, sales manager and the commercial manager as potential interviewees. The researcher set up various appointments with the interviewees to meet at different convenient time and places. The researcher explained the purpose of investigation to illicit feedback on the needed information. The interviewee was given confidence of confidentiality thus ensuring comfort and freedom of expression during the course of the interview. The researcher carried out the interview and obtained data with greater clarity. The interview was amicably closed.

### **3.6.3 Documentary review**

Documentary review takes form of literature review or in-depth study of documents. In both cases the researcher focuses on data produced in the past by writers and researchers for different

purposes (Sarantakos, 2013). Written documents were extensively and carefully studied to obtain the desired information. These included text books, journals, Human Resources reports, sales reports.

### **3.7 Data collection instruments**

The study used self-administered questionnaires and interview guides with the objective of obtaining consistent, accurate and in depth data.

#### **3.7.1 Questionnaires**

A questionnaire is a form consisting of interrelated questions prepared by the researcher about the research problem under investigation, based on the objectives of the study (Amin, 2005).

Questionnaires provided freedom of expression since the respondents did not have to indicate their name. The respondents were able to read and write and therefore were able to comprehend and answer the questionnaire (Amin, 2005). The design of the questionnaire was guided by the study objectives and study variables to illicit feedback that would answer the research questions (Sarantakos, 2013)

Closed ended questions were used to illicit feedback from the respondents in the area under study. The questionnaires covered five sections; one section on demographic information of respondents and the rest on the variables under study. The five point Likert scale was used; 5= strongly agree, 4= agree, 3 not sure, 2= disagree, 1 = strongly disagree. (The questionnaire is attached as appendix A.

### **3.7.2 Interview guide**

An interview guide is a set of questions which are asked by the interviewer and filled on the spot in a face to face interaction with another person (Amin, 2005).

An interview guide was used to collect in-depth information from top management, country operation heads and key account managers. The guide presented a list of topical issues under study for discussion. Interviews provide a platform for clarification and further discussion (Amin, 2005). This was equally the case in this study. The interview guide is attached as appendix B.

### **3.7.3 Document review checklist**

A documentary review check list is a list of documents that are aligned with the objective of study that the researcher reviews for purposes of generating information which can be independently verified (Amin, 2005). This guided the researcher to keep within the scope of study. The document review check list is attached as appendix C.

## **3.8 Data Quality control**

This ensures that the instruments used to collect data are precise and good enough to guarantee quality of data collected (Gravetter & Forzana, 2009).

### **3.8.1 Reliability**

Reliability is concerned with whether the results of the study are repeatable (Bryman, 2012). A pilot test was done on 10% of the sales force who did not participate in the study. The feedback was coded and fed in SPSS version 20 for analysis and the cronbach's reliability test run (Gravetter & Forzana, 2009).

**Table 1: Results of the cronbach's reliability test**

No	Variable	Alpha
1	Non-financial rewards	0.822
2	Financial rewards	0.768
3	Performance of Sales force	0.854

The results as indicated in the table 1 above are within the acceptable range thus indicating that the questionnaire used to collect data was reliable.

### **3.8.2 Validity**

The Validity of a measurement procedure is the degree to which the measurement process measures the variable it claims to measure (Gravetter & Forzana, 2009). Validity is concerned with the integrity of the conclusions that are generated from a piece of research (Bryman, 2012).

The research instruments were developed and discussed with supervisors and eventually subjected to three expert judges to score the validity of the questions (Amin, 2005)

Content Validity Index (CVI) was calculated using the formula;

$$CVI = \frac{\text{Number of items declared valid}}{\text{Total number of items on the questionnaire}}$$

Total number of items on the questionnaire

### **3.9 Data collection procedure**

The researcher got an introduction letter from Uganda Management Institute (UMI) and presented it to the Director of Laborex Uganda Ltd (LUL) requesting for authorization to conduct the study.

A sample frame was requested for from LUL and enabled the researcher select the sample size of sales force that took part in the study. The study included a questionnaire survey of sales force and interviews of key informants.

### **3.10 Data Analysis**

#### **3.10.1 Quantitative data**

Quantitative data was processed and analyzed using a Statistical Package for Social Sciences (SPSS) version 20. Actual data analysis was done using relative frequencies generated from frequency tables, descriptive and inferential statistics.

Descriptive statistics such as mean, standard deviation and percentages were used to understand how the respondents felt about financial rewards, non-financial rewards and performance.

Inferential statistics such as correlation coefficient and regression analysis were used to determine the existence of a relation between the study variables and the extent to which the variations in performance of the Sales force at LUL can be explained by both the financial and nonfinancial rewards.

#### **3.10.2 Qualitative Data**

Qualitative data analysis involves use of non-numerical information in a systematic way in order to draw conclusions and recommendations (Mugenda & Mugenda, 1999). Qualitative information is analyzed in a systematic way to establish patterns, trends thus developing themes and subthemes that enable the researcher draw conclusions and make recommendations (Oso & Onen, 2008). In line with this, the researcher was able to analyze information in a systematic way to develop themes and sub themes thus drawing conclusions and making recommendations.

### **3.10.3 Measurement and variables**

Demographic information like marital status and gender was measured using nominal variables while duration of employment at LUL education level and age were measured using ordinal variables.

Views on financial and non-financial rewards and sales force performance were measured on an interval scale while a five point likert scale was used to measure the variables.

### **3.11 Ethical considerations**

Research ethics concerns the responsibility of the researcher to be honest and respectful to all individuals who are affected with reports' of their studies' results (Gravetter & Forzana, 2009).

The researcher took into account the principles of research ethics; informed consent, privacy and confidentiality, anonymity of respondents while carrying out the study. Participants received full disclosure of the objective and significance of study (Gravetter & Forzana, 2009).

The researcher exercised honesty in collecting, analyzing, interpreting and reporting collected data and information (Gravetter & Forzana, 2009).

All sources of literature consulted were acknowledged by way of references until the study was completed.

A letter of introduction was obtained from UMI and presented to the Director of LUL to allow the researcher conduct the study.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

#### 4.0 Introduction

This chapter presents data collected in the field, its analysis and interpretation. The analysis was guided by the specific objectives; to assess the effect of financial rewards on the performance of sales force, to assess the effect of non-financial rewards on the performance of sales force and hypotheses of the study. Results are presented in three sections; response rate, background information of respondents, descriptive statistical analysis of results based on the study objectives.

#### 4.1 Response rates

Response rate refers to the number of respondents that actually answered and returned the questionnaires in comparison to the total questionnaires distributed to all the respondents (Saunders et al, 2012).

Total response rate = Total number of responses

Total number in sample-(ineligible+ unreachable)

A high response rate reduces the risk of non-response bias and ensures that the sample is representative of the study population (Saunders et al, 2012). The summary statistics of the response rates are presented in table 2 below.

**Table 2: Results of the response rate of various respondents.**

Category of respondents	Target sample	Actual Response	Response Rate
Top management	3	3	100 %
Country Operations Heads	3	3	100 %
Key Account Managers	4	3	75 %
Medical Representatives	34	31	91 %
Sales representatives and telesales team	15	13	87 %
Total	59	53	90 %

**Source: Primary data**

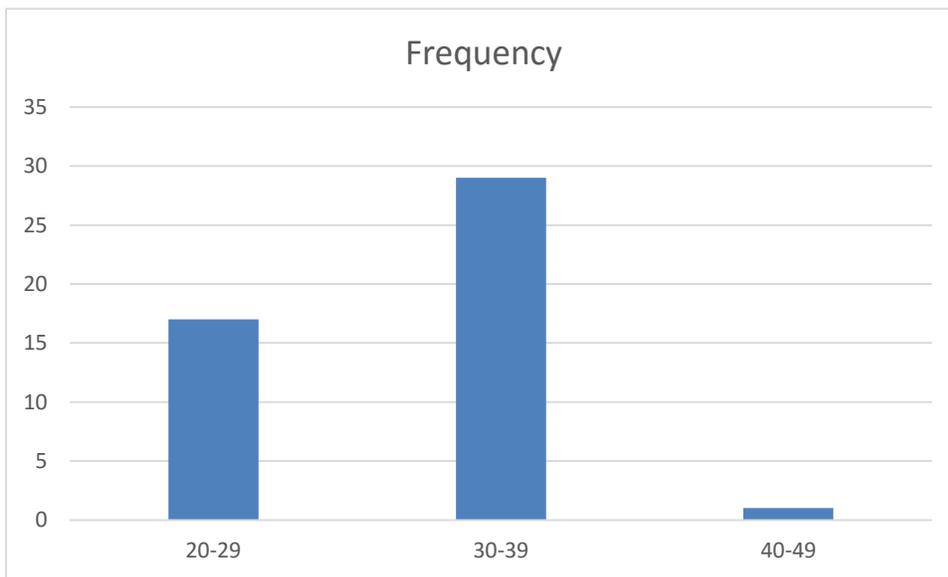
All the 3 Country Operations Heads (COH) and 3 members of top management were interviewed giving a response rate of 100%. The survey involved 4 Key Account Managers (KAMs), however, 3 KAMs completed the questionnaire and were included in the analysis giving a response rate of 75%. Of the 34 medical representatives surveyed, 31 completed and returned the questionnaires and were included in the analysis giving a response rate of 91%. Of the 15 sales representatives and telesales executives, only 13 completed and returned the questionnaires and were included in the analysis giving a response rate of 87%. The researcher prepared a target sample of 59 respondents, however, had 53 actual respondents giving a response rate of 90% which was considered to be optimal as seen Amin (2005) that indicates that a response rate greater than 50% is representative.

## 4.2 Demographic Information of respondents

This section presents the background information of respondents; age, gender, level of education, marital status and duration of employment at Laborex Uganda Ltd (LUL). This served to inform the study whether these factors have an effect on the different kind of rewards that affect performance of sales force.

### 4.2.1 Age distribution of respondents

The age distribution of respondents is summarized in the figure 3 below



**Figure 3: Distribution of respondents by age**

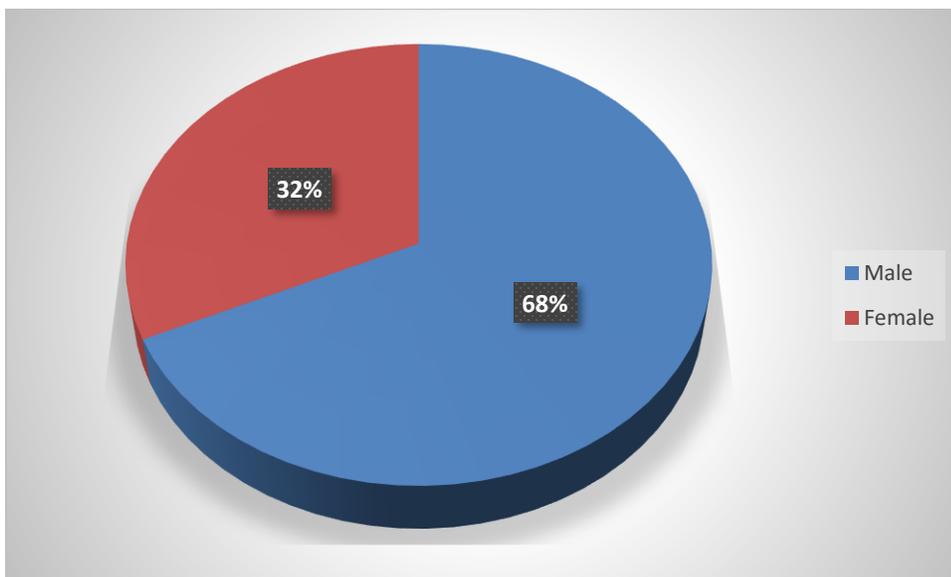
29(62%) respondents were between 30 and 39 years followed by 17 (36%) respondents who were between 20 and 29 years and only one respondent (2%) was above 40 years. The findings show that the sales team at Laborex Uganda Ltd is a young one that could be very productive if satisfied with rewards.

#### 4.2.2 Gender of respondents

The summary statistics of the gender of respondents is presented in table. 3 and fig.4 below

**Table 3: Showing distribution of various respondents by gender**

Gender	Frequency	Percentage (%)
Male	32	68
Female	15	32
Total	47	100



**Figure 4: Distribution of respondents by gender**

Fig.4 and Table.3 above show that (32)68% respondents were male compared to 15(32%)female.

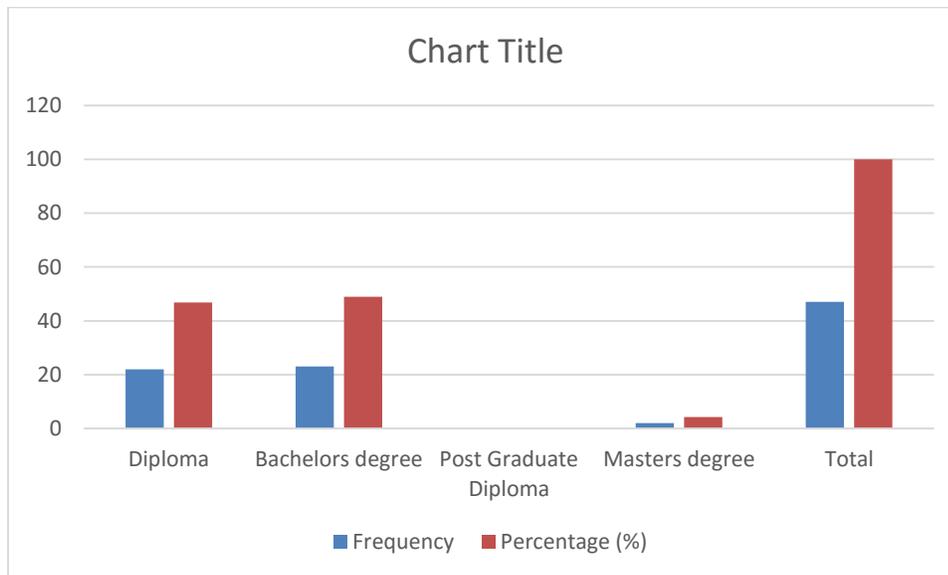
The interviewees indicated a preference for employing males because of the nature of the job that may involve a lot of movements and working late hours.

### 4.2.3 Education level of respondents

This section presents distribution of respondents with respect to their level of qualification.

**Table 4: Distribution of respondents by level of education**

Level of education	Frequency	Percentage (%)
Diploma	22	47
Bachelor's degree	23	49
Post Graduate Diploma	0	0
Master's degree	2	4
Total	47	100



**Fig. 5: Showing distribution of various respondents by level of education**

The researcher intended to establish the level of qualification of the employed Sales force at Laborex and the results showed that 23 (49%) respondents were bachelor's degree holders, 22 (47%) had diplomas while only 2 (4%) respondents had a Master's degree. All the 47 (100%) respondents are qualified for the job according to the recruitment policy at LUL which considers diploma as the minimum qualification requirement for the sales job. This shows that the study population was well educated to comprehend the statements and questions in the questionnaire to illicit reliable feedback. Furthermore is the fact that performance of sales force should be good given that all employees meet the minimum job requirement.

#### 4.2.4 Length of Service of respondents

This section presents distribution of respondents by length of service at Laborex Uganda Ltd.

**Table 5: Distribution of respondents by length of service at Laborex Uganda Limited**

<b>Period</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Less than 1 year	5	11
1-4 years	27	57
5-9 years	14	30
10 years and above	1	2
Total	47	100

The research sought to establish how long the respondents had worked with LUL and the findings showed that 27 (57%) respondents had worked for a period spanning between 1 and 4 years followed by 14 (30%) respondents that had worked for a period between 5 and 9 years. Only 5 (11) respondents had worked for less than one year while only 1 (2%) respondent had worked for

more than 10 years. This could be an indication of high labor turn over as some employees might be lured away for other reasons.

### 4.3 Descriptive Statistics for the Study Variables

The summary of descriptive statistics is presented in the table 5 below.

#### 4.3.1 Summary Descriptive Statistics

**Table 6: Summary descriptive statistics for rewards and performance**

	<b>Mean</b>	<b>Standard Deviation</b>
Salary	4.09	0.81
Bonus	4.28	0.82
Commission	3.69	0.90
Recognition	3.44	0.92
Opportunities for growth and development	3.56	0.89
Sales force performance	4.25	0.75

Descriptive statistics like mean and standard deviation were obtained and bonus had the highest mean score of 4.28 with a standard deviation of 0.81 while opportunities for growth for development had the lowest mean score with a standard deviation of 0.89. The mean scores for bonus, salary and performance were above 4.0 an indication that most of the respondents agreed with statements that assessed their feelings on bonus, salary and performance.

The mean scores for commission, opportunities for growth & development and recognition are 3.69, 3.56 and 3.44 respectively. This indicated that respondents feelings ranged from “agree, not sure and disagree”. The scores clearly indicated that Sales force felt that both financial and non-financial rewards have an effect on their performance.

### 4.3.2 Performance of Sales force

The summary descriptive statistics of performance of sales force at Laborex Uganda Ltd (LUL) is presented in table 7 below. The response to the statements describing the feelings of sales force at LUL on performance were ranked using a five point likert scale; 5=strongly agree, 4=Agree, 3= Not sure, 2= Disagree, 1= Strongly Disagree

**Table 7: Showing the response to the statements describing the feelings of sales force on performance at LUL.**

Statements on performance of Sales force	Percentage Response (%)					Mean	Std Dev
	SA	A	NS	D	SD		
I am satisfied with my performance	23% (11)	60% (28)	6% (3)	11% (5)	0% (0)	4.04	0.767
I achieve my annual sales targets	19% (9)	64% (30)	2% (1)	15% (7)	0% (0)	3.87	0.899
I have attracted new clients to the company	40% (19)	47% (22)	4% (2)	9% (4)	0% (0)	4.19	0.876
I have managed to maintain old clients amidst the tight competition in the industry	51% (24)	43% (20)	4% (2)	2% (1)	0% (0)	4.43	0.683
I have sold new products to clients	49% (23)	38% (18)	4% (2)	9% (4)	0% (0)	4.23	0.902
I meet deadlines at work	36% (17)	58% (27)	6% (3)	0% (0)	0% (0)	4.29	0.587
I meet the minimum number of customers as required by my company.	43% (20)	49% (23)	4% (2)	4% (2)	0% (0)	4.29	0.749
I meet all my clients with in the required frequency	34% (16)	45% (21)	17% (8)	4% (2)	0% (0)	4.08	0.830
I comply with company policy while doing my work	60% (28)	40% (19)	0% (0)	0% (0)	0% (0)	4.59	0.496
The clients are satisfied with my work	38% (18)	47% (22)	11% (5)	4% (2)	0% (0)	4.19	0.798
I feel that my work adds value to the clients ability to deliver their duties	60% (28)	38% (18)	2% (1)	0% (0)	0% (0)	4.57	0.542
I have pioneered activities in the industry	13% (6)	36% (17)	15% (7)	34% (16)	2% (1)	3.55	1.160
I adhere to the company's policies and procedure while doing my work	60% (28)	38% (18)	0% (0)	0% (0)	2% (1)	4.53	0.718
I do my work in line with the core values and behavior acceptable by the company	64% (30)	36% (17)	0% (0)	0% (0)	0% (0)	4.64	0.486

**Source: Primary data**

The researcher sought to establish how the Sales force at LUL feel about their performance and the findings showed that 39(83%) respondents agreed to being satisfied with their performance while 5(11%) disagreed and 3(6%) not sure. 39(83%) respondents agreed that they achieve their annual sales targets while 7(15%) disagreed and 1(2%) not sure. 41(87%) respondents agreed that they sold new products to clients while 4(9%) disagreed and 2(4%) were not sure. 41(87%) respondents agreed that they attracted new clients while 4(9%) disagreed and 2(4%) were not sure. 44(94%) respondents agreed that they maintained the old clients of the company while 1(2%) disagreed and 2(4%) were not sure. These scores are an indication that majority of sales force are performing well. This performance is further qualified by the statistical mean scores of the key performance indicators that range from 3.55 to 4.63. Furthermore to the good performance is the fact that 43(92%) respondents agreed that they meet the required number of clients while 2(4%) disagreed and 2(4%) were not sure. 37(79%) respondents agreed that they meet the clients within the expected frequency while 2(4%) disagreed and 8(17%) were not sure. 44(94%) respondents meet deadlines at work while 3(6%) were not sure. 46(98%) respondents agreed that they do their work in line with company's policies and procedures while only 1(2%) disagreed. All the 47(100%) respondents agreed that they do their work in line with the core values and behavior acceptable by Laborex. 46 (98%) respondents agreed that their work adds value to their clients ability to do work while only 1(2%) was not sure. 40(85%) respondents agreed that the clients are satisfied with their work while 2(4%) disagreed and 5(11%) were not sure. However, only 23(49%) respondents agreed to being innovative while 17(36%) disagreed and 7(15%) were not sure. This is an indication that probably not much room is left to the employees to make

enhanced decisions. These findings are in line with the response received from one of the respondents that was interviewed;

*“There has been great progress in terms of sales achieved compared to the set targets thus resulting into Laborex Uganda Ltd enjoying a good market share despite the stiff competition from other distributors. The team is delivering within the standard operating procedures”.* (Interview held on the 10<sup>th</sup>/08/2016)

#### **4.4 The effect of financial rewards to the performance of sales force**

This section presents the descriptive statistics and correlation results for the effect of financial rewards on the performance of sales force

##### **4.4.1 Results for financial rewards**

The summary descriptive statistics for financial rewards are presented in table 7 below. The response to statements on how the sales force at Laborex feel about financial rewards were ranked based on a five point likert scale; 5=strongly agree, 4=Agree, 3= Not sure, 2= Disagree, 1= Strongly Disagree

**Table 8: Results showing respondents feelings on the statements about financial rewards**

Statements on financial rewards	Percentage Response (%)					Mean	Std Dev
	SA	A	NS	D	SD		
I feel the salary I earn is commensurate to my qualification, experience and expertise	6% (3)	55% (26)	17% (8)	11% (5)	11% (5)	3.44	1.079
I feel the salary I earn motivates me to work harder	13% (6)	60% (28)	6% (3)	19% (9)	2% (1)	3.62	1.012
Paying my salary on time motivates me to work harder	64% (30)	28% (13)	4% (2)	4% (2)	0% (0)	4.51	0.778
Getting a salary rise would motivate me to work harder	81% (38)	19% (9)	0% (0)	0% (0)	0% (0)	4.81	0.398
I have ever earned a bonus	28% (13)	43% (20)	2% (1)	21% (10)	6% (3)	3.72	1.330
Earning a bonus motivates me to work harder	72% (34)	26% (12)	2% (1)	0% (0)	0% (0)	4.70	0.507
The bonus system is transparent and easy for me to understand	17% (8)	43% (20)	34% (16)	6% (3)	0% (0)	3.89	0.983
Timely payment of my bonus motivates me to work harder	51% (24)	40% (19)	4% (2)	2% (1)	2% (1)	4.36	0.845
Increase in bonus paid would motivate me to work harder	72% (34)	28% (13)	0% (0)	0% (0)	0% (0)	4.72	0.452
I have ever earned a commission	0% (0)	0% (0)	4% (2)	77% (36)	19% (9)	1.81	0.495
Earning a commission motivates me to work harder	45% (21)	36% (17)	6% (3)	13% (6)	0% (0)	4.13	1.013
Increase in amount of commission paid would motivate me to work harder	43% (20)	38% (18)	11% (5)	6% (3)	2% (1)	4.13	0.992
Timely payment of my commission motivates me to work harder	45% (21)	36% (17)	6% (3)	11% (5)	2% (1)	4.13	1.035
Increase in percentage of commission paid would motivate me to work harder	55% (26)	30% (14)	9% (4)	4% (2)	2% (1)	4.29	0.998

**Source: Primary data**

The researcher intended to establish the effect of financial rewards on the performance of sales force at LUL and the findings indicated that 29(61%) respondents agreed that the salary they earn is commensurate to their qualification, experience and expertise while 10(22%) disagreed and 8(17%) were not sure. Further discussions with the one of the interviewees indicated that;

*“The salary paid to the sales force with degrees or diplomas is either commensurate or more than commensurate to their qualifications and expertise. However, the Sales force that have additional qualifications like Master’s degree should be paid more than the rest.”*(Interview held on the 15<sup>th</sup>/08/2016)

34(73%) respondents agreed that the salary they earn motivates them to work harder while 10(21%) disagreed and 3(6%) were not sure. 43(92%) respondents agreed that timely payment of salary motivates them to work harder while 2(4%) disagreed and 2(4%) were not sure. All the 47(100%) respondents felt that the thought of getting a pay rise would motivate them to work harder. One respondent interviewed stated that;

*“I agree with the fact that a pay rise more often than not would motivate employees to go an extra mile in delivering their and Laborex’s work related objectives. Furthermore to this is the criterion for awarding salary does not look into the additional qualification that some employees possess.”*(Interview held on the 6<sup>th</sup> /09/2016)

33(71%) respondents agreed to ever receiving a bonus pay while 13(27%) disagreed and 1(2%) was not sure. 46(98%) respondents agreed that earning a bonus motivates them to work harder while only 1(2%) was not sure. 28(60%) respondents agreed that the system for awarding bonus is transparent while 10(34%) disagreed and 3(6%) were not sure. 43(91%) agreed that timely payment of bonus motivates them to work harder while 2(4%) disagreed and 2(4%) were not sure.

All the 47(100%) respondents agreed that the thought of getting a bonus pay rise was a key motivating factor in enhancing performance. One respondent interviewed stated that;

*“Paying bonuses has been instrumental in driving annual sales and the general performance of the company. The bonus system is quite simple to understand, however, I believe that revising it to consider extra payments on sales achieved way and above the target sales would be key in driving growth of sales at LUL”.*(Interview held on the 6<sup>th</sup> /09/2016)

Despite the fact that 45(98%) of respondents disagreed to ever earning a commission and 1(2%) was not sure, 38(81%) agreed that earning a commission on each of the sales they make would motivate them to work harder while 5(11%) disagreed and 4(8%) were not sure. Furthermore was the fact that 38(81%) respondents agreed that timely payment of commission would motivate them to work harder while 6(13%) disagreed and 3(6%) were not sure. In addition is the thought of getting an increase in the amount of commission paid would motivate performance as agreed to by 40(85%) of respondents while 4(9%) disagreed and 3(6%) were not sure. One of the respondents interviewed stated that;

*“Paying commission would motivate performance. However, designing a package that allows for employees to choose to either be paid a commission or salary and bonus upon achievement of targets would be key in enhancing performance. The package should be very clear, easy to understand and impartial”* (Interview held on the 6<sup>th</sup> /09/2016)

#### 4.2 Hypothesis one test results: financial rewards and performance of sales force

Objective one assessed the effect of financial rewards on performance of sales force.

**Table 9: Correlation of financial rewards on the performance of sales force**

		Salary	Performance
Salary	Pearson correlation	1	0.209**
	Sig. (2 tailed)		0.035
	N	47	47
Performance	Pearson correlation	0.209**	1
	Sig. (2 tailed)	0.035	
	N	47	47
		Bonus	Performance
Bonus	Pearson correlation	1	0.441**
	Sig. (2 tailed)		0.002
	N	47	47
Performance	Pearson correlation	0.441**	1
	Sig.( 2 tailed)	0.002	
	N	47	47
		Commission	Performance
Commission	Pearson Correlation	1	0.33**
	Sig. (2 tailed)		0.006
	N	47	47
Performance	Pearson correlation	0.33**	1
	Sig. 2 tailed	0.006	
	N	47	47

Results of the study showed a significant positive correlation of 0.209 between salary and performance with a p value of 0.035. This therefore means that evidence is sufficient at 5% level of significance that salary would improve performance of Sales force.

Similarly the study findings showed a significant positive correlation of 0.441 between bonus and performance with a p value of 0.002. This therefore means that evidence is sufficient at 5% level of significance that bonus pay would improve performance of Sales force.

The study findings further showed a significant positive correlation of 0.33 between commission and performance with a p value of 0.006. This therefore means that evidence is sufficient at 5% level of significance that commission would improve performance of Sales force.

#### **4.5 The effect of Non-financial rewards**

This section presents the descriptive statistics and correlation results for the effect of non-financial rewards on the performance of sales force

##### **4.5.1 Results of Non-financial rewards**

The summary descriptive statistics for non-financial rewards are presented in table.10 below. The response to statements on how the sales force at Laborex felt about non-financial rewards were ranked based on a five point likert scale; 5=strongly agree, 4=Agree, 3= Not sure, 2= Disagree, 1= Strongly Disagree

**Table 10: Results showing respondents feelings on the statements about non-financial rewards**

Statements to understand Sales force feelings on non-financial rewards	Percentage Response (%)					Mean	Std Dev
	SA	A	NS	D	SD		
Laborex has a transparent criteria for recognizing outstanding performers	15% (7)	23% (11)	60% (28)	2% (1)	0% (0)	3.47	0.776
I have been recognized before for good performance	13% (6)	28% (13)	21% (10)	34% (16)	4% (2)	3.12	1.115
I feel I stand an equal chance of being recognized for achieving my targets	26% (12)	22% (11)	26% (12)	26% (12)	0% (0)	3.49	1.139
The thought of getting recognized for good performance motivates me to work harder	40% (19)	60% (28)	0% (0)	0% (0)	0% (0)	4.40	0.496
I am recognized each time I do something outstanding	6% (3)	23% (11)	9% (4)	60% (28)	2% (1)	2.74	1.073
Giving me the opportunity to make enhance decisions motivates me to achieve my targets	43% (20)	53% (25)	2% (1)	2% (1)	0% (0)	4.36	0.640
I have been promoted for good performance	11% (5)	17% (8)	15% (7)	51% (24)	6% (3)	2.74	1.151
I work extra hours because I want to be promoted	0% (0)	15% (7)	13% (6)	53% (25)	19% (9)	2.23	0.937
I feel the organization has a transparent criteria for identifying and promoting talent	9% (4)	28% (13)	40% (19)	23% (11)	0% (0)	3.21	0.907
I have had an opportunity to attend a capabilities building training organized by my organization	26% (12)	60% (28)	4% (2)	8% (4)	2% (1)	4.0	0.933
I feel the organization has a transparent criteria for selecting employees to attend capabilities building and training workshops	30% (14)	51% (24)	13% (6)	6% (3)	0% (0)	4.04	0.833
Giving me the chance to lead my colleagues would motivate my performance	47% (22)	49% (23)	2% (1)	2% (1)	0% (0)	4.40	0.648
Attending a mentorship program would motivate my performance	60 % (28)	34% (16)	4% (2)	2% (1)	0% (0)	4.47	0.687
The criteria for selecting employees for mentorship programs is transparent	13% (6)	11% (5)	21% (10)	34% (16)	21% (10)	2.62	1.295

**Source: Primary data**

The researcher sought to establish the effect of non-financial rewards on the performance of Sales force at LUL and the findings indicated that 18(38%) respondents agreed that the criteria for recognizing outstanding employees was transparent while 1(2%) disagreed and 28(60%) were not sure. 23(48%) respondents agreed that they stand an equal chance of being recognized while 12(26%) disagreed and 12(26%) were not sure. All the 47(100%) agreed that the thought would motivate them to work harder. 14(29%) respondents agreed that they are recognized each time they perform well while 29(62%) disagreed and 4(9%) were not sure. Further discussions with one of the interviewees indicated that;

*“Employees are only recognized at the end of the year party which is a clear indication of a non-existent criterion of recognizing outstanding performers. It is important to appreciate that one puts in achieving anything at work as this shows the rest of the team that when they put in the same effort they equally get rewarded. The criterion for identifying, selecting and recognizing employees needs to be developed in a fair and balanced manner”.* (Interview held on the 22/09/2016)

45(96%) respondents agreed that giving them the opportunity to make enhanced decisions and lead others would motivate them to work harder while 1(2%) disagreed and 1(2%) were not sure. Only 13(28%) respondents agreed that they had ever been promoted for good performance while 27(57%) disagreed and 7(15%) were not sure. 7(15%) respondents agreed that they work extra hours because they want to be promoted while 27(57%) disagreed and 7(15%) were not sure. 17(37%) respondents agreed that the criterion for identifying, selecting and promoting talent is transparent while 11(23%) disagreed and 19(40%) were not sure. 40(86%) respondents agreed that they have had an opportunity to attend a capabilities training and building workshop organized by LUL while 4(8%) disagreed and 2(4%) were not sure. 38(81%) respondents agreed that the criterion for identifying employees to attend capabilities building and training workshops is

transparent while 3(6%) disagreed and 6(13%) were not sure. 45(96%) respondents agreed that giving them the chance to lead their colleagues would motivate them to work harder while 1(2%) disagreed and 1(2%) was not sure. 44(94%) respondents agreed that attending a mentorship program would motivate them to perform while 1(2%) disagreed and 2(4%) were not sure. 11(24%) respondents agreed that the criterion for selecting employees to attend a mentorship programs is transparent while 26(55%) disagreed and 10(21%) were not sure. Furthermore to these findings was the interview of one of the respondents who stated that;

*“The numbers of promotions are limited and the criterion for identifying, selecting and promoting employees needs to be reviewed so that it can be clear to all that thrive to further their career with LUL. Training at LUL is very key in driving sales and that explains why majority of employees have had an opportunity to attend capabilities building workshops. The criterion for selecting employees is inclusive. Mentorship of employees is very critical while grooming staff to take on more challenging roles. The sooner LUL embraces this approach the better as it would go a long way in building capacity to deliver. It is important to develop a criterion that is impartial”.*

(Interview held on the 22<sup>nd</sup> /09/2016).

#### **4.5.2 Hypothesis two test results: non-financial rewards and the performance of sales force**

Objective two assessed the effect of non-financial rewards on performance of sales force and the results are presented in table 11 below.

Table 11: Correlation of non-financial rewards and performance

		Recognition	Performance
Recognition	Pearson correlation	1	0.25**
	Sig. (2 tailed)		0.04
	N	47	47
Performance	Pearson correlation	0.25**	1
	Sig. (2 tailed)	0.04	
	N	47	47
		Opportunity for growth and development	Performance
Opportunity for growth and development	Pearson correlation	1	0.38**
	Sig. (2 tailed)		0.02
	N	47	47
Performance	Pearson correlation	0.38**	1
	Sig.( 2 tailed)	0.02	
	N	47	47

Results of the study showed a significant positive correlation of 0.25 between recognition and performance with a p value of 0.04. This therefore means that evidence is sufficient at 5% level of significance that recognizing the sales force for every achievement would improve their performance.

The findings of the study further showed a significant positive correlation of 0.38 between opportunities for growth and development and performance with a p value of 0.02. This therefore means that evidence is sufficient at 5% level of significance that opportunities for growth and development would improve performance of sales force.

#### 4.6 The contribution of financial and non-financial rewards on performance of sales force

The regression analysis was run to assess the extent to which both financial and non-financial rewards affect performance of sales force at Laborex.

**Table 12 Table showing regression results for financial, non-financial rewards and performance**

Category of reward	R	R Square	Adjusted R Square	Std. Error of the estimate
Financial	.51	.260	.162	.713
Non- financial	0.37	0.136	.017	.280

The regression analysis was run to assess the extent to which both financial and non-financial rewards affect performance of sales force at Laborex. The results showed R square=0.260 for financial rewards. This means that 26% of variations in performance of Sales force at Laborex is explained by financial rewards and the remaining 74% by other factors.

The results of the regression analysis further showed R square=0.136 for non-financial rewards meaning that 14% of the variations in performance of sales force at Laborex is explained by non-financial rewards and the remaining 86% by other factors.

#### 4.7 Summary

The data collected was cleaned, entered and analyzed using SPSS version 20. The empirical findings showed that both financial and nonfinancial rewards have an effect on the performance of Sales force.

## **CHAPTER FIVE**

### **SUMMARY, DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

The purpose of this study was to assess the effect of rewards on the performance of Sales force at Laborex Uganda Ltd (LUL). The specific objectives were to assess the effect of financial and non-financial rewards on the performance of sales force. This chapter presents the summary, discussion, conclusions and recommendations of the study. The results of the empirical study were further compared to literature reviewed to draw conclusions and make recommendations that provide a platform for future researchers.

#### **5.1 Summary**

This section presents a summary of the findings of the study.

##### **5.1.1 The effect of financial rewards on performance of sales force at LUL**

The results of the study showed that 29(61%) respondents agreed that the salary they earn is commensurate to their qualification, experience and expertise while 8(17%) disagreed and 10(22%) were not sure.

The study also showed that 43(92%) respondents agreed that timely payment of salary would motivate them work harder and deliver in a timely manner while 2(4%) disagreed and 2(4%) were not sure. All the 47(100%) respondents indicated that a pay rise would motivate them to work harder. The effect of salary on the performance of sales force was further tested by use of

correlation coefficient which showed a positive correlation of 0.209 between salary and performance with a p value of 0.035 meaning that evidence is sufficient at 5% level of significance that salary would improve performance of Sales force.

The results of the study showed that 33(71%) respondents agreed to ever receiving a bonus pay while 13(27%) disagreed and 1(2%) was not sure. 43(91%) respondents agreed that timely payment of bonus would motivate them to work harder while 2(4%) disagreed and 2(4%) were not sure. All the 47(100%) respondents agreed that a percentage rise in amount of bonus would motivate them to work harder. The effect of bonus pay on performance of sales force was further tested using correlation coefficient and the results showed a significant positive correlation of 0.441 between bonus and performance with a p value of 0.002 meaning that evidence is sufficient at 5% level of significance that bonus pay would improve performance of Sales force.

The results of the study showed that only 2(4%) respondents have ever received a commission while 45(98%) disagreed.

38(81%) respondents agreed that earning a commission would motivate them to work harder while 4(8%) disagreed and 5(11%) were not sure. The effect of commission pay on performance was tested using correlation coefficient and the results showed a significant positive correlation of 0.33 between commission and performance with a p value of 0.006 meaning that evidence is sufficient at 5% level of significance that commission would improve performance of Sales force. Regression analysis was further run to assess the effect of financial rewards on the Sales force performance and the findings indicated that  $R=0.26$  meaning that 25% of variations in performance of Sales force at Laborex is explained by financial rewards and the remaining 74% by other factors.

### **5.1.2 The effect of Non-financial rewards on performance of sales force at LUL**

The results of the study showed that 19(41%) respondents agreed that they have ever been recognized while 18(38%) disagreed and 10(21%) were not sure. 18(38%) agreed that the criterion for recognizing outstanding performers was transparent while 1(2%) disagreed and 28(60%) were not sure. All the 47(100%) respondents agreed that the thought of getting recognized would motivate them to work harder.

The effect of recognition on performance was further tested using correlation coefficient and showed a significant positive correlation of 0.25 between recognition and performance with a p value of 0.04 meaning that evidence is sufficient at 5% level of significance that recognizing the sales force for every achievement would improve their performance.

The results of the study showed that 40(86%) respondents agreed that they have had an opportunity to attend a capabilities training program while 4(8%) disagreed and 2(4%) were not sure. 38(81%) agreed that the criteria for selecting employees to attend a capabilities training was transparent while 3(6%) disagreed and 6(13%) were not sure.

The results also showed that 13(28%) agreed that they have been promoted before while 27(57%) disagreed and 7(15%) were not sure. 7(15%) respondents agreed that they work extra hours because they want to be promoted while 34(72%) disagreed and 6(13%) were not sure. 17(37%) respondents agreed that the criterion of identifying and promoting talent was transparent while 11(23%) disagreed and 19(40%) were not sure..

The effect of opportunities for growth and development on the performance of sales force at Laborex was further tested using correlation coefficient and showed that there is a significant positive correlation of 0.38 between opportunities for growth and development and performance

with a p value of 0.02 meaning that evidence is sufficient at 5% level of significance that opportunities for growth and development would improve performance of sales force.

Regression analysis was further run to assess the effect of non-financial rewards on the Sales force performance and the findings indicated that  $R=0.14$  meaning that 14% of variations in performance of Sales force at Laborex is explained by non- financial rewards and the remaining 86% by other factors.

## **5.2 Discussion**

### **5.2.1 The effect of financial rewards on the performance of sales force at LUL**

The first objective assessed the effect of financial rewards on the performance of sales force and showed that financial rewards such as salary, bonus and commission have a significant effect on the performance of sales force. The study revealed that the criteria used to determine the amount of salary paid only looks at the minimum qualifications possessed by employees and there is no special consideration for any extra qualifications and experience. The study also showed that the criteria for determining bonus pay out was clearly understood by majority of respondents but does not look into performance beyond achieving of target. The study revealed that commission is not paid to the sales force because all of them earn a salary and have an opportunity to earn a bonus upon achieving their quarterly sales targets. However, one of the COHs that was interviewed indicated that commission payment would motivate employees to work even harder as they have the opportunity to earn from each and every sale.

Maslow (1943) indicated that it is important for man to attain physiological needs; food, water and shelter which are the foundation of the pyramid. These needs can be paid for when man receives financial rewards. Achievements of these needs do not only motivate performance but also present the need to desire for more. What remains to be known is how long one would remain motivated. Herzberg (1959) stated that dissatisfaction avoidance can be enhanced through “hygiene” factors which are extrinsic to the job and include pay, company policy and administration, personal relations, status and security. The study assessed how the sales force felt about pay; salary, bonus and commission and the findings were in agreement with what Herzberg postulated in 1959. Nalumu (2015) investigated the effect of rewards on productivity of employees in the public sector taking a case study of the Office of the Auditor and found out employees were motivated by salary and its timely payment. The study also indicated that bonus increases productivity much as it is rarely paid to the employees in the OAG.

### **5.2.2 The effect of Non-financial rewards on the performance of sales force at LUL**

The second objective assessed the effect of non-financial rewards on the performance of sales force at Laborex. The results of the study showed that all employees felt that the thought of getting recognized motivated them to work harder despite the fact that there is no clear criteria of recognizing employees as recognition is seldom done. Majority of respondents had attended capabilities training and building workshops and also felt that the criterion for selecting employees for capabilities training was transparent. The findings of this study with respect to recognition, opportunities for growth and development are in agreement Nalumu (2015) who investigated the effect of rewards on productivity of employees in the public sector taking a case study of the Office of the Auditor and found out that employees appreciate recognition and motivates them to work harder. The study further indicated that employees work tirelessly with objective of getting

promoted. The findings of (Ejang) 2013 that investigated the effect of non-financial rewards on the performance of Sales force in the telecommunication industry taking a case of Orange Uganda Limited are in agreement that recognition and promotions if done in a transparent way would enhance performance of Sales force. Maslow (1943) indicated that achievement of one need can only motivate one to desire another and the findings were in line with this as the respondents' desired promotions as well as getting the opportunity to be appreciated for a job well done. Satisfaction at work can further be achieved as pointed out by Herzberg (1968) through recognition and providing employees with opportunities to grow in career. This was equally in line with how the respondents felt. Important to note is the fact that the respondents were keen on understanding how the end of year recognition was done which clearly indicated that the system in place if any must not only be but also seen as fair. This is in line with the equity theory which indicates that if an employee is offered a reward for a particular level of productivity, the same reward should be offered to another employee who puts forth the level of effort required to earn that award.

### **5.3 Conclusion**

#### **5.3.1 The effect of financial rewards on the performance of sales force at LUL**

The study assessed the effect of financial rewards on performance of sales force and the findings indicated that salary, bonus and commission have a significant contribution to performance. If the employee feels that the salary they earn is commensurate to their qualification, experience and expertise then they definitely endeavor to excel at work. Timely payment of the salary would also motivate performance. It is equally important for the criteria used to award salaries to not only consider the minimum qualifications for the job but also additional qualifications, experience and expertise.

The amount of bonus paid improves performance of sales force. Timely payment of the bonus is equally important. If the criterion used to determine how much is paid is clear and transparent, then bonus pay can be very effective in improving performance of sales force at Laborex.

Payment of commission is effective in improving performance. However, it is not being implemented as this would result to double payment given that the sales teams at Laborex are contracted on a monthly salary and bonus which is dependent on achievement of sales targets. Some of the sales force members felt that commission payment would motivate them to work harder.

### **5.3.2 The effect of Non-financial rewards on the performance of sales force at LUL**

The second objective assessed the effect of non-financial rewards on the performance of sales force at Laborex and the findings indicated that recognition and opportunities for growth and development contribute to the performance of sales force. Recognition of employees that have excelled would improve performance of sales force. Promotions and training opportunities contribute to the performance of sales force at Laborex.

## **5.4 Recommendations**

### **5.4.1 The effect of financial rewards on the performance of sales force at LUL**

Based on the study findings that showed that financial rewards significantly contribute to the performance of sales force at Laborex, the salary payment criteria should not only consider the basic job requirements but also any additional qualifications, experience and expertise that employees present. Annual salary increments should be based on achievement of annual objectives of the sales force and Laborex.

The criteria for determining bonus pay should be clearly understood by all sales force and should consider performance beyond achievement of quarterly targets. This therefore, calls for routine refresher trainings by either line managers or human resources manager.

The sales force should be given an opportunity to decide on whether they prefer payment of commission or salary and bonus upon achievement of targets.

#### **5.4.2 The effect of Non-financial rewards on the performance of sales force at LUL**

Based on the study findings that clearly showed that non-financial rewards contribute to the performance of sales force at Laborex, recognition of sales force that have excelled should be on a monthly basis.

The criteria for identifying and recognizing sales force should not only be but also seen to be transparent by all the sales force at Laborex. Job promotion policies and procedures should be well understood by all sales force. It is therefore, important for the human resource department to organize regular refresher trainings so that the sales force can be abreast with policies and procedures as this motivates them to work harder given that they would feel that they stand an equal chance.

The criteria for identifying and promoting outstanding performers should not only be but also seen to be transparent by all the sales force at Laborex.

Mentorship programs as another form of training sales force should be continuously implemented to enhance employees' skills development this would go a long way in improving performance.

### **5.5 Limitations of the study**

The study objectives were achieved although the researcher encountered some limitations;

The study was limited by the small sample size and as such study findings maybe unique to Laborex Uganda Limited.

Some of the respondents were reluctant to share “sensitive” information that would have enriched the study.

### **5.6 Contribution of the study**

The study contributed to the existing body of knowledge in rewards and performance of sales force with a bias in the pharmaceutical industry where literature in the local context is very limited.

The findings of the study inform decisions at Laborex when developing policies and procedures that guide rewards and performance.

The study findings provide a platform for reference to future researcher as they are guided on what to and not to do as they research.

### **5.7 Recommendation for further research**

Future researchers should consider establishing the preferred rewards with respect to demographics of the study population.

Research on how leadership style, working environment, organization culture affects performance should also be considered by future researchers.

Research on effect of rewards on retention of employees in the pharmaceutical industry would be an interesting area since the findings of this study showed that only one member of the sales team has been employed by Laborex for more than 10 years.



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**APPENDIX A: REWARDS AND PERFORMANCE OF SALES FORCE IN THE  
PHARMACEUTICAL INDUSTRY: A CASE STUDY OF LABOREX  
UGANDA EURAPHARMA**

Dear Respondent,

You have been selected as a potential respondent in the above titled survey which is being undertaken as an educational research in the partial fulfillment of the requirement for the award of the Master's Degree in Management Studies (Business administration) of Uganda Management Institute.

This is to humbly request you to spare 10 minutes of your precious time to complete the attached questionnaire in a sincere and accurate manner within two weeks.

Please, take note that this is for academic purposes and will be treated with confidentiality.

Thank you for cooperating.

.....

Patrick Collins EMOPUS

Researcher

## **SECTION A: PERSONAL INFORMATION**

This section enabled the researcher classify study findings and served to request the respondents complete the section by ticking or circling where appropriate.

1. Job title .....
2. Gender
  - a) Male      b) Female
3. Marital status
  - a) Married   b) Single   c) Divorced
4. What is your age group?
  - a) 20-29      b) 30-39      c) 40-49      d) 50 and above
5. What is your education level?
  - a) Diploma   b) Bachelor's Degree   c) Post Graduate Diploma   d) Master's Degree
6. How long have you worked with Laborex Uganda?
  - a) Less than 1 year   b) 1-4 years   c) 5-9 years      d) 10 years and more

## SECTION B: NON FINANCIAL REWARDS

The statements below were designed to understand the feelings of the respondents on recognition, opportunity for growth and development, promotion and was answered using a five point Likert scale; 5=strongly agree, 4=Agree, 3= Not sure, 2= Disagree, 1= Strongly Disagree

1	Laborex has a transparent criteria for recognizing outstanding performers	5	4	3	2	1
2	I have been recognized before for good performance					
3	I feel I stand an equal chance of being recognized for achieving my targets					
4	The thought of getting recognized for good performance motivates me to work harder					
5	I am recognized each time I do something outstanding					
6	Giving me the opportunity to make enhance decisions motivates me to achieve my targets					
7	I have been promoted for good performance					
8	I work extra hours because I want to be promoted					
9	I feel the organization has a transparent criteria for identifying and promoting talent					
10	I have had an opportunity to attend a capabilities building training organized by my organization					
11	I feel the organization has a transparent criteria for identifying and promoting talent					
12	Giving me the chance to lead my colleagues would motivate my performance					
13	Attending a mentorship program would motivate my performance					
14	The criteria for selecting employees for mentorship programs is transparent					

## SECTION C: FINANCIAL REWARDS

The statements below were designed to understand the respondents feelings on the salary, bonus and commission paid at Laborex Uganda Ltd and was answered using a five point Likert scale; 5=strongly agree, 4=Agree, 3= Not sure, 2= Disagree, 1= Strongly Disagree

1	I feel the salary I earn is commensurate to my qualification, experience and expertise	5	4	3	2	1
2	I feel the salary I earn motivates me to work harder					
3	Paying my salary on time motivates me to work harder					
4	Getting a salary rise would motivate me to work harder					
5	I have ever earned a bonus					
6	Earning a bonus motivates me to work harder					
7	The bonus system is transparent and easy for me to understand					
8	Timely payment of my bonus motivates me to work harder					
9	Increase in bonus paid would motivate me to work harder					
10	I have ever earned a commission					
11	Earning a commission motivates me to work harder					
12	Increase in amount of commission paid would motivate me to work harder					
13	Timely payment of my commission motivates me to work harder					
14	Increase in percentage of commission paid would motivate me to work harder					

## SECTION D: PERFORMANCE OF SALES FORCE

The statements below were designed to understand the respondents' feelings on performance of sales force at Laborex Uganda Ltd.

The statements below were answered using a five point likert scale; 5=strongly agree, 4=Agree, 3= Not sure, 2= Disagree, 1= Strongly Disagree

		5	4	3	2	1
1	I am satisfied with my performance					
2	I achieve my annual sales targets					
3	I have attracted new clients to the company					
4	I have managed to maintain old clients amidst the tight competition in the industry					
5	I have sold new products to clients					
6	I meet deadlines at work					
7	I meet the minimum number of customers as required by my company.					
8	I meet all my clients with in the required frequency					
9	I comply with company policy while doing my work					
10	The clients are satisfied with my work					
11	I feel that my work adds value to the clients ability to deliver their duties					
12	I have pioneered activities in the industry					
13	I adhere to the company's policies and procedure while doing my work					
14	I do my work in line with the core values and behavior acceptable by the company					

**APPENDIX B: INTERVIEW GUIDE –Director, commercial and sales manager, National sales manager and Country Operation Heads**

1. What is your highest level of education?
2. How long have you worked with Laborex?
3. How long have you been in this position?
4. What is the criterion of selecting an employee for training/capabilities improvement?
5. How do you ensure capabilities improvement of sales team?
6. How does capabilities improvement affect performance of the sales representatives/medical representatives?
7. What are the criteria of promoting sales representatives/medical representatives?
8. Do you feel the salary paid to the sales representatives/medical representatives is commensurate to their qualification, experience and expertise and motivates them to work harder?
9. How do you recognize sales representatives /medical representatives that have excelled?
10. Do you feel the bonus system is transparent and motivates performance?
11. Do you pay commission?
12. What do you think can be done to improve the rewarding system with the ultimate aim of improving performance?

## **APPENDIX C: DOCUMENTARY REVIEW CHECKLIST**

1. Human resource reports at Laborex Uganda Limited.
2. Sales reports at Laborex Uganda Limited.
3. Text books on research methods, rewards, marketing and performance.
4. Journals on marketing, performance and rewards.
5. Dissertations at Uganda Management Institute.

**APPENDIX D: TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION.**

<i>Total</i>	<i>Sample</i>	<i>Total</i>	<i>Sample</i>	<i>Total</i>	<i>Sample</i>
10 ⇒	10	220 ⇒	140	1200 ⇒	291
15 ⇒	14	230 ⇒	144	1300 ⇒	297
20 ⇒	19	240 ⇒	148	1400 ⇒	302
25 ⇒	24	250 ⇒	152	1500 ⇒	306
30 ⇒	28	260 ⇒	155	1600 ⇒	310
35 ⇒	32	270 ⇒	159	1700 ⇒	313
40 ⇒	36	280 ⇒	162	1800 ⇒	317
45 ⇒	40	290 ⇒	165	1900 ⇒	320
50 ⇒	44	300 ⇒	169	2000 ⇒	322
55 ⇒	48	320 ⇒	175	2200 ⇒	327
60 ⇒	52	340 ⇒	181	2400 ⇒	331
65 ⇒	56	360 ⇒	186	2600 ⇒	335
70 ⇒	59	380 ⇒	191	2800 ⇒	338
75 ⇒	63	400 ⇒	196	3000 ⇒	341
80 ⇒	66	420 ⇒	201	3500 ⇒	346
85 ⇒	70	440 ⇒	205	4000 ⇒	351
90 ⇒	73	460 ⇒	210	4500 ⇒	354
95 ⇒	76	480 ⇒	214	5000 ⇒	357
100 ⇒	80	500 ⇒	217	6000 ⇒	361
110 ⇒	86	550 ⇒	226	7000 ⇒	364
120 ⇒	92	600 ⇒	234	8000 ⇒	367
130 ⇒	97	650 ⇒	242	9000 ⇒	368
140 ⇒	103	700 ⇒	248	10000 ⇒	370
150 ⇒	108	750 ⇒	254	15000 ⇒	375
160 ⇒	113	800 ⇒	260	20000 ⇒	377
170 ⇒	118	850 ⇒	265	30000 ⇒	379
180 ⇒	123	900 ⇒	269	40000 ⇒	380
190 ⇒	127	950 ⇒	274	50000 ⇒	381
200 ⇒	132	1000 ⇒	278	75000 ⇒	382
210 ⇒	136	1100 ⇒	285	100000 ⇒	384

Krejcie, Robert V., Morgan, Daryle W., “Determining sample size for research activities”, Educational and Psychological Measurement, 1970

## APPENDIX E: WORK PLAN

<b>YEAR</b>	<b>2015</b>		<b>2016</b>		
<b>MONTH</b>	<b>JUL-SEPT</b>	<b>OCT-DEC</b>	<b>JAN-MAR</b>	<b>APR-JUN</b>	<b>JUL-NOV</b>
<b>ACTIVITY</b>					
Research idea developed					
Research methodology developed					
Draft proposal developed and submitted to supervisors for review					
Final proposal developed and submitted for defense					
Data collection and report writing					
Presentation and defense					

**APPENDIX F: BUDGET ESTIMATE**

<b>No.</b>	<b>ITEM</b>	<b>QUANTITY</b>	<b>UNIT COST(UGX)</b>	<b>AMOUNT(UGX)</b>
1	Reams of paper	04 reams	15,000	60,000
2	Photocopying	04 books	10,400	40,800
4	Report binding	04 books	20,000	80,000
5	Transport	1 person	500,000	500,000
6	Air time		100,000	100,000
7	Internet	6 GB	240,000	240,000
<b>TOTAL AMOUNT</b>				<b>1,020,400</b>