

# The Relationship Between Employee Reward and Job Satisfaction in Uganda Management Institute: An Empirical Study

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## Abstract

*The purpose of the study was to assess the relationship between employee reward and job satisfaction in Uganda Management Institute. A cross-sectional survey design was used with the target sample size being 118. Purposive, stratified and systematic sampling techniques were used to select respondents. Data analysis involved frequencies and percentages, Spearman rank correlation, coefficient of determination, regression, and ANOVA. There was a moderate positive correlation between employee reward and job satisfaction. The coefficient of determination expressed into percentage determined that employee reward accounted for 29.3 per cent of variation in job satisfaction.*

**Keywords:** Human Resources Management, Reward, Job Satisfaction, Uganda Management Institute.

## Introduction

Job satisfaction is a highly studied phenomenon because many experts believe that it has some relationship with labour market behaviour and is likely to influence productivity, work effort and decisions of employees to leave a job (Gazioglu & Tasel, 2002). Organizations have significant effects on the people who work for them as evidenced by how people feel about their work (Spector, 1997). Likewise, employees are also expected to be happy in their work which makes job satisfaction an issue of substantial importance for both employer and employees. Unfortunately, many organizations have failed to include job satisfaction on their priority lists (Gazioglu & Tasel, 2002), perhaps because they have either failed to assess its actual impact or failed to measure it. Despite the emphasis on job satisfaction worldwide, one of the limitations in literature is that it is not yet clear as to how exactly employee reward, as a Human Resource Practice, affects job satisfaction. This study will focus on employee reward and establish its effect on job satisfaction.

Ideas and innovations which had indirect or direct influence on people management date back to the 1780s and through to the twentieth and twenty-first centuries. Chronologically, there has been development from Social Reformers' in the 1780s to Welfare or Caring from 1840s to 1902 and then to Employment Management from 1910s to 1920s. This was followed by Personnel Management from the 1920s to the 1940s; in the 1940s to the 1960s it was Specialist Personnel Management; in the 1960s to the 1980s it was Professional Personnel Management and, finally, from the late 1980s to the 1990s and beyond what became Human Resource Management (HRM).

There are two schools of thought about HRM in this respect; the first camp argues that HRM does not suggest anything new but is simply a renaming of the orthodox personnel management function. They contend that HRM is a synonym of personnel management and that it is merely 're-titling' the personnel management function in organizations (Fowler, 1987).

Several expressions have been used to deliver this message. To some writers, HRM is 'traditional personnel administration dressed up' (Sisson, 1990; Hendry, 1995); and it is regarded as either the 'old wine in new bottles' or the 'Emperor's new clothes' (Armstrong, 2007). To others it is 'personnel management re-christened' (Strauss, 1999); a 'wolf in sheep's skin' and the 'epitome of good personnel' (Keenoy, 1990); as well as denoting the 're-labeling' or 'repackaging' of progressive personnel management (Torrington, Hall, and Taylor, 2005). In this school of thought, the concept of HRM is fundamentally indistinguishable from personnel management on the grounds that there is little, if any, substantive difference between HRM and its predecessors, including Personnel Management.

This camp opines that the term human resource management does not give a new meaning to what has traditionally been called 'personnel management', but instead, is used to accommodate or capture the prevailing mood and contemporary fashion (Redman and Wilkinson, 2001). This point is well echoed by Bratton and Gold who posit that the vocabulary of management, like language as a whole, is not immune to fashion, with a growing awareness among practitioners and management scholars of using gender-neutral language, human resource management has been adopted by some to avoid gender-biased phrases such as manpower planning and manpower administration (1999, p.14). In organizations in the developing countries including Africa, the terms 'manpower management', 'manpower administration' and 'personnel' have been used predominantly in the public sector, particularly in the public services for a long time. It is in the recent past that the term HRM was adopted to describe the employee management function.

According to Guest (1989), from the foregoing, HRM, arguably, does not offer anything new; it is simply "good personnel management described in a fashionable way". The supporters of this viewpoint contend that proactive and dynamic personnel practitioners have always applied concepts that are embodied in HRM (Cumming, 1993; Torrington, et al, 2005). In the view of the first camp, HRM is more of an attitude of mind than a new approach (Armstrong, 2007). Supporters of this camp also argue that it is used as a way of "re-conceptualizing and reorganizing personnel roles and describing the work of personnel departments" (Guest, 1987; Storey, 1992). Others claim that the HRM model remains an elusive concept and contains contradictions and paradoxes.

Pessimists view HRM as rhetoric to disguise the consequences of de-regulation and down-sizing: a mask for the less acceptable face of organization culture. The impression one obtains from this perspective is that HRM is not a new distinctive model to managing the employment relationship. According to this outlook, the concept neither offers a completely new management philosophical outlook, nor discards elements of the previous approaches. It essentially builds on approaches that preceded its evolution such as the welfare, scientific management, human relations, industrial relations and manpower planning.

## Statement of the Problem

UMI claims equity and fairness, as imperative principles that underlie her human resource management and development objectives, policies and programmes, and further professes an equal opportunity employer that believes in implementing a responsive performance-based reward system to attract and retain highly competent and motivated personnel. It therefore, should be seen to attract, retain, utilize, train and build capacities of human resources, enjoy satisfaction at their job. However, there is significant turnover of staff as review of records on recruitment and resignation reveals that between 2006 and 2012, a total of 21 teaching staff and 17 administrative staff, summing to 38 staff, (out of 175 in 2012), have voluntarily left work; this indicates prevalence of dissatisfaction with work, yet in a country where there is high degree of unemployment. This explains why the researcher was interested in investigating the relationship between employee reward and job satisfaction in Uganda Management Institute

## Conceptual Framework

Conceptually, there has been no authoritative definition of best practice that has been agreed upon by academics or practitioners. This leads to a lack of conceptual clarity of the HRM best practice definition. However, several definitions that have emerged that encompass many of the underlying factors of HRM best practice, allowing us to gain understanding of the topic. Johnson (2000) details, *“best practice or high performance work practices are described as HR methods and systems that have universal, additive, and positive effects on organizational performance”* (p. 69). Of the many, how employee reward as a HRM best practice relates with job satisfaction forms the concern of this study.

The aim of employee reward policies and practices is to help attract, retain and motivate high-quality people. Getting it wrong can have a significant negative effect on the motivation, commitment and morale of employees. Looking at rewards as “something that increases the frequency of an employee action” points to an obvious desired outcome of rewards and recognition: to improve performance. Non-monetary recognition can be very motivating, helping to build feelings of confidence and satisfaction (Keller, 1999). In this research, employee reward shall cover how people are rewarded in accordance with their value to an organization. It is about both financial and non-financial rewards and embraces the strategies, policies, structures and processes used to develop and maintain reward systems that affects job satisfaction amongst employees.

## Methodology

The researcher used a descriptive cross-sectional survey design because the study intended to pick only some representative sample elements of the cross-section of the population. The study was also cross-sectional because it was conducted across participants over a short period of time. It did not necessitate the researcher to make follow up of the participants. The survey was also preferred because it allowed the researcher to get a detailed inspection of the relationship between HRM and job satisfaction among the staff of UMI. Quantitative and qualitative approaches were adopted. The former enhanced the understanding of the meaning of numbers, while the latter gave precise and testable expression to qualitative ideas. The

employment of both research paradigms allowed methodological triangulation that enhanced the validity and reliability of the study.

The study population was composed of 175 employees, both administrative and academic staff. They are the key players in the running of UMI and, therefore, are conversant with the affairs of the Institute that ensured accuracy of data that was decrypted into information. The sample and sampling technique used are as demonstrated in Table 1 below:

Table 1: Parent Population, Sample Population, Sampling Techniques and the Data Collection Methods

Categories of Respondents	Stratified Categories	Sampling Technique	Methods of Data Collection	Target Population	Sampled Population
Governing Council	Governing Council	Purposive sampling	Interviews	17	06
Administrative staff	Key administrative staff	Stratified sampling	Interviews	09	04
	Other administrative Staff	Purposive sampling	Questionnaires	68	41
Academic staff	Heads of Department	Systematic sampling	Interviews	11	07
	Lectures/ Consultants	Purposive stratified sampling	Questionnaires	35	31
Staff who have voluntarily left	Staff who have voluntarily left	Convenience sampling	Interviews	35	14
<b>Total</b>				<b>175</b>	<b>118</b>

Purposive and stratified sampling techniques were used to select the members of the governing council and the administrative staff. Purposive sampling was used for members of the governing council because they were fewer and they are the policymakers in the Institute, hence, they understood the policies in the Institute; Amin (2005) recommends such knowledgeable people are good for interviews. Stratified sampling was used in order to select administrative staff representative of various departments at the institute in order to give equal opportunity for every category of respondent.

In order to select the representative sample for both the academic and administrative staff, systematic sampling technique was used. This helped to avoid bias during the selection and for reason of comparative analysis. Two separate lists of the administrative and academic staff, each according to their category, were compiled and every  $n^{\text{th}}$  person on the list was selected from each list. To get the  $n^{\text{th}}$  for the academic staff, the total number of academic staff was divided by the sample size of academic staff, thus  $a/b = c$ . Therefore, every  $n^{\text{th}}$  academic staff on the list was selected (that is, the 4<sup>th</sup>, 8<sup>th</sup>, 12<sup>th</sup> and so forth) until a total of representative sample for academic staff was realized. The same was done for administrative staff. The staff that left the Institute were conveniently sampled since, due to their dispersion, accessibility was uncertain.

Guided by the nature of the problem, the relationship between employee reward and job satisfaction under investigation, the researcher used three types of data collection methods, including, questionnaires, interviews, and documentary analysis that allowed methodological triangulation (Amin, 2005). Information was gathered by administering questionnaires individually to UMI staff and got them filled personally as recommended by Amin (2005). Where required, the researcher offered necessary explanations with reference to the questions. It was more convenient and economical to collect information using the questionnaire survey. It was a suitable method for collecting data from a large sample using this method. Besides, this method was impersonal and it avoided bias, which could develop as a result of interaction between the researcher and the respondent. It ensured some degree of anonymity to the respondents. The respondents felt free to express their views through this method than they would do personally to the researcher. It placed less pressure on the respondents for immediate response because they completed questionnaires at their own time and pace.

The strategic managers were interviewed to solicit information on the relationship between employee reward and job satisfaction among the staff of UMI. Interviewing was a face-to-face interface between the researcher and UMI management, which involved the researcher talking and listening to the UMI management. Interviews allowed pursuance of in-depth information around the topic and were useful as follow-ups to certain responses to questionnaires and to further investigate their response and served the purpose of triangulation (Amin, 2005).

To provide the secondary source of the data, the researcher gathered available relevant Institute records on rewards and job satisfaction. This helped to corroborate findings from questionnaires as well as from interviews and showed how the variables relate.

The researcher, for purposes of triangulation, used three types of instruments, which were developed with the guidance of the objectives of the study, conceptual framework and literature reviewed. These included: structured questionnaires, interviews guide, and documentary analysis guide (Kothari, 2004).

Structured questionnaires containing closed-ended questions were preferred because of the number of subjects, cost, time and the nature of the topic. Thus, data collected using this method was quantitative (Kothari, 2004). One set of questionnaires consisting of sections was administered to both the academic and administrative staff. A section consisted of and solicited information on items about the background; other sections consisted of and solicited information on items about the independent and dependent variables.

The interview guide was a tool, which consisted of open-ended questions. This is preferred because an open-ended question is one that compels a person to volunteer more information. Moreover, open-ended questions develop trust, are perceived as less threatening, allow an unrestrained or free response, and may be more useful with articulate users. The guide consisted of sections on employee reward and job satisfaction. A documentary analysis checklist was drawn in order to guide the researcher on the documentary information required by the study. The checklist was used to request for relevant documents from UMI (Kothari, 2004).

Data are only useful if they are *valid* (i.e., measure what they are supposed to measure) and *reliable* (i.e., collected in the same way by different people and at different locations). To obtain valid and reliable data, the researcher had to determine that the two met statistical requirements.

Accuracy of information was ensured by the use of relevant instruments. The questionnaires adapted from previous studies were subjected to the scrutiny of the supervisors who are experts in the field of research and their recommendations were used to finally formulate instruments that had the ability to solicit the expected relevant data. The administrative and academic staff were administered questionnaires which, after designing, were subjected to rating and the Content Validity Index (CVI) computed using the following formula:

$$\text{CVI} = \frac{\text{No. of items rated as relevant}}{\text{All items in the questionnaire}}$$

Table 2: Validity

Raters	Relevant Items	Not Relevant Items	Total
Rater 1	35	14	49
Rater 2	37	12	49
Total	72	26	98

$$\text{Thus, the CVI} = \frac{72}{98} = 0.735$$

The CVI for the questionnaire for both the academic and support staff was 0.735. The recommended validity measure by Amin (2005) is 0.7. Hence, the questionnaires were considered valid for data collection.

The questionnaires were piloted in three similar institutions, namely, Uganda College of Commerce - Pakwach, National Teachers' College - Muni and Nile Institute of Management Studies – Arua (NIMSA), to ensure reliability. This helped to ensure consistency and dependability of the research instruments and their ability to tap data that answer to the objectives of the study. Raw data from the instruments was subjected to a reliability factor analysis and reliability test from which a CVI was computed as recommended by Amin (2005), and the findings are as tabulated in Table 3 below:

Table 3: Reliability

Variables	No. of items	Cronbach Alpha
Employee Reward	8	0.878
Job Satisfaction	3	0.759

Given that the Cronbach alphas were greater than .07, as recommended by Amin(2005), the items measuring the variables were considered dependable for the data collection.

Spearman rank correlation was used to determine relationships between variables because the variables were accompanied with an ordinal scale. The coefficient of determination was used to determine effect of the employee reward on job satisfaction.

Content analysis was used to analyze qualitative data where all the qualitative data collected through interviews and documentary records were categorized, interpreted and analyzed under their respective themes. These were used to corroborate and triangulate findings obtained through quantitative data analysis.

## Findings and Discussions

Using a questionnaire, eight items about employee rewards were presented to respondents at UMI. They were requested to respond to the items using a five response scale with the following options: 1 = Strongly Disagree (SD), 2 = Disagree (D), 3 = Neither Disagree nor Agree (NDA), 4 = Agree (A) and 5 = Strongly Agree (SA). Findings are presented in Table 4. Following the table is the analysis and interpretation of findings.

### Findings about employee Rewards

Table 4: Findings about employee rewards

Items about rewards	SD	D	NDA	A	SA	Total
In my organization formal recognition is given for employee efforts to make a difference	17 (23%)	17 (23%)	14 (19%)	25 (34%)	1 (1%)	74 (100%)
In my organization Management recognizes employees whose efforts make a difference	11 (15%)	19 (26%)	13 (18%)	26 (34%)	5 (7%)	74 (100%)
In my organization co-workers and peers recognize employees who are making a difference	8 (11%)	16 (22%)	19 (26%)	28 (37%)	3 (4%)	74 (100%)
In my organization individual team members are recognized equally for their efforts	11 (15%)	22 (30%)	16 (21%)	22 (30%)	3 (4%)	74 (100%)
In my organization there is teamwork spirit and cooperation among co-workers	4 (5%)	8 (11%)	6 (8%)	42 (57%)	14 (19%)	74 (100%)
In my organization my work is valued	6 (8%)	3 (4%)	9 (12%)	48 (65%)	8 (11%)	74 (100%)
In my organization outstanding attendance is recognized and appreciated	11 (15%)	16 (22%)	20 (27%)	15 (20%)	12 (16%)	74 (100%)
In my organization years of service to the institute are recognized	12 (16%)	11 (15%)	16 (22%)	23 (31%)	12 (16%)	74 (100%)

**Source:** Primary data

Findings show that most of the UMI staff were opposed to two items in Table 4 (that is items 1 and 4) compared to the proportion of respondents who agreed to the items. It is shown that the percentage of UMI staff that opposed the items was 45% to 46%, while the percentage of UMI staff that agreed to the items was 34% to 35%. The percentage of UMI staff that neither disagreed nor agreed to the items was 19% to 21%. Thus, from the analysis it is interpreted that in most cases at UMI, formal recognition was not given for employee efforts to make a difference and individual team members were not recognized equally for their efforts.

Asked, why the staff generally opined that formal recognition was not given for employee efforts to make a difference and individual team members were not recognized equally for their efforts, the findings throw some light on why formal recognition was not given to employees, as exposed

in the following response, “*In most cases it doesn’t make a difference, if not accompanied by other benefits*” (Interview with UMI Top Management official Q, 7 September 2012). In response to the same, a former UMI staff had this to say: “*One is the management and leadership style. Another is, most academic staff feel that they should be administrators and forget their basic assignments*” (Interview with former UMI staff, 6 August 2012). Thus, from these comments it can be observed that management and leadership style, lopsided promotion criteria and excessive ambition of some academic staff for administrative positions seem to be some of the explanatory factors why UMI management is criticized for not formally recognizing its employees. An interview with UMI Top Management official X highlighted another reason why formal recognitions were not given to employees. He pitied the politicking and bureaucracy characterizing UMI and revealed that the current climate was foul. There was a lot of scheming, backstabbing and all sorts of vices. This was due to generational issues. There was conflict between the old and the young generations. The latter would like to overturn things too fast. He also observed that once a while one commended staff, but they did not recognize that as it was a foul in which the institute was caught up. He further revealed that there were unresolved matters. There were issues of promotion. People were worried. Some would like to be promoted but the process was slow, and they felt they were not recognized. For some reason, they had not sorted this out. Some were saying, “If I do well, after so many years, I should be promoted.” UMI also had its share of what goes on around it. The dynamics around were worrying. Due to rapid expansion, there were too many new people who had been brought on board, from outside, but this had affected the culture of the Institute.

Another interviewee also agreed that formal recognitions were not given to employees at UMI. The interviewee highlighted that none of the employee recognitions at UMI was formal but rather informal as shown in the following:

*People resign citing too much work. We don’t have a clear cut scheme for paying good performers. However, verbal praises are given. You get them in corridors. When other rewards come, they are indirect for example one may be denied facilitation to go abroad and yet another is facilitated. This is one of the causes of conflict, which started towards the end of 2011, attributing these menacing to the new head (Interview with a Head of Department X at UMI, 7 September 2012).*

Another interviewee was supportive of the questionnaire findings that UMI formal recognitions were not given for employee efforts to make a difference. The interviewee responded, thus:

*It is true; it is not a common practice to get a formal recognition. In other organization, at the end of year party, the best performers are recognized, but at UMI it is not done. I only saw it once, at the 40<sup>th</sup> anniversary of the institute, when letters of commendations were issued to the best performers (Interview with member of UMI Governing Council, 7 September 2012).*

Asked, whether individual team members were not being recognized equally for their efforts, as revealed by the responses to the survey questionnaires, one interviewee was partially supportive of the findings from questionnaire as he noted that it was difficult to implement equal treatment because managers were human. But he noted that compared to what he heard



was happening elsewhere, the situation was not that bad. Unique contributions would normally shine whether managers liked staff or not. For example, he observed, the 'Higher Degrees' was criticized by everybody for personal reasons, but the contribution of the Department at 60 per cent of overall income could not be ignored whether one hated a member of staff or not. All these seemed to confirm the claim of one of the top management X who exposed that there was a lot that was foul in the institute.

In response to the same, a UMI Top Management official Q had this to say:

*They are right; there is no mechanism to reward team performance, except in research, project and training. There should be a structured way like in research where two or three contributors are all rewarded, and like in project and training; however, this is not the case in other areas for example working in finance department. That is where the challenge is. (Interview with UMI Top Management official Q, 7 September 2012).*

UMI Top Management official X raised the issue of difficulty in treating all employees equally as he had this to say, *"Unfortunately, that is a natural tendency. It is very difficult to dismiss it. It is however, mitigated by the systems in place"* (Interview with UMI Top Management official X, 5 September 2012). In furtherance, a member of the UMI Governing Council did not mince his words in his response about individual team members not being recognized equally for their efforts as revealed in the following, *"There is no equal recognition of teams. You may be on a Committee or in a Department, but only the Heads are recognized."*

This view compares unfavourably with the view of Deutsch (1975) who considers the concept of equality to refer to the rewards that employees receive regardless of the amount of contribution that they provide towards their company. In addition, members of an organization should also receive rewards that are in accordance with their personal need. For instance, employees who have more children may need more holidays to spend time with their family, or more benefits, such as health insurance and discounts or free education for their children.

However, the researcher observes that considering the view of Deutsch (1975) would be far from being practical in a modern contemporary organization that has to have full view of psychological contract. Moreover, from a professional point of view, pricing work is based on a number of factor degrees which, amongst others, include the employee's job description, the level of education, work environment, working conditions, the number of people an employee supervises, the risks that are involved in the work one performs, level of accountability, to mention but a few. This modern and professional way of determining reward runs contrary to the rules postulated by Adams (1965) who argued that there are three common allocation rules. These include equity, equality and need (Deutsch, 1975). If individual employee's needs were to be the criterion, then it would not matter how much one outputs for the organization. This kind of situation would only see organizations failing to achieve their objectives. Chen (1995) considers that seniority has to be a fourth allocation; and this factor should serve as a principle of importance. This is important, but it is only one of the many factor degrees.

Regarding satisfaction with formal recognition for employees, one interviewee was somehow satisfied but with reservation as shown in the following, “*Letters of commendations have been given, though rarely. In most cases recognitions have been verbal. But when renewing employment contract, people who have done good jobs have fewer challenges (Interview with UMI Top Management official Q, 7 September 2012).*”

A former UMI staff explained more as shown in the following:

*In a way, yes I am satisfied. Those who excel in elements that attract additional allowances are paid and on time. The challenge is that academic staff that excel are rewarded with administrative assignments which affect the areas that they perform best in and sometimes they do not become good administrators. This affects talent development especially in line with their original assignments. (Interview with former UMI staff, 6 August 2012).*

In support of the above, during the interview with UMI Top Management official X, his response was also a mixture of negatives and positives about how UMI management recognized employees. This is what he had to say:

*There is no standing policy. It is more discretionary by management. Some of them are not explicit. However, there is a scheme of service which recognizes those public indicators like publications, research and so on; it takes care of those. Once a while there is commendation letter. For instance, there was a time the Council recognized such performances, but it is rare. Besides, it also goes into the recognition of the renewal of the employees’ contract of service. For renewal of contract of service, rigorous procedures are followed. Appraisal is done by the immediate supervisor, followed by the department, the school (in the case of teaching department), Directorate, Top Management that recommend an employee to the Appointment Board for confirmation of an employee or renewal of contract or its termination. All these are based on evaluation of the employees’ achievements, which implies recognition of the contribution of the employee. However, internal politics is a major contribution of high attrition rate, hence low retention. (Interview with UMI Top Management official X, 5 September 2012).*

In an isolated incidence, another interviewee was completely dissatisfied with UMI formal recognition. The interviewee responded that management did not recognize her personnel. Every year they had a Quality Assurance Report which spelt out the best performers. Besides, there was a participant’s evaluation report, but management did not make use of them for purposes of recognition.

Recognition in UMI seemed to be somewhat in existence, unfortunately, merely insouciantly. According to Shore and Shore (1995), employees who are able to experience and receive recognition for their work are also able to have a better perception of their work, their workplace and the people they work for. Thus, there is need for the employer to make an effort in showing the employee that his/her wellbeing is of concern to the organization and the management and that the contribution of the employee towards the organization is

highly valued. This idea is further reiterated by Buchanan (1974) who adds that the recognition of an employee's contributions towards the organization has a positive relationship towards increasing the commitment of the employee towards the organization and its objectives.

In addition, findings show no significant difference among the UMI staff who opposed or concurred to two items in Table 4 (that is items 2 and 7); but the difference was there between these and those who neither disagreed nor agreed. It is shown that the percentage of UMI staff that opposed the items was 37 per cent to 41 per cent while the percentage of UMI staff that agreed to the items was 36 per cent to 41 per cent and the percentage of UMI staff that neither disagreed nor agreed to the items was 18 per cent to 27 per cent. Thus, from the analysis, it is interpreted that sometimes at UMI, management recognized employees whose efforts made a difference and outstanding attendance was recognized and appreciated.

Lastly, findings show that most the UMI staff agreed to four items in Table 4 (that is items 3, 5, 6 and 8) compared to the proportion of respondents who opposed the items. It is shown that the percentage of UMI staff that opposed the items was 12% to 33% while the percentage of UMI staff that agreed to the items was 41 per cent to 76 per cent and the percentage of UMI staff that neither disagreed nor agreed to the items was 8 per cent to 26 per cent. Thus, from the analysis it is interpreted that in most cases at UMI, co-workers and peers recognized employees who were making a difference, there was teamwork spirit and cooperation among co-workers, employees' work was valued and employees' years of service to the Institute was recognized.

Regarding existence of teamwork spirit and cooperation among co-workers, one interviewee acknowledged team spirit and cooperation among co-workers as shown in the following, "There is team work on the overall because by the nature of the work in UMI, most work are done in team" (Interview with UMI Top Management official Q, 7 September 2012). However, another interviewee was partially supportive of the findings from questionnaires, acknowledging the existence of high team spirit and cooperation but, at the same time, citing non-cooperation due to politics of workload sharing and management politics. This is illustrated in the following:

*There is very high team spirit and cooperation in the institute except in two or three areas. The 'hatred' that exists. Higher Degrees is segregated by other staff- 'individual wars'. The politics of workload sharing; 'about 5 staff share workload to themselves' leaving others with nothing in the workload politics. There are staff that take 5 months without stepping in class because of this. The policy on workload exists but the implementation at the level of Director Programs has failed to work. The other is management politics; the top three do not agree with each other on the direction of the institute. One group is supported by Council. This has affected staffing at that level and the hitches around resultantly beginning to affect the overall performance of the institute. Then the young and the old not appreciating each other. (Interview with former UMI staff, 6 August 2012).*

Findings from an interview with a UMI Top Management official X were not very different from the former UMI staff regarding politics at UMI. This was what he held about teamwork spirit and cooperation among co-workers:

*The picture is hasty. Some try, but the kinds of foul atmospheres we have these days have undermined it. People are working in cliques. Some are for “Caphas” while others are for “Apolo”, though there is a semblance of team spirit. It will take a while to recover when the leaders will take the spirit of reconciliation. (Interview with UMI Top Management official X, 5 September 2012).*

The interview with the member of UMI Governing Council threw more light on the nature of politics undermining team spirit and cooperation among co-workers. In response, he also observed a decline in the spirit and cooperation at UMI as shown in the following:

*Yes, team spirit appears to be historical. In a way, people worked together in the past but it is dying due to management and leadership problem. Now people are not sure of each other. They are afraid and suspicious. This has been created by management due to both intrigue and incompetence resulting in lack of being firm; hence the creation of a spying system. (Interview with member of UMI Governing Council, 7 September 2012).*

The Head of Department X at UMI also agreed that team spirit and cooperation among co-workers was on a decline but attributed the cause to bad publicity in addition to politicking as shown in the following:

*In general, we work in teams for example weekend and up-country programme. However, the team-work spirit is going down due to bad publicity. Staff are not sure of who is who, to the level that some forsake common tea, contrary to a long standing culture of UMI. They also fear that what they speak will be reported...and be labeled ‘Mafia or anti management’. (Interview with a Head of Department X at UMI, 7 September 2012).*

Regarding employees’ work being valued, one interviewee, supported by the other were supportive of the questionnaire findings, as the interviewee had this to say, “It may sound contradictory but they are highly valued”(Interview with former UMI staff, 6th August 2012). UMI Top Management official Q also said, “By the nature of work, employees are valued.”. UMI Top Management official X was equally supportive as shown in the following:

*UMI highly values employees. As a policy we try to recruit the best, try to retain them through different packages and try to develop them to get the best out of them. Some of them do appreciate this. (Interview with UMI Top Management official X, 5 September 2012).*

The Head of Department X at UMI was supportive of the former UMI staff. In response, he had this to say about employees’ work being valued:

*They value work by giving salaries, salary advance, one can also get recommendation when one wants a big loan. Promotion (though it has not been forth coming for the last two years, despite, some staff who have qualified for it), transporting dead bodies*

*of staff to any part of the country, hiring two coaster and carrying up to 60 people, construction of grave, buying coffin and wreath. (Interview with a Head of Department X at UMI, 7 September 2012).*

However, the member of UMI Governing Council was completely dissatisfied with the way UMI valued employees' work. He revealed that when staff goes to the outreach center by the institute vehicle, management would like the staff to come back from the centers on the following day, Monday. But when staff goes by hired transports, management would like the staff to come back on Sunday.

During interviews, when respondents were asked whether they were satisfied with employee reward at UMI, one interviewee responded positively, thus; *"It is very difficult to satisfy people; but, comparing with sister organizations, the rewards are worthwhile"* (Interview with UMI Top Management Q, 7 September 2012). In support, a former UMI staff's response was:

*While the salary given to staff across the Board may appear less competitive, UMI pays the highest salaries compared to other academic institutions in Uganda. In fact, staff like secretaries earn more than a lecturer at Makerere. Overall I would say UMI staff are paid well. UMI has the highest gratuity scheme around town at 32.5% of the basic salary on top of NSSF contributions. UMI pays better than more corporate companies in Kampala especially for positions below manager level. Lectures are given research funds, sponsored for PhD's; they fly to present papers et cetera. The extra work load is competitive and paid on time. I would say that the reward system is good. (Interview with former UMI staff, 6 August 2012).*

A Head of Department X at UMI concurred with the former UMI staff. The response was as follows:

*It is a fair reward, compared to other similar institutions like the universities. It pays more than the universities. It is above average. There are other rewards like leave, gratuity, uniform, corporate wear, business cards, interesting job titles (for example Administrative Assistant instead of Secretary), three weeks off at Christmas time which is not part of annual leave, internet, top leadership have transport, other staff are facilitated with transport as and when work requires. (Interview with a Head of Department X at UMI, 7 September 2012).*

According to Chiang and Birtch (2009), rewards that are non-financial in nature, such as the provision of an increase in holidays, and increase in family benefits, contributions towards the employee perceiving his/her workplace as a 'supporting and caring' organization. Johnson (1986) contends that by providing employees with as much rewards as possible, in proportion to their work efforts, employees are able to function more efficiently. The researcher, however, observes that the application of the above seems to pay dividends to the Institute as interview results revealed immense satisfaction with it.

The above response revealed that the reward system in UMI, which is not only monetary, is in consonance with the view of Nelson and Spitzer (2002) who argues that although cash rewards are welcomed by employees, managers should never use this as a tool to motivate their employees to improve their performance levels. Should this happen, there is a chance that the essence of the reward would be forgotten.

According to a study conducted by Ahmad (2010), employees are highly likely to feel 'rewarded' and 'motivated', hence, enjoy job satisfaction when they know that they are able to get fair pay with regard to the amount of work they do. This seems to explain the level of job satisfaction UMI staff experience as revealed by the findings of this study. The researcher is inclined to concur with the view of Ahmad (2010) because, due to seemingly sizable internal feuds which the last one to two year(s) has witnessed in UMI, staff would have been horribly dissatisfied. But against their own recognition that the Institute rewards them better than their counterparts in similar organizations as revealed by both quantitative and interview findings, they are willing to remain in the organization. One of those that can explain this scenario is the view of (Adams, J. S, 1965) with which the researcher concurs.

A UMI Top Management official X was more elaborate about UMI employee satisfaction with rewards where he highlighted some few problems but also had some praise as he contended that:

*UMI has a set of constraints. We have to earn whatever we spend. The Government gives only about 5% of our recurrent (425 Million per year). The Council policy is: "show us what you get then we allow you to increase your reward". We have basic pay complemented by allowances like transport, health et cetera; all of which an employee gets as a package is subject to taxes. (Interview with UMI Top Management X, 5<sup>th</sup> September 2012).*

The interviewer wanted to know about overtime and got the following response:

*Over and above 42 hours, the Institute treats the rest of the hours as extra workload for which they are paid separately. As a matter of fact, the staff used to fly to teach in the secondary schools, but now they are engaged in the extra workload which earns them more money, depending on hours one has worked extra. (Interview with UMI Top Management X, 5<sup>th</sup> September 2012).*

To the question, "How does this apply to the non-teaching staff?", the interviewer got the following response:

*We allow some administrative staff also extra workload. The last review of salaries was done in 2010, through consultancy. UMI pays are good. The least paid staff gets about 500,000/= (Five Hundred Thousand) and the highest has a take-home of about 6,000,000/=. Secondly, another component is gratuity, which is 32.5% of an employee's Basic Pay. (Interview with UMI Top Management X, 5<sup>th</sup> September 2012).*

The researcher wanted to know how gratuity was administered. The response was:

*As monthly salaries are paid by 25th day of the month, a separate cheque for 32.5 percent gratuity is paid in the gratuity Account. At the end of 30 months, the gratuity matures and it is paid to the individual. However, the gratuity scheme is a heavy burden on the institute. Thirdly, the institute, pays the 10% National Social Security Fund (NSSF) as required by the law. (Interview with UMI Top Management)*

In the circumstances, it was explained that UMI had no pension scheme. On the question of how one assessed the overall reward system, the researcher got the following response:

*I must say, from the point of view of the institute, there is good reward. We can only pay what we can afford. UMI emphasizes Human Resource Development. No one is left to develop himself, without support. For teaching staff, the institute puts in a lot of money. There are now many who have now got PhDs with heavy support of the institute as opposed to only one or two who would be PhD holders those days. The basis of this is: getting and keeping the best.*

Regarding the terms of employment UMI uses and why that was the case, the same respondent replied:

*UMI has embraced employment on contract because employment on permanent basis makes employees slacken in performance. The staff is employed on a five year contract. The permanent employees are untouchable. That is why you see in other institutions the employees are lambasting government, holding it hostage” (Interview with UMI Top Management X, 5<sup>th</sup> September 2012).*

The revelations from this interviewee were corroborated by documentary sources that support the fact that UMI receives very little revenue from the government as illustrated by the three-year Budget Performance Reports. Thus in Fiscal Year 2009/2010 Government of Uganda disbursed to UMI a subvention total of 425,504/= representing 5% of UMI’s total income of 9,202,542 for the year. In Fiscal Year 2010/2011 Government of Uganda disbursed to UMI 420,040,778/= representing 3 per cent and 1,499,997,500/= representing 11 per cent of UMI’s revenue for non-wage and capital development respectively out of the total revenue of 13,355,610,998/= for the year. In Fiscal Year 2011/2012, Government of Uganda disbursed to UMI 279,579,315/=, representing 2 per cent and 1,125,000,000/=, representing 10 per cent of UMI’s revenue for non-wage and capital development respectively out of the total revenue of 11,439,507,728/= for the year. For all the three years, the rest of the revenues were internally generated. This confirms the statement of the interviewee who argued that, “*UMI has a set of constraints. We have to earn whatever we spend. The Government gives only about 5 percent of our recurrent*”. Moreover, admissible evidence revealed that in 2011/2012 Government disbursed only 2 per cent of UMI’s revenue.

Just like other key informants were of the view that UMI staff got the highest salary compared to staff in other similar institutions, interview findings from one key informant were in consonance. In response, the key informant revealed the following: “*There is no problem with employee reward in terms of payment. We may not be getting the highest in the teaching*

profession. However, the little is paid timely on the 24th day of every month”. (Interview with member of UMI Governing Council, 7 September 2012).

Furthermore, documentary analysis revealed that a lecturer in Makerere University earns only about 60 per cent of what a lecturer in UMI earns in a month, let alone the 32.5 per cent gratuity which is unheard of in Makerere and other public universities in Uganda. This confirms that UMI staff are better paid, compared to what is paid to staff in similar institutions; hence, part of the reasons for job satisfaction.

**Findings about job satisfaction**

Using a questionnaire, three items about job satisfaction were presented to respondents at UMI. They were requested to respond to the items using a five-response scale where 1 = Strongly Disagree (SD), 2 = Disagree (D), 3 = Neither Disagree nor Agree (NDA), 4 = Agree (A) and 5 = Strongly Agree (SA). Findings are presented in Table 5. Following the table is the analysis and interpretation of findings.

Table 5: Findings about employee rewards

Items about job satisfaction	SD	D	NDA	A	SA	Total
In this institute, I feel satisfied with my work	7 (9%)	8 (11%)	9 (12%)	43 (59%)	7 (9%)	74 (100%)
I feel fully involved in the affairs of this institute	10 (14%)	12 (16%)	11 (15%)	35 (47%)	6 (8%)	74 (100%)
I feel I am fully committed to this institute	2 (3%)	4 (5%)	6 (8%)	51 (69%)	11 (15%)	74 (100%)

Source: Primary data

Findings show that most UMI staff concurred with all the three items in Table 5, compared to the proportion of respondents who disagreed with the items. It is shown that the percentage of UMI staff that disagreed with the items were 8 per cent to 30 per cent, while the percentage of UMI staff that agreed with the items was 55 per cent to 84 per cent and the percentage of UMI staff that neither disagreed nor agreed to the items was 8 per cent to 15 per cent. Thus from the analysis, it is interpreted that most UMI staff felt satisfied with their work, fully involved in the affairs of the institute and fully committed to the institute, though a few employees did not feel satisfied.

**Testing First Hypothesis**

Having presented findings about employee rewards and job satisfaction, the next stage was to establish how employee rewards affected job satisfaction. This was achieved by computing the Spearman correlation coefficient and coefficient of determination. Findings are presented in Table 6, accompanied with an analysis and interpretation.

Table 6: Correlation between employee rewards and job satisfaction

	Job satisfaction
Employee reward	rho = .541 rho <sup>2</sup> = .293 p = .000 n = 74

Source: Primary data



Findings in Table 6 indicate that there was a moderate correlation ( $rho = .541$ ) between employee reward and job satisfaction. The sign of the correlation was positive. Since the correlation does not indicate the percentage variation in the dependent variable caused by the independent variable, a coefficient of determination ( $rho^2 = .293$ ), which is a square of the correlation coefficient was computed. The coefficient of determination was expressed into percentage to determine the effect of employee reward on job satisfaction. This revealed that employee reward accounted for 29.3 per cent of variation in job satisfaction in UMI.

These findings were subjected to a test of significance, which showed that significance of the correlation coefficient ( $p = .000$ ) was less than the critical significance at 0.05. This implied there was a moderate positive relationship between employee reward and job satisfaction. The moderate nature of the relationship meant that a moderate change in employee reward was related to a moderate change in job satisfaction. The positive nature of the relationship implied that the change in the two variables was linear, whereby better employee reward was related to more job satisfaction and vice versa.

An interview with the Head of Department X at UMI was supportive of the findings from the questionnaire. When asked how employee reward at UMI had affected job satisfaction he responded thus, “Majority of the staff are satisfied. Rewards are above average, compared to job market. The work environment has been good, but now seem risky and things are likely to go down” (Interview with a Head of Department X at UMI, 7 September 2012). Similarly, a member of UMI Governing Council was supportive of the findings. The following was the response:

*The reward mechanism to a great extent positively affects employee satisfaction, because, despite the numerous challenges, staff are working hard. The 13<sup>th</sup> cheque is very motivational. It is a policy that in December, employees are paid two salaries. (Interview with member of UMI Governing Council, 7 September 2012).*

The UMI Top Management official Q also agreed as follows:

*On the overall, UMI employees are satisfied by the reward in the institute. Extra work is paid for. Research work is paid for. Consultancies are paid for. However, the non-teaching staff believe that they do a lot of work but the reward is skewed positively to the teaching staff. (Interview with UMI Top Management Q, 7 September 2012).*

However, one interviewee was supportive of the relationship established from questionnaire data but with reservation, as observed, that Salary and benefits are okay. What may affect motivation are other issues such as management and leadership style, lopsided promotion criteria, over-ambitious academic staff, misplaced and sectarian appointments and assignments.

The UMI Top Management official X was supportive on the issue of other factors affecting employee job satisfaction at UMI; but contrary to the UMI former staff, he emphasized how payment affected employee satisfaction at the Institution. This was revealed when he contended that the work method of UMI was very different. For instance, one Doctor found

the work load was very high and had to report to management that he could not continue and he left. In UMI, what drove the employees was not the basic pay, but the extra pay. In some instances, an employee whose basic pay was about 3.5/= million would at the end of the month bag some extra 6 to 7/= million, attracted by extra workload.

### **Conclusions and Implications**

There are other means to reward employees that do not just focus on financial compensation. Some of these include the praise that employees are able to receive from their managers, the opportunity to take on important projects or tasks, and even leadership attention. The latter refers to the treatment of the employees by their managers in such a manner that the employees are also considered to be leaders as well. These three motivators are excellent means to encourage the employee to work harder and produce better performance results. This is largely due to the fact that the well-rewarded employee feels that he/she is being valued by the institute. They are also encouraged to work harder and better if they are aware that their well-being is taken seriously by their employers, and that their careers and self-development are also being honed and taken care of by the institute.

Arising from the findings, it is concluded that in Uganda Management Institute, there are good pecuniary and non-pecuniary rewards that have led to job satisfaction among the employees and that make them work harder, although recognitions are intermittent and tend to be informal. Thus, it is a constant and continuous challenge for Uganda Management Institute to work on trying to understand further what factors contribute to improved satisfaction levels of their employees. Aside from working on satisfying its customers, it is crucial that Uganda Management Institute also works on identifying the motivators that boost the performance of its workforce and, in so doing, make appropriate and sufficient offers for its employees.

#### **Note:**

This work is part of my Dissertation for Masters in Management Science in Human Resource Management.

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