

**PERFORMANCE MANAGEMENT PRACTICES AND EMPLOYEE PERFORMANCE
IN UGANDA PUBLIC SERVICE: A CASE OF MINISTRY OF LOCAL
GOVERNMENT**

BY

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Declaration

I Simon Kizito, declare that this dissertation is my original piece of work except where stated and that it has never been submitted to any other institution of higher learning for any award.

Signature.....Date.....

Approval

This dissertation, entitled Performance Management Practices and Employee Performance in Uganda Public Service by Simon Kizito, has been carried out under our supervision, and has been submitted for examination with our approval.

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Dedication

I dedicate this piece of work to my dear mother Mrs. Betty Nakabuga Wamala for her support towards achieving this qualification.

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LIST OF ABBREVIATIONS AND ACRONYMS

BSC: Balanced Score Card

GOU: Government of Uganda

IFMS: Integrated Financial Management System

IPMF: Integrated Performance Management Framework

IPPS: Integrated Personnel and Payroll System

LG : Local Government

MBOs: Management by Objectives

MDAs: Ministries, Departments, Agencies

MOLG: Ministry of Local Government

MOPS: Ministry of Public Service

PSRP: Public Service Reform Programme

ROM: Result Oriented Management

Abstract

This dissertation presents findings on the relationship between performance management practices and employee performance in public service in Uganda, using the Ministry of Local Government Headquarters, Kampala as a case study. The purpose of the study was to examine the effect of performance management practices on the performance of employees in Ministry of Local Government Headquarters, Kampala. The study was based on three objectives namely; To assess the effect of performance planning on employee performance, to examine the effect of performance monitoring on employee performance, and to investigate the effect of rewards on employee performance. The study adopted a descriptive cross sectional survey design together with a blend of qualitative and quantitative approaches which were used to get in-depth results from directors, Heads of Department, technical and support staff as well as human resource section of Ministry of Local Government Headquarters. In total, a sample of 137 respondents participated in the study. In data collection, the researcher used both primary and secondary sources. Data collection methods were questionnaires, interview guides. Data was analyzed using Pearson correlation coefficient to determine the relationship between variables. Findings revealed that performance planning, performance monitoring and rewards have a positive effect on employee performance. It was concluded that performance monitoring has a stronger effect on employee performance with Pearson correlation coefficient $r=0.825^{**}$, and significance of 0.000, followed by performance planning, $r=0.488^*$ with a significance of 0.003 and lastly rewards $r=0.466^{**}$ with a significance value of 0.006. The study recommended that MOLG should strengthen the framework or tool used for measuring individual performance. Components such as education and working experience should be considered while measuring employee performance. The study also recommends that supervisors should give timely feedback to employees on how they perform.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study investigated the effects of performance management practices on the performance of employees in the Uganda Public service. In this study, performance management practices constituted the independent variable while employee performance constituted the dependent variable. This chapter covers the background to the study, statement of the problem, general objective of the study, specific objectives, research questions, the hypotheses, conceptual framework, significance of the study, justification of the study, scope of the study and operational definitions of terms and concepts.

1.1 Background to the Study

1.1.1 Historical Background

In most countries of the world, public service organizations underwent rapid changes after Second World War. Many countries of the world are seriously implementing public service management reforms with a focus of enhancing efficiency and effectiveness of public service delivery. Most African countries have embarked on comprehensive public sector reform programs, and in many cases have received assistance from international institutions. However, despite the tremendous efforts and resources that have been allocated to this endeavor, progress remains scant and less impressive (Willis;2005).

In Uganda, employing public servants dates back to the colonial era that began effectively in 1900 where public servants were foreigners to Africa serving as representatives of the colonial countries (Olum, 2003). The public service inherited from the colonial regime was relatively

small and had limited objectives of maintaining good governance and law and order. After Uganda`s independence on the 9th October 1962, its functions and structure changed to creating a Public Service which delivers timely, high quality and appropriate services at the least cost to the nation, supports national development and facilitates growth of a wealth creating private sector (Public Service, 2002). This therefore shows that there was a shift from public officials merely maintaining law and order from the colonial times to a system of ensuring timeliness and high quality services all geared towards better performance of the entire Public Service.

Performance management was one of the major reforms government came up with to change the image of the Public Service. The initial phase of Public Service Reform Programme (PSRP) 1992-1997 focused on reducing the size of the public service and rationalizing the structure to enhance macro-economic reforms. The second phase of the PSRP 1997-2002 aimed at improving efficiency and effectiveness while the third phase of the PSRP 2005-2010 aimed at creating competent, motivated, committed, results oriented and accountable Public Service. Enhancing performance is therefore the core of the third phase of the PSRP (The Integrated Performance Management Framework for the Uganda Public Service, July 2007).

1.1.2 Theoretical Background

This study was guided by among other theories, Locke`s Goal Setting Theory (1990). According to the theory, setting clear goals and appropriate feedback motivate employees. Locke went on to highlight that working toward a goal is also a major source of motivation – which, in turn, improves performance. In addition, the theory states that the more difficult and specific a goal is, the harder people tend to work to achieve it.

The theory shows a relationship between specific, difficult goals and employee performance. Specific goals can boost motivation and performance by leading people to focus their effort to achieve their objectives whereas difficult or challenging goals can enable people to guide and refine their performance by providing direction and a standard against which progress can be monitored (Locke and Latham, 2002).

Another theory which guided the study is Vroom's expectancy theory (1964) which focuses on outcomes rather than needs. He argues that motivation is an outcome of how much an individual wants a reward, the likelihood that the effort will lead to expected performance and belief that the performance will lead to reward.

In addition, both Taylor (1956-1915) and McGregor's theory X and Y can also be used to underpin the study. According to Taylor's Theory of Scientific Management, workers do not naturally enjoy work and so need close supervision and control. McGregor's Theory X and Y also states that because of their dislike for work, most people must be controlled and threatened before they will work hard enough. However, theory Y goes ahead to state that control and punishment are not the only ways to make people work, man will direct himself if he is committed to the aims of the organisation (James, Stoner & Freeman, 2009). The theories were important to the study because they revealed that motivation under performance management practices contributes to employee performance. When employees are well motivated, they make good individual plans which fit into the Ministry's goals and objectives, which can at the same time be used to measure their performance. In addition, the theories showed that, while conducting appraisals, managers control employees' activities to ensure that they perform as expected and achieve the set targets. On the other hand, if the feedback received is negative, it

becomes a threatening mechanism that triggers employees to change their behavior, have a positive work attitude and improve performance. However, rewards such as incentives, pay rise and training are great motivators for employees' improved performance.

1.1.3 Conceptual background

The key variables were performance management which constituted the independent variable and employee performance which constituted the dependent variable.

Performance management includes; performance planning, monitoring and evaluation or review, periodic rating and rewarding performance (Armstrong, 2001; US.Office of Personnel Management, Performance Management Overview, 2011).Armstrong (2010) defines performance management as a strategic and integrated approach to increasing the effectiveness of organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.

This implies that performance management is integrated through linking the organizational, team, individual objectives plus linking functional strategies in different parts of the organization and linking different aspects of human resource management to the management and development of employees and lastly integrating individual needs with those of the organization. (Armstrong 2001). Therefore performance management is essentially about how organizations, teams, individuals do their work and produce results. Performance management therefore looks at three key areas that is to say; Performance planning, performance monitoring and review plus reward and recognition of performance.

Performance planning is a formal structured process for identifying and communicating the organizational and individual goals expected of the employee. A performance plan consists of performance expected of an employee and an Individual Development Plan. Performance plans are decided collaboratively between the supervisor and employee working together. They together determine the performance expectations and development objectives to be accomplished during the review period. They discuss goals, objectives and expectations for the review period. The process helps to improve the communication and discuss the career development plan of the employee ([www.google.com/performance planning](http://www.google.com/performance%20planning)).

In Public Service, each sector identifies priority outputs to be delivered in the medium term. At vote level, public institutions develop annual performance plans bases on policy objectives and priorities outlined in the National Development Plan and sector plans. For each key output, performance measures and indicators are identified to guide periodic assessment of the level of accomplishment of standards. Planning at individual level is carried out at the beginning of every financial year. Each individual is required to agree with their supervisor on what is to be achieved within the financial year. The Individual plan also indicates key outputs, targets and performance indicators which are linked to the annual plan of the LG or MDA (Integrated Performance Management Framework for Uganda Public Service, July 2007).

Performance Monitoring and review or performance evaluation is a method by which the job performance of an employee is documented and evaluated. Individual performance reviews are carried out through a performance appraisal system. Performance appraisals are a part of career development and consist of regular reviews of employee performance within organizations. The

appraiser and appraisee agree on the individual performance plan which sets out the course for getting knowledge, skills and competencies which the employee requires to improve performance and achieve career objectives. The supervisors or appraisers monitor individual performance to ensure that activities are on track and to provide timely feedback and take remedial action where need be. (Integrated Performance Management Framework for Uganda Public Service, July 2007).

Noor (2011) defines a reward, satisfaction or reinforcement as something that when presented after behavior causes that behavior to increase. Rewards can be categorized into monetary and non monetary rewards. Another important goal is increased employee retention. To achieve desired goals, reward systems should be closely aligned to organizational strategies (Allen and Helms 2002). for example, a company focused on a product differentiation strategy could design their reward practices to foster innovation to provide unique products or services, while a company focused on a cost reduction strategy might focus on rewards for ideas to minimize or eliminate costs and employee stock awards to foster an on-going cost reduction emphasis.

Rewards and recognition in Public Service is done in accordance with the reward and recognition scheme of the Public Service. Teams and individuals are identified for rewards and recognition on the basis of meeting or exceeding the key commitments outlined in their performance plan. (Integrated Performance Management Framework for Uganda Public Service, July 2007). Employee performance includes activities to ensure that goals are consistently being met in an effective and efficient manner. Employee performance focuses on performance of the organization, a department, processes to build a product or service, employees among others. (scholar.google.com). Employee performance refers to job related activities expected of a worker

and how well those activities were executed. Many business personnel and directors assess employee performance of each staff member on an annual or quarterly basis in order to help them identify suggested areas for improvement ([www.google.com/employee performance](http://www.google.com/employee%20performance)).

1.1.4 Contextual background

The Public Service reform was conceptualised as soon as the National Resistance Movement (NRM) captured state power on January 25th 1986. The NRM's argument for this reform was to improve on its performance and to deliver the promises of the protracted people's revolution. Also, the reform was intended, in an accountable and transparent way, to enhance the performance of the Public Service to achieve good governance and optimum resource utilisation that was in scarcity due to the misrule of the past regimes.

As much as the Public Service Reform started in 1989 in earnest, it was re-launched in 1997 to bring it in line with the provisions of article 175 of the 1995 Constitution of Uganda. The enormous number of 255 recommendations for reforms which were adopted after a diagnostic review in 1989 indicated the gravity of the problems the GoU was faced with to reform and turn around the performance of the Public Service. Between 1992 to 1997, GoU streamlined and reduce the government ministries from thirty-eight (38) to twenty-two (22). However, this was still seen as being high and containing a number of duplications and the Ministry of Local Government was mandated to implement PSRP reforms.

The Integrated Performance Management Framework (IPMF) provides a cost effective and integrated tool to effectively optimize organizational and individual effectiveness. The

framework is used by Ministry of Local Government and district Local Governments which the Ministry supervises together with other MDAs to ensure that they manage and improve both institutional and individual performance in a holistic and integrated manner. MOLG assumes its supervisory roles over LGs from Constitution of Uganda 1995 & Local government Act 1997 which allowed decentralized service provision according to the December Policy, in respect to all relevant reforms. This helps to provide efficient and effective services that meet national goals and objectives. The framework has guiding principles at both institutional and individual level which include; the holistic approach which aims at achieving effective performance management through integration of management processes at various levels.

Another principle is the integrated approach where every institution adopts a sector wide approach for planning and prioritizing interventions in a sectoral strategy. In addition to this, is the ROM approach which focuses on outputs rather than inputs that is; public officials establish individual outputs which have a link to national and institutional objectives. Government or the framework emphasizes a holistic approach to performance management based on ROM principles (Integrated Performance Management Framework for the Uganda Public Service, July 2007).

Ministry of Local Government is mandated to guide, harmonize, mentor and advocate for all Local Governments in support of the overall vision of Government to bring about socio-economic transformation of the country. However, over the years of trying to fulfill its mandate, performance of Local Governments is generally still poor (Ministry of Local Government Ministerial Policy Statement, June 2014). This has a direct effect on employee performance of staff at the Ministry since all of them are meant to work towards this mandate. It was therefore

imperative to investigate the relationship between performance management practices and employee performance at the Ministry of Local Government in order to bridge gaps existing in Local Governments.

Despite government's efforts in trying to improve and enhance performance of its employees by putting in place different reforms like introduction of performance management systems, it is apparent that the quality of public services being delivered is inadequate (MOPS Inception Report, Revised September 2009). Twenty five Local governments which are under the Ministry were penalized during the Annual National Assessment of Local Governments 2012 because of various reasons like: failure in development planning, revenue performance, financial management and audit, capacity building functionality and co-funding obligations among others, representing 23% (MOLG Annual Assessment of Minimum Conditions and Performance Measures for Local Governments Synthesis Report 2013).

Despite efforts made, Uganda still remains with inefficient delivery of services (World Bank, 1991). The National Service Delivery Survey conducted in 2008 also established that clients were not fully satisfied with the quality of services delivered. (Circular Standing Instruction No. 1 of 2010). The 2012 National Assessment carried out in 133 Local Governments revealed that eighteen Local Governments representing 16% did not meet the overall minimum conditions of Development planning, revenue performance, financial management and audit and co-funding obligations. (MOLG Annual Assessment of Minimum Conditions and Performance Measures for Local Governments Synthesis Report (2013). The Ministry of Local Government is charged with

the cardinal responsibility of guiding, mentoring, supervising and advocating for all Local Governments. Local Governments Act, (Cap. 243).

1.2 Statement of the problem

Government of Uganda in an effort to improve performance of its Ministries, Departments and Agencies adopted Public Service Reform Program in 2005. In this regard, Performance Management in Uganda Public Service is one of the major reforms where employee performance enhancement has been the core of the third phase of the PSRP 2005-2010. A number of steps have been taken by the Government towards creating a small, well-motivated and remunerated civil service capable of delivery of timely and improved services to the public. One of the key Government interventions through the PSRP was to implement a performance management system that would drive Ministries, Departments and Agencies (MDAs) and its staff towards results oriented management. (The Integrated Performance Management Framework for the Uganda Public Service, July 2007; Public Service 2002, Olum, 2003).

Ministry of Local Government is one of the many MDAs government is using to fulfill the major reform of performance management. The Ministry is meant to exercise this reform through its vision, mission, mandate and strategic objectives. The Ministry`s vision is to have democratic and accountable local governments capable of delivering efficient and sustainable services to the people, its mission is to co-ordinate and support local governments in a bid to provide efficient and sustainable services, improve welfare of people and eradicate poverty.

With performance management as the core of the third phase of the PSRP, 2005-2010 and inadequate quality of service delivery, this leaves one to wonder what effect performance management practices have made on the performance of public officials in the Uganda Public

Service. This study therefore investigated the effect of performance management practices on the performance of employees in the Ministry of Local Government.

1.3 General Objective of the Study

The purpose of this study was to examine the effect of performance management practices on the performance of employees at the Ministry of Local Government Headquarters, Kampala.

1.4 Specific objectives

The study was designed to achieve the following objectives:

- i. To assess the effect of performance planning on employee performance at the Ministry of Local Government Headquarters, Kampala.
- ii. To examine the effect of performance monitoring on employee performance at the Ministry of Local Government Headquarters, Kampala.
- iii. To investigate the effect of rewards on employee performance at the Ministry of Local Government Headquarters, Kampala.

1.5 Research questions

The following research questions guided the study:

- i. To what extent does performance planning affect employee performance at the Ministry of Local Government Headquarters, Kampala?
- ii. How does performance monitoring affect employee performance at the Ministry of Local Government Headquarters, Kampala.?
- iii. What is the effect of rewards on employee performance at the Ministry of Local Government Headquarters, Kampala?

1.6 Hypothesis of the Study

The study tested the following hypotheses:

- i. Performance planning has a significant effect on employee performance.
- ii. Performance monitoring has a significant effect on employee performance.
- iii. Rewards have a significant effect on employee performance.

1.7 Conceptual Framework

Performance Management

Employee Performance

Practices-Independent Variable

Dependent Variable

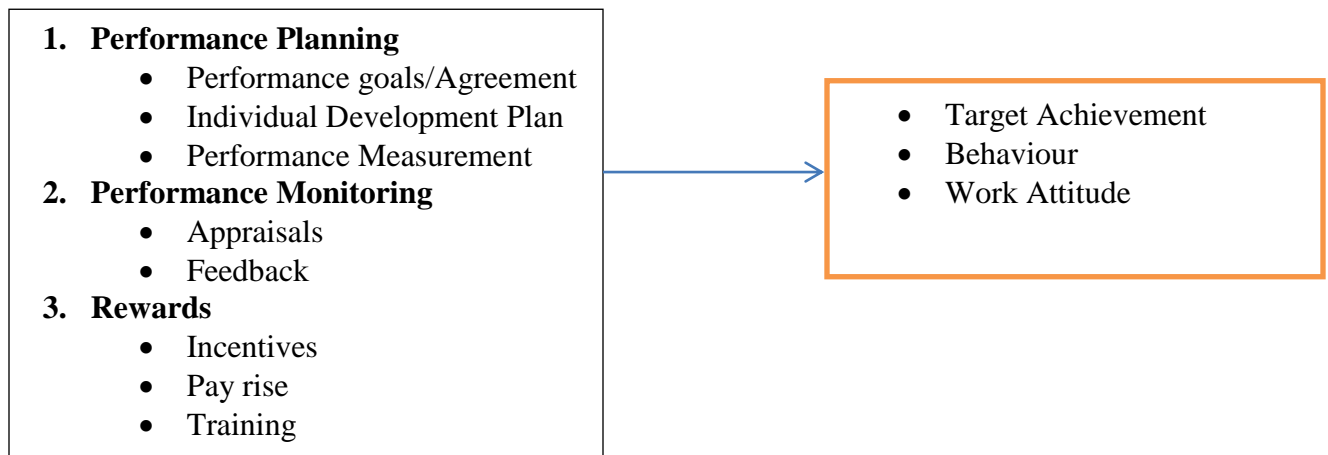


Figure 1: Conceptual Framework showing the relationship between performance management and employee performance. Derived from: Armstrong, 2001; US Office of Personnel Management, 2011; The Integrated Performance Management Framework for the Uganda Public Service, July 2007.

The Conceptual framework above is a diagrammatic representation of the relationship between the independent and the dependent variables that is; performance management as the independent variable and employee performance as the dependent variable. The Independent variable was divided into three variables that is: Performance Planning, Performance monitoring and review and rewards and recognition of performance and according to the figure below, the arrow shows that they are all seen to have an effect on the dependent variable of employee

performance hence the relationship. It is assumed that performance planning can be achieved through performance goals or objectives, individual development plan and performance measurement. In addition, performance monitoring considers appraisals and feed back while rewards refer to incentives, pay rise and training. It is conceptualized that proper implementation of the mentioned key elements of performance management will contribute to improved employee performance in terms of target achievement, behavior and work attitude.

1.8 Significance of the Study

The study might have viable interventions to overcome the current performance problems in the Ministry of Local Government hence improving employee performance. The study may also be used by policy makers to address performance problems in the Ministry.

The findings may additionally add on the already existing literature all geared towards helping other researchers who would want to venture into this area in future.

1.9 Justification of the study

The Government of Uganda through the PSRP has strived to improve management in government to increase effectiveness and efficient in the delivery of services to the public whereby employee performance is crucial in achieving this objective. Performance management plays a key role in ensuring that the public service institutions conduct themselves in a manner accountable to the general public. A number of steps have been taken towards creating a small, well-motivated and remunerated civil service capable of delivery of timely and improved services to the public. (The Integrated Performance Management Framework for the Uganda Public Service, July 2007).

It is therefore imperative that the Ministry staff perform to their best in order to achieve this task. Further still, most of Uganda's population lives in rural areas and it is Local Governments' responsibility to provide social services, hence the Ministry of Local Government needs to be at the helm of issues lest the citizens of the country suffer. Therefore, undertaking this study to examine the effect of performance management practices on employee performance in Ministry of Local Government provided evidence based information from the research findings to inform government on appropriate steps to undertake to improve performance in MDG.

1.10 Scope of the study

Geographical scope: The study was carried out at the Ministry of Local Government headquarters Kampala-Uganda. This study examined the impact of performance management practices on employee performance in Ministry of Local Government.

Content Scope: The study covered the effect of performance planning, performance monitoring and rewards on employee performance in Ministry of Local Government Headquarters, Kampala.

Time Scope: The study examined performance management between year 2010 and 2014 because this period was after third phase of the PSRP 2005-2010 and this allowed proper analysis and evaluation of key performance management initiatives namely; new performance appraisal system, rewards and recognition scheme, the Public Service Code of Conduct and Ethics among others that government had earlier introduced in the Public Service to see whether they are meeting the original objectives.

1.11 Operational definition of terms

Feedback: Giving and receiving information about employee performance.

Goal: A target you want to achieve.

Performance Agreement: A method of establishing expectations, accountability and consequences for not meeting a set standard of execution excellence.

Performance Appraisal: Providing judgment based on assessment of relevance, appropriateness, efficiency, impact and sustainability of performance management efforts.

Performance Management: Managers and employees working together to plan, monitor and review an employee's work objectives and overall contribution to the organization, providing ongoing coaching and feedback to ensure employees are meeting their objectives and career goals.

Performance Measurement: A process by which an organization establishes parameters within which programs are reaching the desired results.

Performance Monitoring: Continuous checking of progress against plan.

Performance Planning: Setting performance expectations and goals for groups and individuals to channel their efforts towards achieving organizational objectives.

Performance Review: Comparing actual performance with plan, identifying shortfalls and taking corrective actions.

Performance Target: Measure of the intended level of performance to be achieved within a specified period.

Performance: This will mean doing the tasks assigned hence achieving set objectives.

Reward: Employee benefits and compensations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher discusses literature related to the relationship between performance management practices and employee performance. It particularly focuses on performance planning, performance monitoring and review and reward and recognition of performance plus their effects on employee performance. This chapter is arranged under the subsections of theoretical review, actual literature review and summary of literature review.

2.1 Theoretical review

Some theories have been advanced that can be used to explain the relationship between performance management practices and employee performance. Some of these theories include; Victor Vroom's Expectancy Theory (1964), Dr. Edwin Locke's Goal Setting Theory (1960), Frederick Taylor's theory of Scientific Management (1856-1915) and Douglas MC Gregor's X and Y theory (1960).

2.1.2 Taylor's Scientific Management Theory

According to Taylor's Theory of Scientific Management (1856-1915), workers do not naturally enjoy work and so need close supervision and control. This indicates how performance monitoring is important at the Ministry of Local Government for improved employee performance. McGregor's Theory X and Y also calls for performance monitoring when he states that most people must be controlled before they will work hard enough. On the other hand,

theory Y states that control and punishment are not the only ways to make people work which means that they must be rewarded.

In light of this, the researcher was interested in testing the above theories in Ministry of Local Government to examine the relationship between performance management practices and employee performance in order to find out if this theory can still be held true in the given study context. The researcher used the dimensions of performance goals, individual development plan and performance measurement to establish the effect of performance planning on employee performance. In addition, appraisals and feedback were used to determine performance monitoring while incentives, pay rise and training were the attributes used to determine rewards as a motivating factor. On the other hand, using the above theories, employee performance was determined through target achievement, behavior and work attitude.

2.2 Performance Planning and employee performance

The first step in performance planning is for the supervisor and the employee to review the employee's job duties and responsibilities and determine the key expectations and standards such as results, goals, objectives, and many others to be reached during the upcoming performance period (Armstrong & Baron, 2010).

2.2.1 Performance Goals or agreements

According to Bach (2000), using established goals as a basis, performance planning sets the stage for the year by communicating objectives, and setting an actionable plan to guide the employee to successfully achieve goals.

According to Verbeeten, (2007), when one has clear and measurable goals, it will positively affect the quality and quantity of his or her performance. By quantifying goals and measuring

whether they are achievable, organizations reduce and eliminate goal uncertainty, confusion about objectives and gain consistency and focus in pursuit of their mission.

Similarly, McAfee (2001) contends that under each key contribution area, it is important to identify long-term and short-term goals, along with an action plan around how they will be achieved. Goals can be weighted to identify priorities. Discuss specific details related to how progress against goals will be evaluated. Next steps include determining any obstacles that would stand in the way of these goals being achieved. If an obstacle is knowledge, skills or behavior—a plan should be developed to overcome, i.e.; training, mentoring.

Meanwhile, Whetton et al., (2001) noted that performance planning, as with all other steps, is a collaborative process between the manager and employee, although there will always be some elements that are non-negotiable. Begin with the job description and identify major job expectations; expectations then can be clarified for each major area.

Armstrong (2001) argues that performance planning involves setting performance goals, how performance will be measured and competence needed to channel efforts of teams and individuals towards achieving organizational objectives. During performance planning, managers, supervisors and employees work together in identifying, clarifying and agreeing upon expectations, identifying how results will be measured, agreeing on monitoring process and documentation of the plan. In Public Service, all employees except heads of departments are supposed to fill performance plans with their supervisors prior to the assessment period. These plans clearly indicate the appraisees' outputs, performance indicators and performance targets all agreed upon between the appraiser and the appraisee

However Epstein (2006) contends that a performance plan by itself will not improve performance, it is only the first step in an ongoing process. According to him, supervisors must monitor employee progress and conduct periodic reviews to discuss successes and areas needing improvement. The feedback supervisors provide in this part of the process should be specific. The supervisor should solicit comments and ensure that criticism is constructive. Avoid emphasizing the negative and always find and acknowledge some employee successes.

Using the performance planning document as a reference document, the employee and manager then should regularly monitor progress against goals, problem solve road blocks, re-assess goals, change goals as business direction changes, and re-evaluate training and resource needs. Performance planning and ongoing performance feedback are critical because they facilitate continuous improvement and aid open communication.

2.2.2 Individual development plan

Planning at individual level is guided by a performance plan which clearly outlines ones outputs, performance indicators and performance targets which are linked to the annual work plan of the Ministry, Department, Agency or Local Government. Individual performance planning is carried out at the beginning of every financial year. Each individual staff is required to agree with their supervisor on what is to be achieved within the financial year based on the available resources.

Basing on the output and results senior manager's performance did not improve as expected in the presence of clear and measurable goals contrary to Verbeeten, (2007)'s assertion, leaving a gap on whether the process of assessing the achievement provides better strategies for improved employee performance.

Monitoring, reviews and evaluation of performance at individual level is done by supervisors on a routine basis to ensure that activities are on track and to provide timely feedback and take

remedial action where necessary (The Integrated Performance Management Framework for Uganda Public Service, 2007). The study revealed that after setting targets, employees develop personal plans which guide them on how to execute their day to day activities. In addition, monitoring is a continuous process at the Ministry of Local Government, which is done to ensure that employees do not deviate from carrying out the Ministry's activities.

2.2.3 Performance measurement

Performance measurement is a process by which an organization monitors important aspects of its programs, systems, and care processes (Gunasekaran et al.,2005). Typically, performance is measured and compared to organizational goals and objectives. Results of performance measurement provide information on how an organization's current programs are working and how its resources can be allocated to optimize the programs' efficiencies and effectiveness.

Hinton et al., (2005) asserted that employee performance measurements can determine an employee's compensation, employment status or opportunities for advancement. For these reasons, performance management programs must consist of methods that enable fair and accurate assessments of employee performance. To assist with measuring employee performance, employers first establish performance standards. Performance standards define what it takes for employees to meet or exceed the company's performance expectations (Gunasekaran et al.,2005).

While Epstein (2006) contends that management by objectives (MBOs) are useful for measuring the performance of employees in supervisory or managerial positions. MBOs start with identifying employee goals, and from that point the employee and her manager list the resources

necessary to achieve those goals, Kaplan & Norton, (2002) argued that the key to achieve the aimed level of performance is to adopt new approaches to performance and performance measurement. Balanced scorecard (BSC) is fundamentally a customized performance measurement system that looks beyond traditional financial measures and is based on organization strategy.

To evaluate the organizational and employee performance in performance appraisal management processes, the conventional approach measures the performance only on a few parameters like the action processes, results achieved or the financial measures among others. Instead of relying on just one instrument or measure, using a balanced set of measures ensures that all the aspects of the employees' performance are covered and provide relevant support for the decisions taken. Therefore, it is necessary that the manager should be capable to observe and note the several instruments and measures simultaneously. The four perspectives given by Kaplan and Norton are the financial measures, the customer's perspective, the internal business perspectives and the innovation and learning perspectives (Whetton, 2001).

According to US Office of Personnel Management (1999), a good performance measurement makes a difference in organizational performance. Performance measurement plays a crucial role in translating business strategy into results. Industry leaders in today's business world use balanced measurement systems to track customer and employee satisfaction as well as financial performance and operating efficiency. Developing a successful measurement system is a lengthy but rewarding process. The study revealed that performance measurement at Ministry of Local Government is determined by the set targets. Employees are assessed and appraised to establish

whether they have met targets in terms of accomplishing tasks before close of a given financial year.

2.3 Performance Monitoring and employee performance

Employee performance monitoring is one of the essential functions of human resource management and contributes to effective management of individuals and teams in order to achieve stated organizational goals. According to Whetton (2001) telephone, video, computer, and the use of suggestion boxes are the main tools used by managers to monitor the performance of their employees.

Mishra (2003) notes that performance planning, performance monitoring, feedback and coaching is ongoing and supports the creation of the performance appraisal, which in turn supports processes related to rewards, learning and development. Performance monitoring, feedback and coaching creates a separate feedback loop within the larger loop which should take place more often, allowing for necessary adjustments to performance planning as conditions dictate.

The monitoring of employee performance in an organization stands as an integral aspect and segment of organizational growth and development. Managers are expected to perform the important function of monitoring the performance of subordinate so as to boost organisational growth and achieve stated goals. When the valid performance of employees is not well monitored by the human resource management, finances of the organization will be disbursed without a purpose, which at the long run will lead the organization to internal loss Hinton et al., (2005)

2.3.1 Appraisals

MOLG (2003) maintains that the appraisal process can identify gaps between the employees self-presentation and supervisor`s views and can allow in-depth discussion of performance points during the appraisal meeting. During the appraisal meeting, the appraiser among others should ensure that; past performance, future action plan and development plus training needs of the appraisee are discussed whereas the appraisee should among others ensure that he or she effectively participates and asks questions he or she is not clear about.

The employee performance appraisal is an important career development tool for the manager and employee. The manager can help guide the employee on the path to corporate advancement, and the employee gets a clearer understanding of what is expected from her in her daily job duties. Performance appraisals have a wide variety of effects on employees that managers must identify and understand (Stajkovic & Luthans, 2001).

An employee performance appraisal can act as motivation for an employee to improve his productivity. When an employee sees his goals clearly defined, his performance challenges identified and career development solutions in place to help advance his career, the effect is to motivate the employee to achieve those goals (Hinton et al., 2005). Creating a comprehensive plan for employee development and giving an employee achievements to strive for will inspire a higher level of efficiency. An employee performance appraisal can act as motivation for an employee to improve his productivity. When an employee sees his goals clearly defined, his performance challenges identified and career development solutions in place to help advance his career, the effect is to motivate the employee to achieve those goals. Creating a comprehensive plan for employee development and giving an employee achievements to strive for will inspire a higher level of efficiency (Gunasekaran et al., 2005).

During a performance appraisal, a manager needs to take time to show the employee how his performance affects the productivity of the entire organization. When employees understand how their performance affects the ability of others to do their jobs, it helps put his own job duties into an overall company context. It helps improve the notion of teamwork among the staff, and can also encourage cooperation to achieve corporate goals (Kaplan & Norton (2002).

Beary (2003) avers that employees want to know what is expected of them and how well they are performing their work. Performance appraisal clearly serves this purpose, as well as demonstrating that the employer is interested in their accomplishments, is willing to give praise when it is deserved, and cares enough about their survival in the organization to point out shortcomings and help them overcome obstacles to improving their performance. In companies where the performance appraisal is linked to the salary administration program, there is the obvious motivational value of merit pay. These objectives are so basic that most companies take them for granted. But this doesn't make them any less important.

Similarly Whetton (2001) contends that performance monitoring and review is a continuous process of consistently measuring performance and providing feedback to employees on their progress towards reaching their goals. It includes progress reviews with employees where their performance is compared against their standards and objectives. Here gaps can be identified during the process and possible solutions to the performance gap solved rather than waiting until the end of the period when summary rating levels are assigned. This helps provide opportunity for development and training which involves identification, evaluation and addressing

development and training needs hence increasing the capacity to perform through providing training and development opportunities that introduce new skills, prepare employees for higher responsibility and improve work processes (US Office of Personnel Management, 2011).

2.3.2 Feed back

Feedback is an efficient and quick way to motivate employees because feedback is given in the working situation (Stakovic & Luthans 2001). Feedback has also indirect effect on motivation. Feedback gives important information to employee how he or she is performing which in turn helps employee to set goals and attain goals that are set earlier. Because of that, feedback is in an important role also when there are some other rewards (Rynes et al., 2005).

In their empirical study Stajkovic and Luthans (2001) found that feedback increased performance 20 per cent. Moreover Perry et al., (2006) found that feedback affect specifically intrinsic motivation. Increased intrinsic motivation in turn led to improved performance. When Rynes et al. (2005) combined earlier studies of feedback they noticed that overall positive effect of feedback on performance is quite modest. Besides Kluger and DeNisi (2006) found that feedback has quite variable effect on performance although on average feedback have positive effect. Sometimes feedback can improve performance, sometimes decrease and sometimes there is no effect. For example in the study of Kluger and DeNisi (2006), feedback improved performance on average but in one third of cases performance decreases after feedback. Stajkovic and Luthans (2001) indeed assume that the key variation in motivating effect of feedback is task complexity.

Stajkovic and Luthans (2001) found that feedback is not an effective motivator when the task is simple and well defined. Instead in complex setting feedback is likely to be the strongest

motivator. Similarly, Epstein (2006) states that feedback improves performance and an organization's capacity to compete. During monitoring and evaluation of performance by supervisors which is done on a regular basis, tracking of activities and timely feedback should be ensured. According to Bach (2000), this type of feedback enhances performance and is motivational. He posited that having well defined goals for a company can improve performance by 15 to 25 percent in the short term but measuring or monitoring performance provides more. He also agreed with the view that the impact of quality feedback in a one-to-one situation greatly enhances performance. He stipulated that performance can be increased by 80 to 100% if goals, monitoring, recognition and quality feedback are properly used. In one financial institution with branches in the U.K. and America, research showed that the use of feedback resulted in improvement in performance between 95 and 280 percent (Epstein, 2006).

In order for a feedback system to be successful, Beary (2003) asserts that four concerns must be addressed. First and foremost, he stresses that feedback must be honest and tactful and warns managers to not let too much tact get in the way of honesty. Secondly, managers need to be as objective as possible when giving feedback and not let personal motives such as favouritism, jealousy or vindictiveness interfere. Thirdly, Beary emphasizes communication – don't talk at an employee, let them explain their position as well. Finally, Beary concludes that the manager's competency in giving feedback should be developed and recommends managers learn counselling techniques. Study findings revealed that, though supervisors conduct quarterly reviews, employees sometimes do not get feedback on their performance.

2.4 Rewards and Employee Performance

Rewards of performance involves recognizing employees, individuals and members of teams for their performance and acknowledging their contributions towards achievement of an organization's objectives (Luthans, 2000). There are two types of rewards that is; financial rewards like gratuities, bonuses and non-financial rewards like appreciation and certificates. All can be used to enhance performance behaviours (Luthans, 2000), Qureshi, Zaman and Shan, 2010).

Rewards is one of the important elements to motivate employees for contributing their best effort to generate innovation ideas that lead to better business functionality and further improve company performance both financial and non-financially. According to Perry al., (2006) there are other means to reward employees that do not just focus on financial compensation. Some of these include the praised that employees are able to acquire from their managers, the opportunity to take on important projects or tasks, and even leadership attention. Much research on leader power have found that supervisor reward power would be positively associated with employee task performance, productivity, satisfaction, turnover, and organizational citizenship behaviours (Neckermann, 2008).

According to Luthans (2000), there are two basic types of rewards, financial and non-financial and both can be utilized positively to enhance performance behaviors of employees. Financial rewards means pay-for performance such as performance bonus, job promotion, commission, tips, gratuities and gifts etc. Non financial rewards are non monetary/non cash and it is a social

recognition such as acknowledgement, certificate, and genuine appreciation etc. The non financial rewards is also called materials award (Neckermann and Kosfeld, 2008).

Meanwhile, Qureshi, Zaman and Shah, (2010) stated that money was not the most important motivator for good performance and in some cases, managers found money to have a negative impact on employees. On the contrary, according to Ryan (2013), monetary rewards can be meaningful to employees and very motivating for performance improvement. He argues that creative use of personalized non-monetary awards encourage positive behaviours and improves performance which are inexpensive to give but priceless to receive.

2.4.1 Pay rise and incentives

Typically different types of incentives are categorized into two groups. These groups are financial and non-financial incentives. Financial incentives include base pay, profit sharing, gain sharing, benefits, initiative rewards and special rewards. Except for benefits and special rewards financial incentives are typically paid as money. However benefits and special rewards are part of financial incentives because recipients benefit from them economically. Non-financial incentives include feedback, recognition, possibilities to participation, the work itself and permanence of the employment (Luthans, 2000).

Many of the researchers have found positive correlation between monetary incentives and performance. Stajkovic and Luthans (2001) conducted an empirical study in two facilities which conducted the same tasks and located several miles apart from each other. According to study monetary incentives improved performance over 30 per cent compared with those who did not get incentives.

In a wider view, the idea that financial incentives for individuals can be an effective cause of performance improvement in the modern complex organization remains doubtful. The move to more complex task definitions and multi-disciplinary team based approaches favored seem at odds with the simple ideas about task and motivation upon which concepts of personal incentive pay are based. Perry et al., (2006) asserted that one of the larger aspects of developing employees' skills and abilities is the actual organizational focus on the employee to become better, either as a person or as a contributor to the organization. Pay satisfaction and satisfaction with incentives are important determinants of overall job satisfaction which in turn has great effect on commitment and turnover. Employees' satisfaction with incentives is also an important role in achieving of the goals of organization's compensation system (Ryan, 2013).

2.4.2 Training

According to Decenzo and Robbins (2002) successful organizations and managers realize that people are a key resource in maintaining competitive advantage and these organizations take development of human resources as an investment in their people and not as an expense. Training employees is seen as a measure which will enhance building of capacity resulting into improved performance and productivity of an organization.

Relatedly, Frobotta (2000) observed that improvement gained from having training and development reward package can lead to increased profitability, coming from improved service standards through a committed happy staff.

He further argues that training focuses on providing employees with specific skills and helping them correct deficiencies in their performance. He added that it is not enough to merely assume that any employee training an organization offers is effective, there is need to develop

substantive data to determine whether the training is achieving its goals that is to say; is it correcting the deficiencies in skills, knowledge or attitude that were assessed, thus evaluating programmes helps determine the worth of training conducted. The credibility of employees training is greatly enhanced when it is proved that the organization has benefited tangibly from it.

According to Armstrong (2008), in human resource management, training is regarded as a measure of staff development and career planning of ensuring improved performance. In a British study examining the impact of training on employee performance, Green et al (2000) concluded that, in aggregate, training has immense impact on performance.

2.5 Summary of Literature Review

From the review of the above literature it can be concluded that performance planning, performance monitoring and review plus rewards and recognition are very vital to ensure effective and efficient employee performance as observed by (Armstrong & Baron, 2010). The main goal of performance management is to promote and improve employee performance. However, Performance management systems have challenges which include systematic planning, identifying critical objectives for each staff, reviewing employees overall achievement as noted by Epstein (2006) who contends that a performance plan by itself will not improve performance, yet few empirical studies have been conducted to establish the effect of performance management practices and employee performance. Study findings revealed that performance planning, performance monitoring and rewards have a positive effect on employee performance.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the procedures used to answer research questions. It is organized under the following sections: Research design, population of study, sample size, sampling methods or techniques, data collection methods and instruments, reliability and validity of the study instruments, procedure of data collection, data analysis, measurement of variables, limitations of the study and ethical considerations.

3.1 Research Design

The study used a Descriptive Cross Sectional Survey design. Correlational study was used to examine the relationship between the study variables (Amin, 2005). The design was chosen because it enabled the researcher to establish the significance of the relationship between independent and dependent variables. Both qualitative and quantitative techniques were used to collect and analyse data. Quantitative data was collected using structured and close ended questionnaires. This study also applied qualitative approaches which involve an in-depth probe and application of subjectively interpreted data (Sekaran, 2003). According to Amin (2005), cross-sectional designs are easy to use, less time consuming and less costly because data is gathered just at one point in time.

3.2 Population of the Study

This is the description of the population and its elements from which samples are drawn. The target population included Ministry of Local Government staff at managerial level, technical staff, key staff in personnel department and support staff. This category consisted of a total

number of one hundred fifty nine (159) staff from eight (8) departments namely; District Inspection, Urban inspection, District Administration, Urban Administration, Local Councils, Finance and Administration, Internal Audit, Procurement and Planning.

3.3 Sample size and selection

A sample is a subset of the population. It comprises some members selected from it for the study (Sekaran, 2003).

Table 3.1 Sample size and selection for the study.

S/N	Category of Respondents	Population(N)	Sample size(S)	Sampling technique
1.	Managerial(Directors, HODs)	15	14	Purposive
2.	Technical(Heads of sections, supervisors)	60	52	Stratified
3.	Support staff	76	63	Stratified
4.	Human Resource Section	8	8	Purposive
	Total	159	137	

Source: Derived from Morgan and Krejcie, (1970) table and 2014/15 Ministry of Local Government, Ministerial Policy Statement.

As shown in Table 3.1, sample size for study was 137 out of a population of 159, derived from Morgan and Krejcie (1970) table. The reason for using sample rather than collecting data from the entire population was that it would practically be impossible to collect data from every element of the population. A selected group or categories of staff was; 14 managerial, 52

technical, 63 support staff and 8 key informants from personnel department formed the sample from which the researcher collected information about the study population (Sekaran,2003).

3.4 Sampling Technique and Procedure

A sample is part of the population that is deliberately selected to investigate properties of the parent population. Sampling as defined by Mugenda and Mugenda (1999) refers to the formulation of procedures of selecting the subject or cases to be included in the sample. In this case, the research was conducted using purposive sampling to collect data from Directors, Heads of Departments, and staff from Human Resource Section. Stratified random sampling were used to collect data from Heads of Sections, supervisors and support staff. The purpose of stratified random sampling was to achieve desired presentation from various categories of staff at different levels. To use the stratified sampling, population is divided into relatively homogeneous groups called strata. Mugenda and Mugenda (1999) argues that ten percent (10%) of the accessible population is acceptable for a study.

3.4.1 Stratified Random Sampling

The study adopted stratified random sampling technique. Staff were divided into Heads of Sections, supervisors and support staff. These formed stratum and respondents were selected from each stratum using convenience random sampling to obtain information from those readily available (Mugenda and Mugenda, 2003).

3.4.2 Purposive Sampling

Purposive sampling is a technique used to select respondents because of the valuable information they hold. For purposive sampling, the researcher collected data from Directors, Heads of

Departments, and staff from Human Resource Section who provided the desired and relevant information on performance management as a result of their experience and knowledge about the subject matter (Sekaran, 2003).

3.5 Data collection methods

The process of data collection involves gathering material about the person, either historically or from present-day sources, such as conversations or observations. According to Creswell (2007), data collection method can be classified as qualitative or quantitative. The researcher used both quantitative and qualitative methods of data collection. The questionnaire survey method was used for the collection of quantitative data, while the in-depth interview and documentary review methods were used to collect qualitative data. Questionnaire and in-depth interviews enabled the researcher to obtain primary data or firsthand information while documentary review was used to get secondary data which was used to corroborate study findings. Data obtained using the above methods was triangulated in order to come up with a comprehensive report.

3.5.1 Questionnaire survey

It is a quantitative method which involves use of many questions at the same time. Questionnaire survey was used to collect data from Heads of Sections, supervisors and support staff. The choice of a questionnaire was on the basis that respondents can read and write and enables responding to the study questions without influence on the presence of the respondent. The questionnaire also enabled collection of vast amounts of data in a short time and was less expensive (Amin, 2005).

3.5.2 Interviews

This is a purposeful discussion between the researcher and the respondent. Interviews are face to face meetings (Mugenda and Mugenda, 1999). These were used to collect data from Directors, Heads of Departments and staff from Human Resource Section. A set of questions in English was asked to respondents and responses were recorded. This helped explain issues under study in depth. However, the shortcomings of interviews were that they required much time with the respondents, yet they had busy schedules.

3.5.3 Documentary review

According to Baver (2000), documentary analysis are texts which contain records of events, values, rules and norms. Critical examination of information from Ministry of Local Government annual reports, performance appraisal reports and Public Service Reform Program among others was used in gathering and compiling data. These documents and reports helped to supplement and substantiate data obtained from other instruments.

3.6 Data Collection Instruments

According to Kothari (2008), data collection instruments are the tools used by the researcher for data collection. They include interview guides, questionnaires, observation guides and many others. During the study, both quantitative and qualitative data collection instruments were used. Quantitative instruments included questionnaires. Qualitative instruments included interview guides and documentary review checklist.

3.6.1 Self-Administered Questionnaire

Questionnaires were used to collect quantitative data. In this case, close-ended questionnaires were designed for the study, because they can facilitate quick response from a large number of respondents (Kothari, 2004; Amin, 2005; Creswell, 2003). In addition, questionnaires were used because they increase the degree of reliability due to the many items in them and they enhance the chances of getting valid data, (Amin, 2005).

The questionnaire consisted of structured and semi-structured close-ended questions with pre-determined answer options. It was administered to Heads of Sections, supervisors and support staff because the questionnaire enabled the collection of a lot of data from many respondents in a short period of time. The researcher ensured maximum cooperation in order to get accurate information from the respondents as suggested by (Mugenda and Mugenda, 1999). The questionnaire was based on the five Likert scale technique whereby 5=strongly agree, 4=agree, 3=not sure, 2=disagree and 1=strongly disagree in order to ease the respondent`s responses. A copy of the questionnaire is attached as Appendix I.

3.6.2 Interview Guide

A semi structured interview guide was designed and administered to heads of departments and employees from the projects and accounts department to capture in-depth qualitative data. This guide was purposely intended to get more information about procurement contract management and procurement performance. According to Amin (2005), interviews have the advantage of generating more information through probing. In addition, interviews also allowed for clarification and capturing facial expressions of the interviewees.

According to Neuman (2011), interview schedule is a set of questions read to the respondent by an interviewer who also records responses. This consisted of structured or semi structured questions administered purposively on Directors, Heads of Departments and staff from Human Resource Department because they were more knowledgeable about performance management practices and employee performance. The researcher had a list of pre-determined questions to ask the respondents. A copy of the interview guide is attached as Appendix II.

3.6.3 Documentary review checklist

This was used to collect secondary data and was guided by a documentary review checklist. Documents from Ministry of Local Government annual reports, performance appraisal reports and Public Service Reform Program, management reports with literature relevant to performance management practices and employee performance was analyzed as secondary sources of data to supplement primary data from survey and interviews as supported by (Amin, 2005). The reviewed documents provided information that was used to support findings obtained through questionnaires and interview guides.

3.7 Validity and Reliability

Data quality control measures were undertaken to ascertain accuracy and consistence of the data collected. The data collection instruments were pre- tested to ensure validity and reliability. Validity and reliability are important concepts in the acceptability of the use of an instrument for research purposes. Validity refers to the appropriateness of the instrument in collecting the data that is supposed to be collected while reliability refers to its consistency in measuring whatever it is intended to measure (Amin, 2005).

3.7.1 Validity of the Instrument

This refers to the appropriateness of the instrument. A research instrument is said to be valid if it actually measures what it is supposed to measure (Amin 2005). The validity of the instruments were tested using the Content Validity Index (CVI) by using expert judgment taking only the variable scoring above 0.70 accepted for social sciences (Amin, 2005).

The CVI was measured using the formula : $CVI = \text{No. of items declared valid} / \text{Total no. of items}$.

Table 3.2 Results of the content validity index

Variables	Content validity index	Number of items
Performance planning	0.8181	11
Performance monitoring	0.7272	11
Rewards	0.8181	11
Employee performance	0.7227	11

Source: Primary data (2015)

3.7.2 Reliability of the Study Instrument

This refers to ability of the instrument to collect the same and reliable data consistently after repeated trials or tests. An instrument is reliable if it produces the same results whenever it is repeatedly used to measure concept from the same respondents even by other researchers (Amin, 2005). To ensure reliability, questionnaire was pretested on a few respondents from Ministry of Local Government head quarters, Kampala at an interval of two weeks before it was taken out. This helped ensure that the research instrument yields consistent result and also help to identify questions which may be vague. This enabled the researcher to collect reliable data for a complete report.

3.8 Data Collection Procedure

A letter of introduction was obtained from Uganda Management Institute (UMI) which was used to obtain permission from Ministry of Local Government to allow the researcher conduct the research in the Ministry. With permission got, the researcher made appointments with the respondents on when to respond to the questionnaire.

3.9 Data Analysis

Data analysis in qualitative research consists of preparing and organizing the data (i.e., text data as in transcripts, or image data as in photographs) for analysis, then reducing the data into themes through a process of coding and condensing the codes, and finally representing the data in figures, tables, or a discussion (Cresswel, 2007). For this study, data collected was analysed using both quantitative and qualitative techniques as indicated below:

3.9.1 Quantitative Analysis

According to Sekaran (2003), when carrying out quantitative data analysis, a correlation is most appropriate in the natural environment of an organization with minimum interference by the researcher and no manipulation. A correlation coefficient was computed because the study entailed determining correlations between two variables (Oso & Onen, 2008). Data was analyzed using the Statistical Package for Social Scientists (SPSS) software. The Pearson correlation coefficient was used to determine the relationship between the dependent and independent variables. The 2-tailed significance value was used to determine influence of the independent variables on the Dependent variables. Quantitative data will also be analyzed using frequencies and percentages.

3.9.2 Qualitative Analysis

According to Creswell (2007), qualitative data analysis may be a description of both the story and themes that emerge from it. After data collection, responses were categorized according to themes based on study objectives. There after the responses were coded, entered and cleaned to minimize reduce errors. In addition thematic analysis was employed, thereby identifying all data that relates to the already classified patterns. The identified patterns were expounded on. All information that fits under the specific pattern was identified and placed with corresponding patterns and thereafter, data was combined into themes. Once the themes were developed, and the literature studied, the researcher formulated theme statements to develop a comprehensive report.

3.10 Measurement of Variables

Nominal scale was used in assigning subjects of the study to certain categories which have no intrinsic values for example; variables of gender into male and female. This was used to obtain data such as personal information, department where one works among others.

Ordinal scale was used to measure variable for which categories are ordered according to preference for example; the extent to which they agree with a statement can be measured by using the Likert scale which measures perception, attitudes, values and behaviours of individuals towards a given phenomenon that is; 5= Strongly agree; 4=agree; 3=not sure; 2= disagree; 1= strongly disagree, (Mugenda&Mugenda 1999)& Amin (2005).

3.11 Limitations of the study

Some respondents, especially Directors and Heads of Departments were difficult to get due to busy work schedules. However, the researcher made appointments with them to solve this problem.

Negative attitude by some respondents, who thought that the results would be used to judge their performance at the work place. The researcher explained to them that the study is purely for academic purposes and that the information provided would be treated with utmost confidentiality to encourage all selected respondents to fully participate in the study.

3.12 Ethical considerations

Throughout all phases of the research process, researchers are sensitive to ethical considerations (Creswell, 2007). These are especially important while negotiating entry to the field site of the research; involve participants in the study; gather personal, emotional data that reveal the details of life; and ask participants to give considerable time to research projects. Ethical practices of the researchers recognize the importance of the subjectivity of their own lens, acknowledge the powerful position they have in the research, and admit that the participants or the co-construction of the account between the researchers and the participants are the true owners of the information collected (Creswell, 2007).

Researcher introduced himself to authorities at the Ministry of Local Government before data collection using a letter from the Institute. The researcher also explained the nature and purpose of the study. Information got from respondents was treated with confidentiality whereby they were not asked to indicate their names on questionnaires, and it was not revealed to any other

person working with Ministry of Local Government. In addition to this, names of respondents were not written on questionnaires or interview guides all in a bid to build their confidence and trust. Informed consent of respondents was sought prior to application of questionnaire and interview schedule. This is supported by Cresswell (2003) who emphasized that respondents' consent should be sought before data collection.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF STUDY FINDINGS

4.0 Introduction

This chapter presents the response rate, background characteristics of the respondents, field findings and data analysis and interpretation basing on objectives of the study.

4.1 Response rate

Table 4.1 Response rate

Research instrument	Distributed/ Planned	Number collected/ conducted	Percentage
Questionnaires	129	127	98
Interviews	8	7	87
Total	137	134	

In Table 4.1 above, out of 129 questionnaires distributed, 127 were collected, giving a response rate of 98%. In addition, out of the eight planned interviews, seven were actually conducted, giving a response rate of 87%. The overall response rate was 98% which is above the recommended two-thirds (67%) response rate (Amin, 2005; Mugenda and Mugenda, 1999). This indicates that the researcher was able to get adequate data to enrich his report.

4.2 Background characteristics of respondents

The section below presents background characteristics of respondents according to age group,

4.2.1 Respondents according to age group

The following section presents respondents according to age group, department, education level and number of years worked at Ministry of Local Government.

Table 4.2 age group of respondents

Age group	Frequency	Percentage
20-30	42	31%
31-40	68	51%
41 and above	24	18%
Total	134	100%

Source: Primary data (2015)

In Table 4.2 above, majority of the respondents, 68(51%) were aged between 31 to 40 years. They were followed by respondents aged 20-30 years 42 (31%) and lastly 41 and above years 24(18%). This indicates that MOLG employees who participated in the study were of mature age and thus able to give reliable information for the study.

4.2.2: Respondents according to department/section

Table 4.3 Department/Section

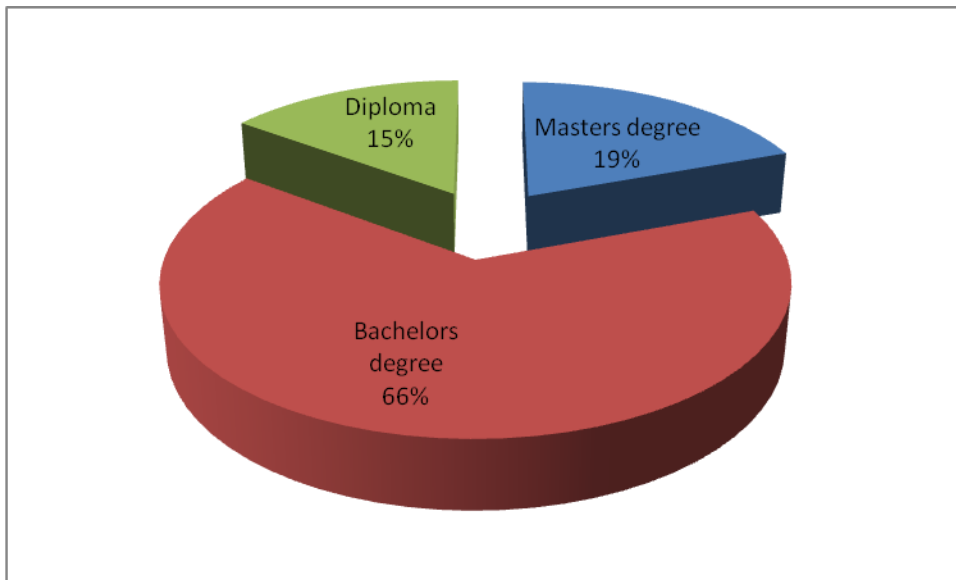
Category	Frequency	Percentage
District inspection	20	15
Urban inspection	21	16
District administration	30	22
Urban administration	16	12
Local councils	12	9
Finance and administration	17	13
Internal audit	8	6
Procurement planning	10	7
Total	134	100

Source: Primary data (2015)

Table 4.3 above indicates that majority of the respondents (22%) were from district administration. Others were from urban inspection (16%), district inspection (15%) and the least were from Internal audit (6%). The above statistics indicate that study participants belonged to different departments key for the study, and were therefore able to provide reliable data from an informed perspective.

4.2.3 Respondents according to education level

During the study, the researcher established the education level of respondents in order to determine their ability to participate in the study and provide reliable data. Results are presented in Figure 4.1 below:



Source Primary data (2015)

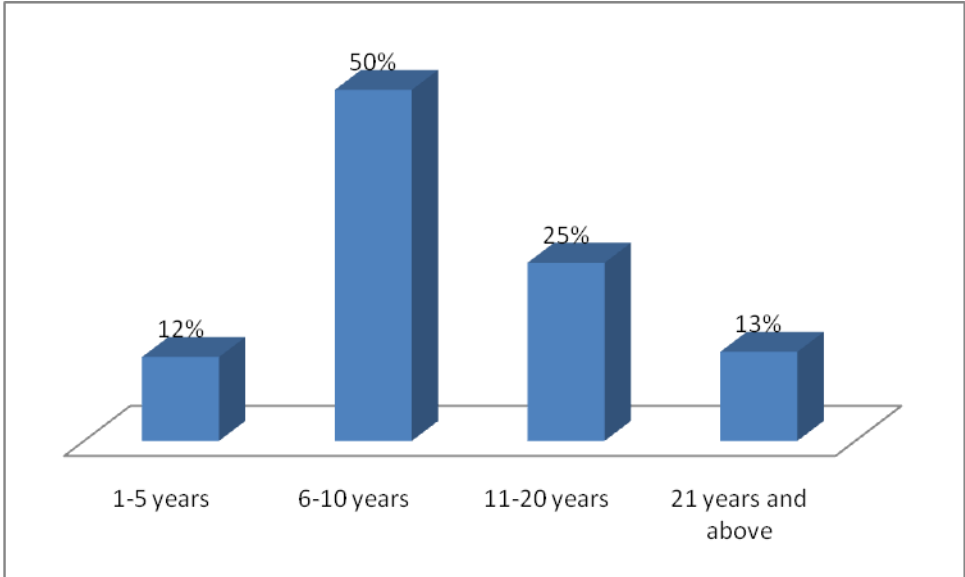
Figure 4.1 indicating education the level of respondents

Figure 4.1 above indicates that majority of the respondents (66%) held Bachelors degrees, 19% held masters degrees, while 15% held diploma. This indicates that all respondents possessed

adequate education qualifications to enable them understand questions and provide reliable data for a complete report.

4.2.4 Respondents according to number of years worked

The researcher also asked respondents to indicate the years for which they had worked at Ministry of Local Government. The responses obtained are indicated in the table below:



Source: Primary data (2015)

Figure 4.2 Number of years worked at MOLG

Figure 4.2 above indicates that majority of the respondents (50%) had worked at MOLG for 6-10 years. They were followed by those between 11 to 20 years. This indicates that most of them had worked at MOLG for a period that was adequate for them to have knowledge about performance management practices and employee performance at the Ministry.

4.3: Empirical findings:

During data analysis respondents who agreed and those who strongly agreed were categorized together to indicate that they consented or agreed to the statement while those who disagreed and strongly disagreed were also combined to show respondents who disagreed with the statement.

4.3.1 Objective one: To assess the effect of performance planning on employee performance in Ministry of Local Government Headquarters, Kampala.

Twelve statements on performance planning were presented to respondents who were asked to rate them on a Likert scale where by 5=Strongly Agree (SA), 4=Agree (A) 3=Not sure (NS), 2=Disagree(D) and 1=Strongly Disagree (SD)

Table 4.4 Responses on performance planning and employee performance

Performance planning	S A	A	NS	D	S D
Every year I create my performance goals together with my supervisor.	49(39%)	44(35%)	8(6%)	12(9%)	14(11%)
Employee goals are decided by the supervisors.	30((24%)	52(41%)	13(10%)	20(16%)	12(9%)
I understand the objectives of my job.	42(33%)	34(27%)	13(10%)	30(24%)	8(6%)
My performance targets are in agreement with my job description	57(45%)	39(31%)	7(5%)	18(14%)	6(5%)
I have a performance agreement or plan for the current financial year.	39(30%)	53(42%)	10(8%)	15(12%)	10(8%)
My supervisor and I agree on how well I have to do my job.	40(32%)	39(31%)	12(9%)	19(15%)	17(13%)
I understand how my job contributes to the success of the Ministry.	48(38%)	24(19%)	9(7%)	28(24%)	18(14%)
I feel the work I do is valued	57(45%)	21 (16%)	10(8%)	23(18%)	16(13%)
I feel free to take responsibility for managing my personal development and growth in the Ministry	72(57%)	28(22%)	7 (5%)	16(13%)	4(3%)
After target setting, I develop a personal development plan with my supervisor	60(47%)	24(19%)	4(3%)	19(15%)	20(15%)
I am satisfied with the opportunities I have to develop my career within the Ministry.	20(19%)	44(33%)	8(6%)	33(25%)	22(17%)
There is a framework or tool for measuring individual performance in the Ministry	53(42%)	40(31%)	7(5%)	20(16%)	7(6%)

Source: Primary data (2015)

Results in table 4.4 above indicate that majority of the respondents create their performance goals together with their supervisor every year. This was confirmed by 93 (74%) while 26 (20%) disagreed, and 8 (6%) were not sure. In support of the above, one of the respondents had this to say;

“My supervisor often calls for meetings in which we discuss goals for each project undertaken in the ministry and set their performance measures.”

In addition, 82 (65%) of the respondents reported that employee goals are decided by the supervisors. However, 22 (25%) disagreed, while 13 (10%) were not sure. Asked whether they understand the objective of their job, 76 (60%) agreed, 38 (20%), disagreed and 13 (10%) not sure. It is against this background that 96 (76%) reported that their performance targets are in agreement with their job description because they understood the objective of their job. On the other hand, 24 (19%) disagreed and 7 (5%) were not sure.

Study findings further revealed that majority respondents have a performance agreement or plan for the current financial year. This was supported by 92 (72%) agreed, while 25(20%) disagreed, and 10 (8%) not sure. This was further supported by a respondent who had this to say;

“The ministry staff have annual performance plans which guide them on the activities to perform each year.”

It was further found that staff members, together with their supervisors agree on how well they have to do their job as reported by 79 (63%) who agreed to the statement though 36 (28%) disagreed, and 12 (9%) were not sure. The researcher asked whether staff members understood how their job contributes to the success of the Ministry. In response, 72 (57%) agreed, 46 (38%)

disagreed, while 9 (7%) were not sure. This indicates that employees' inputs have immense impact on the success of the Ministry.

According to the study, 78 (61%) of the respondents agreed that they feel the work they do is valued, while 39 (31%) disagreed, and 10 (8%) were not sure. When employees' work is valued, they get motivated to improve performance. Therefore, the fact that majority of the respondents agreed that their work is valued, is an indication that they feel appreciated and motivated to perform well. Study findings further revealed that 80 (79%) feel free to take responsibility for managing their personal development and growth in the Ministry. However 20 (16%) disagreed, 7 (5%) were not sure. In addition, 84 (66%) reported that after target setting, they develop a personal development plan with the supervisor though 39 (30%) disagreed, and 4 (3%) were not sure. This was further supported by a respondent who had this to say;

“After setting my targets, I often develop personal plans to guide me on how to execute my day to day activities in order to meet the set targets and goals.”

This means that developing personal plans helps employees at Ministry of Local Government Headquarters to meet the Ministry's goals. During the study, 64 (52%) agreed that they are satisfied with the opportunities they have to develop their career within the Ministry. However, 55 (42%) indicated that they are not satisfied with the opportunities to develop their career. Only 8 (6%) were not sure. This was further supported by a respondent who reported that:

“Our bosses do not base on results from appraisals to develop employees' careers. Therefore, training is not tailored to specific employees to boost performance.”

This indicates that the Ministry does not base on staff appraisals to prepare employee trainings. During the study 93 (73%) agreed that there is a framework or tool for measuring individual performance in the Ministry while 27 (22%) disagreed, and 7 (5%) not sure.

Table 4.5 Correlation matrix for performance planning and employee performance

		Employee performance	Performance planning
Employee performance	Pearson Correlation	1	.488**
	Sig. (2-tailed)		.003
	N	127	127
Performance planning	Pearson Correlation	.488**	1
	Sig. (2-tailed)	.003	
	N	127	127

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

The results show that the correlation coefficient is 0.488(**) and its significance 0.003 which is less than 0.05 level of significance. This implied that performance planning has a moderate significant influence on employee performance. Therefore, according to the results, the alternative hypothesis that was earlier postulated is accepted.

4.3.2 Objective two: To examine the effect of performance monitoring on employee performance in Ministry of Local Government Headquarters, Kampala.

Eleven statements on performance monitoring were presented to respondents who were asked to rate them on a Likert scale where by 5=Strongly Agree (SA), 4=Agree (A) 3=Not sure (NS), 2=Disagree(D) and 1=Strongly Disagree (SD). Their responses are outlined in Table 4.6.

Table 4.6 Responses on performance monitoring and employee performance

Statement	SD	D	NS	A	SA
My supervisor regularly monitors my performance against set targets	19(15%)	18(14%)	4(3%)	27(21%)	59(47%)
My supervisor gives me feedback on how I am performing in relation to my set targets.	22(17%)	14(11%)	8 (6%)	52(41%)	31(25%)
I successfully complete the tasks given to me.	14(11%)	10(8%)	6 (5%)	27(21%)	70(55%)
I freely give my opinion on how my performance can be improved.	13(10%)	14(11%)	3(2%)	29 (23%)	68(54%)
My supervisor conducts quarterly reviews of my performance.	20(16%)	12(10%)	8(6%)	42(33%)	45(35%)
The feedback I get from my supervisor is constructive.	15(12%)	30(23%)	4(3%)	34(27%)	44((35%)
Performance appraisal is carried out annually.	56(44%)	45(35%)	4(3%)	15(12%)	7(6%)
Performance appraisal is a fault finding exercise.	20(16%)	27(21%)	12(9%)	38(30%)	30(24%)
I am involved in ranking my performance	40(32%)	28(22%)	9(7%)	28(22%)	22(17%)
Performance appraisal reflects my performance	20(16%)	91(72%)	0 (0%)	13(10%)	3(2%)
I have regular meetings with my supervisor throughout the year to discuss my performance	30(24%)	29(23%)	7(5%)	40(31%)	21 (17%)

Source: Primary data (2015)

Results in table 4.6 above indicate that 86 (68%) agreed, that their supervisors regularly monitor their performance against set targets. On the other hand, 37 (29%) disagreed, indicated that they are not regularly monitored while 4 (3%) were not sure. In support of the above, during interview, one of the respondents said;

“At the Ministry, monitoring is a continuous process. It is done to ensure that employees do not deviate from carrying out the Ministry’s activities.”

This indicates that monitoring has a positive effect of employee performance at MOLG. In addition to the above, 83 (66%) of the respondents agreed that their supervisors give them feedback on how they are performing in relation to their set targets. however, 36 (28%) disagreed and 8 (6%) were not sure. Asked whether they successfully complete the tasks given to them, 97 (76%) agreed, 24 (19%) disagreed, while 6 (5%) were not sure. Study findings further indicated that 97 (77%) freely give their opinion on how their performance can be improved. On the other hand, 27 (21%) disagreed, while 3 (2%) were not sure.

According to study findings, 87 (68%) agreed that their supervisors conduct quarterly reviews of their performance, 32 (26%) disagreed while 8 (6%) were not sure. Against this back ground, 78 (62%) agreed, that the feedback they get from my supervisor is constructive. However, 45 (35%) (12%+23%) disagreed, while 4 (3%) not sure. In line with the above, one of the respondents reported;

“Sometimes, appraisals are done and we do not get feedback on our performance. In addition, some of our suggestions are not implemented”

That performance appraisal is carried out annually was supported by 101 (79%) while, 22 (18%) disagreed and 4 (3%) not sure. Asked whether performance appraisal is a fault finding exercise, majority of the respondents 47 (37%) disagreed, 68(54%) agreed, and 12 (9%) were not sure. During the study, it was further noted that 68 (54%) are involved in ranking their performance, 50 (39%) disagreed, and 9 (7%) were not sure. In addition, 111 (88%) consented that performance appraisal reflects their performance while 16 (12%) disagreed. The study also revealed that 59 (47%) agreed that they have regular meetings with their supervisors throughout the year to discuss their performance while 61 (48%) disagreed and 7 (5%) were not sure.

Table 4.7 Correlation matrix for performance monitoring and employee performance

		Employee performance	Performance monitoring
Employee performance	Pearson Correlation	1	.825**
	Sig. (2-tailed)		.000
	N	127	127
Performance monitoring	Pearson Correlation	.825**	1
	Sig. (2-tailed)	.000	
	N	127	127

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

Results in Table 4.7 show that the correlation coefficient is 0.825(**) and its significance 0.000. This implied that there is a strong positive relationship between monitoring performance and employee performance. The significance value of 0.000 indicates that performance monitoring has a significant effect on employee performance.

4.3.3 Objective three: To investigate the effect of rewards on employee performance in Ministry of Local Government Headquarters, Kampala.

Eight statements on performance planning were presented to respondents who were asked to rate them on a Likert scale where by 5=Strongly Agree (SA), 4=Agree (A) 3=Not sure (NS), 2=Disagree(D) and 1=Strongly Disagree (SD) s indicated in Table 4.8.

Table 4.8 Responses on rewards and employee performance

	Statement	SD	D	NS	A	SA
1.	There is a reward system for good performance in the Ministry.	18(14%)	20(16%)	5(4%)	37(29%)	47(37%)
2.	Best performers are always recognized in the Ministry.	17(13%)	8(05%)	6(5%)	39(31%)	57(45%)
3.	Poor performance is sanctioned in the Ministry.	16(13%)	25(20%)	8 (6%)	40(31%)	38(30%)
4.	I am highly motivated by monetary rewards.	4(3%)	3(2%)	0 (0%)	29(23%)	91(72%)
5.	I am highly motivated by non-monetary rewards.	39(31%)	51(40%)	8(6%)	17(13%)	12(10%)
6.	I am praised by my supervisor whenever I accomplish my tasks.	13(10%)	25(20%)	7(6%)	45(35%)	37(29%)
7.	I have benefited from appropriate training to perform effectively in my role.	15(12%)	20(16%)	5(4%)	53(41%)	34(27%)
8.	I feel satisfied with the Ministry`s training policy.	30(25%)	42(36%)	12(10%)	19(16%)	15(13%)

Source: Primary data (2015)

In Table 4.8 above, majority of the respondents 84 (66%) agreed that there is a reward system for good performance in the Ministry while 28 (30%) disagreed, while 5(4%) were not sure. The study further found that best performers are always recognized in the Ministry as reported by 96 (76%). However 25 (18%) disagreed while 6(5%) not sure. The study further found that poor performance is sanctioned in the Ministry. This was confirmed by 40 (61%) who agreed, though 29 (33%) disagreed and 8 (6%) not sure. I am highly motivated by monetary rewards, 120 (95%) agreed and 7(5%) disagreed. Asked whether they are highly motivated by non-monetary rewards only 29 (23%) agreed, while the majority 90 (71%) disagreed and 8 (6%) not sure. It was further revealed that 82 (64%) of the respondents are praised by their supervisor whenever they accomplish their tasks. On the other hand, 38 (30%) disagreed, and 7 (6%) not sure. Majority of the respondents further agreed that they have benefited from appropriate training to perform effectively in their role as reported by 77 (68%) agreed, while 35 (28%) disagreed and 5 (4%)

not sure. Relatedly, only 34 (29%) agreed, reported that they feel satisfied with the Ministry's training policy compared to 72 (61%) who disagreed. However, 12 (10%) were not sure.

Table 4.9 correlation matrix for rewards and employee performance

		Correlations	
		Employee Performance	Rewards
Employee Performance	Pearson Correlation	1	.466**
	Sig. (2-tailed)		.006
	N	127	127
Rewards	Pearson Correlation	.466**	1
	Sig. (2-tailed)	.006	
	N	127	127

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

Results in Table 4.9 above show that the correlation coefficient is 0.466(**) and its significance 0.006. This implied that rewards have a moderate influence on employee performance. Therefore, the alternative hypothesis that was earlier postulated is accepted.

4.3.4 Responses on employee performance

A set of five statements on employee performance was presented to respondents who were asked to rate them on a Likert scale where by 5=Strongly Agree (SA), 4=Agree (A) 3=Not sure (NS), 2=Disagree(D) and 1=Strongly Disagree (SD)

Table 4.10 showing responses on employee performance

SL	Statement	SA	A	NS	D	SD
1.	Ministry staff are skilled and have capacity to achieve the organization's vision and mission.	56(44%)	45(35%)	4(3%)	15(12%)	7(6%)
2.	Performance management in the Ministry has greatly enhanced employee performance.	30(24%)	26 (20%)	7(5%)	43(34%)	21(17%)
3.	I am satisfied with the existing performance management process in the Ministry.	62(49%)	56(44%)	0(0%)	6(5%)	3(2%)
4.	Ministry staff successfully complete their projects within set deadlines.	42(33%)	40(31%)	0(0%)	34(27%)	11(9%)
5.	Ministry staff have positive attitude towards work.	49(39%)	33(26%)	0(0%)	31(24%)	14(11%)

Source: Primary data (2015)

Study findings in Table 4.10 indicates that Ministry staff are skilled and have capacity to achieve the organization's vision and mission. This was confirmed by 101 (97%) who agreed. Only 22 (18%) disagreed, while 4(3%) were not sure. Responses to performance management in the Ministry has greatly enhanced employee performance was confirmed by 56 (44%) while 64(51%) disagreed, and 7 (5%) were not sure. When asked whether they were satisfied with the existing performance management process in the Ministry, 118 (93%) agreed and only 9 (7%) disagreed. In addition, 82 (64%) agreed that ministry staff successfully complete their projects within set deadlines while 45 (36%) disagreed. Study findings further revealed that ministry staff have positive attitude towards work as reported by 82 (65%) though 45 (35%) disagreed.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary, discussion, conclusions and recommendations of the study, based on study findings, objective by objective.

5.1 Summary

According to the study findings, performance planning, performance monitoring and reward affect employee performance at Ministry of Local Government headquarters, Kampala.

5.1.1 Objective one: To assess the effect of performance planning on employee performance

Pearsons' correlation coefficient for performance planning and employee performance at Ministry of Local Government headquarters was $r=0.488(**)$ with the probability value of 0.003 that is less than 0.05 level of significance, showing a strong relationship between performance planning and employee performance. Under performance planning, employees prepare performance agreements and plans upon which measurement of performance is done.

5.1.2 To examine the effect of performance monitoring on employee performance

Pearson's correlation coefficient for performance monitoring and employee performance at Ministry of Local Government headquarters was $r=0.825(**)$, with the probability value of 0.000 which is below 0.05 level of significance, showing a strong positive relationship between monitoring and employee performance at Ministry of Local Government headquarters. Under

performance monitoring, the ministry appraises and provides feedback to employees which leads to improvement in their performance.

5.1.3 To investigate the effect of rewards on employee performance

Pearson's correlation coefficient for reward and employee performance at Ministry was $r=0.466(**)$ with a probability value ($p=0.006$) that is less than 0.05 level of significance, showing a positive relationship between rewards and employee performance at Ministry of Local Government headquarters. The probability value further shows that rewards have a statistically significant effect on employee performance. Under rewards, the ministry provides incentives, training and pay rise which motivates employees, thereby improving their performance.

5.2 Discussion

5.2.1 The effect of performance planning on employee performance

Study findings indicated that majority of the employees at MOLG create performance goals together with their supervisors each year. This enables them to improve on performance as far as the ministry's goals and objectives are concerned. This is supported by Armstrong (2001) who asserted that during performance planning, managers, supervisors and employees work together in identifying, clarifying and agreeing upon the expectations. The study further revealed goals are decided by the supervisors which is also collaborated by Armstrong when he states that planning should involve setting performance goals and how they will be measured. This is again supported by Verbeeten (2007) who asserted that when one has a clear and measurable goals, it will positively affect the quality and quantity of his or her performance.

According to the study, performance targets are in agreement with employees' job description and they understood the objective of their job. The study further found that majority of the employees at MOLG have a performance agreement or plan for the financial year. This is in the Circular Standing Instruction No.1 of 2010 which states that the objective of the performance agreement is to provide full accountability and demonstration and commitment to the achievement of the country's strategic goals as spelt in the National Development Plan. In addition, the study revealed that employees at the ministry agree with, on how well they have to do their job and most of them understand how their job contributes to the success of the ministry. It was further noted that majority of the employees at the ministry develop a personal plan with supervision. This is supported by the Integrated Performance Management Framework for Uganda Public Service (2007) which states that planning at an individual level should be guided by a performance plan which clearly outlines one's outputs, performance indicators and performance targets. This was further supported by the fact that majority of the respondents (73%) revealed that there is a framework or tool for measuring individual performance at the ministry.

5.2.3 The effect of performance monitoring on employee performance

Study findings revealed that supervisors regularly monitor employees against the set targets. This is confirmed by Whetton (2001) who asserted that managers should use tools such as telephone, computer and suggestion boxes to monitor the performance of employees. This is further supported by Mishra (2003) who revealed that performance monitoring should be ongoing and support the creation of performance appraisal to ensure improved performance. This is again similar to study findings which revealed that supervisors give feedback to employees on how they are performing in relation to set targets. Due to effective monitoring and receiving feedback,

majority of the employees at MOLG were able to successfully complete the tasks given to them. This is in line with the US Office of Personnel Management (2011), which noted that monitoring helps to provide opportunities for development and training involving identification and evaluation which prepares employees for higher responsibility and improving work progress.

In addition to the above, study findings indicated that supervisors conduct quarterly reviews on performance, and that when performance review is done, employees receive feedback. This is supported by US office of Personnel Management (2001) which states that feedback improves performance and an organization's capacity to compete. The US office further contends that successful performance managers develop a routine that includes in-depth discussions about performance with employees. The study further showed that performance appraisal is carried out annually, which is in line with the Human Resource Management in Local Governments, Participants Handbook (2003), which asserts that staff performance appraisal in MDAs and Local Government should be conducted once every year for officers who are confirmed and twice a year for officers on probation. All respondents were confirmed Ministry employees, and therefore appraised once a year. According to the study, appraisal reflects staff performance, who have regular meetings with supervisors through the year to discuss their performance. Results of performance appraisal were also used to determine ways to improve employees' ability to perform their duties. In most cases, staff members are sponsored for further studies while others are taken for refresher training, depending on areas they need to improve.

5.2.4 The effect of reward on employee performance

During the study, it was noted that there is a reward system for good performers at MOLG. This involved recognizing employees, individuals and members of teams for their performance. This

is supported by the US Office of Personnel Management (2011) which states that good performance should be recognized immediately without waiting so as to maintain and improve performance. The study further found that there are two types of rewards which include financial and non financial rewards. This is also supported by Zaman and Shan (2010) who contend that financial rewards to good performers should include gratuities and bonuses while non financial rewards include appreciation and certificates. According to the study, these rewards are given to employees in order to motivate them improve their performance. This is consistent with Luthans (2000) who contends that rewards can be used to enhance performance behaviors.

Similar to the above, the study revealed that most employees are motivated by monetary rewards which are in form of salary and allowances and other non monetary rewards. This is supported by Ryan (2013) who asserted that monetary rewards can be meaningful to employees and very motivating for performance improvement. Relatedly, study findings revealed that employees at the Ministry benefited from appropriate training to effectively perform their roles. This is supported by Decenzo and Robbins (2002) who stated that training employees is a measure which enhances building of capacity resulting into improved performance and productivity of an organisation.

The study revealed that employees are satisfied with the training they receive and are motivated to improve their performance. This is further supported by Ryan (2013) who reported that personalized non-monetary rewards encourage positive behavior and improve performance. Whereas good performance is rewarded, the study further found that poor performance is sanctioned by the ministry as revealed by respondents during interviews in this study. This is

done in order to discourage employees from deviating from their core goal of meeting the ministry's objectives. As a way of monitoring performance, supervisors appraise employees whenever they accomplish their tasks.

5.3 Conclusions

Performance management practices greatly affect employee performance. During the study conducted at MOLG head quarters, the researcher drew several conclusions based on the hypotheses among which include the following:

5.3.1 Performance planning affects employee performance

Performance planning highly affects employee performance at Ministry of Local Government. Pearson correlations coefficient of 0.488** with a significance level of 0.003 confirms the stated conclusion. The conclusion was based on the fact that components of performance planning which include setting performance goals, developing individual development plan and performance measurement are responsible for target achievement, a key indicator of employee performance at the Ministry. Therefore, if performance planning is properly done, the resultant situation is great improvement in employee performance.

5.3.2 Performance monitoring affects employee performance

Basing on the hypothesis and research findings, it can be concluded that performance monitoring significantly affects employee performance. The conclusion was based on the fact that Pearson Correlation coefficient for performance monitoring and employee performance was 0.825** and the significance level was 0.000 which was below 0.05. Efforts to monitor employees through

appraisals to determine employees' level of performance and providing feedback help employees and the ministry to determine the level of performance for improvement.

5.3.3 Rewards affect employee performance

Basing on the research hypothesis and study findings, it was concluded that rewards significantly affect employee performance. The correlation coefficient of 0.466** at the significant value of 0.006 that is less than 0.05 supports the aforesaid conclusion. If employees receive financial rewards in form of incentives like allowances, bonuses and pay rise in addition to non monetary rewards such as training, promotion and recognition among others, employee performance improves.

5.4 Recommendations

From the study conducted, it is evident that performance management practices affect employee performance through performance planning, monitoring and rewards. Much as efforts have been made to improve employee performance, the researcher made several recommendations that can further improve employee performance at MOLG. Basing on the research questions and objectives of the study, the researcher suggests the following recommendations.

5.4.1 Performance planning and employee performance

The study recommends that MOLG should strengthen the framework or tool used for measuring individual performance. Components such as education and working experience should be considered while measuring employee performance. This is because they are key in determining the level of one's performance.

5.4.2 Performance monitoring and employee performance

The researcher recommends that supervisors should improve on the practice and ability to give feedback on how employees perform. Some employees reported that they never receive feedback from the appraisals made. Giving feedback provides the basis on which employees can know the extent to which they meet the Ministry's performance targets. Monitoring should also be done regularly, at least quarterly. Feedback can be given through reports and during monthly or quarterly meetings.

5.4.3 Rewards and employee performance

From study findings, the researcher recommended that Ministry of Local Government Headquarters should improve on monetary and non-monetary rewards. The ministry should lobby MoPS to increase pay for civil servants. In addition, the Ministry should improve its non-monetary reward initiatives such as promotion and recognition given to employees. This is because employees take long to be promoted, yet this would motivate them the more.

5.5 Areas for further research

Further research needs to be done on the other factors that affect employee performance at Ministry of Local Government Headquarters, Kampala which among others include; managerial standards, work environment and culture, ones skills and knowledge, employee attitude, job clarity, tools/equipment.

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