

REWARDS AND THEIR EFFECT ON EMPLOYEE MOTIVATION AT CURE CHILDREN'S HOSPITAL, MBALE UGANDA

 $\mathbf{B}\mathbf{y}$ 

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**OCTOBER 2014** 

# **DECLARATION**

I Collins Rugambwa hereby declare that this dissertation is original and has not been published or submitted for any other degree award to any other university or institution of higher learning.

Signed and Date

# **APPROVAL**

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# **DEDICATION**

To my family, I thank you for the love and never ending support.

To Princess Edith Mbabazi, you mean the world to me.

To my friends, you are the best thing that ever happened to me where my family is not.

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# LIST OF ABBREVIATIONS

CHU: CURE Children's Hospital of Uganda

NFP: Not for Profit Organisation

**UPMB:** Uganda Protestant Medical Bureau

**SAQ: Self-Administered Questionnaire** 

**CVI: Content Validity Index** 

**PASW: Predictive Analysis Software** 

**PSRP: Public Service Reform Programe** 

### **ABSTRACT**

The study investigated the effect of rewards on employee motivation at CURE Children's Hospital of Uganda. Specifically, it investigated the effect of rewards on employee motivation and also determined the effect of other factors on motivation at CURE Children's Hospital.

The study specifically aimed at achieving the following objectives; to establish the effect of financial rewards on employee motivation, to establish the effect of non financial rewards on employee motivation and to identify other factors that affect employee motivation at CHU. A case study design was used and two tools of data collection were adopted; a structured questionnaire and key informant interview guide administered to the general staff and senior management respectively. The findings revealed that there was no effect caused by financial rewards on motivation and this was found to be significant at 4%. A regression analysis revealed that non financial rewards had 9% significant effect on employee motivation that was not very significant therefore, suggesting that other factors affected employee motivation that was revealed at 22%.

It was concluded that other factors, like performance appraisal and job security are a vital part in the operations of any organization and though the effect is weak, it is very significant. The study revealed that the effect of other factors in CHU do not necessarily translate into motivating factors, however, where they do, they become a beacon of job security and make the employees more committed either in continuance or normatively. Employees who psychologically embrace other factors will also develop some kind of commitment to their jobs.

It is recommended that rewards be revised and given more credit to have the desired effect on employee motivation. For any organization including CHU to accomplish its objectives it has to look into motivating its workforce appropriately.

### **CHAPTER ONE**

#### INTRODUCTION

### 1.0 Introduction

This study investigated the effect of rewards on motivation among employees at CURE Children's Hospital of Uganda (CHU), Mbale in Eastern Uganda. Employee rewards was conceived as the independent variable while motivation was conceived as the dependent variable. This chapter presents the background of the study, statement of the problem, purpose, objectives of the study, research questions, hypothesis, scope of the study, significance, justification and operational definition and concepts.

### 1.1 Background to the Study

The background to this study is presented in four perspectives namely; historical, theoretical, conceptual and contextual perspectives which are discussed hereinafter.

### 1.1.1 Historical Perspective

Since the 19<sup>th</sup> century when Taylor (1850), in his scientific management theory observed a challenge in reward management and developed concepts of "economic man" to explain effective scientific management of employees. Taylor argues that man is primarily motivated by economic gain and therefore the prospect of more pay is sufficient to bring about an increase in the desired behavior. In the early 20<sup>th</sup> century the leading management theory was considered to be the classical or scientific organizational approach. During this era, employees generally were considered to be rational beings that predominantly were concerned with earning or being paid and thus the concept of "economic man" arose. Consequently managers at that time were fully

convinced that the only way of achieving motivation and productivity in the workforce was to compensate them for their work (Latham Ernest 2006). Furthermore in 1914, Henry Ford implemented a profit sharing scheme which improved on the production and hence employee performance. Henry Ford introduced high wages that led to motivation of workers and this reduced on staff turnover. The introduction of all these rewards resolved the high staff turnover and the corporation was able to maintain happy employees in the belief that happy employees are reliable and motivated employees (Wood & Wood 2003). Traditionally human resources were seen to be a burden of cost (Hampton, 1996). Workers were paid according to piece rate, time rate where one would be paid according to the work he or she had accomplished in a given time.

However in later developments, there evolved human relations approach in managing employees at work places. Milles, (1997) stresses that the human relations approach is as simple as to treat people as human beings instead of machines in the productive process, acknowledge their needs to belong and feel important by listening to and heeding to their complaints where possible, and by involving them in certain decisions concerning working conditions and other matters. In so doing their morale would surely improve and would cooperate with management to achieve good production. The new revolution on rewarding employees has drastically changed to monthly pays and other benefits.

Today, rewarding employees cuts across all Not for Profit Organizations. At CURE Uganda both financial and non-financial rewards are provided to the employees. Financial rewards include allowances, and bonus payments to individuals. Non-financial rewards include; recognition awards such as promotion, praise, medical fees, training, airtime, housing allowances, paid leave, job rotation and added responsibility. However the effect of these rewards on employee motivation

needs to be investigated for one to clearly determine the relationship that exists between the two variables.

### **1.1.2** Theoretical Perspective

A number of theories are in place that attempt to explain human behavior in relation to attitudes towards work in different contexts. However this study was guided by two major theories and that is Abraham Maslow's theory on hierarchy of needs and the two factor theory by Fredrick Hertzberg. At one time employees were considered just as another input into the production of goods and services. This continued until between the years 1924-1932 when Elton Mayo, carried out a research known as the Hawthorne study that introduced the human relations approach to management, where by the needs and motivation of employees became the primary focus of managers (Bedeian, 1993). Understanding what motivated employees became the focus of researchers (Terpstra, 1979). In the 1970s, models came up and viable and well-articulated theories of motivation were thought to exist Campbell and Pritchard, (1976) as quoted by (waynek, 1991). On the other hand Herzberg's work categorized motivation into two factors: Motivators and hygiene factors (Mausner & snyderman, 1959).

Vrooms's theory is based on the belief that employee effort will lead to performance and performance will lead to rewards (Vroom, 1964). Rewards may be either positive or negative. The more negative the reward the less likely the employee will be motivated. Conversely, the more positive the reward the more likely the employee will be highly motivated. Adam's theory states that employees strive for equity between themselves and other workers. (Adams, 1965). Skinners' theory simply states those employee's behaviors that lead to positive outcomes will not be repeated (Skinner, 1953). Therefore, managers should positively reinforce employee's behavior that lead to positive outcomes.

Of the many works motivation theories mentioned, this study was guided by Maslow's Hierarchy of needs theory formulated in 1950's. Maslow in his theory explains how human resource needs influence employee motivation at places of work. In this theory, he argues that if motivation is driven by the existence of unsatisfied needs, then it is worthwhile for a manager to understand which needs are the more important for individual employees. In this regard, Maslow developed a model in which basic, low-level needs such as physiological requirements and safety must be satisfied before higher—level needs such as self-fulfillment are pursued. In this hierarchical model, when a need is satisfied it no longer motivates and the next higher need takes its place.

While Maslow's hierarchy makes sense from an intuitive standpoint, there is little evidence to support its hierarchical aspect. In fact, there is evidence that contradicts the order of needs specified by the model. For example, some cultures appear to place social needs before any others. Maslow's hierarchy also has difficulty explaining cases such as the "starving Artist" in which a person neglects lower needs in pursuit of higher ones and there is little evidence to suggest that people are motivated to satisfy only one level at a time, except in situations where there is a conflict between needs.

Even though Maslow's hierarchy lacks scientific support, it is well known for motivation to which many people are exposed to and have continued to use as a guide to refer to efficiently and effectively in managing organizations. It is on this basis that the researcher chose this theory to guide this study in order to investigate whether employee rewards impact on motivation at CHU.

### 1.1.3 Conceptual Perspective

Rewards are independent variable while motivation is dependent variable. It is assumed that rewards have an effect on motivation. According to Decenzo, (2002) rewards are intrinsic and extrinsic, financial and non financial rewards, performance based versus membership based

rewards. This study focused on extrinsic and intrinsic rewards, its dimensions and indicators which are bonuses, allowances, salaries, promotions, trainings recognition, salary loans, staff parties and retreats, calling card, are a dependent variable with the following dimensions; level of commitment and job satisfaction and level of output.

Rewards do stimulate motivation for example sports teams are generally motivated to win and in order to accomplish this, motivating factors such as recognition may be put aside during competition in order to reach the team goal. Team members are motivated to work together rather than separately in order to win. Recognizing an employee for a job well done may be the very thing that will energize them to continue to work well. The personal motivating factors that promote feelings of well being and of being appreciated help employees feel valued.

Dongho (2006) defines motivation as the force acting on or within a person that causes a person to behave in a specific goal oriented manner. The cause of individual behaviors may differ because of different individual needs. He further maintains that managers need to understand and discover individual differences and their needs and develop proper models to motivate employees in order to achieve common organizational objectives.

#### 1.1.4 Contextual Perspective

The study was carried out at CURE Children's Hospital of Uganda (CHU). CURE Uganda is a subsidiary hospital of CURE International, an international organisation that operates hospitals in various parts of the world. CURE Uganda is focused on health interventions with a specialized area in neurosurgery.

In this study rewards referred to all payments made by the human resource in form of financial and non-financial form (Decenzo 2002). While employee motivation referred to the drive that makes people act or not act in a particular way (Dongho 2006). At CURE Uganda employee

rewards seem to have a direct effect on motivation, and therefore the researcher in this study focused on the various rewards offered by CURE to its employees and their effect on motivation. Employee motivation is part and parcel of CHU and it is against this background that CHU has continued to implement a number of strategies aimed at improving employee motivation. Notably among them is the introduction of rewards that are financial and non-financial. The human resource office has put in place measures to improve employee motivation however, over time limited progress has been observed. For instance a number of complaints and grumbling continue to exist from all levels of management within the organization; Employees in the medical department are not settled, they are always on the lookout for an opportunity to join the public sector. They stay with the hospital for an average of only three years (Human Resource Report, 2011). All these have affected employee productivity and hence output levels since none of the additional demands as key motivation have been considered yet this cycle of needs relates to what Maslow focused on in his hierarchy of needs theory of motivation.

### 1.2 Problem Statement

Organizations achieve the best or the worst depending on how their human resources are managed. To emphasize this, organizations have developed reward strategies which are meant to arouse organizational commitment which eventually leads to better performance.

CHU provides both financial and non-financial rewards to its employees as a way of motivating them and therefore improves individual performance which is crucial for achieving organizational goals and objectives. Financial rewards provided by CHU include a competitive salary, bonuses, allowances and non-financial rewards such as paid leave, medical cover, calling card, and housing allowance.

According to Uganda Protestant Medical Bureau Report (2010), it was indicated that CHU provides better rewards in comparison to organizations providing the same services or out puts. The report indicates that 68% of the rewards packages provided by CHU are above the market rate. Comparing the total gross compensation by job to the local labor market for the marched jobs, the total gross compensation includes base salary, fixed cash allowances, variable pay and in-kind benefits, pension and medical plans. A comparison ratio of 105% suggests CHU is 5% ahead of the market average.

Given the above reward strategies that CHU provides and compiled by Uganda Protestant Medical Bureau Report (2010), one would expect CHU employees to be motivated. Outwardly aspects like low output, less commitment, low job satisfaction and complaints are evident and therefore indicating low motivation among staff.

CHU like any other organizations that have designed reward strategies, are interested in enlisting the morale, commitment, physical contracting as indicators of a motivated staff which will eventually contribute to performance. It is in light of the above therefore, that this study sought to scrutinize if these rewards affect employee motivation.

### 1.3 Purpose of the study

The purpose of the study was to assess the effect of rewards on employee motivation in CURE Children's Hospital of Uganda.

### 1.4 The study specifically aimed at achieving the following objectives:

- (i) To establish the effect of financial rewards on employee motivation at CHU.
- (ii) To establish the effect of non-financial rewards on employee motivation at CHU.
- (iii) To identify other factors that affect employee motivation at CHU.

### 1.5 The study was guided by the following research questions:

- (i) What are the effects of financial rewards on employee motivation at CHU?
- (ii) What are the effects of non-financial rewards on employee motivation at CHU?
- (iii) What are the other factors that affect motivation at CHU?

# 1.6 The study tested the following hypothesis:

- (i) Financial rewards affect employee motivation at CHU.
- (ii) Non financial rewards affect employee motivation at CHU
- (iii) Other factors affect employee motivation at CHU

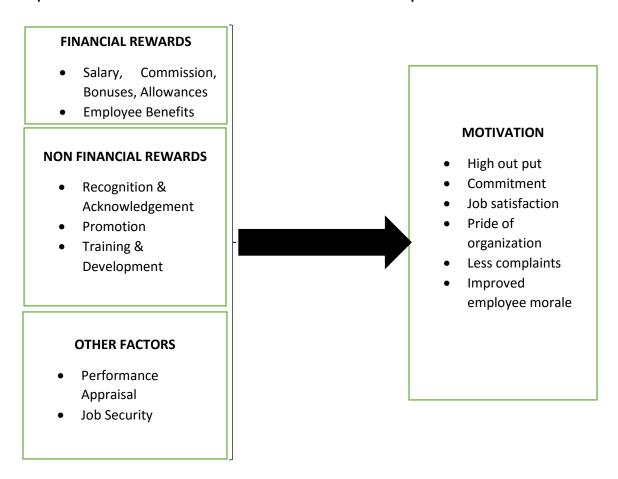
# 1.7 Conceptual Frame Work: Rewards and Employee Motivation

The conceptual model shows that rewards (independent variable) affect motivation (dependent variable) and the other factors that affect motivation

Figure 1:Conceptual frame work Showing Effects of rewards on Employee motivation

Independent Variables

Dependent Variables



Source: Adapted from Herzberg's two factor theory (1959) and modified by the researcher.

Financial rewards and non financial rewards (Independent variable) have an effect on employee motivation (Dependent variable). Rewards are either financial or non financial as illustrated in the frame work above. It was conceptualized that there was a casual effect between employee rewards and motivation. Usually, rewards like high salaries should lead to more commitment by employees, however in some cases, higher salaries may cause good employees to feel indispensable because of the big 'cheque' hence less commitment

Furthermore, there was an effect of rewards on employee motivation, for example if recognition and acknowledgement systems in place are not fair and transparent to all it might result into staff complaints, low output, less job satisfaction, and low morale. However if there was a fair reward system to all, this might result into high levels of employee motivation.

Training and development as a form of reward can affect employees both positively and also in a negative way. In case of fair and transparent training and development policies are fair to all, this will motivate staff hence achieve high output, high levels of commitment, job satisfaction and high morale. However training and development can demotivate employees if the policies favor a few. Training as a non-financial reward to employees is a good motivator but it can demotivate employees if the systems are not clearly understood by all staff.

## 1.8 Significance of the study.

It is hoped that the study may be significant in the following aspects:

- The study may assist CHU to determine and adopt appropriate rewards that can motivate its employees.
- The study may also be helpful to other NGO's by providing them with information about other factors that affect employee motivation.
- The study may enhance the body of knowledge of the academia. The study may also help policy makers, employers and organizations to consider the nature of rewards that are important to employees, hence determining the appropriate criterion in distributing them, in order to motivate current and prospective employees.

 While many studies have been conducted in the area of reward and motivation no study of this nature has been carried out in CHU.

### 1.9 Justification

Financial and non-financial rewards have been used by CHU to motivate its employees. However, the exact effect of these rewards on motivation is unclear. To date despite the use of financial rewards and non-financial rewards in CHU, employees have continued to increasingly grumble and complain of the rewards they receive. It was on this basis that the researcher chose to carry out an investigation on the effect of rewards on motivation, including other factors that could explain motivation; and discovering if the currently available rewards can account for motivation. It is hoped that the findings after the study will lead to a solution that can resolve the dilemma encountered by CHU management as a result of having de motivated staff.

### 1.10 Scope of the study

The study was carried out at CURE Children's Hospital of Uganda, which is located in the Eastern part of Uganda. The period of study focused on the years 2003-2013 because this is when the issue of less commitment low output and low moral started arising. All current CHU employees on permanent basis were included in the study. According to the human resource report (2012), there are a total of 100 employees, most of who have been in employment over the period of study. The subject content of the study focused on the effects of rewards on employee motivation in CHU and some recommendations and solutions were included.

## 1.11 Operational Definitions of Terms and Concepts

**Rewards:** A gift or something given in appreciation and it motivates fairly, equitably and consistently in accordance with their value to the organization for example salary, bonuses allowances to mention but a few. Rewards can be given to individuals/groups/teams.

**Recognition:** is the acknowledgement, appreciation, or approval of the positive accomplishments or behaviors of an individual or team.

**Motivation:** Is the inner ability of an individual that triggers positive efforts towards work for the purpose of fulfilling certain needs.

**Financial Rewards**: Monetary Payments in recognition of results such as pay, bonuses, salaries plus other earnings an employee earns as a result of giving a service.

**Non-financial rewards**: Rewards that do not involve any direct payment and often raise from one self like recognition, training praise etc.

### CHAPTER TWO

### LITERATURE REVIEW

#### 2.0. Introduction

In this chapter the researcher reviews work done by other scholars on rewards and motivation. The literature in this chapter was reviewed under the following sub headings; Theoretical review, Actual Literature review and summary. The primary purpose of the study was to investigate the effect of rewards on employee motivation and as part of this process the perception of employees would be determined to establish whether rewards did have an effect on motivation. The literature reviewed in this section describes and examines the supporting theories that related to the research objectives outlined in chapter one.

#### Rewards

Rewards are ways organizations compensate their employees (Armstrong & Stephens 2005). Rewards play an important role in motivating employees and also have a big effect on the amount of work related behavior (Geiter et al.2006). The study sought to find out the effects of employee rewards on motivation among NGOs.

#### Motivation

Motivation according to David Decenzo (2002), is the willingness to do something and is conditioned by this action's ability to satisfy some need for the individual. Further, Cole (1997) defines employee motivation as a process in which people choose between alternative forms of behavior in order to achieve personal goals. Motivation has been defined as the psychological process that gives behavior purpose and direction (Kreitner 1995). A predisposition to behave in a

purposive manner to archive specific un met needs (Higgins, 1994); and the will to achieve. Bedeian, (1993) also asserts that an inner force that drives individuals to accomplish personal and organizational goals

Rewards are defined as payment made in return for a service rendered, an act performed to strengthen approved behavior or an act done in recognition of some one's behavior or actions (wordnet.princeton.edu/per/webwn). Employee rewards and motivation is today a common tool for organizations to make sure they achieve employee productivity. Reward is the approach known as the most widely used for motivation therefore rewards have been described as an art of getting effort from every one including you (Saul 1992). Further, Jack (1998) defines rewards as something that increases the frequency of an employee action. This definition points to an obvious desire out come of reward and recognition to improve productivity. Rewards may be financial or non financial and direct or non direct forms.

Monetary rewards are payments in recognition of results such as pay, bonuses, salaries plus other earnings an employee earns as a result of giving a service. Non monetary rewards are the assignment of more enjoyable job responsibilities, trainings opportunities and increased role in decision making and it is a motivator and rewarding in that when they are involved in any decisions, they will embrace the decision taken as they own it up and as such will not fail and see to it that a decision is practiced. Each individual is motivated by different things and its crucial to know and understand how they are motivated in order to direct rewards towards motivation. Therefore reviewing theories and models would help us understand what drives individuals to initiate action and engage in certain practices in their work, how other than theories, reward dimensions affect employee motivation.

### 2.1. Theoretical review

The study was guided by two major theories and that is the two factor theory by Fredrick Hertzberg, and Abraham Maslow's theory on hierarchy of needs, among others.

### 2.2 The Two Factor Theory

Herzberg's two factor theory of motivation is a content theory of motivation. Content theories of motivation explain the factors that motivate people by determining and satisfying their specific needs, as well as the goals and efforts undergone to satisfy these motivators.

Herzberg (1959) shows critical incidents when workers felt either very good or very bad about their jobs. An analysis of such incidents led to the development of two sets of factors, extrinsic and intrinsic. Herzberg found that these two sets of factors were directly linked to job satisfaction and dissatisfaction. He found that extrinsic rewards relate to the job environment and job context such as quality of supervision, working conditions, level of pay, company policies and relations with the co-workers. He further says that if extrinsic factors are absent, job dissatisfaction is likely to occur and eventually leading to low motivation among staff. Herzberg further maintains that intrinsic rewards relate to the job itself. For example, its complexity, level of importance within the organization as well as recognition and advancement opportunities.

The presence of intrinsic factors leads to satisfaction and motivation. Armstrong (1996) opines that both of these factors are of equal importance in explaining employee motivation. A worker's satisfaction with extrinsic factors would result in average performance and high level of output and serve to prevent dissatisfaction but this would not by itself create positive attitude or motivation to work. Therefore organizations ought to enrich the content of work that employees are tasked to perform. Herzberg summarizes that the two distinct categories of needs as identified

by Maslow represent on one side, the need to steer clear of and prevent unpleasantness and discomfort. At the other end of the motivational scale, they represent the need for personal improvement and development. Lacking the motivation factors such as positively encouraging employees, rewarding them, or increasing their responsibilities employees would shift their focus to non-job related hygiene factors.

### 2.3 Abraham Maslow's Hierarchy of needs theory

Abraham Maslow carried out his investigations into human behavior between 1939 and 1943. Maslow suggested that there are five sets of goals, that may be called basic, needs. These are; physiological, safety, love, esteem and self-actualization or self-fulfillment. He arranged these into a series of different levels or the order of importance of these basic needs. Man's basic needs are physiological, for example hunger, thirst, sleep, etc. when these are satisfied they are replaced by safety needs reflecting his desire for protection against danger or deprivation, these in turn, when satisfied, there is the esteem needs, the desire for self-esteem and self-respect, which are affected by a person standing reputation and his need for recognition and appreciation.

Finally individual have a need for self-actualization or a desire for self-fulfillment that is an urge by individuals for self-development, creativity and job satisfaction. In the past management rewards system have attempted to satisfy an individual's lower level needs to safety and physiological security, for protection against deprivation and the threat to a worker or his family. However, management reward systems are now or should be, endeavoring to satisfy the individual's higher level needs for esteem and self-fulfillment. Researchers have shown that this does not necessarily happen (Aamodt, 2007). The main strength of this theory is the recognition and identification of individual needs for the purpose of motivating behavior. It provides managers with an awareness of range of human needs. Besides individual differences, managers in

organizations can make some predictions about what are prominent among their employees and thus use the right tools to motivate them (Bow ditch et al 1997).

### 2.4 Financial Rewards and Motivation

According to Maicibi (2003), motivation is the process of getting people moved in a direction you want them to; whereas financial rewards refer to earnings or gains one gets in exchange of a service. Armstrong (1999), asserts that rewards are very essential ingredients in organizational reinforcement strategy. He argues that reward systems affect human resource performance. Similarly, Turner (2002) argues that the way in which workers are rewarded communicates a message that makes them perform well on their jobs. He explains that rewards are a major mainstream of Human resource practice. Armstrong (2003), further comments that rewards and reward systems should be designated to result into desired human resource performance regardless of quantity, quality and time taken to accomplish work. Branton and Gold (2003) explains that there are two forms of rewards; financial and non-financial rewards. Financial rewards include salary, Bonuses, profit sharing scheme, overtime pay and other related payments (Armstrong 2009, Maicibi, 2003).

### 2.5 Salaries, Allowances, Commission and bonuses

Regarding salaries Maicibi (2003) suggests that financial rewards especially pay/ salaries contribute to job satisfaction particularly when it is related to performance. He argues that profit pay related schemes could be a source of job satisfaction for employees. He further asserts that profit related pay implies that as a company grows up so does the employee's salary/wages. If employees learn that there is a link between performance and pay rise, this can bring job satisfaction and hence motivation. He says that this is true when management equitably does such

measurement to increase motivation of employees. Armstrong (2003) argues that financial rewards such as salaries and allowances are given with intent to reinforce workers behavior hence motivating an employee to even work harder.

Maicibi (2003) also explains that money provides the means to achieve a number of different needs. It is a Power full force because it links directly or indirectly to the satisfaction of many needs. It satisfies the needs of humans to survive and provides security. Money also satisfies the needs for self-esteem and status, setting a grade apart from your fellows and can buy you things like prestige (Armstrong, 1999).

Ritchie & Martin (1999) argue that where money is the motivator, there is one sense in which management is easy, employees become so inclined to tolerate any amount of boredom, work long hours and work hard as long as they are getting paid thus being more productive and motivated. However Nelson (2000) points out that cash, monetary rewards have some definite drawbacks. He argues that employees regard monetary rewards as their right rather than incentives to boost their motivation. Nelson goes on to say, another drawback on monetary rewards is that it decreases teamwork among the employees in that they primarily concentrate on individual cash gains. Therefore, monetary rewards may not motivate employees especially those that have low money drive. Miller et al (2003) also contrasts that excessive focus on financial incentives can lead to distortion in work effort. Financial rewards may guide workers to specific types of work outputs, but alone they are unlikely to be effective in improving the quality of individual and organizational performance.

McClelland (1995) shares the view that money has only limited contribution to motivate people for improved performance. McClelland further asserts that pay is not particularly effective in

evoking effort and motivation to perform in people with high achievement. People with high achievement always work hard, provided there is an opportunity of achieving something. They are interested in money rewards or profit primarily because of the feedback received. Whereas Torrington (1995), argues that employees who get rewards and feel under paid are usually demotivated and therefore demonstrate bad behavior like lateness, carelessness and consequently perform poorly. Money is not the incentive to effort but rather the measure of its success for the real entrepreneur. Mathauer and Imhoff (2006), hold a view that increased salaries is by no means sufficient to solve the problem of low motivation. More money, this is to say, salaries, bonuses and commissions does not automatically imply higher motivation.

The researcher agrees with this argument that when an employee is working he or she expects payment that may be in the form of money in the long run this kind of payment becomes an entitlement and is not recognized as reward. However, he does not refute Maicibi (2003) who cites Herzberg (1962) arguing that financial rewards alone cannot motivate workers; there is need to supplement them with other rewards.

### 2.6 Employee Benefits

Beard (1997) explains that employee benefits are those of remuneration given in addition to basic salary. Benefits are important if an organization is interested in attracting retaining and motivating its employees. Benefits work as supplement to basic pay and allow organizations to meet employee specific needs hence employee motivation. Shield (2007) & Curtis & Wrights (2001) are in agreement that benefits offered may differ but having a variety of them where employees can choose from may be the easiest and cheapest way to motivate employees. Beard (1997) identified holiday entitlements, health care, office accommodation, housing and discounts on company products, subsidized names and pension as employee benefits. Armstrong (1997) also clearly states

that such employee benefits motivate employees and increase their commitment to the organization especially if they are directly linked with individual achievement. This is clearly stated in Maslow's hierarchy of needs theory where it is demonstrated that basic needs are fundamental psychological employee needs. Maicibi (2003) also argues that basic needs are fundamental psychological employee needs like food, water, shelter are basic needs for sustaining human life. He asserts that until an employee is able to satisfy these needs, all other earnings cannot motivate him or her to behave in a particular way at his or place of work. It was on the basis of this argument that the researcher carried out a thorough investigation to find out the effects of employee benefits as a form of financial reward on motivation of CHU employees.

### 2.7 Non financial Rewards and Employee Motivation

According to Maicibi (2003) Non-financial rewards are not paid as part of wages. They include sick pay, pension, insurance, uniforms, bonuses, holidays, and staff leave, flexible working hours and staff retreats/outings.

Armstrong (2003) defines non-financial rewards as praises, recognition, influence and personal growth given to employees. Dressler (2003) argues that non-financial rewards include those that are psychological and are directly felt by workers. Sanctions like attention, praise and recognition must be contingently administered to effect performance.

# 2.8 Recognition and Acknowledgement

One important tool for motivating employees is praise and recognition that is a non-monetary type of reward. Effective project managers must learn how to cultivate this powerful method of worker motivation. While often times it is largely ignored by managers in the work place this can be an extremely useful method of giving an individual worker a sense of worth in relation to the actual

work being done. Praise has in countless examples been shown to dramatically increase productivity of employees in various companies.

### 2.9 Promotion

Henderson and Tulloch (2008), in their research on health workers hold a view that it is important that health workers have their skills matched to their tasks. Transparent mechanisms for promotion and rewards are so important in motivating employees. Geiter et al. (2006), claims that younger and less experienced employees considered promotion possibilities are more rewarding than the older and more senior professionals. Furthermore, Manongi et al (2006), affirms that all health workers know of their right to be promoted every three years and according to Ministry of Health regulations, that every promotion is to be accompanied by a salary increment. However this will bring in more dissatisfaction and low motivation if majority of staff say they have never been promoted. Therefore the researcher went ahead to find out to what extent do promotions affect staff motivation.

# 2.10 Training and development

Harrison (1989) defines development as the primary process through which individual and organizational growth can be achieved. Training is a systematic process through which an individual is helped to master defined tasks or areas of skills knowledge to predetermine standards. Stahl (1995) defines training and development as the process of developing Knowledge, skills and behaviors in people that will enable them to better perform their current and future jobs. Training programmers are primarily directed towards maintaining and improving current job performance while development programmers are primarily intended to develop skills for future jobs and this motivates employees in one or the other.

Armstrong (1996) holds a view that attracting quality employees by offering them learning and development opportunities as a way of motivating them to increase their level of competence and enhancing their skills will enable them to obtain more job satisfaction, to gain higher rewards and to progress within the organization. Furthermore, Mathauer and Imhoff (2006), affirm that many respondents describe the effect of training as short lived or even frustrating and this is what some of the staff had to say; The training discouraged me because of the lack of equipment. You cannot practice the information you were taught. Overall training can have a strong effect not only on the can do component but also will do component of motivation

Shattuck et al. (2008), maintains that education and training opportunities have strong motivating effects. Training enables workers to take on more demanding duties and to achieve personal goals of professional advancement as well as allow them to cope better with the requirements of their job and it is especially important for young professionals. Mathauer and Imhoff (2006), also agrees that the use of training and further qualification as a rewarding tool is limited by financial resource constraints. Therefore, it has been noted that some employees are highly motivated by both intrinsic and extrinsic rewards.

### 2.11 Other Factors that Affect Motivation

### 2.11.1 Performance Appraisals

Patten (1982) argues that performance appraisal cannot be implemented unless all concerned accept it. Performance appraisal aims at feedback, development and assessment of how well an employee has performed during the period under review. The process of performance of performance appraisal should concentrate on the job of an employee, the environment of the organization and the employee him or herself.

Patten goes on to say, in order to be effective performance appraisal should be individualized, subjective, qualitative and oriented towards problem solving. It should be based on clearly specified and measurable standards and indicators of performance.

Government of Uganda launched a new performance appraisal systems in 2002 as part of the public service reform program (PSRP) and there after it was introduced into the public service. It was regarded a major departure from the practice of old confidential systems (PSRP 2002). The purpose of this new policy change was to enhance performance and accountability of ministries, departments, agencies and local authorities. The new system was introduced to improve the old staff performance appraisal scheme and the major objective of the scheme was for increasing employee motivation, identifying employee level of performance.

### 2.11.2 Job Security

Job security is the probability that an individual will keep his or her job. A job with a high level of job security is such that a person with the job would have a small chance of becoming unemployed.

Factors affecting job security include the economy, prevailing business conditions, and the individual personal skills. It has been found that people have more job security in times of economic expansion and less in times of a recession. Also, some laws such as the United States Civil Rights Act of 1964 bolster job security by making it illegal to fire employees for certain reasons. Unemployment rate is a good indicator of job security and the state of the economy and is trucked by economists, government officials, and banks.

Typically, government jobs and jobs in education, healthcare and law enforcement are considered very secure while private sector jobs are generally believed to offer lower job security and it usually varies by industry, location, occupation and other factors. To emphasize this. It is important

to note that motivation and performance are higher when individuals have job security and no fear to live without a job.

# 2.12 Summary of the Literature Review

It is clear that from the literature review, that monetary rewards are not the only motivators; other factors need to be considered as well. From the existing studies which have been conducted in the developed world tend to treat rewards independently from motivation in organizations thus creating a gap in respect to their applicability in Not for profit organizations in the developing world. This study attempted to fill the gap by assessing the impact of rewards on employee motivation in CHU.

## **CHAPTER THREE**

## **METHODOLOGY**

### 3.0 Introduction

This chapter presents the research designs, study population, sample size and selection, sampling techniques and procedures, data collection methods and instruments, pretesting validity and reliability.

### 3.1 Research Design

A case study design was considered an ideal methodology because it is holistic and gives an in depth investigation (Strass et al 1990). It would enable a critical analysis and evaluation of the subject under study. According to Best & Khan (1998) both qualitative and quantitative approaches can be used to allow the researcher arrive at empirical evidence. These would also give an in-depth understanding of the content and complexity of the subject matter in its natural setting. Creswell et al (2003) states that the quantitative approach can enable the measurement of the extent, and gravity of the matter, in addition to measuring relationships; while the qualitative approach can enable the researcher to investigate respondent's feelings, opinions and other subjective variables (Amin, 2005).

## 3.2 Study Population

The population of the study comprised a total of 100 employees as reported in the Human Resource Report (2012). These comprised of Administration, general services, nurses and medical service employees of CHU. This population was chosen because they enjoyed various rewards that are in place thus making them direct beneficiaries. Administration staff were included in the study as

they directly supervise and manage employees and they are also key architects in employee policy formulations within the organization that can have strong effects on employee motivation. General services, nurses and medical service team were included as they are directly affected by the organization policies, which can either motivate or demotivate them.

## 3.3 Sample Size Selection

CURE Children's Hospital of Uganda has 100 employees, Human Resource Report (2012). A sample size of 80 employees was collected purposively or randomly using Krejcie & Morgan's (1970) table (as cited in Amin, 2005) as illustrated in the Table 1 below.

**Table 1:Determining Sample Size and Sampling Technique** 

| Category         | Target Population | Sample Size | Sampling<br>Technique     |
|------------------|-------------------|-------------|---------------------------|
| Administration   | 23                | 20          | Purposive<br>Sampling     |
| General Services | 29                | 22          | Simple Random<br>Sampling |
| Nurses           | 25                | 20          | Simple Random<br>Sampling |
| Medical Services | 23                | 18          | Simple Random<br>Sampling |
| Total            | 100               | 80          |                           |

Source: CHU Records 2010-2011

# **3.4 Sampling Techniques and procedures**

Simple random and purposive methods of sampling were the main methods that were applied. A personnel list to constitute the researcher's sampling frame, a rotary technique was used; each employee was assigned a number which were later transcribed onto pieces of paper, folded, placed

in a bowel and shaken. A third party was used to randomly select eighty pieces of paper without replacement.

A simple random method was chosen because the researcher found it very simple and easier to use given the fact that the target population was not too big to cause him fatigue in transcribing numbers and cording. Sampling for the respondents from the administration was done purposively. This technique was chosen because they are fewer and not readily available; only those who were available were chosen.

#### **Data Collection Methods**

Data was collected from both primary and secondary sources

### 3.5.1 Questionnaire Survey

A questionnaire survey was used to collect primary data. This was used to collect quantitative data that the research design sought to apply. The choice of this method was based on the fact that data could be collected from various respondents at the same time given the fact that they were all located within the confines of the hospital, (Sekeran, 2000). Kinoti (1998) and Mugenda & Mugenda (1999) agree that the use of self administered questionnaire allows collection of data from many respondents easily across a section of people and allows respondents time to reflect on answers to avoid hasty answers. The study therefore adopted a questionnaire, which was self administered by the respondents. It included several close ended questions and open ended questions that formulated in line with study objectives. Close ended questions were used by the researcher to capture specific answers which made analysis easy while open ended questions enabled the researcher obtain in-depth information from the respondents.

### 3.5.2 Documentary Review

The researcher also reviewed published articles and unpublished documents like Human Resource report (2012), newspaper articles, minutes of board or senior management meetings, and other locally available grey literature that aided in addressing the knowledge gaps and helped shed more light on the subject matter, It also enabled the researcher access data at his convenient time (Oslo & Onen, 2008)

#### 3.5.3 Interview Guide

An interview guide was used to capture information from managers because they are custodians of highly classified information that was relevant for the study. It also helped the researcher observe non verbal expressions and gave the respondents a chance to seek clarity of the questions and assessed if the respondent was giving the correct information or with holding some important facts necessary for the study (Mugenda and Mugenda, 2003).

#### **Data Collection Instruments**

#### 3.6.1 Self Administered Questionnaire (SAQ)

A self administered questionnaire (appendix i) was used as the tool for collecting data in this study. The choice of this tool was guided by the fact that it reaches a large number of respondents in a record short time and generates reliable data since there is no interviewer interference as the respondents complete the SAQ (Mugenda & Mugenda, 1999).

## 3.7Validity and Reliability

### **3.7.1 Validity**

Validity encompasses the entire experimental concept and establishes whether the results obtained meet all of the requirements of the scientific research method. The researcher enlisted the support of ten knowledgeable colleagues to assess the validity of the research elements using a scale ranging from 4=very relevant, 3=quite relevant, 2=somewhat relevant and 1= not relevant. Thirty nine (39) items were considered relevant of the forty six (46) items.

Content validity index (CVI) was thereafter computed using the formula below;

CVI = Total number of items regarded relevant divided by total number of items evaluated.

CVI = 39/46 = 0.85

This index (0.85) was good enough to qualify the instrument way above the recommended ceiling of 0.70 (Amin, 2005)

### 3.7.2 Reliability

A pilot study to test for reliability of the questionnaires was conducted on ten respondents with similar characteristics as the target population. A reliability scale produced a Cronbach's Alpha Coefficient of 0.60. This coefficient was good enough for the instrument to be passed for reliability. The researcher chose this method because it was easier to use and time saving. Further more, Mark (1995) asserts that the research instrument issued to collect meaningful data has to be tested to ensure its accuracy and to avoid the random error (unpredictable error) and measurement error how well or poor a particular instrument performs in a given population.

#### **Ethical and Procedure of Data Collection**

After successfully defending the research proposal, a letter (appendix ii) requesting for permission to carry out data collection in CHU was submitted to the Executive Director and permission was granted. Research assistants were identified from the various departments and these helped distribute and collect questionnaires. The distribution and collection took two weeks.

The researcher also made sure that the respondents gave information voluntarily with their consent. The researcher comprehensively explained the objectives of the study to all respondents that participated in the study. This made it easy to get information as the respondents were willing to open up and the data gathered was more accurate and reliable. Confidentiality was assured to the respondents and therefore they could easily give private information that was essential and relevant to the study.

### 3.9 Data analysis

Analysis involves evaluation of data (Sekeran, 2003) and it is a process of systematically applying statistically and logical techniques to describe summaries and compare data. The data should be able to answer questions, hypotheses if they exist (Amin 2005).

#### 3.9.1 Quantitative Data Analysis

After collecting data, questionnaires were coded and entered into the predictive analytics software (PASW). Descriptive statistics such as measures of central tendency (mean, median and mode) and the standard deviation were run to determine the similarity and variability of the data and provide relevant interpretations. The study largely generated interval scale using a Likert scale ranging from Strongly Agree on one end to Strongly Disagree on the other end, and thereafter, inferential statistics data analysis technique were used to test the triple hypotheses.

Deductions from the findings were made to generalize the sample to the entire population. A pearson's product moment correlation coefficient (r) was run to measure the strength of the effects of the three selected variables.

#### 3.9.2 Qualitative Data Analysis

The collection and analysis of the qualitative data was done concurrently. As the researcher reviewed the exit interviews, he took note of the major themes that came up especially from the employee's comments such as reasons as what motivated them other than salary, and how they would like to be motivated. The researcher did a thematic analysis by interpreting the themes to uncover the knowledge on how employees thought and felt about the level of motivation, the researcher was however careful not to make judgment about whether those thoughts and feelings are valid.

### CHAPTER FOUR

## PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

#### 4.1. Introduction

This chapter presents, analyses and interprets findings from the study. The chapter starts with the presentation of the response rate, background characteristics and the findings on the substantive research objectives. It provides the analysis on the descriptive and inferential statistics and

provides interpretation of the results. The findings are presented, analyzed and interpreted objective by objective.

## 4.2. Response Rate

#### 4.2.1. Non Senior Management Staff

The percentage of respondents who filled and returned the questionnaires was computed to determine the representativeness of the data. This was because the study did not register 100% percent as had been anticipated. Table 2 below shows the response rate per category of the respondents.

**Table 2:Response Rate** 

| Category        | Sample Size | Frequency | Percentage (%) |
|-----------------|-------------|-----------|----------------|
| Administration  | 20          | 19        | 95             |
| General Service | 22          | 20        | 90.9           |
| Nurses          | 20          | 20        | 100            |
| Medical Service | 18          | 16        | 88.9           |
| Total           | 80          | 75        | 93.75          |

Source: Primary Data

As indicated in Table 2, of the eighty (80) respondents who were selected to participate in this study, seventy five (75) respondents filled and returned the questionnaires representing a response rate of 94%, computed by dividing the total number of respondents who completed the questionnaires by the total sample size (Amin 2005). This rate is very good and adequate enough because it is above the bare minimum of 50% (Mugenda & Mugenda, 2003).

### 4.2.2. Senior Management staff

Four of the six senior managers also known as key informants because of their deep knowledge concerning CHU were interviewed using the structured questionnaire (appendix II), and these represented administration, general services, nurses and the medical team respectively

## 4.3. Background Characteristics of Respondents

This section presents, analyses and interprets the categorisation of respondents by sex, duration of service and nature of employment of CHU respondents.

### 4.3.1. Distribution of Respondents by Gender

The distribution of respondents by sex was determined to ascertain whether there was a significant effect of rewards on motivation between male and female employees.

**Table 3:Gender of respondents** 

|        | Frequency | Percentage |
|--------|-----------|------------|
| Male   | 44        | 58.67      |
| Female | 31        | 41.33      |
| Total  | 75        | 100.0      |

**SOURCE**: Primary Data

As indicated in Table 3, male respondents were 44 constituting 59% of the respondents while the female were 31 constituting 41% of the respondents. It can be stated that CHU is generally an equal opportunity employer as the Human Resource Manager noted;

"We employ both male and female and no one genderhas an advantage over the other, the only difference is in maternity leave which is longer for females, but all the other benefits go to all".

This implies that rewards at CHU should motivate both male and female without discrimination

### 4.3.2 Distribution of Respondents by duration of service

Distribution by length of service was determined to ascertain the average stay of the average employees as presented in Table 4.

Table 4:Distribution of respondents by length of service

| Category      | Frequency | Percentage |
|---------------|-----------|------------|
| Less than 1yr | 19        | 25.33      |
| 1-<5 yrs      | 20        | 26.67      |
| 5-10yrs       | 20        | 26.67      |
| >10 yrs       | 16        | 21.33      |
| Total         | 75        | 100.0      |
|               |           |            |

**Source:** Primary Data

According to Table 4, of the 75 respondents 16 (21%) had served CHU for 10 years and above. 19 (25%) of the respondents had served CHU less than 1 year, 20 (27%) had served between 1 or less than 5 years and 20 (27%) had also served 5 to 10 years in the hospital's 13 years of existence. With majority of employees having served the organization for more than five years, a picture of stability of labor seems to be painted and respondents were knowledgeable about the policies of the organisation and therefore provided reliable and valid information to the study.

### **4.3.3 Distribution According to Employment**

Table 5:Distribution of respondents by nature of employment

| Category        | Frequency | Percentage |
|-----------------|-----------|------------|
| Administration  | 19        | 25.33      |
| General service | 20        | 26.67      |
| Nurses          | 20        | 26.67      |
| Medical         | 16        | 21.33      |
| Total           | 75        | 100.0      |

**Source**: Primary Data

In Table 5 above, 19 respondents were at administrative level (25.33%), 20 (26.67%) were at general service level, 20 (26.67%) were nurses and 16 (21.33%) were medical. From this information, it is clear that the biggest category of employees who participated in the study are directly or indirectly affected by the policies in place given the fact that they are full time, permanently employed by CHU and are direct beneficiaries of the rewards. Data collected is therefore representative of the views and opinions of staff from which motivation is demanded.

#### 4.4 Financial Rewards and Motivation

Objective one investigated the effect of financial rewards on employee motivation. Salary was measured using fourteen questions in Table 6 looking out for the perceptions on salaries in CHU.

Table 6:Descriptive statistics on responses to Salary, Commission, Bonuses and Allowances.

|   | Strongly<br>Disagree | Disagree   | Undecided  | Agree      | Strongly<br>Agree | Mean | SD       |
|---|----------------------|------------|------------|------------|-------------------|------|----------|
| The salary I get encourages me to work at CHU   | 4(5.33%)             | 17(22.67%) | 6(8.0%)    | 44(58.67%) | 4(5.33%)          | 3.36 | 1.060851 |
| My salary is fair<br>compared to staff<br>doing similar work in<br>other organization | 8(10.67%)            | 24(32.00%) | 16(21.33%) | 24(32.00%) | 3(4.00%)          | 2.87 | 1.11     |
| My work load<br>matches with my<br>salary   | 8(10.67%)            | 30(40.00%) | 18(24.00%) | 14(18.67%) | 5(6.67%)          | 2.71 | 1.1      |
| CHU pays better than<br>most Not for profit<br>organizations in<br>Uganda             | 7(9.33%)             | 21(28.00%) | 29(38.67%) | 13(17.33%) | 5(6.67%)          | 2.84 | 1.04     |
| My Salary is paid on time   | 1(1.33%)             | 1(1.33%)   | 0(0%)      | 6(8.00)    | 67(89.33%)        | 4.83 | 0.62     |
| Salary is based on level of education   | 10(13.33%)           | 18(24.00%) | 21(28.00%) | 16(21.33%) | 10(13.33%)        | 2.97 | 1.24     |
| I receive salary increment annually   | 7(9.33%)             | 21(28.00%) | 14(18.67%) | 27(36.00%) | 6(8.00%)          | 3.05 | 1.16     |
| I am paid overtime<br>pay when I work extra<br>time                                   | 13(17.33%)           | 22(29.33%) | 11(14.67%) | 14(18.67%) | 15(20.00%)        | 2.95 | 1.41     |
| The overtime policy is clear  | 4(5.33%)             | 13(17.33%) | 15(20.00%) | 30(40.00%) | 13(17.33%)        | 3.47 | 1.13     |
| When I work on<br>public holidays I get<br>paid allowance                             | 6(8.00%)             | 9(12.00%)  | 5(6.67%)   | 32(42.67%) | 23(30.67%)        | 3.76 | 1.24     |
| I always get<br>commissions for the<br>work I do                                      | 25(33.33%)           | 28(37.33%) | 12(16.00%) | 7(9.33%)   | 3(4.00%)          | 2.13 | 1.11     |
| My department is entitled to commissions  | 24(32.00%)           | 26(34.67%) | 14(18.67%) | 10(13.33%) | 1(1.33%)          | 2.17 | 1.07     |
| I am entitled to bonus<br>when I exceed my<br>targets                                 | 23(30.67%)           | 25(33.33%) | 17(22.67%) | 7(9.33%)   | 3(4.00%)          | 2.23 | 1.11     |
| There is a bonus policy in place  | 25(33.33%)           | 18(24.00%) | 21(24.00%) | 7(9.33%)   | 4(5.33%)          | 2.29 | 1.18     |

Source: Primary Data

As Table 6 reveals, in relation to salary, only 4(5.33%) strongly disagreed while 17(22.67) disagreed and 6(8.0) were undecided. However the biggest number 44(58.67) agreed while 4(5.33) strongly agreed that they were motivated to work by the salary paid to them by CHU. There was a slightly high mean of 3.36 indicating that majority were in agreement and a lower standard deviation of 1.060851 indicated that the variation from one respondents opinion to another was low. This could imply that some employees are not satisfied with the salary they earn. This was confirmed when the Finance and Administration *Manager who attributed their dissatisfaction to inflationary tendencies of the economy that do not much with the changes in the salary structure*. This can further be justified as 21(28.00%) of the respondents disagreed with the notion that their

This can further be justified as 21(28.00%) of the respondents disagreed with the notion that their salaries were fair compared to other Not for Profit Organisations meaning that their commitment would be compromised affecting their motivation. On whether work load matched with their salary 8(10.67%) strongly disagreed while 30(40.00%) overwhelmingly disagreed that their work load matched with their salary, 14(18.67%) agreed while 5(6.667%) strongly agreed that their work load matched their pay. They had a lower mean of 2.87 and a low standard deviation of 1.11. This could imply that the organization pays less and its employees are likely to be less motivated compared to their colleagues who think their salaries match with those of employees from other similar organisations. It can be concluded that employees may become dissatisfied and this could affect their motivation.

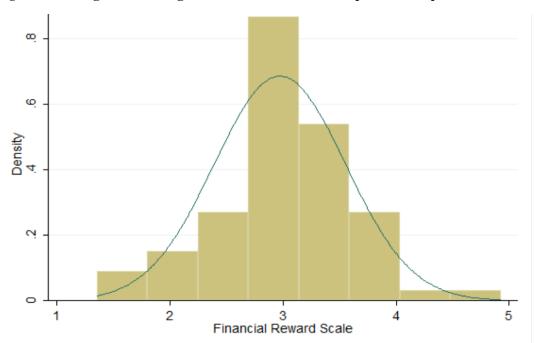


Figure 2: Histogram showing normal distribution of respondents' opinions on financial rewards.

## **Source Primary Data**

From Figure 2, we find that there was almost no skew, suggesting that the respondents' opinions were normally distributed, their opinions were centrally located and this was further confirmed by a frequency histogram and curve in Figure 3.

## **4.5** Employee Benefits

**Table 7:Descriptive findings on Employee Benefits** 

|   | Strongly<br>Disagree | Disagree   | Undecided | Agree      | Strongly<br>Agree | Mean | SD   |
|---|----------------------|------------|-----------|------------|-------------------|------|------|
| I enjoy the medical benefits in place                                 | 3(4%)                | 6(8%)      | 6(8%)     | 34(45.33%) | 26(34.67%)        | 3.99 | 1.06 |
| The organization meets all the medical bills for my dependants        | 14(18.67%)           | 35(46.67%) | 5(6.67%)  | 13(17.33%) | 8(10.67%)         | 2.55 | 1.28 |
| My transport<br>to and from<br>work is paid<br>by the<br>organization | 44(58.67%)           | 21(28%)    | 1(1.33%)  | 4(5.33%)   | 5(6.67%)          | 1.73 | 1.17 |
| CHU provides for my meals   | 2(2.67%)             | 4(5.33%)   | 3(4.00%)  | 31(41.33%) | 35(46.67%)        | 4.24 | 0.96 |
| The Organization provides me with housing allowance                   | 7(9.33%)             | 6(8%)      | 3(4%)     | 30(40%)    | 29(38.67%)        | 3.91 | 1.26 |
| I am provided with internet, calling card/airtime                     | 37(49.33%)           | 19(25.33%) | 3(4%)     | 9(12%)     | 7(9.33%)          | 2.07 | 1.37 |

**Source:** Primary Data

From Table 7 above a clear majority of respondents 34(45.33%) noted and reported that employees benefited from CURE Children's Hospital's medical benefits policy. 26(34.67%) strongly agreed with this policy, however, 6(8%) disagreed with the medical policy and a further 3(4%) strongly disagreed with this policy while 6(8%) were undecided. There was a high mean of 3.99 indicating that majority were in agreement and a slightly lower standard deviation of 1.06 indicating the

variation from one respondents opinion to a another was low. As shown in the literature, the general employee wellbeing is important in employee motivation and most important to note is that such benefits yield the desired out put if they are comprehensive and they cover other family members of the employees, this is because employees are not independent of their families and any health complication to any family member affects their functioning.

The study further investigated whether services like transport, meals, housing allowances and internet or calling cards was provided to the employees and how the situation impacted on employee motivation. Regarding transport allowance, respondents were asked if transport to and from work was facilitated by the organization, 44(58.67%) strongly disagreed, 21(28%) disagreed, 1(1.33%) were undecided, 4(5.33%) agreed while 5(6.67%) strongly agreed. This was collaborated by a low mean 1.73 and a standard deviation of 1.17 indicating that the variation between respondents is low.

On whether meals were provided 35(46.67%) strongly agreed that they were provided for, 31(41.33%) agreed, 3(4.00%) were undecided, 4(5.33%) disagreed while 2(2.67) strongly disagreed. This was collaborated by a high mean 4.24 and standard deviation 0.96 indicating that the variation between respondents is high.

About housing, 7(9.33%) of respondents strongly disagreed that they were not provided for housing allowance, 6(8%) disagreed, 3(4%) were not sure if the organization provided for their housing allowance, while 30(40%) agreed that they were provided for with housing allowance and 29(38.67%) strongly agreed that they were provided with housing allowance. This was collaborated by a high mean 3.91 and low standard deviation 1.26 indicating that the variation between respondents is high.

Concerning the provision of internet, calling cards also known as airtime 37(49.33%) respondents strongly disagreed, 19(25.33%) disagreed while 3(4%) were undecided, 9(12%) agreed while 7(9.33%) strongly agreed that they were provided for by the organization. This was collaborated with a slightly high mean 2.07 and a low standard deviation at 1.37 indicating that the variation between respondents is high. This gives a clear picture that a few of the employees were benefiting from this service.

It is clear from the findings that CHU has made progress on the welfare of its employees to enhance their commitment and motivation to work. This is in agreement with Beard (1997) who identified holiday entitlements, health care, office accommodation, housing and pension as employee benefits that are key in employee motivation.

### 4.6. Non Financial Rewards and Motivation

Employee rewards and motivation does not only depend on financial benefits (Curtis &Wrights 2001). The study went further and investigated the effect of non financial rewards on employee motivation. The respondents stated their opinion on the three indicators; recognition and acknowledgement, promotion and training and development.

Table 8: Recognition and Acknowledgement

|  | Strongly<br>Disagree | Disagree   | Undecided  | Agree      | Strongly<br>Agree | Mean | SD   |
|--|----------------------|------------|------------|------------|-------------------|------|------|
| The process of Recognizing employees at CHU is fair.           | 5(6.67%)             | 14(18.67%) | 20(26.67%) | 31(41.33%) | 5(6.67%)          | 3.23 | 1.05 |
| The process of recognition is transparent                      | 6(8%)                | 11(14.67%) | 25(33.33%) | 27(36%)    | 6(8%)             | 3.21 | 1.06 |
| There is recognition and acknowledgement policy in place       | 0(0%)                | 8(10.67%)  | 20(26.67%) | 33(44%)    | 14(18.67%)        | 3.71 | 0.9  |
| I am always<br>appreciated and<br>thanked for the<br>work I do | 2(2.67%)             | 3(4%)      | 9(12%)     | 46(61.33%) | 15(20%)           | 3.92 | 0.85 |
| There is recognition of the best performing employee           | 1(1.33%)             | 4(5.33%)   | 5(6.67%)   | 31(41.33%) | 34(45.33%)        | 4.24 | 0.9  |

Source: Primary data

From Table 8 above a majority of respondents 31(41.33%) reported that employees were fairly recognized. 5(6.67%) strongly agreed while those that were undecided were 20(26.67%), 14(18.67%) did not agree about being recognized fairly, and lastly 5(6.67) strongly disagreed. This was collaborated with a high mean 3.23 and slightly low standard deviation at 1.05 indicating that the variation between the respondents is high. This could imply that there is fairness in recognition given the fact that majority 31(41.33%) agreed or employees were motivated since the process was fair to the majority.

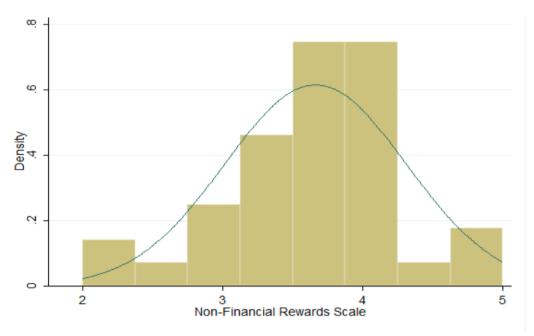
As to whether the process of recognition was transparent, 6(8%) strongly disagreed, 11(14.67%) disagreed with the fairness in the process, while 25(33.33%) were undecided. However 27(36%)

agreed that the process of recognition at CHU is transparent and 6(8%) strongly agreed with the process in place. This was collaborated with a slightly high mean of 3.21 and slightly low standard deviation of 1.06 indicating that the variation between respondents is high. This could imply that employees were motivated since the process was transparent to the majority. 14(18.67%) Respondents strongly agreed that there was a recognition and acknowledgement policy in place, 33(44%) agreed while 20(26.67) were undecided. 8(10.67%) disagreed while 0% strongly disagreed. This was confirmed with high mean of 3.71 and low standard deviation of 0.9 indicating that the variation between respondents is high. This implied that a recognition and acknowledgement policy in place showed how committed CHU was to motivating its workforce.

When the respondents were asked if they were appreciated and thanked for the work done, 46(61%) agreed that they were appreciated for the work done, 15(20%) strongly agreed, while 9(12%) were undecided, 3(4%) disagreed and 2(2.67) strongly disagreed. This was collaborated with a slightly high mean of 3.92 and low standard deviation at 0.85 indicating that the variation between respondents is high. In fact according to the Finance and Administration Manager CHU has a plan to introduce performance based pay in the near future. This could imply that when an employee feels appreciated and thanked for the work done chances are that he/she will stay and work even harder for the organization.

Lastly, 34(45.33) respondents strongly agreed that there was recognition of the best performing employee, 31(41.33%) agreed, while 5(6.67%) were undecided. 4(5.33%) disagreed and 1(1.33%) strongly disagreed. This was collaborated with a high mean of 4.24 and a low standard deviation of 0.9 indicating that the variation between respondents is high. This could imply that employees always work harder when recognized with gestures such as employee of the year awards.

Figure 3:Histogram showing normal distribution of respondents' opinions on non-financial rewards.



## **Source: Primary Data**

From Figure 3, we find that there was a slight skew to the right, the histogram and curve figure nonetheless suggest that the respondents opinions were approximately normally distributed implying that their opinion was centrally located, there were no big variations

## 4.6.1 Promotion

**Table 9:Promotion** 

|  | Strongly<br>Disagree | Disagree   | Undecided  | Agree      | Strongly<br>Agree | Mean | SD   |
|--|----------------------|------------|------------|------------|-------------------|------|------|
| There is a promotion policy at CHU   | 8(10.67%)            | 14(18.67%) | 32(42.67%) | 14(18.67%) | 7(9.33%)          | 2.97 | 1.09 |
| Promotions are regular   | 12(16%)              | 27(36%)    | 24(32%)    | 7(9.33%)   | 5(6.67%)          | 2.55 | 1.08 |
| The way promotions & responsibilities are allocated makes me will to work harder for CHU | 11(14.67%)           | 20(26.67%) | 26(34.67%) | 14(18.67%) | 4(5.33%)          | 2.73 | 1.09 |
| Promotion is based on experience   | 10(13.33%)           | 19(25.33%) | 22(29.33%) | 21(28%)    | 3(4%)             | 2.84 | 1.1  |
| Promotion depends on one's luck  | 9(12%)               | 20(26.67%) | 28(37.33%) | 11(14.67%) | 7(9.33%)          | 2.83 | 1.12 |
| Promotion<br>depends on<br>academic<br>qualification                                     | 9(12%)               | 14(18.67%) | 23(30.67%) | 26(34.67%) | 3(4%)             | 3    | 1.09 |
| Promotion<br>depends on<br>one's loyalty   | 6(8%)                | 13(17.33%) | 30(40%)    | 19(25.33%) | 7(9.33%)          | 3.11 | 1.06 |

Source: Primary data

In Table 9 above respondents were asked if there was a promotion policy in place and 8(10.67%) strongly disagreed, 14(18.67%) disagreed while 32(42.67%) were undecided, 14(18.67) agreed that there was a promotion policy at CHU while 7(9.33%) strongly agreed. This was collaborated with a slightly low mean at 2.97 and a low standard deviation at 1.09 indicating that the variation between respondents is low. This could imply that even if there was a promotion policy at CHU the majority were ignorant of its existence or it was not put into practice. *The human resource* 

manager categorically agreed that there was no policy on promotion and that it only existed depending on the position available.

In addition to the above, 27(36%) respondents agreed that promotions were not regular at CHU, 12(16%) strongly agreed while 24(32%) were undecided, 7(9.33%) agreed while 5(6.67%) strongly agreed. Respondents were asked if the allocation of promotions and responsibilities made them work harder and 11(14.67%) strongly disagreed, 20(26.67%) disagreed while 26(34.67%) were undecided, 14(18.67%) agreed while 4(5.33%) strongly agreed. This was collaborated with a low mean at 2.55 and low standard deviation at 1.09 indicating that the variation between respondents is low. This could imply that the way promotion and responsibilities were allocated do not have an effect on how hard the employees worked for CHU.

The respondents were further asked if promotions were based on experience and 21(28%) agreed, 3(4%) strongly agreed while 22(29.33%) were undecided, 10(13.33%) strongly disagreed while 19(25.33%) disagreed. This was collaborated with a lowmean at 2.84 and a low standard deviation of 1.1 indicating that the variation between respondents is low. This could imply that experience has had a hand in the promotions that have taken place basing on the 21(28%) that agreed with this notion.

The respondents were asked if promotions were based on one's luck and 9(12%) strongly disagreed, 20(26.67%) disagreed while 28(37.33) were undecided, 11(14.67) agreed, 7(9.33) strongly agreed. This was collaborated with a slightly low mean at 2.83 and a low standard deviation at 1.12 indicating that the variation between respondents is low. This could mean that the promotion policy perhaps was not clear enough for everyone to understand given the fact that the majority 28(37.33%) were undecided on this matter. Respondents were further asked if

promotion were based on academic qualification and 9(12%) strongly disagreed, 14(18.67%) disagreed while 23(30.67%) were undecided, 26(34.67%) agreed while 3(4%) strongly agreed. This was collaborated with a high mean at 3 and low standard deviation at 1.09 indicating that the variation between respondents is high. This could imply that academic qualification had a real impact on influencing promotions given the fact that 26(34.67%) of the respondents agreed with this fact at CHU thus out weighing the other opinions.

Lastly respondents were asked if promotions depended on one's loyalty and 6(8%) strongly disagreed, 13(17.33%) disagreed while 30(40%) were undecided 19(25.33%) agreed, 7(9.33%) strongly agreed. This was collaborated with a high mean at 3.11 and a low standard deviation at 1.06 indicating that the variation between respondents is high. This could imply that loyalty had a hand in some of the promotions that had taken place.

### **4.6.2** Training and Development

**Table 10:Training and Development** 

|   | Strongly<br>Disagree | Disagree   | Undecided  | Agree      | Strongly<br>Agree | Mean | SD   |
|---|----------------------|------------|------------|------------|-------------------|------|------|
| There is training policy in place and development   | 1(1.33%)             | 5(6.67%)   | 12(16%)    | 40(53.33%) | 17(22.67%)        | 3.89 | 0.88 |
| Training is very crucial to me                      | 2(2.67%)             | 4(5.33%)   | 5(6.67%)   | 30(40%)    | 34(45.33%)        | 4.2  | 0.97 |
| Training is given to few selected staff             | 7(9.33%)             | 23(30.67%) | 16(21.33%) | 21(28%)    | 8(10.67%)         | 3    | 1.19 |
| My organization invests in training and development | 3(4%)                | 13(17.33%) | 18(24%)    | 29(38.67%) | 12(16%)           | 3.45 | 1.08 |

**Source**: Primary data

As indicated in Table 10, respondents were asked if there was a training policy in place and 1(1.33%) strongly disagreed, 5(6.67%) disagreed while 12(16%) were undecided, 40(53.33%) agreed that there was a training policy while 17(22.67) strongly agreed. This was collaborated with a high mean at 3.89 and a low standard deviation at 0.88 indicating that the variation between respondents is high. This could imply that with this policy in place CHU was determined in developing its employees and perhaps motivating them to even work harder.

Respondents were asked if training was crucial to them and 2(2.67%) strongly disagreed, 4(5.33%) disagreed while 5(6.67%), 30(40%) agreed that training was crucial to their work, 34(45.33%) strongly agreed with this opinion too. This was collaborated with a high mean at 4.2 and a low standard deviation at 0.97 indicating that the variation between respondents is high. This could imply that CHU employees were more interested in improving their skills through trainings and was one certain way through which CHU could improve motivation with little effort.

When asked if training was given to a few staff, 7(9.33%) strongly disagreed, 23(30.67%) disagreed while 16(21.33%) were undecided, 21(28%) agreed that training was given to a few staff, and 8(10.67%) strongly agreed with this opinion. This was collaborated with a high mean at 3 and low standard deviation at 1.19 indicating that the variation between respondents is high. This is a clear indication that CHU's training policy targets employees whose work need more acquisition of knowledge thus creating an environment of growth.

Respondents were also asked if CHU invested in training and development and 3(4%) strongly disagreed, 13(17.33%) disagreed while 18(24%) were undecided, 29(38.67%) agreed that CHU was investing in training and development of its staff while 12(16%) strongly agreed with this opinion. This was collaborated with a high mean at 3.45 and a slightly low standard deviation at

1.08 indicating that the variation between respondents is high. According to the Human Resource Report (2012) reviewed, *CHU management was sourcing for scholarships and identifying the training needs of its employees and encouragingshort term trainings*. This could imply that employees were actually benefiting from the training and development provided by CHU thus creating an environment of growth and motivation at the same time.

### 4.6.3 Output Level

Table 11:High output level

|   | Strongly<br>Disagree | Disagree  | Undecided | Agree      | Strongly<br>Agree | Mean | SD   |
|---|----------------------|-----------|-----------|------------|-------------------|------|------|
| There is need to improve working processes and conditions             | 2(2.67%)             | 3(4%)     | 8(10.67%) | 40(53.33%) | 22(29.33%)        | 4.03 | 0.9  |
| I try to achieve<br>high performance<br>standards                     | 1(1.33%)             | 2(2.67%)  | 0(0%)     | 39(52%)    | 33(44%)           | 4.35 | 0.74 |
| My targets are planned and prioritized                                | 4(5.33%)             | 8(10.67%) | 15(20%)   | 35(46.67%) | 13(17.33%)        | 3.6  | 1.07 |
| The volume and quality of my work is high                             | 1(1.33%)             | 6(6%)     | 6(8%)     | 41(54.67%) | 21(28%)           | 4    | 0.9  |
| I effectively<br>maximize the<br>available resources<br>to do my work | 1(1.33%)             | 1(1.33%)  | 3(4%)     | 33(44%)    | 37(49.33%)        | 4.39 | 0.75 |

Source: Primary data

From Table 11 above, respondents were asked if there was a need to improve their working processes and conditions, 2(2.67%) strongly disagreed, 3(4%) disagreed while 8(10.67%) were undecided, 40(53.33%) agreed and 22(29.33%) strongly agreed. This was collaborated with a high mean at 4.03 and a low standard deviation at 0.9 indicating that the variation between respondents

is low. Therefore, from the 53%, it is evident that there is need for CHU to improve the working conditions of its employees in some areas.

Respondents were further asked if they tried achieving high performance standards and 1(1.33%) strongly disagreed, 2(2.67%) disagreed, 0% were undecided while 39(52%) agreed to trying hard to achieve high performance standards and 33(44%) conquered by strongly agreeing with this opinion. This was collaborated with a high mean at 4.35 and a low standard deviation at 0.74 indicating that the variation between respondents is high. This implies that the measures of performance are objective and universal for all employees.

Respondents were asked if their targets were planed and prioritized and their responses were as follows; 4(5.33%) strongly disagreed, 8(10.67%) disagreed, 15(20%) were undecided, 35(46.67%) agreed while 13(17.33%) strongly agreed. This was collaborated with a high mean at 3.6 and a low standard deviation at 1.07 indicating that the variation between respondents is high. This could imply that the 46% who were the majority expressed how CHU had their employees plan and prioritize their work schedules thus creating a motivated workforce in the long run.

Respondents were asked if the volume and quality their work was high and 1(1.33%) strongly disagreed, 6(6%) disagreed, 6(8%) were undecided, 41(54.67) were of the opinion that the volume and quality of their work was high while 21(28%) strongly agreed with this opinion. This was collaborated by a high mean at 4 and low standard deviation at 0.9 indicating that the variation between respondents is high. This could imply that the employees at CHU were well motivated to produce a high volume and quality work.

Lastly, respondents were asked if they effectively maximized the available resources to do their work and 1(1.33%) strongly disagreed, 1(1.33%) disagreed, 3(4%) were undecided, while

33(44%) agreed with the opinion that they fully maximized the available resources to do their work while 37(49.33%) strongly agreed with this opinion. This was collaborated with a high mean at 4.39 and a low standard deviation at 0.75 indicating that the variation between respondents is high. This could imply that even with little resources at their disposal CHU employees used them effectively to get maximum results given the fact that 49% employees strongly agreed with this opinion.

#### 4.6.4 Commitment

**Table 12:Commitment** 

|   | Strongly<br>Disagree | Disagree | Undecided | Agree      | Strongly<br>Agree | Mean | SD   |
|---|----------------------|----------|-----------|------------|-------------------|------|------|
| I always put in<br>extra time to<br>accomplish my<br>tasks              | 1(1.33%)             | 5(6.67%) | 0(0%)     | 28(37.33%) | 41(54.67%)        | 4.37 | 0.9  |
| I seek out for<br>new ideas and<br>motivation                           | 0(0%)                | 2(2.6%)  | 4(5.3%)   | 45(60%)    | 24(32%)           | 4.21 | 0.66 |
| I regularly<br>report early on<br>duty and finish<br>my work on<br>time | 2(2.67%)             | 4(5.33%) | 4(5.33%)  | 36(48%)    | 29(38.67%)        | 4.15 | 0.94 |
| I seek out new ideas and innovations                                    | 0(0%)                | 1(1.33%) | 6(8%)     | 48(64%)    | 20(26.67%)        | 4.16 | 0.62 |

Source: Primary Data

From Table 12 above, respondents were asked if they always put in extra time to accomplish their tasks and 1(1.33%) strongly disagreed, 5(6.67%) disagreed with this opinion, 0(0%) were undecided, 28(37.33%) agreed with this opinion while 41(54.67%) strongly agreed with this opinion. This was collaborated with a high mean at 4.37 and a low standard deviation at 0.9

indicating that the variation between respondents is high. This could imply that respondents are motivated to accomplish their tasks since the majority 41(54.67%) strongly agree with this opinion.

Respondents were further asked if they sought out for new ideas and motivation and 0(0%) strongly disagreed, 2(2.6%) disagreed, 4(5.3%) were undecided 45(60%) agreed while 24(32%) strongly agreed. This was collaborated with a high mean at 4.21 and a low standard deviation at 0.66 indicating that the variation between is high. This could imply that the respondents are motivated since the majority 45(60%) seek out for new ideas and motivation. Respondents were asked if they regularly reported early on duty and finished their tasks on time and 2(2.67%) strongly disagreed, 4(5.33%) disagreed, 4(5.33%) were undecided while 36(48%) agreed with the opinion that they reported early to work and finished their tasks on time, 29(38.67%) strongly agreed with this opinion as well. This was collaborated with a high mean at 4.15 and a low standard deviation at 0.94 indicating that the variation between is high. This could imply that the respondents are motivated, committed and ready to finish the tasks at hand on time.

Respondents were asked if they seek out new ideas and innovations and 0(0%) strongly disagreed, 1(1.33%) disagreed, 6(8%) were undecided while an over whelming 48(64%) agreed with the opinion that they seek out new ideas and innovations, 20(26.67%) strongly agreed with this opinion too. This was collaborated with a high mean at 4.16 and a low standard deviation at 0.62 indicating that the variation between is high. This could imply that the majority 48(64%) respondents were well motivated by the rewards in at hand to agree with this opinion.

#### 4.6.5 Job Satisfaction

**Table 13:Job Satisfaction** 

|   | Strongly<br>Disagree | Disagree | Undecided  | Agree      | Strongly<br>Agree | Mean | SD   |
|---|----------------------|----------|------------|------------|-------------------|------|------|
| At the moment am satisfied with my Job                        | 1(1.33%)             | 7(9.33%) | 19(25.33%) | 30(40%)    | 18(24%)           | 3.76 | 0.97 |
| I do come up<br>with new<br>innovations<br>of doing my<br>job | 0(0%)                | 3(4.05%) | 12(16.22%) | 49(66.22%) | 10(13.51%)        | 3.89 | 0.67 |
| Iam proud of my work  | 1(1.33%)             | 2(2.67%) | 8(10.67%)  | 34(45.33%) | 30(40%)           | 4.2  | 0.84 |
| I feel good<br>working for<br>CHU                             | 0(0%)                | 4(5.33%) | 2(2.67%)   | 36(48%)    | 33(44%)           | 4.31 | 0.77 |

**Source**: Primary Data

From Table 13 respondents were asked if they were satisfied with their jobs at the moment and 1(1.33%) strongly disagreed 7(9.33%) disagreed 19(25.33%) were undecided 30(40%) agreed while 18(24%) strongly agreed with this opinion. This was collaborated with a slightly high mean at 3.76 and a low standard deviation at 0.97 indicating that the variation between is high This could imply that the respondents are motivated given the fact that majority 30(40%) are satisfied with their jobs.

Respondents were asked if they do come up with new ideas to do their jobs and 0(0%) strongly disagreed, 3(4.05%) disagreed, 12(16.22%) were undecided, 49(66.22%) agreed while 10(13.51%) strongly agreed. This was collaborated with a high mean at 3.89 and a low standard deviation at 0.67 indicating that the variation between is high This could imply that the respondents were motivated to come up with new ideas to do their jobs well.

Respondents were further asked if they were proud of their work and 1(1.33%) strongly disagreed, 2(2.67%) disagreed, 8(10.67%) were undecided while 34(45.33%) agreed to being proud of their work and 30(40%) strongly agreed with this opinion. This was collaborated with a high mean at 4.2 and a low standard deviation at 0.84 indicating that the variation between is high. This could imply that the majority 45% respondents are proud of their work and are motivated however CHU should look for ways to bring the minority on board too.

Respondents were asked if they felt good working for CHU and 0(0%) strongly disagreed, 4(5.33%) disagreed, 2(2.67%) were undecided, 36(48%) agreed about feeling good working for CHU and 33(44%) strongly agreed with this opinion. This was collaborated with a high mean at 4.31 and a low standard deviation at 0.77 indicating that the variation between is high. This could imply that the majority are motivated to work for CHU however they should work hard to bring the remaining minority on board as well.

#### 4.6.6 Pride in the Organization

**Table 14:Pride in Organization** 

|   | Strongly<br>Disagree | Disagree | Undecided | Agree      | Strongly<br>Agree | Mean | SD   |
|---|----------------------|----------|-----------|------------|-------------------|------|------|
| I do feel proud<br>of my<br>organization                      | 0(0%)                | 2(2.67%) | 2(2.67%)  | 32(42.67%) | 39(52%)           | 4.44 | 0.68 |
| I am happy to<br>be identified as<br>CHU member               | 0(0%)                | 2(2.67%) | 1(1.33%)  | 28(37.33%) | 44(58.67%)        | 4.52 | 0.66 |
| I am proud of<br>all the activities<br>that CHU<br>implements | 1(1.33%)             | 5(6.67%) | 9(12%)    | 28(37.33%) | 32(42.67%)        | 4.13 | 0.96 |

**Source:** Primary Data

From Table 14, respondents were asked if they felt proud of their organization and 0(0%) strongly disagreed, 2(2.67%) disagreed, 2(2.67%) were undecided while 32(42.67%) agreed that they were proud of their organization and 39(52%) strongly agreed with this opinion. This was collaborated with a high mean at 4.44 and a low standard deviation at 0.68 indicating that the variation between is high, this could imply that majority of the respondents were motivated working for their organization.

Respondents were further asked if they were happy being identified as CHU members and 0(0%) strongly disagreed, 2(2.67%) disagreed, 1(1.33%) were undecided while 28(37.33%) agreed and 44(58.67%) strongly agreed. This was collaborated with a high mean at 4.52 and a low standard deviation at 0.66 indicating that the variation between is high. This could imply CHU employees were happy to be identified as CHU members.

Lastly respondents were asked if they were proud of all the activities that CHU implements and 1(1.33%) strongly disagreed, 5(6.67%) disagreed, 9(12%) were undecided while 28(37.33) agreed and 32(42.67%) strongly agreed with this opinion. This was collaborated with a high mean at 4.13 and a low standard deviation at 0.96 indicating that the variation between is high. This could imply that the respondents are motivated which is indicated in the high percentage of those who are proud of all the activities that CHU implements.

#### **4.6.7 Less Complaints**

**Table 15:Less Complaints** 

|   | Strongly<br>Disagree | Disagree   | Undecided  | Agree      | Strongly<br>Agree | Mean | SD   |
|---|----------------------|------------|------------|------------|-------------------|------|------|
| I regularly complain about the rewards in place | 7(9.33%)             | 28(37.33%) | 20(26.67%) | 14(18.67%) | 6(8%)             | 2.79 | 1.11 |

**Source:** Primary Data

From Table 15, respondents were asked if they regularly complained about the rewards in place and 7(9.33%) strongly disagreed, 28(37.33%) disagreed, 20(26.67%) were undecided 14(18.67%) agreed while only 6(8%) strongly agreed. This was collaborated with a low mean at 2.79 and a slightly high standard deviation at 1.11 indicating that the variation between is low. This could imply that the 37% respondents who are the majority were not able to regularly complain or share their opinion as they would have wished. This was because opportunity to state one's complaints was given once every year which does not give enough highlight to answer all queries.

### **4.6.8 Improved Morale**

**Table 16:Improved Morale** 

|                   | Strongly<br>Disagree | Disagree | Undecided | Agree   | Strongly<br>Agree | Mean | SD  |
|-------------------|----------------------|----------|-----------|---------|-------------------|------|-----|
| I love<br>my work | 1(1.33%)             | 1(1.33%) | 0(0%)     | 33(44%) | 40(53.33%)        | 4.47 | 0.7 |

**Source:** Primary Data

From the above Table 16 respondents were asked if they loved their work and 1(1.33%) strongly disagreed, 1(1.33%) disagreed, 0(0%) were undecided, 33(44%) agreed while 40(53.33%) strongly agreed to loving their work. This was collaborated with a high mean at 4.47 and a low standard deviation at 0.7 indicating that the variation between is high. This could imply that despite of the lack of motivation in some areas, majority of the respondents loved what they were doing at CHU.

# **4.7 Other Factors Affecting Motivation**

Objective three sought to identify the other factors that could affect employee motivation, and this was measured using five questions as seen in Table 17.

**Table 17:Other Factors** 

|   | Strongly<br>Disagree | Disagree | Undecided  | Agree      | Strongly<br>Agree | Mean | SD   |
|---|----------------------|----------|------------|------------|-------------------|------|------|
| There is inadequate job security  | 8(10.67%)            | 18(24%)  | 18(24%)    | 19(25.33%) | 12(16%)           | 3.12 | 1.25 |
| I dislike performance appraisals  | 9(12%)               | 27(36%)  | 26(34.67%) | 8(10.67%)  | 5(6.67%)          | 2.64 | 1.05 |
| Unclear job description can demotivate employees                                  | 5(6.67%)             | 9(12%)   | 6(8%)      | 27(36%)    | 28(37.33%)        | 3.85 | 1.24 |
| Clear definition<br>of roles and<br>responsibilities at<br>CHU makes work<br>easy | 1(1.33%)             | 1(1.33%) | 7(9.33%)   | 41(54.67%) | 25(33.33%)        | 4.17 | 0.76 |
| Employee<br>involvement<br>contributes<br>towards positive<br>work                | 0(0%)                | 1(1.33%) | 4(5.33%)   | 32(42.67%) | 38(50.67%)        | 4.43 | 0.66 |

Source: Primary data

From the above Table 17, respondents were asked if there was adequate job security and 8(10.67%) strongly disagreed, 18(24%) disagreed, 18(24%) were undecided, 19(25.33%) agreed that there was adequate job security while 12(16%) strongly agreed with this opinion. This was collaborated with a high mean at 3.12 and a low standard deviation at 1.25 indicating that the variation between is high. This could imply that there is a sense of job security even if there was a slight majority of 19% who felt that their jobs were secure. However the organization has a big job to reassure their employees about their job insecurities.

Respondents were asked if they disliked performance appraisal and 9(12%) strongly disagreed, 27(36%) disagreed, 26(34.67%) were undecided while 8(10.67%) agreed and 5(6.67%) strongly

agreed this opinion. This was collaborated with a low mean at 2.64 and a slightly high standard deviation at 1.05 indicating that the variation between is low. This could imply that the respondents did not mind having the performance appraisal given the fact that some employees opined that they were helpful in improving their performance or areas of weakness.

Respondents were asked if unclear job description can demotivate employees and 5(6.67%) strongly disagreed, 9(12%) disagreed, 6(8%) were undecided while 27(36%) agreed with the opinion that unclear job description could demotivate employees and 28(37.33%) strongly agreed with this opinion. This was collaborated with a high mean at 3.85 and a low standard deviation at 1.24 indicating that the variation between is high. This could imply that if the organization did not have clear job descriptions for its employees they could have a demotivated workforce.

Respondents were asked if clear definition of roles and responsibilities at CHU makes work easy and 1(1.33%) strongly disagreed, 1(1.33%) disagreed, 7(9.33%) were undecided 41(54.67%) agreed with the opinion that clear roles and responsibilities at CHU made work easier while 25(33.33%) strongly agreed with this opinion. This was collaborated with a high mean at 4.17 and a low standard deviation at 0.76 indicating that the variation between is high. This could imply that without clear roles and responsibilities the organization can create difficult working conditions as the majority 41% are in support of clear roles and responsibilities to simplify their work.

Lastly respondents were asked if employee involvement contributed towards positive work and 0(0%) strongly disagreed, 1(1.33%) disagreed, 4(5.33%) were undecided while 32(42.67%) agreed and 38(50.67%) strongly agreed. This was collaborated with a high mean at 4.43 and a low standard deviation at 0.66 indicating that the variation between is high. This could imply that employee involvement contributed towards positive work.

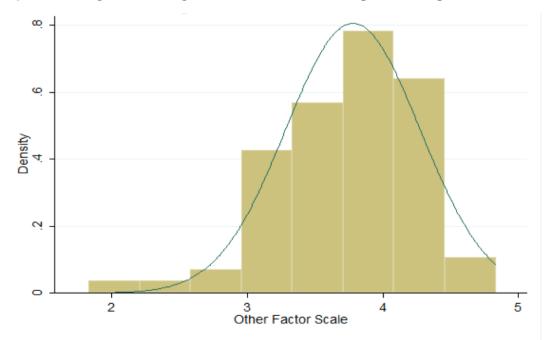


Figure 4:Histogram showing normal distribution of respondents' opinions on other factor.

## **Source: Primary Data**

From Figure 4, we find that there was a slight skew to the right, the histogram and curve figure nonetheless suggest that the respondents' opinions were approximately normally distributed, implying that their opinions were centrally located, their were no big variation.

Table 18:Descriptive statistics of the independent and dependent variable

| Variable              | Mean | Standard Deviation | Minimum | Maximum |
|-----------------------|------|--------------------|---------|---------|
| Financial Rewards     | 2.79 | 0.582              | 1.36    | 4.93    |
| Non financial Rewards | 3.66 | 0.648              | 2       | 5       |
| Motivation            | 4.07 | 0.499              | 2       | 4.8     |
| Other Factors         | 3.78 | 0.496              | 1.83    | 4.83    |

**Source:** primary Data

According to Table 18 on financial rewards, majority of respondents agreed with the financial rewards affecting motivation with mean at 2.79, standard deviation at 0.582, minimum at 1.36 and maximum at 4.93. There was a similar relationship on non financial rewards, majority of respondents as well agreeing with non financial rewards affecting motivation with a slightly higher mean at 3.66, and a low standard deviation at 0.648, minimum at 2 and maximum at 5 meaning they had affected motivation more than financial rewards. Other factors too affected motivation with a high mean at 3.78, and a low standard deviation at 0.496, signifying that respondents' views on other factors affecting motivation do not differ so much from one respondent to another, and minimum was at 1.83 and maximum at 4.83.

**Table 19:Pearson Correlation** 

|               | <b>Motivation Out</b> | Financial | Non Financial | Other Factors |
|---------------|-----------------------|-----------|---------------|---------------|
|               | put                   | Rewards   | Rewards       |               |
| Motivation    | 1                     | 0.063     | 0.12          | 0.21          |
| Output        |                       |           |               |               |
| Financial     |                       | 1         | 0.3           | -0.22         |
| rewards       |                       |           |               |               |
| Non financial |                       |           | 1             | -0.09         |
| rewards       |                       |           |               |               |
| Other factors |                       |           |               | 1             |

Source: Primary Data

The pearson's correlation results from Table 19 reveals that the first hypothesis; financial rewards is equal to 0.06 that shows effectiveness of financial rewards on employee motivation. This means that motivation changes in employees is related to financial rewards however there is no effect caused by financial rewards on motivation.

About the second hypothesis it was revealed that non financial rewards are equal to 0.12 that shows effectiveness of non financial rewards on employee motivation. This means that motivation changes in employees is related to non financial rewards, therefore, there is no statistical significant effect caused by nonfinancial rewards on motivation despite of the higher correlation between non financial rewards and motivation.

The third hypothesis is other factors, that is equal to 0.21 that shows effectiveness of other rewards on employee motivation. This means that motivation changes in employees are related to other factors. Therefore, there is a weak but positively statically significant effect between other factors and motivation given its higher correlation between other factors and motivation.

Table 20:Model Summary: Financial Rewards Vs Motivation

| Parameter     | Estimate (S.E) | P-value |
|---------------|----------------|---------|
| Intercept     | 3.91 (0.30)    | <.0001  |
| Other factors | 0.05 (0.10)    | 0.5903  |

R-Square = 0.040 Adjusted R-Square=-0.0097

### Source Primary Data

Table 20 reveals R squared is 0.040, with a standard error estimated at 0.5903, and indicated that only 4.0% of the variance in motivation is explained by financial rewards thus financial rewards affects motivation by 4.0%. This suggests that there are other factors that have an effect on the employee's motivation that perhaps need more attention than financial rewards.

Therefore, the study hypothesis held that financial rewards had no effect on employee motivation, and this was confirmed by a regression analysis computed which indicated an R square of 0.040, suggesting that financial reward's effect on employee motivation by 4.0%, is insignificant.

**Table 21:Model Summary: Non-Financial Rewards Vs Motivation** 

| Parameter             | Estimate (S.E) | P-value |
|-----------------------|----------------|---------|
| Intercept             | 3.25(0.44)     | <.0001  |
| Non-Financial Rewards | 0.09 (0.09)    | 0.3131  |

R-Square = 0.0139 Adjusted R-Square=0.0004

Source: Primary Data

Table 21 reveals R-squared is 0.0139, the correlation coefficient revealed a positive but weak relationship between non financial rewards and motivation and it also reveals that the effect is statistically significant at 9%. This suggests that changes in non financial rewards will lead to slight but significant changes in employee motivation.

Therefore, the study supports the hypothesis that non financial rewards affects employee motivation but as seen above this effect is very insignificant at 9% level of significance. This literally implies that increases in non financial rewards will lead to slight increases in employee motivation. I can therefore confirm that there is an effect of non financial rewards on employee motivation at CHU.

Table 22: Model 3: Other factors Vs Motivation

| Parameter     | Estimate (S.E) | P-value |
|---------------|----------------|---------|
| Intercept     | 3.25(0.44)     | <.0001  |
| Other factors | 0.22 (0.12)    | 0.0651  |

R-Square = 0.0459 Adjusted R-Square=0.0328

**Source:** Primary Data

Table 22 revealed that regression model showed that other factors significantly and positively explain 22% of the motivation of employees at CHU. This suggests that other factors significantly and positively enhance the motivation of employees at CHU and perhaps this is where attention needs to be focused more.

Therefore, the study hypothesis held that other factors had an effect on employee motivation and this was confirmed by a regression analysis computed which indicated an R square of 0.0459, suggesting that other factors affect employee motivation by 22%. This means that motivation changes in employees is related to other factors. Therefore, there is a weak but positively statically significant relationship between other factors and motivation given its higher correlation between other factors and motivation.

### **CHAPTER FIVE**

# SUMMARY, DISCUSSION, CONCLUSSIONS AND

RECOMMENDATIONS

### 5.1 Introduction

The study established the relationship between the effects of rewards on motivation in CURE Children's Hospital of Uganda. The study was guided by three objectives: To establish the effect of financial rewards on employee motivation in CHU; to establish the effect of non financial rewards on employee motivation in CHU and to identify other factors that affect employee motivation in CHU. This chapter provides an objective by objective summary, discussion and recommendations of the findings from the study undertaken. It also notes the limitations and contributions as well as identifies areas recommended for future research.

### 5.2 Summary of the findings

The study sought to establish the effect of rewards on employee motivation in CURE Children's hospital (CHU). The researcher went ahead and got information from the employees of CHU about the effects of rewards on employee motivation

### 5.2.1 The effect of Financial Rewards on Motivation

The study revealed that majority of employees had served the organisation for more than five years therefore a picture of stability of labor is painted and one can only associate it with direct benefits of motivation at CHU. The study also revealed that though salaries are fair enough employee dissatisfaction was attributed to inflationary tendencies of the economy that does not match with the changes in the salary structure. The study further revealed that employee wellbeing is important

in employee motivation and most important to note is that such benefits yield the desired output if they are comprehensive and they cover other family members of the employee. It is clear from the findings that CHU has made progress on the welfare of its employees to enhance their commitment and motivation to work.

#### **5.2.2** The effect of Non Financial Rewards on Motivation

The study discovered that the recognition and acknowledgement policy was in existence and this was an indicator of how CHU was determined to motivate its work force as evidenced by the fact that the process was transparent. The study also found out that there was no policy on promotion and that it only existed depending on the position available. Although this served as a demotivator, employees were still interested in taking their chances on filling the next vacant position given that some promotions depended on how loyal one had served. It was also revealed that CHU has a training policy in place which showed how determined the organization is to invest indeveloping its employees and perhaps motivating them to even work harder. This is a clear indication that CHU's training policy was creating an environment of growth and motivation at the same time. The study discovered that majority of the employees were satisfied and proud of the work they were doing despite the lack of motivation in some other areas

#### 5.2.3 The effect of Other Factor on Employee Motivation

The study discovered that majority of the employees were employed on permanent contracts with full benefits therefore meaning that job security was guaranteed for the next foreseeable future hence creating a big motivating factor. The study also revealed that the creation of clear roles and responsibilities for employees provided perfect working conditions thus simplifying their work. Lastly employees were motivated by their involvement towards positive work which brings about self satisfaction.

### **5.3** Discussion of the results

#### **5.3.1** The effect of Financial Rewards on Employee Motivation

Financial Rewards was conceptualized as salary, bonuses, profit sharing scheme, overtime pay and other related payments (Armstrong 2009, Maicibi, 2003). Armstrong (2003) also argues that rewards and reward systems should be designated to result into desired human resource performance regardless of quantity, quality and time taken to accomplish work.

### Salary, commission, Bonuses and Allowances

CHU rewards its employees by giving them salary at the end of every month. A majority of employees were motivated by the salary they received. This is consistent with Maicibi (2003) who suggested that the level of individual's salary is normally the easiest way to motivate the employees. Maicibi (2003), goes on to state that money, in this case salary, causes satisfaction to the employee because it directly influences their motivation to perform their roles. This was especially true among the employees at higher level of employment. Though the salary is fair enough to meet employee basic needs identified by Maslow (1954), a majority of the employees at CHU claimed they were left with nothing to save leading to job dissatisfaction and hence affecting employee motivation. A majority of employees agreed that salary was paid on time however the work load did not match with the salary they were getting and when they compared themselves with other staff of similar organisations. The employees also received annual increments of salary and this is well presented by Gieter at al. (2006) who held a view that the reward potential of money was mainly attributed to its being necessary in order to have a comfortable life.

CURE Children's Hospital of Uganda (CHU) does not give commissions and bonuses because they are a not for profit organization and as noted by Miller et al. (2003) focus on commissions can lead to distortion in a workers effort.

The findings from the study revealed that bonuses have been in and out of the picture. The majority of the employees are not even sure bonuses do exist with or without contribution to the company's profitability, employees expect bonuses at the end of year. However there are inconsistencies in giving bonuses. Herzberg (1982) holds the view that this can lead to low motivation from the employees as there is no attachment to achieving a set target.

#### **Allowances**

CHU has put in place overtime allowances as a way of motivating employees and from the information obtained from the questionnaire and documentary review, over time allowance was not applicable to some employees especially administration and medical teams. The fact that they were not facilitated meant that these teams were not committed to work over time since their extra time was not rewarded. Failure to acknowledge extra time put in by employees led to low motivation. Public holidays allowances was so much appreciated by the majority but the employees were not happy that it was incorporated in the salary and paid at the end of the month, the employees would prefer to work and be paid on the same day. However according to McClelland (1995) shares the view that money has only limited contribution to motivate people for improved performance. McClelland further asserts that pay is not particularly effective in evoking effort and motivation to perform in people with high achievement. Meaning people with high achievement always work hard provided there is an opportunity of achieving something.

### **Employee Benefits**

From the information gathered during the study the employees so much appreciated the medical facilitation in place; and this positively affected motivation. However, employees had concerns and their motivation was negatively affected when not all their family members could benefit from the services when they fell sick.

Housing allowance is very good but the fact that it is incorporated in the salary and taxed, a majority of employees did not feel like they have received it and this negatively affected their motivation. Provision of meals was highly appreciated and employees felt very motivated to perform their duties since they had food to eat. Maicibi (2003) opines that basic needs are fundamental, psychological employee needs like food, water, shelter needed for sustaining human life. He asserts that until an employee is able to satisfy these needs, all other earnings cannot motivate him or her to behave in a particular way at his place of work.

### 5.3.2 The effect of non financial rewards on employee motivation

According to Maicibi (2003) Non-financial rewards are not paid as part of wages. They include sick pay, pension, insurance, uniforms, bonuses, holidays, and staff leave, flexible working hours and staff retreats/outings. The study sought to establish the effect of non financial rewards on employee motivation in CHU.

### Recognition and acknowledgement

Findings from the study showed that the employees of CHU appreciated the process and procedure of recognizing and acknowledging employees and that all are given a chance to participate. Recognition and acknowledgement is a tool widely applied by organisation to motivate their employees. Outstanding employees expect their efforts to be acknowledged consistently by their

supervisors in the organisation. Employees need to know not only how well they have achieved their objectives or done their work but also that their achievements are appreciated (Armstrong, 1997). Recognition is identified by Hertzberg as a motivating factor which leads to satisfaction. From the documents reviewed it was clear that there was a policy on recognition and acknowledgement. Information from the questionnaires also showed that the best performing employees were recognised. Rewarding a behavior with recognition immediately following that behavior is likely to encourage its repetition.

Meeting minutes reviewed showed that the employees are always thanked for the work they do. Furthermore, instant recognition was one of the most powerful tools of motivation, recognition as simple as the manager or supervisor taking the time personally to thank an employee for something that they did well was motivational. Recognition is not just for the employee who did well, it also sends a message to other employees about the type of performance noticed in an organisation.

Findings from the study further indicated that employees that were outstanding performers were always recognised through employee of the year awards, certificates of recognition and thanked in monthly meetings. This has motivated them to perform however, it has set up a form of internal competition in which people strive to be perceived as better than their fellow employees and competing employees will regard each other as adversaries. Therefore instead of working to achieve the common goals of the organisation, the employee may instead try to subvert each other's efforts, at the expense of organisational objectives.

Complementary to this situation is the fact that once rewards in form of recognition are dispensed, those not receiving do become demotivated. They will raise questions as to the fairness of the system and the very idea of the system itself. So in a sense, recognition will motivate some

employees in the short term, whilst at the same time demotivate others in the short and long term with recognition in place, employees opportunities for safer options. They will be less inclined to take risks, challenges are avoided because the rewards in place encourage conformity and concern about the rewards employees get.

#### **Promotion**

The findings from the study conducted revealed that majority of the employees appreciated the promotions in place. These, although limited and irregular, were not biased but based on academic qualification, performance, experience and positively affected motivation. Some respondents were undecided on promotions because of their irregularities. Promotions are regarded as the opportunity to advance in a company and are very good motivators for many employees. It is crucial for companies because this is a good way to motivate the employees to stay and also attract new skilful employees as noted by Henderson and Tulloch (2008). However, transparent mechanisms for promotions and rewards are so important in motivating employees.

### **Training and Development**

Findings from the study showed that there was a training and development policy in place at CHU. A majority of the respondents acknowledge that training was very crucial to them. This implies that training and development has attracted quality employees as a way of motivating them to increase their levels of competence, enhance their skills and enabling them to obtain more job satisfaction, gain higher rewards and progress within the organisation as suggested by Armstrong (1996). Finding also revealed that there was support for employees who wished to go for further training and development in form of employment after completing though not everyone benefited from this system. This therefore leads to demotivation among some employees because there is a

possibility of advancement and personal development as policies in place are not followed (Herzberg, 1959). CHU does support long term external trainings and also invests in training and developing employees in the areas of customer care, CMEs for doctors, lab staff, lab refresher courses as noted in the interviews with the management staff. This has enabled workers to take on more demanding duties and to achieve personal goals of professional advancement as well as allow them to cope better with the requirements of their job (Shattuck et al, 2008). The management indicated that sponsoring employees for further education was because of the financial implications the organisation can only afford to.

#### **5.3.2** Other Factors that affect Motivation

The third objective that guided the study was to examine other factors other than rewards that could have played a role in work related motivation. The major factors that were examined included;

### **Performance Appraisal**

The study hypothesized that there was a relationship between other factors and motivation and found that there was a positive weak relationship.

Findings from the study showed that Performance appraisals face a number of challenges that can jeopardize its effective implementation hence affecting motivation in the organization (Longernecker,1997). Disadvantages of performance appraisals surface when the number of employee being compared is small as is the case at CHU, which is likely to bring about the same grades (Decenzo & Robbins 2002). There wasn't an adequate performance appraisal system and majority of respondents acknowledged that performance appraisal was very crucial to them.

However, the management of CHU indicated that they had performance appraisal in place for particular departments and it was work still in progress.

### **Job Security**

Job security was conceptualized as the probability that an individual will keep his or her job. Findings from the study showed that with job security in place, employees are more likely to deliver consistently than when they are not sure if they have a job or not. From the manager's perspective, job insecurity may foster negative job and organizational attitudes among employees, which in turn, may result in reduced effort, commitment and motivation (Sverkr et al. 2002). Finding from the study further revealed that employee turnover was very low and this could be attributed to the permanent contracts offered by CHU, thus creating an atmosphere of Job safety for both the employee and employer.

### **5.4 Conclusions from the study**

The conclusions from the study are hereby given objective by objective;

#### **5.4.1 Financial Rewards and Employee motivation**

Based on the discussion of the findings above, financial rewards are very instrumental for any organisation that is committed to employee motivation. Financial rewards are those factors within the job environment that are capable of eliciting better job performance from the worker. These rewards are offered to an employee by an employer. Employees engage in work activities in response to rewards or in response to commands as noted by Houston (2009)

The results were not significant as the correlation indicates a negligible effect of financial rewards on motivation at 4%. This implied that employee motivation in CHU could be explained by other factors other than financial rewards. Therefore, it was concluded that financial rewards are not the

only way to increase employee motivation, even organisations that are not being hit with budget cuts and financial issues are realizing the benefit of intrinsic rewards as an added benefit to customary rewards of material items and bonuses.

### 5.4.2 Non financial Rewards and Employee motivation

Non financial rewards are derived from the satisfaction an individual receives from performing a task. At times individuals engage in tasks out of an inherent interest in the job and because they find the work to be meaningful owing to a commitment to self define goals or social norms. In these instances the motivation to act resides within the individual and is self determined. Examples of these are a sense of accomplishment and feeling of self worth that include recognition, training and development (Houston, 2009).

To establish the effect of nonfinancial rewards on employee motivation the following conclusions were suggested; Non financial rewards are a vital part of the operation of any organisation. In CHU, it correlates with employees in apositive way, though this relationship is weak, it is still very significant and managers need to be cautious of this.

#### **5.4.3 Other factors**

The third objective that guided the study was to examine other factors other than rewards that employees perceived as affecting motivation. The major factors that were examined included performance appraisal and job security.

To determine the effect of other factors in CHU, the following conclusion was suggested; other factors do not necessarily translate into motivating factors, however where they do lead motivation, they become a beacon of job security and make the employees more committed either in

continuance or normatively. Employees who psychologically embrace other factors will also develop some kind of commitment to their jobs.

#### **5.5 Recommendations**

Rewards can serve both purposes of either satisfying or dissatisfying employees, and in turn enhance or detract from motivation Brayton, (2000). For any organisation to achieve its objectives, it has to look into motivating its work force. Considering the above conclusions, the following recommendations can address some of the factors that affect employee motivation;

### 5.5.1 Financial rewards on employee motivation

The management of CHU should make comparisons with other providers in the same sector and review their salary structure. This can help CHU management to be able to know if the rewards in place are competitive enough to motivate employees.

The management should also put up savings scheme in place where employees are encouraged to save something at every end of month. These savings can help in the long run when the employees are faced with financial challenges and in turn solved financial challenges help employees to perform.

Management should also consider giving medical treatment to the employees and all biological members of each employee family. Employees whose medical needs are met are motivated to perform.

#### 5.5.2 Non financial rewards on employee motivation

The management of CHU should reconsider sponsoring all employees for further training instead of focusing on the medical department solely, this will motivate and encourage all employees to stay with CHU in hope of developing their career as well.

Management should also consider offering regular training programs for non medical personnel for example on communication skills to enhance on the interaction of employees and patients.

#### **5.5.3** Other factors

There is need to improve on performance appraisal and job security in CHU to cater for attributes of job description, autonomy, job security, task significance and goal setting in CHU if motivation is to be improved. Clear job description needs to be put into consideration, the aspect of identifiable beginning and end with in a job and a complete module of work that does not depend on others. While job autonomy needs consideration of jobs that allow one to schedule work with little influence from others and making decisions on their own.

Performance appraisals demand that individuals obtain objective information about their performance progress. The failure to meet this requirement will create possibilities of demotivated staff at CHU.

Lastly emphasis on job security leads to better motivation than when insecure employees rather experience a discrepancy between the preferred and the perceived level of security offered by their employer.

### **5.6 Limitations of the study**

The study was constrained by the fact that the researcher was one time an employee of CHU so he could have unknowingly and unintentionally influenced some respondents to respond in such a way that appeared to favor CHU as opposed to the issues at hand.

Some of the respondents feared to give information because they thought the information received could be used against them. The researcher reassured the respondents of the confidentiality involved.

### **5.7** Areas of further research

The researcher studied CHU employee's motivation yet the private health sector has a variety of service providers. There is need therefore to consider the same study in other medical facilities to establish whether the findings will be the same.

Further still, research should be carried out to establish if rewards in the government aided health facilities are better than in the not for profit organisations.

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### **APPENDIX I**

QUESTIONAIRE FOR CHU EMPLOYEES (NON SENIOR

**MANAGEMENT CATEGORY**)

**INTRODUCTION** 

My name is Collins Rugambwa, a student at Uganda Management Institute. I am conducting a

study entitled "Rewards and their effects on Employee Motivation at CURE Children's

Hospital of Uganda". The study aims to assess the effects of rewards on employee motivation in

CHU.

You are being requested to participate in this study based on your experience as an employee with

this organization.

The answers you will give are very useful to understanding the relevance of rewards and its effects

on motivation among Not for profit making organizations.

This information cannot be used to identify you, and all your responses will be kept strictly

confidential.

**SECTION A: BACKGROUND INFORMATION** 

Please tick in the appropriate box the answer that represents your opinion there is no right or wrong

answer. Any response you give will be respected because it represents your view.

• Gender: Male Female

• Department: .....

i

| • | Designation/Job:                             |             |      |
|---|--|-------------|------|
| • | Duration of service at CHU: Less than 1 year | 1- <5 years | 5-10 |

### **SECTION B:** RANKING SCALE

years >10 years

Please tick the number that best indicates your opinion using this scale

| 1        | 2        | 3         | 4     | 5        |
|----------|----------|-----------|-------|----------|
| Strongly | Disagree | Undecided | Agree | Strongly |
| Disagree |          |           |       | Agree    |

### **Financial Rewards**

### Salary, Allowances, Commissions and Bonuses

| The salary I get encourages me to work     at CHU                            | 5 | 4 | 3 | 2 | 1 |
|--|---|---|---|---|---|
| My salary is fair compared to staff doing similar work in other organization | 5 | 4 | 3 | 2 | 1 |
| My work load matches with my salary  | 5 | 4 | 3 | 2 | 1 |
| CHU pays better than most Not for profit organizations in Uganda             | 5 | 4 | 3 | 2 | 1 |
| My Salary is paid on time  | 5 | 4 | 3 | 2 | 1 |

| • | Salary is based on level of education  | 5 | 4        | 3 | 2 | 1 |
|---|--|---|----------|---|---|---|
| • | I receive salary increment annually    | 5 | 4        | 3 | 2 | 1 |
| • | I am paid overtime pay when I work     | 5 | 4        | 3 | 2 | 1 |
|   | extra time                             |   |          |   |   |   |
| • | The overtime policy is clear           | 5 | 4        | 3 | 2 | 1 |
| • | When I work on public holidays I get   | 5 | 4        | 3 | 2 | 1 |
|   | paid allowance                         |   |          |   |   |   |
| • | I always get commissions for the work  | 5 | 4        | 3 | 2 | 1 |
|   | I do                                   |   |          |   |   |   |
| • | My department is entitled to           | 5 | 4        | 3 | 2 | 1 |
|   | commissions                            |   |          |   |   |   |
| • | I am entitled to bonus when I exceed   | 5 | 4        | 3 | 2 | 1 |
|   | my targets                             |   |          |   |   |   |
| • | There is a bonus policy in place       | 5 | 4        | 3 | 2 | 1 |
|   | <b>Employee Benefits</b>               |   |          |   |   |   |
| • | I enjoy the medical benefits in place  | 5 | 4        | 3 | 2 | 1 |
| • | The organization meets all the medical | 5 | 4        | 3 | 2 | 1 |
|   | bills for my dependants                |   |          |   |   |   |
| • | My transport to and from work is paid  | 5 | 4        | 3 | 2 | 1 |
|   | by the organization                    |   |          |   |   |   |
| • | CHU provides for my meals              | 5 | 4        | 3 | 2 | 1 |
| • | The Organization provides me with      | 5 | 4        | 3 | 2 | 1 |
|   | housing allowance                      |   |          |   |   |   |
|   |  | L | <u> </u> | L | I |   |

| Non-Financial Rewards   Recognition & Acknowledgements  | • | I am provided with internet, calling  | 5 | 4 | 3 | 2 | 1 |
|---|---|---------------------------------------|---|---|---|---|---|
| Non-Financial Rewards Recognition & Acknowledgements  • The process of Recognizing employees 5 4 3 2 1 at CHU is fair.  • The process of recognition is 5 4 3 2 1 transparent  • There is recognition and 5 4 3 2 1 acknowledgement policy in place  • I am always appreciated and thanked 5 4 3 2 1 for the work I do  • There is recognition of the best 5 4 3 2 1 performing employee  Promotion  • There is a promotion policy at CHU 5 4 3 2 1  • Promotions are regular 5 4 3 2 1  • The way promotions & responsibilities 5 4 3 2 1        |   | card/airtime                          |   |   |   |   |   |
| Recognition & Acknowledgements  • The process of Recognizing employees 5 4 3 2 1 at CHU is fair.  • The process of recognition is 5 4 3 2 1 transparent  • There is recognition and 5 4 3 2 1 acknowledgement policy in place  • I am always appreciated and thanked 5 4 3 2 1 for the work I do  • There is recognition of the best 5 4 3 2 1 performing employee  Promotion  • There is a promotion policy at CHU 5 4 3 2 1  • Promotions are regular 5 4 3 2 1  • The way promotions & responsibilities 5 4 3 2 1                              |   |                                       |   |   |   |   |   |
| The process of Recognizing employees at CHU is fair.  The process of recognition is 5 4 3 2 1 transparent  There is recognition and 5 4 3 2 1 acknowledgement policy in place  I am always appreciated and thanked 5 4 3 2 1 for the work I do  There is recognition of the best 5 4 3 2 1 performing employee  Promotion  There is a promotion policy at CHU 5 4 3 2 1  Promotions are regular 5 4 3 2 1  The way promotions & responsibilities 5 4 3 2 1  The way promotions & responsibilities 5 4 3 2 1                                       |   | Non-Financial Rewards                 |   |   |   |   |   |
| at CHU is fair.  The process of recognition is 5 4 3 2 1 transparent  There is recognition and 5 4 3 2 1 acknowledgement policy in place  I am always appreciated and thanked 5 4 3 2 1 for the work I do  There is recognition of the best 5 4 3 2 1 performing employee  Promotion  There is a promotion policy at CHU 5 4 3 2 1  Promotions are regular 5 4 3 2 1  The way promotions & responsibilities 5 4 3 2 1  The way promotions & responsibilities 5 4 3 2 1  |   | Recognition & Acknowledgements        |   |   |   |   |   |
| <ul> <li>The process of recognition is 5 4 3 2 1 transparent</li> <li>There is recognition and 5 4 3 2 1 acknowledgement policy in place</li> <li>I am always appreciated and thanked 5 4 3 2 1 for the work I do</li> <li>There is recognition of the best 5 4 3 2 1 performing employee</li> <li>Promotion</li> <li>There is a promotion policy at CHU 5 4 3 2 1</li> <li>Promotions are regular 5 4 3 2 1</li> <li>The way promotions &amp; responsibilities 5 4 3 2 1</li> <li>The way promotions &amp; responsibilities 5 4 3 2 1</li> </ul> | • | The process of Recognizing employees  | 5 | 4 | 3 | 2 | 1 |
| transparent  There is recognition and 5 4 3 2 1 acknowledgement policy in place  I am always appreciated and thanked 5 4 3 2 1 for the work I do  There is recognition of the best 5 4 3 2 1 performing employee  Promotion  There is a promotion policy at CHU 5 4 3 2 1  Promotions are regular 5 4 3 2 1  The way promotions & responsibilities 5 4 3 2 1 are allocated makes me will to work  |   | at CHU is fair.                       |   |   |   |   |   |
| <ul> <li>There is recognition and 5 4 3 2 1 acknowledgement policy in place</li> <li>I am always appreciated and thanked 5 4 3 2 1 for the work I do</li> <li>There is recognition of the best 5 4 3 2 1 performing employee</li> <li>Promotion</li> <li>There is a promotion policy at CHU 5 4 3 2 1</li> <li>Promotions are regular 5 4 3 2 1</li> <li>The way promotions &amp; responsibilities 5 4 3 2 1</li> <li>The way promotions &amp; responsibilities 5 4 3 2 1</li> <li>are allocated makes me will to work</li> </ul>                 | • | The process of recognition is         | 5 | 4 | 3 | 2 | 1 |
| acknowledgement policy in place  I am always appreciated and thanked 5 4 3 2 1 for the work I do  There is recognition of the best 5 4 3 2 1 performing employee  Promotion  There is a promotion policy at CHU 5 4 3 2 1  Promotions are regular 5 4 3 2 1  The way promotions & responsibilities 5 4 3 2 1 are allocated makes me will to work  |   | transparent                           |   |   |   |   |   |
| I am always appreciated and thanked 5 4 3 2 1 for the work I do      There is recognition of the best 5 4 3 2 1 performing employee      Promotion      There is a promotion policy at CHU 5 4 3 2 1  | • | There is recognition and              | 5 | 4 | 3 | 2 | 1 |
| for the work I do  There is recognition of the best 5 4 3 2 1  performing employee  Promotion  There is a promotion policy at CHU 5 4 3 2 1  Promotions are regular 5 4 3 2 1  The way promotions & responsibilities 5 4 3 2 1  are allocated makes me will to work   |   | acknowledgement policy in place       |   |   |   |   |   |
| <ul> <li>There is recognition of the best 5 4 3 2 1 performing employee</li> <li>Promotion</li> <li>There is a promotion policy at CHU 5 4 3 2 1</li> <li>Promotions are regular 5 4 3 2 1</li> <li>The way promotions &amp; responsibilities 5 4 3 2 1 are allocated makes me will to work</li> </ul>  | • | I am always appreciated and thanked   | 5 | 4 | 3 | 2 | 1 |
| Promotion  There is a promotion policy at CHU 5 4 3 2 1  Promotions are regular 5 4 3 2 1  The way promotions & responsibilities 5 4 3 2 1  are allocated makes me will to work   |   | for the work I do                     |   |   |   |   |   |
| Promotion  There is a promotion policy at CHU 5 4 3 2 1  Promotions are regular 5 4 3 2 1  The way promotions & responsibilities 5 4 3 2 1  are allocated makes me will to work   | • | There is recognition of the best      | 5 | 4 | 3 | 2 | 1 |
| <ul> <li>There is a promotion policy at CHU 5 4 3 2 1</li> <li>Promotions are regular 5 4 3 2 1</li> <li>The way promotions &amp; responsibilities 5 4 3 2 1 are allocated makes me will to work</li> </ul>   |   | performing employee                   |   |   |   |   |   |
| <ul> <li>Promotions are regular</li> <li>The way promotions &amp; responsibilities</li> <li>4</li> <li>2</li> <li>1</li> <li>are allocated makes me will to work</li> </ul>   |   | Promotion                             |   |   |   |   |   |
| The way promotions & responsibilities   | • | There is a promotion policy at CHU    | 5 | 4 | 3 | 2 | 1 |
| are allocated makes me will to work   | • | Promotions are regular                | 5 | 4 | 3 | 2 | 1 |
|   | • | The way promotions & responsibilities | 5 | 4 | 3 | 2 | 1 |
| harder for CHU  |   | are allocated makes me will to work   |   |   |   |   |   |
|   |   | harder for CHU                        |   |   |   |   |   |
| • Promotion is based on experience 5 4 3 2 1  | • | Promotion is based on experience      | 5 | 4 | 3 | 2 | 1 |
| • Promotion depends on one's luck 5 4 3 2 1   | • | Promotion depends on one's luck       | 5 | 4 | 3 | 2 | 1 |

| Promotion depends on academic qualification | 5 | 4 | 3 | 2 | 1 |
|---|---|---|---|---|---|
| Promotion depends on one's loyalty          | 5 | 4 | 3 | 2 | 1 |
| Training and Development                    |   |   |   |   |   |
| There is training policy in place and       | 5 | 4 | 3 | 2 | 1 |
| development                                 |   |   |   |   |   |
| Training is very crucial to me              | 5 | 4 | 3 | 2 | 1 |
| Training is given to few selected staff     | 5 | 4 | 3 | 2 | 1 |
| My organization invests in training and     | 5 | 4 | 3 | 2 | 1 |
| development                                 |   |   |   |   |   |
| Motivation                                  |   |   |   |   |   |
| Output Level                                |   |   |   |   |   |
| There is need to improve working            | 5 | 4 | 3 | 2 | 1 |
| processes and conditions                    |   |   |   |   |   |
| I try to achieve high performance           | 5 | 4 | 3 | 2 | 1 |
| standards                                   |   |   |   |   |   |
| My targets are planned and prioritized      | 5 | 4 | 3 | 2 | 1 |
| The volume and quality of my work is        | 5 | 4 | 3 | 2 | 1 |
| high  |   |   |   |   |   |
| I effectively maximize the available        | 5 | 4 | 3 | 2 | 1 |
| resources to do my work                     |   |   |   |   |   |
| Commitment                                  |   |   |   |   |   |

| 46. I always put in extra time to         | 5 | 4 | 3 | 2 | 1 |
|---|---|---|---|---|---|
| accomplish my tasks                       |   |   |   |   |   |
| 47. I seek out for new ideas and          | 5 | 4 | 3 | 2 | 1 |
| motivation                                |   |   |   |   |   |
| 48. I regularly report early on duty and  | 5 | 4 | 3 | 2 | 1 |
| my work on time                           |   |   |   |   |   |
| 49. I seek out new ideas and              | 5 | 4 | 3 | 2 | 1 |
| innovations                               |   |   |   |   |   |
| Job Satisfaction                          |   |   |   |   |   |
| 50. At the moment am satisfied with       | 5 | 4 | 3 | 2 | 1 |
| my Job                                    |   |   |   |   |   |
| 51. I do come up with new innovations     | 5 | 4 | 3 | 2 | 1 |
| of doing my job                           |   |   |   |   |   |
| 52. Iam proud of my work                  | 5 | 4 | 3 | 2 | 1 |
| 53. Ifeel good working for CHU            | 5 | 4 | 3 | 2 | 1 |
| Pride in Organization                     |   |   |   |   |   |
| 54.I do feel proud of my organization     | 5 | 4 | 3 | 2 | 1 |
| 55. I am happy to be identified as CHU    | 5 | 4 | 3 | 2 | 1 |
| member                                    |   |   |   |   |   |
| 56. I am proud of all the activities that | 5 | 4 | 3 | 2 | 1 |
| CHU implements                            |   |   |   |   |   |
| Less Complaints                           |   |   |   |   |   |

| 57. I regularly complain about the                                       | 5 | 4 | 3 | 2 | 1 |
|--|---|---|---|---|---|
| rewards in place   |   |   |   |   |   |
| Improved Morale  |   |   |   |   |   |
| 58. I love my work   | 5 | 4 | 3 | 2 | 1 |
| Other Factors/ Miscellaneous   | 5 | 4 | 3 | 2 | 1 |
| 59. There is inadequate job security                                     | 5 | 4 | 3 | 2 | 1 |
| 60. I dislike performance appraisals                                     |   |   |   |   |   |
| 61. Unclear job description can demotivate employees                     | 5 | 4 | 3 | 2 | 1 |
| 62.Clear definition of roles and responsibilities at CHU makes work easy |   |   |   |   |   |
| 63. Employee involvement contributes towards positive work               | 5 | 4 | 3 | 2 | 1 |

# **Questions:**

| 64. What other factors motivate you to work at CHU?                       |
|---|
|   |
|   |
|   |
|   |
| 65. If you had your way, how best would you like to be motivated to work? |

| I do appreciate your time and cooperation. Please ensure that you have not skipped any |
|--|
| questions.   |
|  |
| Thank you.   |

# APPENDIX (II)

# Interview guide for management staff

| All answers are strictly confidential.        |
|---|
| Department/Management Level                   |
| Position held                                 |
| Salaries, Allowances, Commissions and Bonuses |
| How do you determine employee salary?         |
|   |
|   |
|   |
|   |
| When do you pay end of month salary?          |
|   |
|   |
|   |
| How do you determine salary increment?        |
|   |
|   |
|   |

• How often do you give these increments?

| •   | Do these allowances have an impact on employee motivation?                          |
|-----|---|
|     |   |
|     |   |
|     |   |
|     |   |
| •   | Do you give out commissions, Bonuses and allowances?                                |
|     |   |
|     |   |
|     |   |
| •   | If so what is the impact of commission, Bonuses, allowances on employee motivation? |
|     |   |
|     |   |
|     |   |
|     |   |
| Ben | efits and Employee Motivation   |
| •   | What is the attitude of the employees towards the benefits in place?                |
|     |   |
|     |   |

| • Do these benefits contribute to employee motivation?                               |
|--|
| Non financial Rewards  |
| 10. Is there a recognition and acknowledgement policy in place?                      |
|  |
|  |
|  |
|  |
| <ul> <li>How do you recognize staff that exceed the required performance?</li> </ul> |
|  |
|  |
|  |
|  |
|  |
| <ul> <li>How transparent is the recognition and acknowledgement policy?</li> </ul>   |
|  |
|  |
|  |
|  |
|  |

Promotion

| • Is there a promotion based policy at CHU?                           |
|---|
|   |
|   |
| 14. What opportunities are available for staff to be promoted?        |
|   |
|   |
| 15. How often do you promote staff?                                   |
|   |
|   |
|   |
| 16. What system do you have in place to ensure that the employees are |
| promoted on merit?  |
|   |
|   |
|   |
|   |

**Training and Development** 

| 17. Is there a department responsible for training?                   |
|---|
|   |
|   |
|   |
|   |
|   |
|   |
|   |
|   |
|   |
|   |
| 18. What programs have you put in place to ensure career development? |
|   |
|   |
|   |
|   |
| 19. How often do you train these staff?                               |
|   |
|   |
|   |
|   |
|   |
| 20. How many staff have benefited from this program?                  |
|   |
|   |
|   |

| 21. Do you think this training & Development program motivates staff? |
|---|
|   |
|   |
|   |
|   |

Thank you for your participation.

# APPENDIX III

Approval of permission to conduct research