

**FINANCIAL REWARDS AND PRODUCTIVITY OF EMPLOYEES IN GOVERNMENT  
AIDED SCHOOLS.**

**A CASE OF MPIGI DISTRICT.**

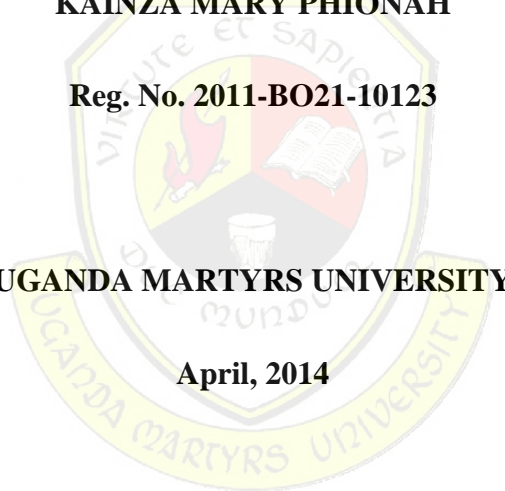
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**UGANDA MARTYRS UNIVERSITY**

**April, 2014**



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**A RESEARCH DISSERTATION SUBMITTED THE FACULTY OF BUSINESS  
ADMINISTRATION AND MANAGEMENT, IN PARTIAL FULFILMENT FOR  
AWARD OF BACHELOR DEGREE IN BUSINESS ADMINISTRATION AND  
MANAGEMENT OF UGANDA MARTYRS UNIVERSITY**

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## **DEDICATION**

This dissertation is dedicated to the Kishero family which includes my dad, mom, sisters and brothers.

## ACKNOWLEDGEMENT

I thank the almighty God who has seen me through my academic life successfully, without his protection and graces I wonder what I would be to day. May He bless all those who contributed greatly towards the completion of my research work and my studies.

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## **ABSTRACT**

This study was carried out to investigate the relationship between financial rewards and productivity of employee in government aided secondary schools. It was carried out in selected Secondary schools in Mpigi district and it included St. Mary's S.S. Nkozi, St. Phillips Equatorial S.S. Nabusanke and St. Balikuddembe S.S. Mitala Maria all found in Mawokota south constituency of Mpigi district local government. The objectives of the study were: to investigate the relationship between base pay and productivity of employees in government aided secondary schools, to find out the relationship between allowances and productivity of employees in government aided secondary schools, and to investigate the relationship between pay for performance and productivity of employees in government aided secondary schools.

Literature was reviewed to supplement and support the research findings and mainly articles, academic journals, text books, pamphlets, and internet were used as major sources of literature. This literature greatly contributed to the study and findings of the study were compared with the literature to see whether they concur or not.

Questionnaires were used as means of data collection and 52 questionnaires were distributed to employees in the selected government aided secondary schools in Mpigi district local government. The data collected was then analysed properly to produce information. Interviews were also used where the researcher interacted with the employees of different schools and then the responses were also analysed and supplemented to the questionnaires responses.

Tables were used in the presentation of data collected from the field. The study findings indicated that there was a positive and negative relationship with base pay, allowances and pay for performance. The positive effect included: improved employee performance, improved creativity, improved quality of output, increased job satisfaction, increased productivity, increased morale for work, increased attendance and increased customer care where as the negative effect included: decline in performance, job dissatisfaction, decreased morale for work, boring work, late coming and absenteeism.

The study findings facilitated the recommendations that the research put to the government of Uganda. They included: increasing salaries of employees in government aided secondary schools, ensuring that the salaries are paid timely and regularly, reduce on the taxes levied on their salaries, provide allowances like transport refund, accommodation, meals allowances, and also make these allowances available and reliable. It finally ends with suggestions to future researchers.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

The study was to examine the effect of financial rewards on productivity of employees in government aided secondary schools, a case study of Mpigi district local government. The research focused on financial rewards and productivity of employees in government aided secondary schools. This chapter comprises of introduction of the study highlighting the background of the study, statement of the problem, general and specific objectives, research questions, the scope of the study, justification for the study, significance of the study and conceptual framework (Amber, 2011).

#### **1.1 Background of the research study**

Financial rewards have been heavily enforced and implemented internationally by many international organizations mainly through financial rewards and other different ways of influencing employee to work hard and participate in different ways. In case some organizations fail to comply with this way as a means of administration to minimize workers' strikes and loss valuable company property or assets.

An earlier case in a recent incident in China saw at the Honda engine factory in Beijing where workers striked and rioted for an increase in their salaries in which they operated (China Labour Bulletin, 2010). It was decided that their salaries receive a 24% increase for the strike to simmer

down. This practically showed how rewarding employees financially is very much important for the existence and smooth running of an organization.

Another cases happened at Toyota plant Altona where 350 workers were laid-off due to stigma of being a “low-productivity” worker or, colloquially, a “slacker”. How this will impact on future job prospects, their financial situation, and family life remains to be seen. However, it is a fair bet that many will struggle and face significant risk of poverty, long-term unemployment and entrapment in precarious jobs, as well as other social and family problems (Sheen, 2012).

A productivity crisis is stalling the global economy with most countries falling last year to improve their overall efficiency for the first time in decades. The failure of overall efficiency known to economists to grow in 2013 results from slower economic growth in emerging economies alongside continued rapid increases in capital used and labor inputs. Labor productivity growth also slowed for the third consecutive year (Giles, 2013).

Commentators are urging government and others to do whatever they can to improve productivity in Australia because it is a key driver of prosperity, living standards and national wealth. While recent reports show that Australia’s national productivity has stalled, and that it is no longer high compared to many other industrial and other countries. The productivity issue was labeled as a paradox some 30 years ago by Harvard Business School Professor Wickham Skinner, who noted that the harder one works directly at improving productivity through additional exertion; the more difficult it seems to improve productivity (Samson, 2012).

In recent times, there have been numerous debates on the topic of low productivity in the workplace, which is defined as the organization’s inability to accomplish its maximum capacity.

It is important to understand that every employer yearns to be as productive as possible, through a dedicated staff. According to managerial theorists, productivity is a very important issue in any organization. Some of the causes of low productivity in the workplace include, absenteeism by employees, the inability to have a fully trained staff and employee morale being of a low standard (Amber, 2011)

Africa as a region has been lagging behind for quite some time as regards to offering rewards to employees, but of late, many organizations in Africa have strongly embraced rewards to their employees due to the fact that at least people in Africa are learned and a good of them have attended school. Employers now pay reasonable salaries to their workers and avail them with the necessary allowances that match with their performance in their organizations.

The May 2010 labor strikes in South Africa allowed various employers around the country to recognize that financial rewards to employees play a significant role in determining their overall contribution to the organization performance and productivity. This instance therefore highlighted the fact that financial rewards play a major part in stimulating workers' level of productivity.

Nigeria has a system that suffers from many deficiencies, the most glaring of which is the lack of motivation for her workers. The nation can move forward only if persistent and deliberate efforts are made to correct the deficiencies. Towards this direction, the state should withdraw from the areas of the economy where private individuals could manage, for improved productivity, more jobs, export increase, and sociopolitical stability. This would in turn increase the nation's Gross Domestic Product (GDP). The decline in productivity would result in plant's closure, loss of jobs,

and increased human misery. As it were, a happy and healthy worker is normally a high productive employee (Dike, 2000).

Another instance is the Uganda National Teacher Union (UNATU) that are carrying out strikes every month claiming for delayed salaries, salary increment and good working conditions. This affects the students who are preparing for their final exams and continuing students because they are not being taught for a full month or even beyond because these teachers are on a seat down strike (Uganda Reports, 2013).

Low productivity is still a big challenge in Uganda despite the large and fast-growing youthful labor force and the Government's introduction of universal primary and secondary education, Uganda has a shortage of skilled human power. The report blames this on poor quality in the education system which does not respond to the skills requirements of the job market (Baguma, 2012).

Mpigi district is one of the new districts in Uganda located in central Uganda, south west of Kampala where teachers have been striking for increase in salaries and payments made in time.

The research study was therefore set out to examine financial rewards and the productivity of employees in selected government aided secondary schools in Mpigi District.

## **1.2 Statement of the problem**

Financial rewards have been used to highlight key performance areas and to generally emphasize the importance of high performance hence increasing the productivity of employees in an organization (Armstrong, 2010). To improve performance, quality of output and level of



creativity, Mpigi district has put in place efficient and effective financial rewards and motivational activities like improved salaries, wages, transport refund, subsistence allowance, overtime allowance, variable pay, merit and bonuses and anything that seems financially necessary to ensure that teachers perform to their best but there has been no difference. Maslow (1996), asserts that financial rewards are among the most effective way of stimulating the performance of an employee hence their productivity. Despite the above, productivity in government aided secondary schools in Mpigi district local government is still low due to low morale towards work, increased level of absenteeism, and lack of attention towards work among the employees (management meeting minutes May, 2012).

With this, (Amber, 2011) asserts there will be low attitude towards work amongst workers, low quality output, increased absenteeism amongst workers and delay in reporting time for duty and work. All these lead to low productivity of employee especially when the government aided schools where they don't have strict inspections and supervisions. This leads to poor grades of students in candidate classes because the teachers have not taught what is expected from them, students from such schools cannot compete with students from other schools even when it comes to the world. They have less knowledge in certain areas but not in all areas the economy expects from them thus preventing the country from competing globally. The research is therefore intended to systematically investigate how and whether financial rewards increase productivity in government aided schools in Mpigi district.

### **1.3 General objective of the study**

To examine the relationship between financial rewards and the productivity of workers in government aided secondary schools.

### **1.3 Specific objectives of the research study**

- i. To assess the relationship between base pay and productivity of employees in government aided secondary schools in Mpingi district local government
- ii. To establish the relationship between allowances and the productivity of employees in government aided schools in Mpingi district local government
- iii. To explore the relationship between pay for performance and the productivity of employees in government aided secondary schools in Mpingi district local government.

### **1.4 Research questions**

- i. What is the relationship between salaries and productivity of employees in government aided secondary schools in Mpingi district local government?
- ii. What is the relationship between allowances and productivity of employees in government aided secondary schools in Mpingi district local government?
- iii. What is the relationship between pay for performance and productivity of employees in government aided secondary schools in Mpingi district local government?

### **1.5 Scope of the research study**

The research study scope was divided into the geographical scope, content scope and the time scope.

### **1.5.1 The geographical scope**

The geographical scope of the research study was conducted in selected public schools in Mpigi District local government which include;

- St, Mary Secondary School, Nkozi which is approximately 3kms off Kampala Masaka Highway in Kayabwe Trading Centre. It is located just below Uganda Martyrs University.
- St Phillips Equatorial Sec Sch. Nabusanke which is 82km on Kampala-Masaka highway just before the Equator at St. Phillip Equatorial church of Uganda located in Nkozi sub-county.
- St Balikuddembe S.S Mitala Maria is located in Mitala Maria trading centre 70kms off Kampala Masaka highway in Buwama sub-county in Mpigi district local government.

The above government aided secondary schools were chosen as the case study because they are one of the government aided schools in Uganda which is also unexceptional when it comes to facing the problem of poor productivity.

### **1.5.2 The content scope**

The content scope of the research study focused on examining the relationship between financial rewards and productivity of employees in Government aided Secondary Schools in Mpigi district local government. The study focused on base pay, allowances and pay for performance and how they stimulate workers` level of productivity.

### **1.5.3 Time scope**

The time scope of the research study was between 2003 and 2013 because this is the period because it is in this period when poor productivity is most experienced in government aided secondary schools in Uganda (Wadira & Maniple 2009).

### **1.6 Justification for the research study**

The research has been carried out about the issue of low employee productivity in many organizations and institutes yet it still persists in many organizations. Organizations have tried to set up reward plans for their employees but the problem seems not to be going away and this research tried to look for the loop holes involved in financial rewards of many organizations.

The research study should be carried out right now to develop recommendations for improving quality of output and this is because many organisations are lagging behind and some dying out very fast.

The research study is justifiable to enable the organisation to realise better ways of administering financial rewards to improve employee productivity in an organisation.

The study is justifiable to generate an explanation about the general effects of financial rewards to employee productivity in government aided secondary school in Mpigi district local government.

## **1.7 Significance of the research study**

The research will benefit organizations through identifying the effects of proper financial rewards to employee performance. It will establish the relationship between base pay, allowances, and pay for performance on productivity of employees in government aided secondary schools.

**School Managers:** The information gathered in this study could be utilized to alert employees on the relationship between financial rewards and productivity and how to solve such problems in case they existed. This could be done basing on the recommendations that have been made and they might decide to implement those recommendations hence solving the problems of poor compromised productivity as the result of poor financial rewards.

**Parents:** The study is expected to help parents understand the different forms of financial rewards that are carried out by the ministry and in case they read this book, they may propose to have also gain or claim for some of these rewards so that their productivity is not affected at various levels. Parents may be enlightened to become partners in development and get involved in the management of schools and help in streamlining the financial rewards.

**Policy makers:** As individuals charged with formulating policies, their understanding of the forms of financial rewards remain vital in the education management process, findings from the study may help them in formulating better strategic policies to have better ways of awarding the employees government aided schools without affecting their productivity.

**Researchers:** The issues raised in this study are likely to lead to the involvement of various researchers in generating more knowledge from various perspectives. The study will also provide

a foundation for future research on the same topic or other fields of knowledge in other organizations all aimed at enhancing the productivity of employees in an organization. It will also widen the researcher's ability in conducting future research works. For instance, this will improve the researcher's skills in using different research methods like interviews which improves the communication and presentation skills of the researcher.

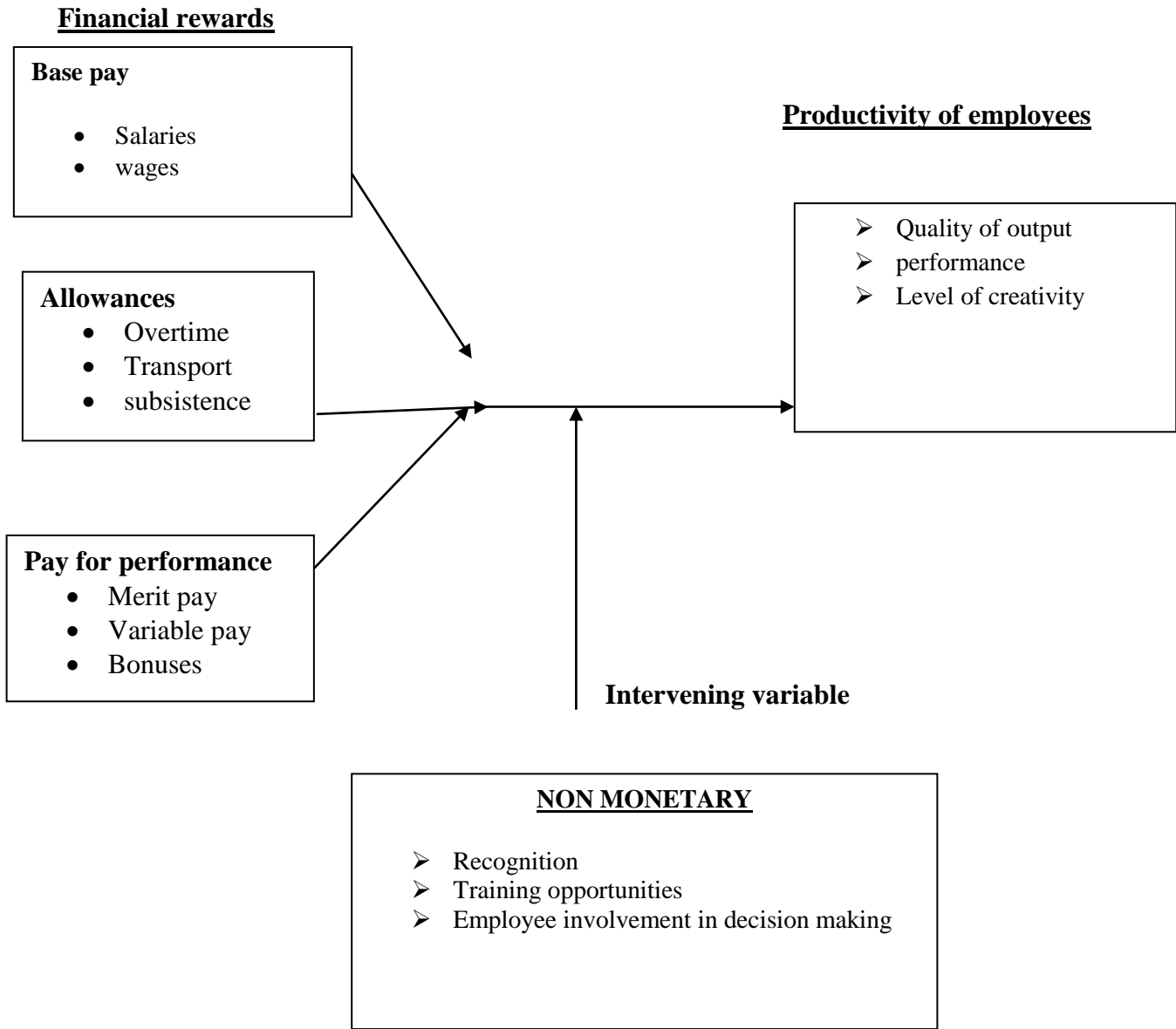
### **1.8 Conceptual framework**

The conceptual frame work was based on the relationship between financial rewards and the performance of workers in selected government aided secondary schools. The independent variable for the study was financial rewards whereas the independent variable was the productivity of employees in these secondary schools.

**Figure 1: ILLUSTRATION**

INDEPENDENT VARIABLES

DEPENDENT VARIABLES



**Source:** Bernadin (2010) Human Resource Management: An Experimental Approach.

**Title:** conceptual frame work showing financial rewards and productivity

## **Explanations**

The conceptual framework demonstrates that financial rewards are instrumental in enhancing organizational productivity management in an effort to effectively deliver the services. In the same way, salaries or base pay make the employees need more reward (money) as he gets the one he has worked for. These financial rewards increase the level of productivity, attitude towards work and level of creativity. In so doing, the desired levels of organizational performance can be realized.

However there are other factors that seem to influence productivity of employees in an organization vis-à-vis base pay, allowances and pay for performance. These factors are non-monetary rewards like recognition, training opportunities, and employee involvement in decision making and they have a larger bearing on the effectiveness of performance and productivity of employees in an organization.

### **DEFINITION OF KEY TERMS.**

**Reward:** A reward is anything given in recognition of services effort or achievement or it can be this case a fair return good or bad behavior and in this case we are considering financial reward to employees.

**Productivity:** This is the state of quality of producing something or the effectiveness of a productive effort.

**Salaries:** Salaries are fixed regular earning and payments made usually on a monthly basis by an employer to an employee.



**Wage:** A wage is a payment made to an individual often paid for particular work done.

**Bonuses:** Bonuses are sums of monies added seasonally to a person`s wage or salary for good productivity.

**Allowances:** Allowance is a certain amount of money paid regularly to a person typically to meet specified expenses like medical and transport expenses.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction:**

This chapter the researcher looks at different literature and theories that have been written by different authors about the dependent variable “financial allowances” and the independent variable “productivity”. This will show the relationship between the study objectives and the dependent variable. This will give the researcher the basis of the research he/she intends to conduct.

#### **2.1 Financial Rewards and productivity.**

Armstrong (2010) says that the most powerful argument advanced for financial rewards is that employees who contribute more should be paid more. It is right and proper to recognize achievement with financial and therefore tangible awards. He refers to the principle of distributive justice which states that rewards should be provided equitably, does not require them to be equal except when the value of contribution is equal. These financial rewards can also be used to highlight key performance areas and generally to emphasize the importance of high performance which leads to productivity.

Maicibi (2010), employees expect rewards to satisfy their operational needs, this forces managers to administer rewards that have motivational impact on employee.

Armstrong (2010) goes ahead to explain that financial rewards comprise all rewards that have a monetary value and add up to total remuneration that is to say base pay, pay contingency on

performance, competency or skill, pay related to service, financial recognition schemes and benefits such as pensions, sickbay and health services.

Armstrong (2010) argues that people should be rewarded in accordance with the value of their contribution is a powerful one, but it stands alone. The evidence that incentives improve performance is conflicting and in some circumstances it works, as demonstrated by a number of research projects, but in others it does not.

An employee needs income to live. The size of that income will affect the standard of living, and although he would obviously like to earn more, he is more concerned that he should earn enough pay; and also that the pay should be fair in comparison with the pay of others both inside and outside the organization (Birugi, 2006).

Birugi (2006) strains that according to the Hersberg theory of motivation money is viewed as a hygiene factor in that it can be used to maintain individuals comfortably at work. However money can be used as a motivator especially when it is used as a merit increase in salary as recognition of the job well done. At the level of hygiene one can use salary and at the level of motivators use merit increase.

Armstrong (2010) argues that people should be rewarded in accordance with the value of their contribution is a powerful one, but it stands alone. The evidence that incentives improve performance is conflicting and in some circumstances it works, as demonstrated by a number of research projects, but in others it does not.

Armstrong (2010) proceeds that according to Marslow's theory of motivation, financial rewards (money) is unique in the sense that it can be used to satisfy all types of needs directly as in the

case of primary and lower level needs. Indirectly money can also be used to meet the secondary needs for example prestige of being on a high salary scale and recognized as a source of ego.

## **2.2 Base pay and productivity.**

Maicibi (2010) stresses that a basic pay is expressed as annual, weekly, or hour rate (time rate) that is to say it is calculated on time worked rather than on results achieved and tend to reflect on the value of the job as measured by form of job evaluation. It is adjustable depending on the cost of living or market rates by the organization and in some cases is unilaterally or by agreement with a trade union.

Maicibi (2010) adds that; in many organizations, base pay is the basis on which earnings are build on addition of one or more of the other types of reward. For example a teacher working for eight hours a day gets ten thousand shillings for that day thus this base pay helps the employer to identify and evaluate additional incentives and overtime.

The traditional model for structuring base pay programs has existed in its relatively unchanged form for more than 50years. In the 1800s business owners knew their employees, their performance and their financial needs, and individual pay was established on that basis. As business grew, bureaucracies were created to provide structure, organization and direction Bernardin (2010).

Professional managers replaced business owners, while rapidly growing hierarchies distanced from most workers. Efficiency and effectiveness became the most important business objectives. In the late 1800s, Fredrick Taylor designed a formal, systematic way of assigning pay to a job while helping a steel company identify methods of increasing productivity (Bernardin 2010).

The base pay is used in many organizations because of simplicity that is to say easier to implement and administer than performance related pay. There are also psychological reasons that demonstrate commitment on the part of the organization that creates a greater likelihood of employee commitment to the organization (Maicibi, 2010).

A base pay plan provides a standard pay amount to the employee for time worked. These pay plans work in two different ways. The first way consists of paying the employee a specific hourly wage for each hour the employee works. The second way consists of paying the employee a specific pay rate for the year. In both cases, the employee receives the agreed pay regardless how much the employee produces (Katty, 2012).

The base pay is the amount of pay that is to say the fixed salary or wage that constitutes the rate for the job. It may be varied according to the grades of the job or, for manual workers, the level of skill required (Armstrong, 2009).

Base pay will be expressed as an annual, weekly or hourly rate. For manual workers, this may be an hourly rate which is called a time rate. The base rate may be adjusted to influence increases in the cost of living or market rates by the organization unilaterally or by agreement with a trade union (Armstrong, 2009).

According to Gareth and Jennifer (2006) the word salary can be defined as a fixed sum (normally sum of money) paid at regular intervals, usually monthly and some times weekly to an employee especially for professional or clerical work. Salary increase happens when workers are paid more salary in excess of what they are supposed to earn.

In addition Gareth and Jennifer (2006) stress that salary increase or bonus on top of regular salaries paid to workers, tend to have more impact on motivation and performance of employees in an organization, though they add that many times salary increase vary with performance of workers. They were also of a view that managers should use piece-rate, commission pay, profit sharing or time rate systems of merit pay. Also according to the B.F's operant theory, managers can use positive reinforcements like giving employees a good pay which can foster performance among employees.

An hourly rate pay scheme is where your employees are paid a set rate (before tax) for each hour that they work. They may have a set minimum number of hours, or it may change each week/month for example: if an employee earns £8 an hour, and works for 34 hours in a week, they will earn £272 before tax in that week Gareth and Jennifer (2006).

The advantage of this system is that employees that work less than their normal hours (either for personal or business reasons) do not need to be paid for a full weeks work. This means that if sales lower or if your business is seasonal; you are not left paying for more employee time than is actually required. Under an Hour Rate pay scheme, employees that work extra hours are paid accordingly, and are therefore much more likely to feel their effort is appreciated by your business (Cascio, 1998).

(Cascio, 1998) proceeds that an hour rate pay scheme makes flexible hours (flexitime) or 'rota' schemes much easier to administrate, as your employee's hours can be adjusted to meet the expected level of work required.

The biggest problem with Hour Rate pay schemes is that employees may worry about hours being cut, leaving them worse off financially. If hours do change regularly, this may have a negative effect on an employee's relationship with your business; as they may no longer feel secure in their job. Another problem with Hour rate pay schemes is that they are more costly to administrate and account for than salary schemes. Each employee's hours and tax needs to be calculated, which takes up time and is therefore more costly than with salary based pay schemes. Hour rate pay schemes are most appropriate for jobs that have variable hours, or use flexible time; where sales or production levels are not a major part of the job (Gareth and Jennifer 2006).

A piece rate or commission based pay scheme is where an employee is paid solely on performance or productivity. This usually involves either a set amount per sale/unit, a percentage of each sale, or set increments of pay depending on the targets met for example an employee works at a commission of 5% of each sale made, and sells £5000 in a week. They would be paid £250 before tax in that week (Gareth and Jennifer, 2006).

According to Bernardin (2003), the advantages of piece rate/commission means that your employees are paid purely on results. This means that if targets were not met, you do not have to pay for work that has not been done; which can improve the efficiency of your business. A key benefit is that a piece rate scheme helps to reward extra productivity, as employees are paid directly on performance. This means that employees who make extra effort will be rewarded for it, and are likely to feel more appreciated by your business.

A piece rate or commission pay scheme is much harder to administrate than other pay schemes. Each employee needs to have their wages calculated every payroll, which raises your costs in providing and accounting for their pay. Employees may worry about losing pay if sales or

production is lowered. This can make them de-motivated, especially when you need to change hours or rates; as they are left uncertain as to the safety of their finances (Cascio, 2010).

Cascio, 2010 strains that employees may become angry if productivity (and therefore pay) is lowered because of the actions of other employees, management, or by external forces; as they will be losing money and not be able to do anything about it. A piece rate or commission pay scheme is most appropriate for jobs that rely almost entirely on sales or production, and have relatively stable requirements throughout the year.

A salary figure is very simple to calculate, which means that the administration and calculation of the payroll is much simpler than with other forms of payment; which saves on accounting and administration costs. With a fixed salary, an employee knows how much they will be earning each week or month, allowing them to have more control over their financial planning. This gives your employees a stronger feeling of financial security which can help improve their relationship with your company (Bernardin, 2010).

A major problem with salary based pay is the need to work out overtime payments. If an employee stays for an extra half an hour, do they get extra pay? If not, or if the system is poorly worked out, your employees may be left feeling that their extra work is not appreciated. As overtime and bonuses are not included in the salary figure, these also need to be calculated on top of the basic salary before tax can be deducted. This minimizes the benefit of the lower administration and accounting costs (Birugi, 2006).

Birugi (2006) argues that in many large companies, salary levels and pay levels are usually structured carefully so as to be equitable and fair. Managers and workers will compare the pay of



each other and will be dissatisfied if the comparison is unfavorable. Pay is therefore most likely to be a hygiene factor at work than a motivator. In absence of information about how much other colleagues are earning, individuals guess their earnings and usually over estimate, this in turn leaves them dissatisfied because they will then resent earnings less than they think their colleagues are getting and hence low productivity.

Salary payment is normally most appropriate in jobs that have mostly fixed hours; and that do not require a large amount of sales or production (which may warrant variable/extra pay).

Zenger (1992) asserted that, equitable pay schemes have a great impact on employee performance. He went on to say that, studies of pay-comparison processes suggest that individuals respond to perceptions of inequitable pay with several outcomes, all costly to the employee and the organization, including: low effort, turn over, job dissatisfaction, poor interpersonal relations with colleagues, and sabotage.

Matthew & Milkovich (1997) were of a view that firms which rely more heavily on incentive based pay compensation will have better subsequent performance. They added that organizations should therefore; observe a positive incentive pay-firm performance relationship.

Whereas Lurie (2010) noted that where there is little pleasure in the work itself or the job offers little opportunity for career advancement, personal challenge or growth, many people appear to be motivated primarily, if not exclusively, by money or pay.

The same author (Lurie 2005) reveals that in a survey of attitudes to work involving a random sample of 1000 workers, when asked to specify the biggest problem at work, the most popular response was poor pay at 18 per cent.

Lurie still, notes that in survey of human resource managers responding to personnel journal found that it is often difficult to attract, retain and motivate minimum wage workers on pay alone. The survey uncovered that 62 per cent of respondents had a problem retaining minimum wage workers strictly because of pay. Many employers should provide other incentives such as bonuses or prizes- on top of pay to keep workers in the job.

The payment of wages is the employer's obligation to his or her employees (consideration). How much is to be paid, and in which manner, is a matter of judgment or negotiation. In theory if an employer was free to pay what he or she liked, he or she would probably pay the minimum. The types of wages systems are time rate system and piece rate system (Cole, 2002)

Time Rate or Time Wage System is the most popular method of wage payment. Known by various other names such as time work, day work, day wages and day rate, the payment is made on the basis of attendance. Wages are paid to the workers on time basis irrespective of the quantum of production, at a specified wage rate. The wage rate may be fixed on hourly, daily, weekly, fortnightly, or monthly basis (Cole, 2012).

For example, if a worker gets Rs.10 per hour, he works for 8 hours per day and has been present for duty on 25 days during the month, his wages for the month on the basis of time rate system will be:  $(25 \times 8) \text{ hours} \times \text{Rs.}10 = \text{Rs. } 2,000$ . Thus the worker is paid on the basis of time and not on his performance or quantity of output (Simranjot, 2012).

The system may prove to be quite ideal in the following cases: Where quality of production is relatively more important than quantity; Where it is difficult to measure the performance precisely; Where output of the worker is beyond his control; Where close supervision of work is

possible; Where the nature of work is such that there is no basis for incentive plan; Where production is intermittent on account of delays, power shut-down (Cole, 2012).

This system is simple to understand and operate; the system is economical. Records of labor are simple and less detailed; the system results in better quality of output and workmanship since workers are in no hurry to complete the jobs; the system offers a fixed minimum wage to the workers for a defined period of time; speeding is eliminated as the security of minimum wage is ensured to the workers; the system is generally preferred by trade unions because uniform rate of wage is given to workers irrespective of efficiency (Simranjot, 2012).

Although the time rate system is a common system of wage payment and widely applied, yet it has the following disadvantages:

As the wages are paid on the basis of time irrespective of the efficiency of the workers, there is no correlation between the outputs and wage of a worker. The more efficient worker gets no extra reward for his efficiency. The wages of a beginner and an experienced and innovative worker may be the same; the system may cause discontentment among the efficient workers and they may leave the organization resulting in labor turnover; efficient workers may become inefficient because they notice that the inefficient workers also get the same wages (Cole, 2012).

Simranjot (2012) adds that the cost of production per unit is higher; there are direct incentives to workers to work slowly which ultimately results in doing incomplete work during overtime and overtime wages are paid at a higher rate. Workers also get wages for idle time which helps to increase the cost of production per unit; it is also not possible to ascertain the exact labor cost per

unit because it will change if output falls or rises. So difficulty is experienced in sending the quotations for tenders.

The system may cause conflict between the management and workers since management wants maximum output and workers want maximum wages. Such conflict may lead to serious confrontation between management and workers; increased cost of supervision the system needs close supervision to ensure continuity of operations which results in increased cost of supervision (Simranjot, 2012).

Piece Rate or Piece Wage System is also known as payment by results. When wages are paid on that basis of the output of the workers without considering the- time taken in performing work, it is termed as piece wage.

According to Simranjot (2012), under this system, the workers are paid on basis of quantity of work done, for example per unit of output, per article, per job, and commodity. For computing total remuneration of workers, a pre-determined rate unit of output is multiplied by the total units produced. The rate is fixed with the rate of time and motion studies.

Piece rate system of payment of wages is considered suitable: where the quantity of work done can be precisely measured and standardized; where the work is of repetitive nature; where it is possible to fix a fair and acceptable piece rate; where the productivity is closely related to skill and efforts; where the quality of goods can be controlled; where time cards are maintained for ensuring regularity and punctuality of workers and uninterrupted flow of production; where materials, tools and machines are readily available to cope with the possible increase in production(Cole, 2012).

Under this system, the reward is related to effort and efficient workers are rewarded and inefficient workers are penalized; decreased cost of production; easy determination of quotation price; less supervision; reduction of idle time; minimization of loss due to breakage (Cascio, 2010).

More work is turned out in a shorter period of time. Since there is a direct incentive to work, there is always a tendency on the part of the worker to produce more by adopting correct procedure and techniques of production. The employer is also able to know the exact labor cost per unit. This will help to make quotations confidently and accurately (Cole, 2012).

This system of pay is difficult to fix a standard piece rate; frustration among less efficient workers; The system will frustrate the less efficient workers and their efficiency may further decrease because of discontentment; and also ignores quality because more output means more wages, the workers always in a hurry to produce more. This results in production of standard items, high rate of rejection and ultimately increased production per unit (Simranjot, 2012).

In conclusion, it implies that base pay had a direct relationship with productivity because there is a view that firms which rely more heavily on based pay compensation schemes will have better subsequent performance that leads to better productivity. This has been supported by Matthew & Milkovich (1997) who added that organizations should therefore; observe a positive base pay-firm productivity relationship.

### 2.3 Allowance and productivity

An allowance is a sum of money paid regularly to a person to meet specific needs or expenses. It is also defined as a fixed quantity of money or other substances given regularly in addition to salary for meeting specific requirements of an employee. Allowances can be in different forms which include; overtime, transport, meals, medical, travelling and housing (Bernardin, 2005).

The salary of a public officer holding an established office save for support staff is fixed on the assumption that his or her whole time is at the disposal of the Government, and if the usual office hours are insufficient to deal with the pressure of work, it is his or her duty when called upon to do so, to work overtime without extra remuneration (Section E (35) of the public service standing order, 2010).

**Transport refund and productivity:** Allowances often grow out of whatsoever is in short supply. In Vietnam and China, transportation allowances are always part of the pay package. Many foreign companies in China discover that transportation allowances are expected and companies that resist these allowances must come with other ways to attract and retain the employees for example some countries in Europe, managers believe that a car will be provided and only the make and model are negotiable (Milkovich and Newman, 2008).

Kilometrage allowance shall be paid to a public officer who is authorized to use his or her personal vehicle for home to office running and for official duties within a radius of 40 kilometers from the duty station (Section E (27) of the public service standing order, 2010).

Kilometrage allowance shall be paid as a consolidated monthly allowance commensurate with the officer's grade and shall be determined by the Responsible Permanent Secretary from time to time (Section E (28) of the public service standing order, 2010).

In the event that a public officer uses his or her vehicle for official duty beyond a radius of 40 kms from the duty station, Kilometrage allowance will be paid in accordance with the distance covered and according to the capacity of the vehicle at the rates prescribed from time to time by the Responsible Permanent Secretary (Section E (29) of the public service standing order, 2010).

A public officer who is provided with a Government aircraft, motor vehicle, motor cycle or bicycle for official use is not entitled to any kilometrage allowances in respect of journeys, which were or could have been undertaken on the Government aircraft, vehicle or bicycle (Section E (33) of the public service standing order, 2010).

According to section E (35) of the public service standing order, 2010, Monthly consolidated allowances are given on the understanding that the officer will be resident in his or her duty station for the whole of each month. If an officer who is in receipt of such an allowance is absent from his or her station either on duty or leave for a week or more, his or her consolidated allowance for that month must be reduced proportionately.

**Overtime allowance and productivity:** An overtime allowance is an allowance given to an individual who spends more time at work performing a particular task. It may be working beyond the time one is supposed to leave work or where one works on weekends. Overtime is time worked in addition to one's normal working hours.

It is common for hours worked in excess of the basic working week to be paid at a higher rate per hour. The extra amount is usually referred to as overtime premium. This overtime premium may be caused by the specific request of a customer who requires a job to be completed early or at a specific time, or may have resulted because of the organization's need to complete work which would not be finished without the working overtime. (Walker, 2008)

Burrow (1984) believes that an employee may choose to work certain days putting the 40-hour five-day workweek into consideration. An employee is expected to work eight hours a day and if one chooses to work an extra work time, then one should be paid for that extra time worked.

Choices in work schedules enable employees to adjust individual lifestyles to the world of work. Working parents for example, find advantages to adjusting work hours to accommodate family needs. Business benefits too by attracting employees who otherwise may not be available and by obtaining maximum use of expensive equipment and other resources. Absenteeism declines and worker morale and performance increase under many of the plans for modifying the workweek (Burrow 1984) hence increasing productivity in the work place.

Most manual workers are eligible for paid overtime as well as many staff employees up to management level. Higher paid staff may receive time off in lieu if they work longer hours. Typically organizations which make overtime payments give time and a half as an overtime premium from Monday to Saturday, with double time payment on Sundays and statutory holidays. Some firms also pay double time from around noon on Saturdays. Work on statutory holidays such as Christmas and Good Friday often attracts higher overtime premia (Armstrong, 1996).



Overtime, means any period of work on weekends, public holidays or in excess of 7 ¾ hours on any day, from Monday to Friday. (Section E (37) of the public service standing order, 2010).

When a support staff works under circumstances stated in paragraph 37 above, he or she shall be paid an overtime allowance (Section E (38) of the public service standing order, 2010).

**Subsistence allowances:** The value of subsistence allowances for accommodation, meals vary greatly between organizations. Some have set rates depending on location or the grade of employee. Others allow reasonable rates without any set scale but usually and desirably with guidelines on acceptable hotel and meal costs. (Armstrong 1996)

Lunch and dinner allowance is payable for certain categories of public officers who are required to remain in their offices, during lunch or dinner time. Such staff shall be paid an allowance to cater for either lunch or dinner or both (section E (20) of the public service standing order).

In conclusion, allowances like transport refund enable employees to reach the workplace in time and regularly so as to ensure that the necessary services are rendered to students, over time allowances also enables the teachers to attend to their students through consultations.

## **2.4 Pay for performance and productivity**

Pay for performance is a monetary reward tied to one's results or accomplishment. Many refer it to simply as variable pay while others call it merit pay (Kreitner and Kinicki, 2001). They go on to say that the general idea behind pay-for-performance including but not limited to merit pay, bonuses is to give employees an incentive for working harder and smarter. The concept of basing

pay on performance is not new. Ever since the ancient Mesopotamians were paid by the basket for picking olives, that's some form of productivity. Managers can distribute merit pay to people in the form of salary increase or a bonus on top of regular salaries (Gareth, 2000).

**Merit pay:** This is an approach to compensation that rewards the higher performing employees with additional pay. Merit pay has advantages and disadvantages for the employer and employee. But all-in-all, merit pay is the best way to reward the employees that you want to mostly keep (Susan, 2000). Below are the advantages and disadvantages of merit pay;

Merit pay helps an employer differentiate between the productivity of high and low performing employees and reward the productivity of the higher performers.

Merit pay allows an employer to differentiate between the productivity of the company as a whole and the productivity of an individual. While many merit pay programs also provide an overall reward that is distributed to all employees, to promote such values as team work, a portion of the available compensation is reserved for strong performers (Suzan, 2010).

Merit pay provides a vehicle for an employer to recognize individual productivity on a one-time basis. This is useful for rewarding employees who may have participated in a one-time project such as implementing or opening up a new sales territory.

The challenges employers experience with merit pay include the following; there is no way, with 100% accuracy, to differentiate the performance of various employees to determine deservers of merit. The most desirable accomplishments and contributions are almost never measurable so the manager's or supervisor's opinion remains a constant in determining merit pay (Bernardin, 2010).

The amount of time and energy the organization invest in an attempt to make performance measurable for merit pay including developing competencies, measurements, baseline for performance, and so forth, is better spent on delivering services to customers.

Given the limitations of metrics, the ability of the supervisor to communicate to each employee the value of his or her contribution, and what superior performance worthy of merit pay entails, is an on-going challenge. Some supervisors communicate better than others and communication on what entails superior productivity is easier in some jobs than others (Suzan, 2010).

Even with the limitations that exist in the awarding of merit pay, merit pay is the best opportunity to ensure that your outstanding performers remain within your company and continue to make astonishing contributions. Nothing demotivates a higher performer faster than knowing that employee, who have contributed much less in the organization, have received the same pay increase or bonus.

**Variable pay:** This is where managers provide its workers with salaries depending on how the performed in the organization. Many employees are enticed by this benefit called “variable pay,” which is a type of employee compensation that changes in amount as compared to salary that is paid in equal proportions throughout the year. Variable pay is used by organizations generally to reward work contributions that lead to performance, profitability, team work safety, quality or some other metrics that is considered as important (Anon 2008).

In addition to the above, an employee who is awarded with a variable compensation means that he or she has gone beyond the job description to contribute to organization success. It is awarded in a variety of ways, including profit sharing, bonuses, deferred compensation, cash as well as

goods and services like company-paid trip or a Christmas basket. Payments can also be based on the performance of an individual employee, a certain team or department, or even the whole company (Anon 2008).

Many employees are enticed by this type of compensation program, as they realize that the company rewards them with higher pay for a job well done. It creates a competitive working environment and prevents employees from idling around.

However, some sectors say that variable pay creates assumptions that money motivates the employees to work harder and that it is possible to fairly measure their work performance. Proponents of variable pay do not believe that money can be a power motivator, saying that a worker's performance does not change even on variable pay compensation. However, money can be a motivator for some especially if they are not passionate about their work (Anon 2008).

**Bonuses and productivity:** Bonuses are one time payments based on performance. They have the advantage of not adding permanently to the base wage and can be given based on either rated or nonrated output measures. Bonuses can also be based on individual or group based measures. Some workers prefer them to merit pay plans because they get the money all at once and it looks like a larger sum. For example 50 dollars a week does not have the same impact as a single payment of 1500 dollars. Bonuses are effective because they allow for larger one-time awards without the amortized of tying pay for performance into base pay.

The review of the wall street journal concluded that "the evidence was insufficient to determine conclusively whether merit pay can enhance individual performance" (Bernardin2003). Pay can be used to motivate people to perform behavior that will help an organization achieve its goals,

and it can be used to motivate people to join and remain within an organization (Gareth et al, 2000). By paying employees for results, there is a direct and visible link between the outcome of performance and financial rewards. It assumes that this relationship will lead the individual or increase his or her level of performance in order to receive more of this financial reward and by implication increase their efforts (Beardwell and Holden, 2001)

Although pay is generally regarded as a motivator, organizations often are confronted with unique sets of issues and problems related to pay and therefore must develop strategies to deal with them (Bernardin, 2003)

Pay plans are typically to energize, direct, or control employee behavior. Most employees compare their own pay with that of others, especially in the same job. Perception of equity may cause employees to take action to restore equity. Unfortunately some of these actions for example lack of cooperation, quitting may not help the organization.

He goes on to say that under the reinforcement theory, E.L Thorndike's law of effect states that a response followed by a reward is more likely to recur in the future.

According to Bruno and Osterloh (2012) the problems associated with performance for pay include the following;

In a modern economy, where new challenges emerge constantly, it's impossible to determine the tasks that will need to be done in the future precisely enough for variable pay for performance to work well.

People subject to variable pay for performance don't passively accept the criteria. They spend a lot of time and energy trying to manipulate the criteria in their favor, helped by the fact that they often know the specifics of their work better than their superiors do.

The idea that people work only for money has been thrown overboard by leading scholars. Research has shown that human beings are not interested solely in material gain. They care for the well-being of other individuals and value recognition from coworkers. Many employees apply themselves because they find their work challenging and worthwhile. These nonmaterial motivations point to better ways to get results from the members of an organization (Bernardin, 2010).

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Variable pay for performance often leads employees to focus exclusively on areas covered by the criteria and neglect other important tasks. This is known as the "multiple tasking" problem. It also tends to crowd out intrinsic motivation and thus the joy of fulfilling work. Such motivation is of great importance to business, because it supports innovation and encourages beyond-the-ordinary contributions (Bernadin, 2010).

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the well-being of other individuals and value recognition from coworkers. Many employees apply themselves because they find their work challenging and worthwhile. These nonmaterial motivations point to better ways to get results from the members of an organization (Cole, 2002).



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the methodology and the procedures that were followed in conducting the study. The study was based on the research design, population of the study, area of the study, sample size and selection, sampling techniques, data collection methods, data management and analysis, reliability and validity, ethical consideration, limitations of the study and the conclusion of the chapter.

#### **3.2 Research design**

Research design provides the glue that holds the research project together. A design is used to structure the research, to show how all the major parts of the research project- the samples or the groups, measures, treatments or programs, and methods of assignment- work together to try to address the central research questions (William M.K. Trochim 2006).

The case study design was used to narrow down the broad field of the research into an easily researchable topic. This type of design is flexible and enabled the researcher to focus on specific and more reliable cases for the study (Bryman, 2008). Within the research design, the researcher employed qualitative and quantitative approach to be able to put into consideration the quantity of the respondents and the quality of the study.

### **3.3 Population of the study**

According to Abel and Olive (2003) population refers to an entire group of individuals, events or objects having common observable characteristics. This part of the research shows the particular group of respondents that the researcher was interested in the field of the study.

Since the study focused on government aided secondary schools with the case study of Mpigi district local government, the population of interest was made up of the employees which included: the teaching and support staff who all together totaled up to 60 employees which formed the study population from which the sample was selected of fifty two employees (Krejcie et al, 1970). With these respondents, 52 questionnaires were administered to be answered by the respondents.

The researcher worked with the above population since it had the attributes the researcher was interested in, that is, they were government employee (civil servants) and they knew how this the government aided secondary schools operated since they had worked there for some time.

### **3.4 Sample size and selection**

The study employed both simple random and purposive sampling techniques which was used to identify the different kinds of respondents. This sampling technique was used because it involves respondents that have adequate knowledge and are informed about the study (Neuman, 2007).

Simple random sampling was used in the selection of teaching staff. This technique was used because it provides each individual in the population an equal chance to be involved and participate in the study (Neville and Tyrrell, 2001).

Therefore all the above mentioned sampling techniques ensured that the population of the study is fully represented by the various categories of the respondents.

The researcher selected a sample size of 52(fifty two) respondents from a target population of the 60 (sixty) employees. In determining this sample size, the researcher used a table for determining a sample size from a given population (krejcie et al, 1970).

After the use of the above table, the researcher used the simple random sampling method which was applied on the selected respondents in the sample to collect data from them. Under this method, every employee in the selected secondary school in the sample stood a chance of being chosen at random to collect data from him or her (Abel and Olive 2003).

### **3.5 Data collection methods and instruments**

The researcher used both primary and secondary data sources for the study. The primary sources that the researcher used to collect data from the field include; face to face interviews with the selected respondents, and questionnaires for the study. In this case these were the teachers, and head teachers and the support staff.

The secondary data collection methods: Literature review involving textbooks newspapers, magazines, journals, articles, reports and internet was used. These will help the researcher to develop a thorough understanding and insight into the previous writings that have been published by various authors and writers in relation to the study. It will also enable the researcher to acquire deeper knowledge about the study.

### **3.5.1 Questionnaires method**

The questionnaire method of data collection refers to a set of questions that are both structured and closed ended that was given out to the selected sample size of members to gather the required information for the research study. This method was used and the instrument was questionnaires with closed ended questions which were used as a method of data collection. This instrument was used because it is easy to analyze, help to minimize bias of the uniform question presentation and the researcher's own opinions cannot influence the respondent to answer questions in a certain manner (Oppenheim, 1992).

### **3.5.2 Interview method**

Interviews refer to face to face conversations that are held between two or more participants of a research study. The interview method was used and the instrument was the interview guide that was used to collect data from the respondents. This method of data collection enabled the researcher to investigate issues in an in-depth way because it is flexible, adaptable and helped the researcher discover how respondents think and feel about the study topic and why they hold certain opinions (Eamon, 2004).

Under the secondary source, the researcher looked at what other researchers found out about the productivity of employees in government aided secondary schools, and some of the secondary materials were got from the selected schools. The researcher also used academic journals, articles, text books, pamphlets and the internet as other secondary sources of data. By looking at the secondary sources, the researcher was in position to compare these sources with what he had found out which assisted the researcher in time of analyzing the collected data.

### **3.6 Data Management and Analysis**

After data collection, the information was processed and analyzed by the researcher. This was done in two processes namely: Editing and Coding.

#### **3.6.1 Editing**

This was done immediately after the data collection. The completed interview response schedules were carefully checked while noting the relationship between the given answers and the questions that were asked. Editing was done to ensure completeness, accuracy, uniformity, consistency and comprehensibility of the research.

#### **3.6.2 Coding**

Coding was also done by classifying all the answers given by the respondents into meaningful categories for the purpose of bringing out important patterns.

### **3.7 Data analysis**

The researcher used both qualitative and quantitative data analysis to organize and interpret the data generated from the field. Qualitative data analysis was aimed at finding out peoples' feelings and experiences from their own point of view rather than from that of the researcher (Rees, 1997). It was easier to adapt as the study evolved as data emerges. This was carried out as follows; data was recorded immediately as got from the informants, analyzed as it was collected, arranged into themes consonant with the research objectives. Thereafter, data was displayed and reasonable conclusions were drawn.

Quantitative data analysis was also used because it allows greater objectivity and accuracy of results. The research tool for analyzing the research data was the Statistical Package for Social Sciences (SPSS). The researcher used the correlation method to find out the relationship between financial rewards and performance of workers in an organization. The qualitative approach was used to describe data embedded in figures. This helped in supporting the tables, graphs and pie-charts that were generated by quantitative data.

### **3.8 Validity and Reliability**

#### **3.8.1 Validity**

McMillan & Schumacher (2006) define validity as the degree of congruence between the explanations of the phenomena and the realities of the world. Validity is the extent to which the information presented is true and accurate characterized by the fact that it is free from errors. The questionnaire was tested for validity of all the possible dimensions of the research topic. Pak (2008) and Joppe (2010) define reliability as the extent to which results are consistent over time.

#### **3.8.2 Reliability**

Data reliability according to Abel & Olive (2003) is a measure of the degree to which a research instrument yields consistent results or data after repeated trials. To ensure the reliability of data, the researcher used the test-retest method. This involved administering the same instrument to the same group of instruments. (Abel & Olive 2003)

The researcher intended to show the reliability of the data by use of the scientific statistical approach known as the Statistical Package for Social Sciences (SPSS) whereby the reliability computed should be 0.5 or 50%. The degree of validity was measured by use of face validity

where by the researcher made conclusions that what was intended to be measured had been successfully measured. The instrument was also subjected to expert review and the Content Validity Index (CVI) was calculated.

### **3.9 Ethical considerations**

The identity of individuals from whom information was got in the course of the research was strictly confidential. No individual became a subject of the research without his/her freely given consent that he/she will agree to participate. In particular, the researcher was not profited or act in such a way as to facilitate profit by third parties through the commercialization or dissemination of such knowledge without the concurrence of the traders.

The respondents' views and opinions were handled with utmost confidentiality. The views that were given by the respondents were not made public in any way but were used by the researcher for the purposes of the study and not for any other purpose.

When reporting the findings, the researcher ensured to accurately represent what was got from the field as told by the respondents. Respondents' information was not altered by the research in any way.

The researcher ensured that personal biases and opinions do not interfere with the study whatsoever. In other words, my own views as a researcher were not made aware to the respondents because this would bias their own judgments and opinions.

### **3.10 Study limitations**

This study will have a number of limitations such as;

As a student, the researcher was limited by time because apart from attending to the study, the researcher was also having some other academic assignments and engagements to attend too. However I tried to create and manage time appropriately in order to balance all academic requirements and the study.

The researcher found some resistance from the participants to get the required and relevant information for the study. This is why the researcher ensured to select the respondents purposively depending on their willingness to participate in the study.

Low responses for example when respondents were given questionnaire and some of took a lot of time to fill them or didn't return them after filling. This was mitigated by distributing the questionnaires again.

The research turned out to be quite expensive in terms of transport expenses and printing costs. However the researcher asked for money from various relatives and friends to be able to meet the expenses involved in the study.

Incomplete and unreturned questionnaires; this limitation was solved by budgeting very carefully in a way that; such uncertainties are catered for.

### **3.11 Conclusion**

The above chapter looked at the methods that were used by the researcher to collect data giving an overview of the plan and how the data was actually collected. The plan included from whom, how and when the data was collected, and how the data was analyzed after it has been collected.



## **CHAPTER FOUR**

### **DATA PRESENTATION AND DISCUSSIONS**

#### **4.1 Introduction:**

This chapter focuses on analyzing, and interpreting data collected from the field. This was done using tables and people's ideas and opinions. This research has objectives and the interpretation and analysis of the data collected was done basing on these objectives which included: to assess the relationship between pay and productivity, establish the relationship between allowances and the productivity and to find out relationship between for performance and productivity of employees in selected government aided secondary schools in Mpigi district. The research was done basing on objective by objective.

#### **4.2 Rate of response**

Fifty two questionnaires were distributed and forty two questionnaires were returned. All respondents filled the same questionnaire; they were all the employees of the selected schools and included teachers, head teachers and their deputies, accountants and other teaching staff. The targeted population was 60 employees. The sample size was 52 employees. 52 questionnaires were given out and 42 were filled and returned.

**Table 1: showing the summary of response rate**

Respondents	Number of questionnaires		Percentage of questionnaire returned	Percentage of questionnaires not returned
Civil servants	Distributed	Returned		
Head teachers and teachers	528	42	80.8%	19.2%

**Source:** Field data

Table 1 above shows that 52 personnel were targeted to answer the questionnaires. It also shows that out of the 52 respondents who were given questionnaires, 42 (80.8%) were returned and the remainder 10 (20%) were not returned.

#### **4.3 Back ground information of the respondent**

**Table 2: Showing the Gender of the respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	27	64.3	64.3	64.3
female	15	35.7	35.7	100.0
Total	42	100.0	100.0	

Table 2 above shows the marital status of the respondents. From the table, male respondents were 27 (64.5%) and female respondents were 15(35.7%). This implies that there were more male respondents than female. This was because most of the respondents who answered the questionnaires were teachers and which positions are mostly occupied by male members in selected schools in Mpigi district. (Report from the local government, 2010)

**Table 3: Showing the age of the respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 19-29years	11	26.2	26.2	26.2
30-40years	18	42.9	42.9	69.0
41-51years	9	21.4	21.4	90.5
above 51years	4	9.5	9.5	100.0
Total	42	100.0	100.0	

Table 3 above shows that 11(26.2%) of the employee were in the 19-29 age range, while 18(42.9%) of the employee were in the 30-40 age range, 9(21.4%) were in 41-51age range and 4(9.5%) were in the age range of above 60 years. This signifies that most of the employees were youths who had just left school and who had not served for so long in education sector. This implies that they needed time to learn more about how to teach so as to increase productivity.

**Table 4: Showing the level of education of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Tertiary	13	31.0	31.0	31.0
University	26	61.9	61.9	92.9
post graduate	3	7.1	7.1	100.0
Total	42	100.0	100.0	

Table 4 above shows that 13(31%) of the employees who filled and returned the questionnaires were from tertiary institutions, 26(61.9%) were degree holders from university, 3 (7.1%) are post graduate employees.

From the above table it is indicated that most of the employees are degree holders from university. This reveals that most of the employees were qualified although 13(31%) were of low qualifications who required training and this might have contributed to failure to perform at expected levels hence low productivity.

**Table 5: Duration of work with the organization**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid less than two years	11	26.2	26.2	26.2
2-4years	6	14.3	14.3	40.5
5-6years	7	16.7	16.7	57.1
7-9years	5	11.9	11.9	69.0
10 years and above	13	31.0	31.0	100.0
Total	42	100.0	100.0	

Table 5 show that 11 (26.2%) of the employees have worked with the organization for less than two years, 6(14.3%) of the employees have worked for 2-4 years, 7(16.7%) have worked for 5-6 years, 5(11.9%) have worked for 7-10 years and 13(31%) of the employees have worked for more than ten years.

From the above table, it there for shows that the greatest number of the employees (31%) have worked for more than 10 years in the organization followed by those (26.2%) who have worked for less than 2 years. These may not have enough experience in teaching hence the problem of low productivity in government aided secondary schools.

#### **4.4 Financial rewards and productivity of employees in government aided school.**

An interview was conducted to investigate whether there is a relationship between financial rewards and productivity of employees. Most of the respondents' answers were positive that there is a relationship between financial rewards and productivity of employees in government aided schools. They gave the following reasons to support their answers which included the following;

One respondent said that; we are living in a money world, where money can be used to purchase most of the items one needs. She explained that if she was awarded with money, she would know what to spend with that money compared to when she is awarded with a sack of beans. This is because she may not like the beans but when she needs greens or cow peas. So if she is given the money to purchase the beans, she may then go for her cow peas.

Another respondent supported if one dedicated his time to work, he expects a pay that is money. He supported using the slogan "time is money." This slogan is largely used worldwide even among the illiterates who know that every activity or time spent on doing an activity yields money. It also helps them avoid spending time on unproductive activities because they think they are losing lots of money.

A respondent also said since financial rewards concern one's earnings and productivity means one's outcome, therefore little can't be invested. He went on to say there is a close relationship because when you invest little money in a business, your profits will be less than that who invested in billions of money. This means that if the government invests little in teachers, their output will also be little to match the investment.

#### 4.4.1 The relationship between Base pay and productivity of employees

Objective above aimed at assessing the relationship between salaries and productivity of employees in government aided secondary schools. Its research question was: what is the relationship between salaries and productivity of employees in government aide secondary schools. The above research question was answered by posing different questions to the respondents as presented below:

**Table 6: The basic salary is satisfactory**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Agree	5	11.9	11.9	11.9
Neutral	2	4.8	4.8	16.7
Disagree	15	35.7	35.7	52.4
strongly disagree	20	47.6	47.6	100.0
Total	42	100.0	100.0	

Table 6 show that 5(11.9%) of the employees agree that the salary is satisfactory, 2(4.8%) of the employees opted for neutral, 15(35.7%) disagree that the salary they receive is not satisfactory, and 20(47.6%) of the employees strongly disagree that the salary is not satisfactory.

From the above table, it therefore shows that the greatest number of the employees strongly disagree that the salary is not satisfactory and this implies that it is less and the teachers are not motivated because of this salary hence the problem of low productivity in government aided secondary schools.

**Table 7: Whether basic salary enables employees improve their productivity.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	2.4	2.4	2.4
Agree	12	28.6	28.6	31.0
Neutral	9	21.4	21.4	52.4
Disagree	14	33.3	33.3	85.7
strongly disagree	6	14.3	14.3	100.0
Total	42	100.0	100.0	

Table 7 show that 1(2.4%) of the employees strongly agree that the basic salary has enabled them to improve their productivity, 12(28.6%) of the employees agree that the basic salary has enabled them improve their productivity, 9 (21.4%) of the employees opted for neutral, 14(33.3%) disagree that the salary they are paid do not yield them to improve on their productivity, and 6(14.3%) of the employees strongly disagree that the salary does not yield them any productivity.

According to the above analysis, the highest percentage of employees (33.3%) disagree that the basic salary they are paid does not yield them to improve or increase their productivity. This is because it is not adequate for most employees and cannot make them meet most of the needs.

**Table 8: My salary is timely paid.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	6	14.3	14.3	14.3
Agree	11	26.2	26.2	40.5
Neutral	5	11.9	11.9	52.4
Disagree	15	35.7	35.7	88.1
strongly disagree	5	11.9	11.9	100.0

**Table 8: My salary is timely paid.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	6	14.3	14.3	14.3
Agree	11	26.2	26.2	40.5
Neutral	5	11.9	11.9	52.4
Disagree	15	35.7	35.7	88.1
strongly disagree	5	11.9	11.9	100.0
Total	42	100.0	100.0	

Table 8 show that 6(14.3%) of the employees strongly agree that their salary is timely paid, 11(26.2%) of the employees agree that their salary are paid on time, 5(11.9%) of the employees opted for neutral, 15(35.7%) disagree that the salary are not paid on time, and 5(11.9%) of the employees strongly disagree that the salary are not paid on time and the highest percentage of employees 15(35.7%) disagree that the basic salary is not paid on time and this makes most of them to lose in morale for teaching hence low productivity.

This implies most of employees are not paid their salaries on time. This was evidenced during an interview where some key informants said they had not received their salaries for the previous month and was not sure of getting the current month's pay. This makes them to lose in morale for teaching hence low productivity.



**Table 9: My monthly salary is timely so as to encourage me to work hard.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	5	11.9	11.9	11.9
Agree	7	16.7	16.7	28.6
Neutral	14	33.3	33.3	61.9
Disagree	10	23.8	23.8	85.7
strongly disagree	6	14.3	14.3	100.0
Total	42	100.0	100.0	

Table 9 show that 5(11.9%) of the employees strongly agree that their monthly salary is timely paid so as to encourage them work hard, 7(16.7%) of the employees agree that their salary are paid on time so as to encourage them work hard, 14 (33.3%) of the employees opted for neutral, 10(23.8%) disagree that timely salary do not encourage them to work hard, and 6(14.3%) of the employees strongly disagree that the timely salaries do not encourage them to work hard hence low productivity.

From the above analysis, the highest percentage opted for neutral followed by those who disagree that their salaries are not on time and this discourages most of them from working had hence a major cause of low productivity.

**Table 10: Whether the monthly salary am paid enables me to increase my productivity.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	3	7.1	7.1	7.1
Agree	10	23.8	23.8	31.0
Neutral	9	21.4	21.4	52.4
Disagree	12	28.6	28.6	81.0
strongly disagree	8	19.0	19.0	100.0
Total	42	100.0	100.0	

Table 10 show that 3(7.1%) of the employees strongly agree that the salary they are paid enables them to increase their productivity, 10(23.8%) of the employees agree that the salary they are paid enables them to increase their productivity, 9 (21.4%) of the employees opted for neutral, 12(28.6%) disagree that the salary do not enable them to increase productivity, and 8(19%) of the employees strongly disagree that the salary they are paid do not enable them to increase productivity.

According to my analysis, most of the employees 28.6% disagree that their monthly salary does not enable them to increase productivity and one was hard saying that their salary cannot even feed or treat one child. This implies that the salary does not motivate them to work had so as to increase productivity. In fact one key informant said

*“salaries contribute to performance which in turn leads to productivity and went on to say that some schools give rewards to their employee from the P.T.A (Parent Teachers Association) in addition to the salaries allocated by the government. He added that “the*

*salaries should be paid separate from other allowances so that an employee can tell how much his basic salary is”.*

This is in line with This concurs with Matthew & Milkov (1997) said that companies that rely more on payment of salaries as an incentive to employees will have better subsequent performance, improved employee morale which results into employee motivation to work at higher levels hence increasing productivity.

**Table 11: The monthly salary is adequate.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	2	4.8	4.8	4.8
Agree	5	11.9	11.9	16.7
Neutral	9	21.4	21.4	38.1
Disagree	13	31.0	31.0	69.0
strongly disagree	13	31.0	31.0	100.0
Total	42	100.0	100.0	

Table 11 show that 2(4.8%) of the employees strongly agree that their salary is adequate, 5(11.9%) of the employees agree that their salary is adequate, 9(21.4%) of the employees opted for neutral, 13(31%) disagree that the salary are not adequate, and 13(31%) of the employees strongly disagree that the salary are not adequate.

According to the above information, most of the employees in the selected school (13%) disagree or strongly disagree that the monthly salary is adequate. This implies that the salary they earn cannot cater for most of their needs.

**Table 12: The school gives me a wage that is sufficient.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	2.4	2.4	2.4
Agree	8	19.0	19.0	21.4
Neutral	8	19.0	19.0	40.5
Disagree	14	33.3	33.3	73.8
strongly disagree	11	26.2	26.2	100.0
Total	42	100.0	100.0	

Table 12 show that 1(2.4%) of the employees strongly agree that the school gives them a wage that is sufficient, 8(19%) of the employees agree that the schools give gives them a wage that is sufficient, 8(19%) of the employees opted for neutral, 14 (33.3%) disagree that the wage given to them by the school is not sufficient, and 11(26.2%) of the employees strongly disagree that the wage is not sufficient.

From the above information, it implies that most of the employees who are 33.3% and 26.2% disagree and strongly disagree respectively that the wage given to them by the school is sufficient.

**Table 13: The wage that I get helps to improve my productivity**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Agree	15	35.7	35.7	35.7
Neutral	7	16.7	16.7	52.4
Disagree	14	33.3	33.3	85.7
strongly disagree	6	14.3	14.3	100.0
Total	42	100.0	100.0	

Table 13 show that 14 (35.7%) of the employees agree that the wage they are paid helps them to improve their productivity, 7(16.7%) of the employees opted for neutral, 14 (33.3%) disagree that the wage they are paid does not improve their productivity, and 6(14.3%) of the employees strongly disagree that the wage they are paid does not improve their productivity.

According to the above analysis, the highest percentage of employees who earn a wage agree that the wage given to them has helped them to improve their productivity within the organization.

**Table 14: My wage is timely**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	9	21.4	21.4	21.4
Agree	7	16.7	16.7	38.1
Neutral	6	14.3	14.3	52.4
Disagree	15	35.7	35.7	88.1
strongly disagree	5	11.9	11.9	100.0
Total	42	100.0	100.0	

Table 14 show that 9(21.4%) of the employees strongly agree that the wage they are paid is timely, 7(16.7%) of the employees agree that their wage is paid on time, 6(14.3%) of the employees opted for neutral, 15(35.7%) disagree that the wage are not paid on time, and 5(11.9%) of the employees strongly disagree that the wage they are given is not timely.

According to the analysis, it implies that the salaries of most employees are not paid on time because 15 employees approximately 35.7% disagree that their salaries are not paid on time.

An open ended question was also imposed on the respondents which was; Do you have any other comment regarding salaries and productivity? They gave different views that include; the salaries should be paid on time, the basic salary should be increased due to the changing economic situation, salaries should be proportional to a particular profession, the salary is too little compared to the standards of living and also argued the government to always fulfill their promises as regards their salaries.

An interview was also conducted where most of the employees participated tirelessly. The interview question was: Do you think salaries have a contribution towards productivity. Most of them agreed that salaries have a contribution toward productivity and gave their reasons as explained below:

In fact one key informant said salaries contribute to performance which in turn leads to productivity and went on to say that some schools give rewards to their employee from the P.T.A (Parent Teachers Association) in addition to the salaries allocated by the government. He added that “the salaries should be paid separate from other allowances so that an employee can tell how much his basic salary is.

Another key informant said that salaries motivate an employee to work hard so as to increase productivity if they are paid on time and if the employees understand their salaries for example some people make their salary look so low hence demoralizing them to perform.

A key informant also said that salaries can only contribute to productivity if there is a reasonable amount of pay for example minimum pay, if it is regular and timely.

Other employees disagreed that salaries do not contribute to productivity for example some employees are paid on time but never appear at school and they don't what to teach, the students

being taught also matter like some of them take long to understand what is taught, and some teachers just need strict supervision and inspection when they are carrying out their activities.

#### 4.4.2 Allowances and productivity of employees in government aided schools.

The objective above aimed at assessing the relationship between allowances and productivity of employees in government aided secondary schools. Its research question was: what is the relationship between allowances and productivity of employees in government aided secondary schools. The above research question was answered by posing different questions to the respondents as presented below:

**Table 15: The overtime allowance encourages me to work extra hours so as to increase my productivity.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	5	11.9	11.9	11.9
Agree	15	35.7	35.7	47.6
Neutral	6	14.3	14.3	61.9
Disagree	10	23.8	23.8	85.7
strongly disagree	6	14.3	14.3	100.0
Total	42	100.0	100.0	

Table 15 show that 5(11.9%) of the employees strongly agree and 15(35.7%) of the employees agree that overtime allowance encourages them to work beyond their working hours so as to increase their productivity. 5(14.3%) of the employees opted for neutral, 10(23.8%) of the

employees disagree and 5(14.3%) of the employees strongly disagree that overtime allowances do not lead to increased productivity.

From the above analysis, it implies that overtime allowance encourages employees to even beyond their working hours because some students are slow learners and need extra time to cope up with the bright students. In case these students are tutored they can freely compete with other students to increase productivity.

Table 16: The overtime allowance encourages me to work extra hours so as to increase my productivity.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	2.4	2.4	2.4
Agree	5	11.9	11.9	14.3
Neutral	9	21.4	21.4	35.7
Disagree	19	45.2	45.2	81.0
strongly disagree	8	19.0	19.0	100.0
Total	42	100.0	100.0	

Table 16 show that 1(2.4%) of the employees strongly agree and 5(11.9%) of the employees agree that the over time allowance is satisfactory, 9(21.4%) of the employees opted for neutral, 19(45.2%) disagree and 8(19%) of the employees strongly disagree that the allowances are not satisfactory.

According to table 16, it show that the overtime allowance is not satisfactory because 19(45.2%) of the employees disagree with this statement. This is because most of them are not adequately paid or what they are paid is very little or not paid totally.



**Table 17: The overtime allowance helps me attend to my students in the evening and weekends.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	6	14.3	14.3	14.3
Agree	19	45.2	45.2	59.5
Neutral	4	9.5	9.5	69.0
Disagree	8	19.0	19.0	88.1
strongly disagree	5	11.9	11.9	100.0
Total	42	100.0	100.0	

Table 17 show that 6(14.3%) of the employees strongly agree and 19(45.2%) of the employees agree that the overtime helps them to attend to their students in the evenings and weekends, 4(9.5%) of the employees opted for neutral, 8(19%) disagree and 5(11.9%) of the employees strongly disagree that the overtime allowances does not encourage them to attend to their students so as to increase productivity.

This analysis shows that the overtime allowance helps them to attend to their students in evenings and weekends because the table shows that nineteen employees approximately 45.2% of the employees agreed to the question imposed on them.

**Table 18: Am given transport allowances which enable me to work regularly.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	2.4	2.4	2.4
Agree	3	7.1	7.1	9.5
Neutral	6	14.3	14.3	23.8
Disagree	7	16.7	16.7	40.5
strongly disagree	25	59.5	59.5	100.0

**Table 18: Am given transport allowances which enable me to work regularly.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	2.4	2.4	2.4
Agree	3	7.1	7.1	9.5
Neutral	6	14.3	14.3	23.8
Disagree	7	16.7	16.7	40.5
strongly disagree	25	59.5	59.5	100.0
Total	42	100.0	100.0	

Table 18 show that 1(2.4%) of the employees strongly agree and 3(7.1%) of the employees agree that they are given transport allowances that enable them to work regularly, 6(14.3%) of the employees opted for neutral, 7(16.7%) disagree and 25(59.5%) of the employees strongly disagree that they are not given any transport allowances.

The table shows that the employees in these schools are not given transport allowance that is why twenty five employees amounting to 59.5% of the population disagreed to the question of whether transport allowance enables them to work regularly.

**Table 19: The transport allowance enables me reach school on time.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	2	4.8	4.8	4.8
Agree	7	16.7	16.7	21.4
Neutral	5	11.9	11.9	33.3
Disagree	10	23.8	23.8	57.1

strongly disagree	18	42.9	42.9	100.0
Total	42	100.0	100.0	

Table 19 show that 2(4.8%) of the employees strongly agree and 7(16.7%) of the employees agree that they are given transport allowances that enable them to reach school on time, 5(11.9%) of the employees opted for neutral, 10(23.8%) disagree and 18(42.9%) of the employees strongly disagree that they are not given any transport allowances that enable them reach school on time.

**Table 20: The transport allowance is adequate.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	2.4	2.4	2.4
Agree	3	7.1	7.1	9.5
Neutral	2	4.8	4.8	14.3
Disagree	9	21.4	21.4	35.7
strongly disagree	27	64.3	64.3	100.0
Total	42	100.0	100.0	

Table 20 show that 1(2.4%) of the employees strongly agree and 3(7.1%) of the employees agree that they are given transport allowances that is adequate, 2(4.8%) of the employees opted for neutral, 9(21.4%) disagree and 27(64.3%) of the employees strongly disagree that they are not given any transport allowances that is adequate.

**Table 21: The subsistence allowance is timely.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	2.4	2.4	2.4
Agree	8	19.0	19.0	21.4
Neutral	10	23.8	23.8	45.2
Disagree	10	23.8	23.8	69.0
strongly disagree	13	31.0	31.0	100.0
Total	42	100.0	100.0	

Table 21 show that 1(2.4%) of the employees strongly agree and 8(19%) of the employees agree that they are given subsistence allowances that is that is timely, 10(23.8%) of the employees opted for neutral, 10(23.8%) disagree and 13(31%) of the employees strongly disagree that they are not given any subsistence allowance that is timely.

From the above information, it signifies that the highest population of thirteen employees amounting to 31% of the total population strongly disagree that the subsistence allowance is not timely and most of the respondents added during the discussions that they don't receive any subsistence allowance.

**Table 22: the subsistence allowance is sufficient.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	2	4.8	4.8	4.8
Agree	6	14.3	14.3	19.0

Neutral	7	16.7	16.7	35.7
Disagree	12	28.6	28.6	64.3
strongly disagree	15	35.7	35.7	100.0
Total	42	100.0	100.0	

Table 21 show that 2(4.8%) of the employees strongly agree and 6(14.3%) of the employees agree that they are given subsistence allowances that is that is sufficient, 7(16.7%) of the employees opted for neutral, 12(28.6%) disagree and 15(35.7%) of the employees strongly disagree that they are not given any subsistence allowance that is sufficient.

**Table 23: The subsistence allowance has enabled me to improve on my productivity.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	3	7.1	7.1	7.1
Agree	9	21.4	21.4	28.6
Neutral	10	23.8	23.8	52.4
Disagree	9	21.4	21.4	73.8
strongly disagree	11	26.2	26.2	100.0
Total	42	100.0	100.0	

Table 23 show that 3(7.1%) of the employees strongly agree and 9(21.4%) of the employees agree that they are given subsistence allowances that is that enables them to improve their productivity, 10(23.8%) of the employees opted for neutral, 9(21.4%) disagree and 11(26.2%) of the employees strongly disagree that they are not given any subsistence allowance to enable them improve on their productivity.

An open ended question was also imposed on the respondents which was; Do you have any comment allowances and productivity in government aided secondary schools? They gave different views that include;

The allowances are not regular, timely and enticing to increase one's productivity; there is exploitation of employees as the allowances are not enough; there is no yard stick for measuring overtime allowances; most of the allowances are not considered necessary by the employers; there is no transport allowance yet they leave far from their schools; the extra lessons are not paid; and some respondents said that the allowances had been scrapped from the payroll.

An interview was also conducted and the questions were asked from the interview guide. The question was: In your own opinion, what do you think is the relationship between allowances and productivity? The responds include the following;

A key informant said that allowances have a positive relationship between allowances and productivity if it motivates people to work hard to get that pay for example if one is aware of the overtime allowance, he will go an extra mile to teach for example during prep so that the students can understand the subject which in turn leads to increase productivity. He added that teachers cannot turn up for prep and extra attention to students if they know they are not going to be paid for their extra time.

A key informant also agreed to the statement saying; when the financial allowances like transport, subsistence, meals are provided to us as teachers, we arrive on duty on time, teach without feeling tired or exhausted. He gave an example that some teachers live 3kms from the school and have to spend much on transport and when they run out of pocket, they either foot to

school or cut class thus a cause for low productivity. He added that a teacher or student cannot attend class with an empty stomach because most of the government aided schools do not provide meals for the staff and students.

One key informant also said that the financial allowances can only lead to productivity if they are paid on time, regularly paid and sufficient

Another key informant said that, to some extent financial allowances have a relationship with productivity because if a teacher is aware of an allowance say a test allowance, he will give his students tests regularly to get this allowance and this increases the productivity of a government aided school. He added that an allowance does not necessarily lead to productivity but the employer has to put into consideration the kind of employees one has and should take time to identify what motivates his employees to perform better so as to increase productivity.

#### **4.4.3 Pay for performance and productivity of employees in government aided schools.**

The objective above aimed at assessing the relationship between pay for performance and productivity of employees in government aided secondary schools. Its research question was: what is the relationship between pay for performance and productivity of employees in government aided secondary schools. The above research question was answered by posing different questions to the respondents as presented below:

**Table 24: Am given additional pay in case my students get better grades.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	8	19.0	19.0	19.0
Agree	13	31.0	31.0	50.0

Neutral	5	11.9	11.9	61.9
Disagree	4	9.5	9.5	71.4
strongly disagree	12	28.6	28.6	100.0
Total	42	100.0	100.0	

Table 24 show that 8(19%) of the employees strongly agree and 13(31%) of the employees agree that they are given additional pay in case the students get better grades, 5(11.9%) of the employees opted for neutral, 4(9.5%) disagree and 12(28.6%) of the employees strongly disagree that they are not given any additional pay in case the students got better grades.

From the above analysis, 13(31%) of the employees agree that they are given an additional pay in case the students get better grades and there is also a contradiction of 12(28.6%) of the employees who claim not to get the additional pay when the students get better grade. This implies that some schools are given this additional pay may be from the Parent Teachers Association.

**Table 25: I put a lot of effort to ensure that I increase the productivity of the school so as to get a better pay.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	10	23.8	23.8	23.8
Agree	17	40.5	40.5	64.3
Neutral	10	23.8	23.8	88.1
Disagree	2	4.8	4.8	92.9
strongly disagree	3	7.1	7.1	100.0
Total	42	100.0	100.0	



Table 25 show that 10(23.8%) of the employees strongly agree and 17(40.5%) of the employees agree that they put a lot of effort to ensure that they increase the productivity so as to get a better pay, 10(23.8%) of the employees opted for neutral, 2(4.8%) disagree and 3(7.1%) of the employees strongly disagree that they are not given any additional pay.

From the above analysis, it shows that 17(40.5%) of the employees agree that they put a lot of effort to ensure that they increase the productivity so as to get additional because when the students get good grades, the employees are rewarded for every first grade they produce.

**Table 26: The variable pay encourages me to work hard so as to meet the required productivity.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	11	26.2	26.2	26.2
Agree	10	23.8	23.8	50.0
Neutral	4	9.5	9.5	59.5
Disagree	9	21.4	21.4	81.0
strongly disagree	8	19.0	19.0	100.0
Total	42	100.0	100.0	

Table 26 shows that 11(26.2%) of the employees strongly agree and 10(23.8%) of the employees agree that the variable pay encourages me to work hard so as to meet the required productivity, 4(9.5%) of the employees opted for neutral, 9(21.4%) disagree and 8(19%) of the employees

strongly disagree that the variable pay encourages me to work hard so as to meet the required productivity.

**Table 27: The variable pay encourages me to work hard so as to meet the required productivity.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	11	26.2	26.2	26.2
Agree	10	23.8	23.8	50.0
Neutral	4	9.5	9.5	59.5
Disagree	9	21.4	21.4	81.0
strongly disagree	8	19.0	19.0	100.0
Total	42	100.0	100.0	

Table 27 show that 11(26.2%) of the employees strongly agree and 10(23.8%) of the employees agree that the variable pay encourages them to work hard so as to meet the required productivity, 4(9.5%) of the employees opted for neutral, 8(21.4%) disagree and 7(19%) of the employees strongly disagree that they are not given any variable pay.

From the above analysis, it implies that the variable pay strongly encourages the employees to work hard so as to meet the required output. Some employees disagree that the variable pay does not encourage them to work hard so as to meet the expected output because their school does not have an allowance for this variable pay.

**Table 28: The variable pay entices me to work beyond my job description**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	5	11.9	11.9	11.9
Agree	16	38.1	38.1	50.0
Neutral	7	16.7	16.7	66.7
Disagree	5	11.9	11.9	78.6
strongly disagree	9	21.4	21.4	100.0
Total	42	100.0	100.0	

Table 28 show that 5(11.9%) of the employees strongly agree and 16(38.1%) of the employees agree that they given a variable pay that entices them to work beyond their job description, 7(16.7%) of the employees opted for neutral, 5(11.9%) disagree and 9(21.4%) of the employees strongly disagree that they are not given any variable pay.

From the above analysis 16(38.1%) of the employees agree that the variable pay entices the employees to work beyond their job description to ensure that they meet the required productivity. This is mostly done through teaching extra subjects at extra hours.

**Table 29: The bonus is reliable.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	3	7.5	7.5	7.5
Agree	9	22.5	22.5	30.0
Neutral	7	17.5	17.5	47.5
Disagree	12	30.0	30.0	77.5
strongly disagree	9	22.5	22.5	100.0

**Table 29: The bonus is reliable.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	3	7.5	7.5	7.5
Agree	9	22.5	22.5	30.0
Neutral	7	17.5	17.5	47.5
Disagree	12	30.0	30.0	77.5
strongly disagree	9	22.5	22.5	100.0
Total	40	100.0	100.0	

Table 29 show that 3(7.5%) of the employees strongly agree and 9(22.5%) of the employees agree that they are given a bonus that is reliable, 7(17.5%) of the employees opted for neutral, 12(30%) disagree and 9(22.5%) of the employees strongly disagree that the bonus is not reliable.

From the above analysis, it was identified that the greatest population 12(30%) disagree that the bonus given to them is not reliable, they are also supported by 9(22.5) who strongly disagree. This is because this pay for performance is not available in most government aided school. The employees are also not convinced about the availability of this bonus that is why they cannot rely on it.

**Table 30: The bonuses have helped me to improve my productivity.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	2.5	2.5	2.5
Agree	5	12.5	12.5	15.0
Neutral	12	30.0	30.0	45.0
Disagree	11	27.5	27.5	72.5
strongly disagree	11	27.5	27.5	100.0
Total	40	100.0	100.0	

Table 30 show that 1(2.5%) of the employees strongly agree and 5(12.5%) of the employees agree that the bonuses have helped them to improve on their productivity, 12(30%) of the employees opted for neutral, 11(27.5%) disagree and 11(27.5%) of the employees strongly disagree that the bonuses have not helped them improve on their productivity.

In reference to the above table, it implies that most employees opted for neutral because the bonus some extent yields productivity only that these bonuses are not available. They would agree that these bonuses yield productivity they were given to them as appreciation for their good work.

**Table 31: The bonuses are adequate**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	2	4.8	4.8	4.8
Agree	5	11.9	11.9	16.7
Neutral	9	21.4	21.4	38.1
Disagree	15	35.7	35.7	73.8
strongly disagree	11	26.2	26.2	100.0
Total	42	100.0	100.0	

Table 31 show that 2(4.8%) of the employees strongly agree and 5(11.9%) of the employees agree that bonus is adequate, 9(21.4%) of the employees opted for neutral, 15(35.7%) disagree and 10(26.2%) of the employees strongly disagree that the bonus is not adequate.

According to the table above, it implies that 14(35.7%) of the employees disagree that the bonus is not adequate. This is because the bonus is less compared to the amount of output or productivity and this bonus is not available regularly.

An open ended question was also imposed on them to find an explanation for; which other methods of pay do you think would influence you to increase your productivity? Respondents gave different methods of payment that them individually think would motivate them to increase productivity which included the following;

A respondent said that the policies for bonuses should be regular and the amounts clearly stated so that one can be aware of how much he will earn if he produced a certain amount of output or a level of productivity. He went on that the bonuses should be paid on time so as to motivate the employees who are of his class.

Many respondents said they should be paid pay hour, time rate method of payment and his respondent said that some teachers spend six hours teaching and get same pay as those who spend ten hours in class teaching.

Other respondents said that they should improve on the allowances and other incentives in a school setting to be availed to teachers, paying allowances promptly, the government should pay us housing and transport allowance so that we can be able to reach our students in time and perform our duties effectively.

Pay should begin with high salary, then insurance and medical bills, housing and free education for children.

The extra pay according to the performance of students is given only to candidate classes at the end of the year yet other students in other classes may be performing better than those in candidate classes. She suggested that this extra pay should be done in all classes.

Other respondents said that they would also like to be promoted and trained, where one said they should be rewarded through promotion and instant pricing.

An interview was also conducted and the question asked was; Do you think pay for performance improves productivity? Most key informants agreed that pay for performance improves productivity and gave the following reasons for their answer.

A key informant said that pay for performance encourages a teacher to work hard and ensure the students get good results for as to get this pay which in turn increases the productivity of employees in government aided secondary schools.

A key informant also said that if one is paid for the extra effort one puts in to improve productivity, one is therefore motivated to work hard so as to grab this money. She continues that this pay for performance also affects the students in the long run because this pay forces the employee to ensure that the student gets better grades hence increasing productivity.

A key informant said that this form of financial payment motivates an employee to aim higher so has to get that pay because one is aware that it exists and just waits one to grab it all. He continues all teachers need money for such efforts only that it is not available for them to claim for it.

A key informant also said that schools that pay well for performance have a high productivity compared to those who don't pay for performance. He gave an example of some schools in Kampala like Kitende where teacher are paid according to performance of the students and went on to say that their performance hence productivity is good compared to the government aided schools who pay only a salary.

#### 4.5 Productivity of employees in government aided schools.

The dependent variable which is productivity was also asked to respondents so as to find out their productivity and to ascertain whether the respondents agree with the variables stated by the researcher. The following questions were asked and respondents came up with the following answers as presented below.

**Table 32: The quality of output is good**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	3	7.1	7.1	7.1
Agree	23	54.8	54.8	61.9
Neutral	11	26.2	26.2	88.1
Disagree	5	11.9	11.9	100.0
Total	42	100.0	100.0	

Table 32 show that 3(7.1%) of the employees strongly agree and 23(54.8%) of the employees agree that the output is good, 11(26.2%) of the employees opted for neutral, 5(11.9%) of the employees disagreed that the quality of output is not good.



From the above analysis, it implies that that the greatest population of 23(54.8%) agree that the quality of output is good followed by 11(26.2%) who opted for neutral. It therefore means that different schools have different outputs where one school has a good output and the other a fairly good output.

**Table 33: The quality of output reflects the productivity**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	3	7.1	7.1	7.1
Agree	25	59.5	59.5	66.7
Neutral	10	23.8	23.8	90.5
Disagree	2	4.8	4.8	95.2
strongly disagree	2	4.8	4.8	100.0
Total	42	100.0	100.0	

Table 33 show that 3(7.1%) of the employees strongly agree and 25(59.5%) of the employees agree that the quality of output reflects productivity, 10(23.8%) of the employees opted for neutral, 2(4.8%) disagree and 2(4.8%) of the employees strongly disagree that the quality of output reflects productivity.

From the above analysis, it implies that the quality of output reflects productivity because a population of 25(59.5%) of the employees agree that the quality of output reflects productivity.

**Table 34: The quality of output is a sign of productivity**

	Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	strongly agree	5	11.9	11.9	11.9
	Agree	23	54.8	54.8	66.7
	Neutral	9	21.4	21.4	88.1
	Disagree	2	4.8	4.8	92.9
	strongly disagree	3	7.1	7.1	100.0
	Total	42	100.0	100.0	

Table 34 show that 3(7.1%) of the employees strongly agree and 23(54.8%) of the employees agree that the quality of output is a sign of productivity, 9(21.4%) of the employees opted for neutral, 2(4.8%) disagree and 3(7.1%) strongly disagree that the quality of output is not a sign of productivity.

From the above analysis, it implies that the quality of output is a sign of productivity because the highest population of 23(54.8%) agree and also when the quality of output is good then there is also good productivity.

**Table 35: High performance improved productivity.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	17	40.5	40.5
	Agree	17	40.5	81.0
	Neutral	5	11.9	92.9
	Disagree	2	4.8	97.6
	strongly disagree	1	2.4	100.0
	Total	42	100.0	

Table 35 show that 17(40.5%) of the employees strongly agree and 17(40.5%) of the employees agree that high performance improves productivity, 5(11.9%) of the employees opted for neutral,

2(4.8%) disagree and 1(2.4%) of the employees disagree that high performance does not necessarily improve productivity.

From the above analysis, it shows that 81% of the employees agree that high performance improves productivity because if an employees' performance is high, there is a high possibility that the productivity will also be high.

**Table 36: My output is sufficient enough as regards my expected productivity**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	5	11.9	11.9	11.9
Agree	20	47.6	47.6	59.5
Neutral	12	28.6	28.6	88.1
Disagree	5	11.9	11.9	100.0
Total	42	100.0	100.0	

Table 36 show that 5(11.9%) of the employees strongly agree and 20(47.6%) of the employees agree that their output is sufficient enough as regards their expected productivity, 12(28.6%) of the employees opted for neutral, 5(11.9%) disagree that their output is not sufficient as regards their expected productivity.

From the above analysis, it implies that the output of some employees of about 20(47.6%) is sufficient enough as regards their expected productivity but there is also a population of about

11.9% and 28.6% whose sufficient as regards their expected productivity is still low and measures should be taken to investigate why their productivity is too low.

**Table 37: My efforts has increased on the productivity within the school**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	11	26.2	26.2	26.2
Agree	23	54.8	54.8	81.0
Neutral	5	11.9	11.9	92.9
Disagree	2	4.8	4.8	97.6
strongly disagree	1	2.4	2.4	100.0
Total	42	100.0	100.0	

Table 37 show that 11(26.2%) of the employees strongly agree and 23(54.8%) of the employees agree that their efforts have increased on the productivity within the school, 5(11.9%) of the employees opted for neutral, 2(4.8%) disagree and 1(2.4%) strongly disagree that their efforts have not increased on the productivity within the school.

From the above analysis, it indicates that some employees of about 23(54.8%) of the employees have put in their efforts to ensure that there is increased productivity within the school where as there also some employees approximately 3 employee from the sample of 52 employee who have not put in effort to ensure that there is increased productivity within the school.

**Table 38: Creativity increase productivity.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	20	47.6	47.6	47.6
Agree	18	42.9	42.9	90.5

Neutral	4	9.5	9.5	100.0
Total	42	100.0	100.0	

Table 38 show that 20(47.6%) of the employees strongly agree and 18(42.9%) of the employees agree that creativity increases productivity, 4(9.5%) of the employees opted for neutral.

From the above analysis, it signifies that creativity increases productivity. This is because the employees will opt for different ways of how to increase productivity through using different methods of teaching to test whether the students understand a certain concept.

**Table 39: My creativity attracts to interact with my students and find solutions**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	16	38.1	38.1	38.1
Agree	20	47.6	47.6	85.7
Neutral	5	11.9	11.9	97.6
Disagree	1	2.4	2.4	100.0
Total	42	100.0	100.0	

Table 39 show that 16(38.1%) of the employees strongly agree and 20(47.6%) of the employees agree that their creativity attracts them to interact with their students and find solution to different issues so as to increase productivity, 5(11.9%) of the employees opted for neutral, 1(2.4%) disagree that the quality of output reflects productivity.

The analysis above indicates that that all the employee interact with their students to issues like poor performance in class and find possible solutions on how to improve on the performance of either the teachers or to students so as to increase the productivity of employees.

An open ended question was also asked and it was as follows; What do you think should be done to increase productivity in government aided secondary schools? The respondent came up with different views that the government should put into consideration so as to increase the productivity of employees in government aided secondary school. Their views included the following;

A respondent said that the government should attach regular and timely payments to attract more staff. This is because most of the teachers are ghost teacher in a way that they left teaching sometime back and spend most of the time during their private duties like farming, carrying out business and spend the minimum time possible in class.

Most respondents said the government should increase our salaries; give us a better pay; increase on the teachers' salaries and provide all the necessary teaching materials to all schools, this will lead to better performance hence increased productivity;

Some respondents said the government should reduce on the taxes levied on their salaries. One respondent said the salary is already less or unsatisfactory and the government goes ahead to tax it hence we are left with almost nothing to meet our personal needs.

A respondent said that the government should stop corruption in the ministry of education. This is because their salaries are sent to the ministry of education but the officials spend up all their money hence by the end of the month we do not have our salaries claiming there is no money.

An interview was conducted to find out whether the employees are satisfied with the financial rewards that are conducted in their school. All the employees said they are not satisfied with the financial rewards awarded to them because above all their salary is less thus it can't meet most of their needs like medication, housing, education, clothing and food.

The researcher went ahead to get their views on what strategies should be taken to increase productivity. The key informants gave their views as explained below;

A key informant requested the government to provide a minimum wage and a living wage at least for teachers because the teachers paid by P.T.A are paid a very low wage that cannot be compared to the amount of work they perform.

A key informant said the government should provide allowances like transport accommodation, meals allowances, and also make these allowances available and reliable. The civil servants should be aware of these allowances and how they can access them.

Many key informants said the government should increase on their salaries and make sure these salaries are paid regularly and on time because most of us expect the salary at the end of the month, and to our dismay, we take two months without pay. He gave an example of himself who had not been paid for two months and was not sure whether he will get pay this month or not.

Key informants also requested the school through the Parent Teachers Association to provide simple allowances like meals, transport, subsistence, overtime to be allocated to the staff so as to ensure that they are at school despite the fact that their salaries have delayed.

A key informant also said that the government should consider the education sector like other important sectors. This is because when other sectors ask for pay increase, it is awarded to them with ease but when it comes to the education sectors nobody bothers to even ask what we teachers need.

A key informant also asked the government to improve on the infrastructure in these government aided school. This is because some of the government aided schools are in poor conditions and the classrooms are poorly constructed and some schools do not have a staffroom where students can get the teachers for help.

A key informant also said that the government should recruit more staff, reduce on the taxes and provide the necessary scholastic materials like textbooks, stationary, office and laboratory equipments.

A key informant also said that the government should pay them well because they also invest a lot of money to study the necessary courses especially in the private institutions.

#### **4.5 Conclusion:**

In conclusion, the study declares that salaries, allowances and pay for performance as elements of financial rewards play an important role in positively or negatively influencing productivity of employees in government aided secondary schools and also other organizations.



## CHAPTER FIVE

### SUMMARY CONCLUSIONS AND RECOMMENDATIONS

#### **5.1 Introduction:**

The research objectives and questions aimed at investigating the relationship between financial rewards and productivity of employees in government aided secondary schools. It was found out that the relationship between financial rewards and productivity of employees in government aided secondary schools was both positive and negative. This chapter presents the summary and conclusions, recommendations of different findings under every objective, and the suggestions for further research.

#### **5.2 summary and Conclusions:**

It was confirmed that there was a direct relationship between relationship between financial rewards and productivity of employees in government aided secondary schools. The elements of financial rewards which included: salaries, allowances and pay for performance had a direct relationship between financial rewards and productivity of employees. The relationship was both negative and positive.

This was evidenced during an interview when a key informant said that financial rewards have a relationship with productivity and gave a reason to support his answer that was;

*“We are living in a money world, where money can be used to purchase most of the items one needs. if am awarded with money, I would know what to spend with that money compared to*

*when am given a sack of beans. This is because I may not like the beans but when I want greens or cow peas. So if am given the money to purchase the beans, I may then go for my cow peas”.*

This helped me as a researcher to conclude that financial rewards fulfill most of the employees needs especially the basic needs where one knows what he needs and how much to spend on that commodity.

### **5.2.1 Salaries and productivity:**

Salaries had a relationship between financial rewards and productivity of employees in government aided secondary schools which included both positive and negative relationship.

This was evidenced when a key informant said;

*“Salaries motivate an employee to work hard so as to increase productivity if they are paid on time and if the employees understand their salaries for example some people make their salary look so low hence demoralizing them to perform”.*

This positively increases the quality of output, increases performance, increases level of creativity, increased customer care and increased attendance.

This has been also supported (Linda, 2008) by that salaries have a relationship with productivity in a way that while many workers claim that job satisfaction and a sense of purpose drive their productivity, salary also plays a distinctive role in how well your employees perform.

On the other hand, the negative relationship include: decline in performance, low quality of output, decreased morale for work, boring work, late coming and absenteeism hence low productivity. This was evidenced when a key informant said that;

*“Salaries do not contribute to productivity for example some employees are paid on time but never appear at school and they don’t what to teach, the students being taught also matter like some of them take long to understand what is taught, and some teachers just need strict supervision and inspection when they are carrying out their activities”.*

This is why there is a problem even though employees are paid but still they do not what to produce the necessary output and this call for the local government of Mpigi district to intervene.

### **5. Allowances and productivity:**

According to the finding of the research, it was found that allowances like overtime allowance, transport allowance and subsistence allowances help the employees to perform their duties effectively and efficiently without complaints of lacking transport.

A teacher who gets overtime allowance will attend to his students regularly even beyond his working hours and makes sure his students understand the course, he takes an initiative to ensure that the students pass the final examinations with good grades hence increasing the productivity within the school.

This was evidenced when a key informant said that;

*“Allowances have a positive relationship between with productivity if they motivates people to work hard to get that pay for example if one is aware of the overtime allowance, he will go an extra mile to teach for example during prep so that the students can understand the subject which in turn leads to increase productivity. He added that teachers cannot turn up for prep and extra attention to students if they know they are not going to be paid for their extra time”.*

## **5. Pay for Performance and productivity:**

According to the research it was identified that pay for performance increases productivity because most of the employees agreed that this pay encourages them to work hard so that they can earn this pay. This has also been supported by (Beardwell and Holden, 2001) who said that, by paying employees for results, there is a direct and visible link between the outcome of productivity and financial rewards. It assumes that this relationship will lead the individual or increase his or her level of productivity in order to receive more of this financial reward and by implication increase their productivity.

The review of the wall street journal also concluded that “the evidence was insufficient to determine conclusively whether merit pay can enhance individual performance” (Bernardin2003). Pay can be used to motivate people to perform behavior that will help an organization achieve its goals, and it can be used to motivate people to join and remain within an organization (Gareth et al, 2000).

### **5.6 General conclusion:**

From the research findings, its clear when workers are given timely salaries that are pleasant, given financial allowances like accommodation, transport, and meals to enable them work adequately, and also given a pay for performance in appreciation for their good performance, they will be motivated to work hard so as to increase productivity. The financial rewards will eventually raise their performance, morale for work, job satisfaction which all lead to increased productivity.

On the other hand, when workers are not paid salaries, given some of the allowances and also awarded with pay for performance, they cannot be motivated to work hard and therefore their performance, level of creativity and quality of output will decrease which will eventually make their work boring hence leading to low productivity in government aided secondary schools.

### **5.3 Recommendations:**

The study findings revealed a number of views to the researcher and the results led to the formulation of the following recommendations. In particular the recommendations were geared towards the government of Uganda and the management of the selected government aided secondary schools to see that the productivity of the employees is raised. They include:

#### **5.3.1 Base pay and productivity of employees in government aided secondary schools**

The government of Uganda should find ways of reasonably raising the salaries employees in government aided Secondary schools. Majority of the employees (71.7%) revealed that they were not happy with their current salaries and this contributed to their low performance.

Therefore, the management should look in to this issue to see that this problem is handled.

The government should increase our salaries; give them a better pay; increase on the teachers' salaries and provide all the necessary teaching materials to all schools, this will lead to better performance hence increased productivity

The government has been requested to provide a minimum wage and a living wage at least for teachers because the teachers paid by P.T.A (Parent Teachers Association) are paid a very low wage that cannot be compared to the amount of work they perform. This minimum pay encourages the employees to be proud of the wage and to know that they are not being exploited thus will work hard to increase productivity.

Allowances and productivity of employees in government aided secondary schools.

The government should provide allowances like transport refund, subsistence accommodation allowances, meals allowances, and also make these allowances available and reliable. The civil servants should be aware of these allowances and how they can access them. Allowances can also be given when direct increment in salaries/pay of employees is not made. This can raise the employees' morale for work, reduce job dissatisfaction, raise their performance and eventually lead to better productivity.

The government should reduce on the taxes levied on their salaries. One respondent said

*“The salary is already less or unsatisfactory and the government goes ahead to tax it”*

This leaves the salary of employees too low and most of them are left with almost nothing to meet our personal needs.

1. The government should consider the education sector like other important sectors. This is because when other sectors ask for pay increase, it is awarded to them with ease but when it comes to the education sectors nobody bothers to even ask what we teachers need.
2. The government should stop corruption in the ministry of education. This is because their salaries are sent to the ministry of education but the officials spend up all their money hence by the end of the month we do not have our salaries claiming there is no money.
3. The government should improve on the infrastructure in these government aided school. This is because some of the government aided schools are in poor conditions and the classrooms are poorly constructed and some schools do not have a staffroom where students can get the teachers for help.

#### **5.4 suggestions for further research:**

Basing on the findings of this study, and the recommendations given, the researcher urges future researchers to focus on the following areas related to the study that has been carried out:

1. I encourage future researchers to look at the effects of employee morale on performance of workers. Most of the employees in government aided schools gave responses about non-monetary rewards as one of the motivators for increased productivity yet the study did put so much emphasis on non-monitory rewards.
2. I also encourage future researchers to look at the effect of motivation on productivity of workers in organization, the effect of job satisfaction on performance of workers in organizations, the effect of non-monetary rewards on employee performance as well as the effect of performance appraisal on performance of employees and organizations. This is because in the responses of most employees, they mostly talked about the above mentioned aspects of work and motivation yet the scope of the study was not big enough to look at all of them.

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## APPENDICES

### Appendix I: Research Questionnaire

Dear Respondent,

I, Kainza Mary Phiona, a final year student of Uganda Martyrs University Nkozi, am conducting a research study on “*financial rewards and the productivity of employees in government aided secondary schools*” as a partial fulfillment of the requirements for the award of the Bachelors Degree of Business Administration and Management of Uganda Martyrs University, Nkozi. This research study is carried out purely for academic purposes and all responses given will be treated confidential.

#### (A) Background of the Research Respondent

##### (a) Gender

(1) Male  (2) Female

##### (b) Age

(1) 18 Years and below  (2) 19-29 Years   
(3) 30-40 Years  (4) 41-51 Years   
(5) Above 51 Years

##### (c) Highest Level of Education

(1) Primary  (2) Secondary  (3) Tertiary   
(4) University  (5) Post-graduate  (6) Others (Specify): .....

##### (d) Duration of work with the Organization

(1) Less than 2 Year

(2) 2-4 Years

(3) 5-6 Years

(4) 7-9 years

(5) Above 10 year

**Part B: salaries and productivity of employees in government aided schools.**

Please indicate your level of Agreement for: **1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5-Strongly Disagree**

Research Questions	5	4	3	2	1
The basic salary is satisfactory.					
The basic salary am paid has enabled me to improve on my productivity					
My salary is timely paid.					
My monthly salary is timely so as to encourage me to work hard.					
The monthly salary am paid enables me to increase my productivity.					
The monthly salary is adequate.					
The school gives me a wage that is sufficient.					
The wage that I get helps me to improve my productivity.					
My wage is timely.					

Do you have any other comment you would like to make regarding salaries and productivity? If yes provide the comment here.

.....  
.....

**Part C: Allowances and productivity of employees in government aided schools.**

Please indicate your level of Agreement for: **1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5-Strongly Disagree**

	5	4	3	2	1
The overtime allowance encourages me to work even beyond my working hours so as to increase productivity.					
The overtime allowance is satisfactory					
The over time allowances helps to attend to my students in the evening and weekends.					
Am given transport allowances which enables me to work regularly.					
The transport allowance enables me reach school on time so as to perform my duties adequately.					
The transport allowance is adequate.					
Subsistence allowance is timely paid.					
The subsistence allowance is sufficient					
The subsistence allowance has enabled me to improve on my productivity.					

Do you have any comment on allowances and productivity of employees in government aided schools.

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.....

.....

**Part D: Pay for performance and productivity of employees in government aided schools.**

Please indicate your level of Agreement for: **1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5-Strongly Disagree**

	5	4	3	2	1
I always receive additional pay in case my students get better grades					
I put a lot of effort to ensure that I increase the productivity of					

the school so as to get a better pay.					
The variable pay encourages me to work hard so as to meet the required productivity.					
The variable pay entices me to work beyond my job description hence increased productivity.					
The bonuses given are reliable.					
The bonuses have helped me to improve productivity.					
The bonuses are adequately.					

With other method of pay do you think would influence you to increase productivity?

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**PART E: PRODUCTIVITY OF EMPLOYEES IN GOVERNMENT AIDED SCHOOLS.**

Please indicate your level of Agreement for: **1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5-Strongly Disagree**

	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
The quality of output is good					
The quality of output reflects the productivity					
The quality of output is a sign of productivity.					
High performance improves productivity					
My output is sufficient enough as regards my expected productivity					
My efforts has increased on the productivity within the school					
Creativity increases productivity					
My creativity attracts me to interact with my students and find solutions to different issues and thus increase productivity					

What do you think should be done to increase productivity in Government aided Secondary schools?

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.....

**Thank You for Your Participation and Valuable Time.**



## **Appendix II: Interview guide**

Do you think there is a relationship financial rewards and productivity? If ye what?

In relation to the above, how do you regard your productivity? Is it low or high?

Do you think salaries have a contribution towards productivity? If yes explain how.

In your own opinion, what do you think is the relationship between allowances and productivity?

Do you think performance pay improves productivity? If yes how?

Are you satisfied with the financial rewards that are conducted in your school?

What do you think are some of the strategies that can be done to increase productivity?

### Appendix III: Research budget

ITEMS	QUANTITY	UNIT COST	TOTAL (UGX)
<b>STATIONERY</b>			
Pens	5	400	2,000
Pencils	4	250	500
Duplicating papers	3 reams	15000	45,000
Ruler	1	2000	2,000
Printing & binding of proposal	1 copy	17000	17,000
Printing & binding dissertation	3 copies	40000	120,000