

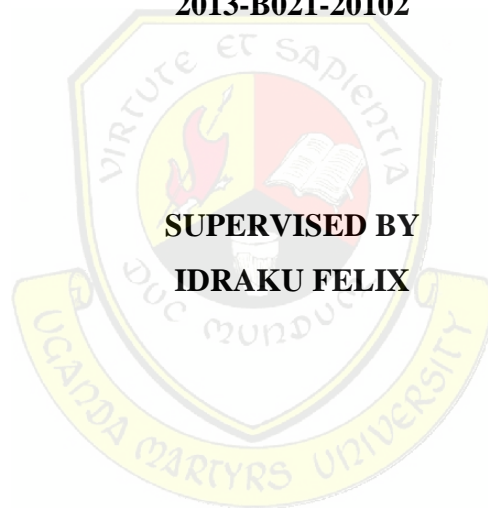
**THE REWARDS AND LABOUR TURNOVER IN NGOs IN UGANDA**

**“A CASE STUDY OF THE MILLENIUM VILLAGES PROJECT-ISINGIRO  
DISTRICT”**

**BY**

**NAKANWAGI PRISCA**

**2013-B021-20102**



**SUPERVISED BY  
IDRAKU FELIX**

**RESEARCH DESSERTATION SUBMITTED TO THE FACULTY OF BUSINESS  
ADMINISTRATION AND MANAGEMENT AS REQUIREMENT IN PARTIAL  
FULFILLMENT OF THE AWARD OF BACHELORS DEGREE IN BUSINESS  
ADMINISTRATION AND MANAGEMENT AT UGANDA MARTYRS  
UNIVERSITY**

**AUGUST, 2016**

## **DEDICATION**

I would like to dedicate this research report to my lovely Father Ssalongo Karist Bukenya and my Mother Mrs. Mary Nanono for the financial support and encouragement towards my studies.

## ACKNOWLEDGEMENT

My sincere gratitude to my supervisor Mr. **IDRAKU FELIX** for his work towards this task, thank you for the guidance to make my research work a success.

Special thanks to my friends for the moral, financial, psychological support rendered to me towards my report

Lastly my research assistants Bbosa Moses and the organization staff members and management for participating in my study actively.

May the almighty bless you all.

## **LIST OF ABBREVIATIONS**

**HR:** Human Resource

**MDGs:** Millennium Development Goals

**MVP:** Millennium Villages Project

**NGOs:** Non Governmental organizations

**SDGs:** Sustainable Development Goals

**UN:** United Nations

**US:** United States

## **ABSTRACT**

This work presents study findings on rewards and labour turnover in NGOs in Uganda a case study of Millennium Villages Project (MVP)-Isingiro district. The problem of the study was that in spite of the monetary and non monetary reward systems and employment policies at the organization. The study was based on the following objectives; To examine the effect of monetary rewards on labour turnover at the Millennium Villages Project-Ruhiira, Isingiro district; and to establish the extent to which non-monetary rewards influence labour turnover at the Millennium Villages Project-Ruhiira, Isingiro district. In total, a sample of 128 respondents was selected from 149 employees at Millennium Villages Project, Isingiro district. The sample conducted was 112 of the target population. The sample size was obtained using purposive sampling, simple random sampling and census. The study used both qualitative and quantitative techniques to collect and analyse data. The study answered two research questions; what is the effect of monetary rewards on labour turnover? To What extent do non-monetary rewards influence labour turnover at the organization Study findings revealed that monetary rewards influence labour turnover, and that non monetary rewards also significantly influence labour turnover. The study concluded monetary and non monetary rewards have a positive significant relationship on labour turnover. The study recommends that the organization should create a standard salary scale for its employees. Relatedly, the study recommends that the organization fixes standard amount of allowances to pay employees for each extra hour they work. The study also recommends that the organization strengthens its internal recruitment capacity by promoting staff who have required qualifications and work experience to senior positions before out sourcing for other staff outside the organisation. The study further recommends that health insurance should cover all employees at the organization instead of very few top staff members.

## TABLE OF CONTENTS

DECLARATION .....	i
APPROVAL.....	ii
DEDICATION .....	iii
ACKNOWLEDGEMENT .....	iv
LIST OF ABBREVIATIONS .....	v
ABSTRACT .....	vi
<b>CHAPTER ONE.....</b>	<b>xxii</b>
<b>Introduction .....</b>	<b>1</b>
1.2 Background to the study.....	2
1.3. Statement of the problem .....	5
1.4. General objectives .....	6
1.5. Specific Objectives.....	6
1.6. Research Questions .....	6
1.7. Conceptual Framework .....	7
1.9. Significance of the study .....	8
1.10. Justification of the study .....	8
1.11. Scope of the study .....	8
1.11.1Content scope .....	8
1.11.2 Time scope .....	9
1.11.3 Geographical scope .....	9
1.12. Definitions of Key terms.....	9

1.13 Conclusion of Chapter one.....	10
<b>CHAPTER TWO .....</b>	<b>11</b>
<b>LITERATURE REVIEW.....</b>	<b>11</b>
2.1 Introduction .....	11
2.1 Frederick Herzberg’s (1959) Two-factor theory.....	11
2.2 Theoretical Review .....	12
2.2.1 Frederick Herzberg’s (1959) Two-factor theory.....	12
2.2.2 Equity theory (Adams 1965).....	13
2.3 Labor Turnover .....	14
2.3 Relationship between Monetary rewards and labor turnover .....	14
2.3.1 Relationship between Salary and labour turn over .....	15
2.3.2 The relation between Bonuses and labor turn over.....	16
2.4 Relationship between Non-monetary rewards and labor turnover .....	17
2.4.1 Promotion .....	17
2.4.4 Participation in decision making.....	18
2.7 Conclusion of the chapter.....	19
<b>CHAPTER THREE .....</b>	<b>20</b>
<b>METHODOLOGY.....</b>	<b>20</b>
3.1 Introduction .....	20
3.2 Research Design.....	20
3.3 Study Population .....	20

3.4	Sample size.....	21
3.5	Sampling Technique and Procedure .....	22
3.5.1	Simple random .....	22
3.5.2	Purposive Sampling .....	22
3.6	Data Collection methods .....	22
3.6.1	Questionnaire Survey method .....	23
3.6.2	Interview method .....	23
3.6.3	Documentary review method .....	23
3.7	Quality Control of Data Collection.....	23
3.8.1	Validity.....	24
3.8.2	Reliability .....	24
3.9	Data Collection Procedure .....	25
3.10	Data Analysis Techniques.....	25
3.10.1	Quantitative Data Analysis .....	25
3.9.2	Qualitative Data Analysis .....	26
3.11	Measurement of Variables .....	26
3.12	Ethical Consideration .....	27
	<b>CHAPTER FOUR.....</b>	<b>28</b>
	<b>DATA PRESENTATION, ANALYSIS AND INTERPRETATION .....</b>	<b>28</b>
4.0	Introduction .....	28
4.2.	Background characteristics of respondents.....	29



4.3.1 Respondents' age group .....	29
4.3.2 Position in the origin .....	30
4.3.3 Respondent' level of education.....	31
4.3.4 Work Experience.....	32
4.5 The effect of monetary rewards on voluntary labour turnover .....	36
4.5.1 Salaries .....	36
4.5.5 Correlation between monetary rewards and labour turnover.....	38
4.5.6 Regression between monetary rewards and labour turnover .....	39
4.5.7 Regression between monetary rewards and labour turnover. ....	39
4.6 Non monetary rewards and labour turnover. ....	40
4.6.1 Promotions .....	40
4.6.2 Recognition .....	42
4.6.4 Participation in decision making.....	43
4 6.7 Regression between non monetary rewards and voluntary labour turnover.....	46
4. 7 Summary of chapter four .....	46
<b>CHAPTER FIVE.....</b>	<b>47</b>
<b>SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS... 47</b>	
5.1 Introduction .....	47
5.2 Summary of major findings .....	47
5.2.1 Effect of monetary rewards on labour turnover at the Millennium Villages Project-Ruhiira, Isingiro district .....	47

5.2.2 Non-monetary rewards and labour turnover at the Millennium Villages Project- Ruhira, Isingiro district. ....	<b>48</b>
5.3 Discussion of findings.....	<b>48</b>
5.3.1 Monetary rewards and labour turnover.....	<b>49</b>
5.3.2 Non-monetary rewards and labour turnover.....	<b>50</b>
5.4 Conclusions.....	<b>51</b>
5.4.1 Conclusions on monetary rewards and labour turnover.....	<b>51</b>
5.4.2 Conclusions on non-monetary rewards and labour turnover.....	<b>51</b>
5.5 Recommendations.....	<b>52</b>
5.5.1 Recommendations to improve monetary rewards and reduce labour turnover....	<b>52</b>
5.5.2 Recommendations to improve non monetary rewards and reduce labour turnover	<b>52</b>
5.6 Contributions of the study.....	<b>53</b>
5.7 Limitations of the study.....	<b>53</b>

## LIST OF TABLES

Table 4.1 Response rate .....	29
Table 4.2 Respondents' age group .....	30
Table 4.3 Managerial level.....	31
Table 4.4 Responses on labour turnover .....	34
Table 4.5 Respondents' views about salaries at MVP.....	36
Table 4.9: Correlation between monetary rewards and labour turnover .....	38
Table 4.10 Regression analysis for monetary rewards and labour turnover.....	39
Table 4.11 Respondents' views on promotion at MVP .....	40
Table 4.12 Responses from respondents on recognition .....	42
Table 4.14 Respondents' opinion on decision making at MVP .....	44
4.6.6 Correlation for non monetary rewards and voluntary labour turnover.....	45
Table 4.16 Correlation matrix for Non monetary rewards and labour turnover.....	45
Table 4.17 Regression analysis non monetary rewards and labour turnover. ....	46

## LIST OF FIGURES

Figure 4.1 respondents' education level .....	32
Figure 4.2 Number of years worked at MVP.....	33

# CHAPTER ONE

## GENERAL INRODUCTION

### **1.0 Introduction**

The study is about rewards and labor turnover in Non-government organizations in Uganda-case study of the Millenium Village project Ruhiira. In this study, rewards are conceived as the independent variable while labor turnover is the dependent variable.

Labour turnover also referred to as attrition is the flow of manpower into and out of an organization (Armstrong, 2001). The inflow of manpower is referred to as accession and the outflow as separation (leaving) separation may be in form of quits, discharges, layoffs, retirement, leaves of absence and even death. On their part, Luthan et al., (2006) mention three characteristics of organizational commitment: (1) a strong belief in, and acceptance of the organizations goals and values, willingness to exert considerable effort on behalf of the organization and a strong intent or desire to remain with the organization. There are very many reasons advanced by scholars for example Stonner, Freeman, Gilbert, (2002) argue that a number of reasons lead to labor turnover these include poor remuneration. High turnover is an indication of low morale and dissatisfaction amongst the Labour turn overs. Therefore Labour turn overs can be offered both monetary and non monetary rewards to motivate them retain their jobs (Armstrong, 2006).

This chapter presents the background to the study, the statement of the problem, purpose of the study, specific objectives of the study, the research questions, hypotheses, conceptual framework, and significance of the study, justification of the study, the scope, and operational definitions of terms.

## **1.2 Background to the study**

Henry and Noon (2001) define a reward, satisfaction or reinforcement as something that when presented after behavior causes that behavior to increase. Rewards can be categorized into monetary and non monetary rewards. These include recognition, health insurance and day offs. Monetary rewards on the other hand include salaries/wages and bonuses. For an individual to be rewarded, he must have done something since it is a token of appreciation.

According to Torrington (2002), labour turnover has historically been a concern for managers because it disrupts production schedules and it is costly as new workers with appropriate skills must be recruited and brought up to speed of the organization. This can be problematic when skilled workers leave and interestingly this usually occurs during periods of heightened competition and tight labor markets.

According to global context It was further reported that the private sector continued to experience the highest labour turnover rates of 23% of which 34% left their employers voluntarily (Rice, 2006). In addition, the two recent and extensive employer surveys in the United Kingdom, it was concluded that Labour turn overs leave organizations for many reasons. While some depart involuntarily, the vast majority resign of their own volition.

In Uganda high levels of labor turnover have been witnessed, the turnover rate was 15% in 1999 (Sharma, 2001).Hall and Taylor (2002) demonstrate that turnover is increasingly becoming a major concern over the years because; it is the subject of much research in organizational science and economics. Turnover costs for many organizations are usually very high and can significantly affect the performance of an organization.

In this study, the equity theory by (Adams, 1965) which postulates that Labour turn overs seek a fair balance between what they put in and what they get out of their work will guide the study. People act in

the light of what they regard as fair and can base on this to leave the organization or stay. This theory is concerned with the perception that people have on how they are treated as compared with others. It also suggests that Labour turn overs seek to maintain equity between the input they bring into a job and the outcome they receive from it against what others perceive and receive. Therefore, Labour turn overs at Millennium Villages Project seek to maintain equity between the rewards they receive and the input in terms of labour they bring to the project. They expect that the rewards they receive should be commensurate to the amount of labour and input offered while at work. If there is no equity between what they offer and what they receive, they are most likely to resign which leads to increased labour turn over.

According to Armstrong (2006), financial or monetary rewards are rewards that provide financial recognition to people for their achievements in the shape of attaining or exceeding their performance targets or reaching certain levels of competence or skill. Armstrong and Mullins (2004) define them as payments comprised of base pay, performance pay and cash bonuses.

According to Yavuz (2004), non-monetary rewards are the tangible rewards, social practices or job related factors that are used in an organisation to motivate Labour turn overs without direct payment of cash. These have a potential to motivate Labour turn overs intrinsically hence influencing turnover.

Henry and Noon (2001) define labour turnover as an index of the number of Labour turn overs who leave the organisation during a particular period, expressed as a percentage of the average number of Labour turn overs during that period.

According to Ivancevich, (2003) labour turnover is perceived as a situation whereby Labour turn overs see themselves as being unwanted in the organisation. Mitchell and Lee (2001) noted that, the major idea or reason why Labour turn overs quit their jobs is because of job dissatisfaction (poor pay, less or

no benefits). This results into negative job attitude. Griffeth et al., (2000) reveal a moderate strong relationship between job satisfaction and turnover

The Project supports communities in the areas of Health, Business, Infrastructure, Education, and Agriculture and carries Statistical Surveys and Research on the impact of the interventions in 12 countries in Africa. The one in Uganda operates from Isingiro district which is about 45 kilometres from Mbarara town in Western Uganda. The organization has got two offices both in Mbarara town- Administration office and in Ruhira town Cell-Ruhiira Parish-Nyakitunda Sub-county, Isingiro district.

The project is headed by the Team leader, sector heads, facilitators, and support staff. The organization gives equal employment opportunities to people and all staff are hired on merit according to the organization. Human Resources Manual (revised 2013). The project employs 140 people on contractual employment and their policy of renewal of one's contract depends performance and conduct at work. The project has been facing labor turnover where by staff voluntarily leave the organization however much, reward policy and systems have been put in place to motivate and retain their staff.

According to this report, some of the Labour turn overs have left involuntarily with reasons of being terminated on grounds of misconduct and misuse of project property (about 17%) but the turnover rate is higher than expected. It is revealed in this report that in the last four years, the turnover rate increasingly raised (18% in 2011 -30% in 2014. It is this unhealthy turnover rate that has motivated the researcher to investigate the relationship between rewards and labor turnover in NGOs.



### **1.3. Statement of the problem**

The Labour turnover retention is beneficial to an organization because Retention strategies are important in that they help create a positive work environment and strengthen an Labour turnover's commitment to the organization

Rewarding an Labour turnover whether monetary or non-monetary has a very big impact on their performance and commitment to the job in particular and the organization in general (Luthan, Peterson & Suzan 2006). In Uganda today, most organizations have introduced all kinds of rewards both monetary and non –monetary terms as a way of creating a strong relationship with their competent and experienced work force thereby achieving Labour turnover retention (Natwenda 2010). As far as a number of reward systems and policies have been put in place to reduce the rate at which Labour turn overs were quitting the organization. Such rewards include; paying their Labour turn overs good salary, housing mortgages, overtime bonuses, letters of recognition for anyone who achieves a target(does good work), monthly airtime, training and development, promotions, and allowances (MVP HR manual, 2013).

The MVP HR report (2014) indicated that labour turnover among support staff and technical staff from 2011 to 2014 rose from 18% to 30%. This has left the project with challenges of hiring and monitoring new staff and negative implications of the project being perceived as weak at retaining employees. Due to its unique design of achieving the Millennium Development goals in a specific period of time and now that its final evaluation is to take place this year (2016), there is need to analyze the factors for voluntary labour turnover. If this problem is not dealt with, a registration of extremely poor performance indicators may result in non-renewal of the project for the Sustainable Development Goals. The study is therefore intended to investigate the relationship between rewards and labour turnover in NGOs in Uganda using a case of the Millennium Villages Project-Ruhiira, Isingiro district.

#### **1.4. General objective**

The study is to analyze the relationship between rewards and labor turnover in NGOs in Uganda.

#### **1.5. Specific Objectives**

i. To examine the relationship between monetary rewards and labor turnover.

- Salary and labor turnover
- Bonus and labor turnover

ii. To establish the relationship between non-monetary rewards and labor turnover.

- Promotion and labour turnover
- Decision making and labour turnover

#### **1.6. Research Questions**

i. What is the relationship between monetary rewards and labor turnover in an organization?

ii. What is the relationship between non-monetary rewards and labor turnover in an organization?

## 1.7. Conceptual Framework

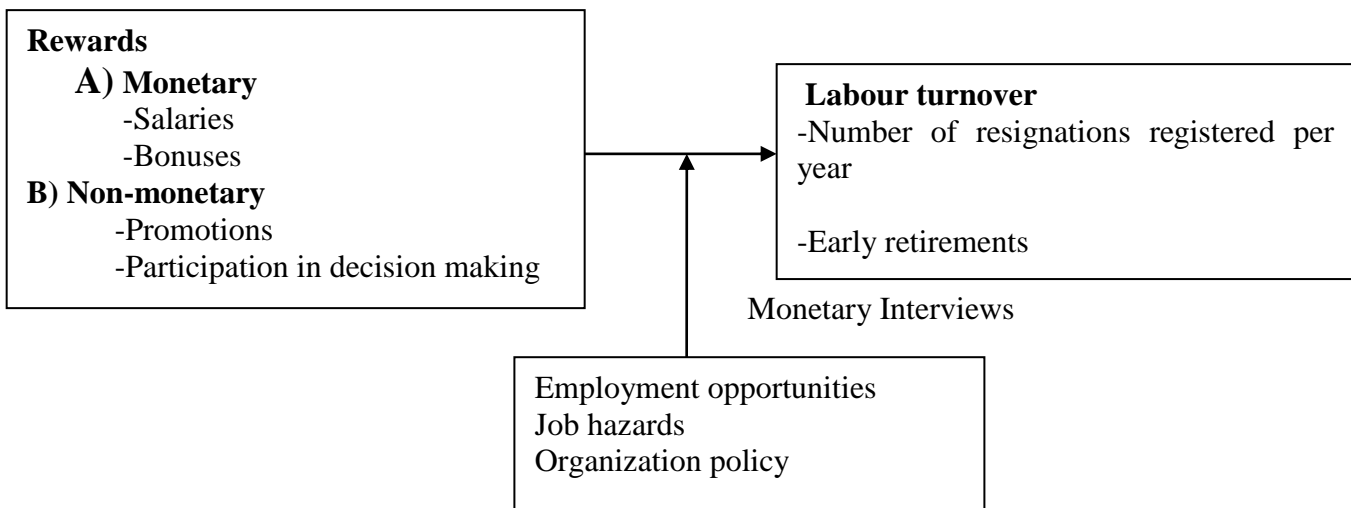
### Figure 1 Conceptual framework showing the relationship between rewards and labour turnover in NGOs.

The independent variables are, the monetary rewards which will comprise of salaries, allowances bonuses, wages and the non-monetary rewards being promotion, recognition, health insurance. On the other hand, the dependent variable which is labour turnover considers three aspects, number of resignations registered per year, intention to leave and early retirements.

In this case, the independent variable is conceptualized to have an impact on the dependent variable in a way that if the independent variable has been affected whether positively or negatively, the dependent variable will equally be affected.

#### Independent Variable

#### Dependent Variable



**Source:** Adapted from Mobley &Griffeth, (1982) and modified by the Researcher.

## **1.9. Significance of the study**

The study was hopefully of great help to the organization and other agencies to seek measures to retain staff and to also maximize benefits of dealing with long serving staff that would become experts to the organization.

In addition, the study findings helps managers of international agencies take some time to assess the effects of abrupt departures of Labour turn overs. This helps them to establish mechanisms of how to address Labour turn overs' grievances and prevent them from abrupt resignations.

Managers of different agencies are likely to use the findings to check and improve policies of rewarding Labour turn overs for better job satisfaction. This will encourage Labour turn overs to retain their jobs thereby reducing the rate of labor turnover.

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

Despite so many studies that have been carried out on Labour turnover turnover in organization, Hall and Taylor (2002) noted that turnover is increasingly becoming a major concern for several organizations. In addition, there is no universal accepted account of frameworks of why staff choose to leave have been reached.

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

### **1.11.1 Content scope**

The study covers the relationship between rewards and labor turnover at the organization. The study will be restricted to rewards in terms of monetary and non-monetary, where by monetary rewards include salaries, allowances, and bonuses while the non-monetary rewards to be looked at was promotions, recognition, training and development.

### 1.11.2 Time scope

The study encompasses data for the period between 2011 to 2015. This is because the period provides up-to-date information given the dynamics of labor movement in the employment sector.

### 1.11.3 Geographical scope

The study was carried out at the organisation's offices in Mbarara, Plot 8 Muti drive and also at the MVP-Ruhirafield office, Nyakitunda Sub-county, Isingiro district, about 45 kilometers from Mbarara town.

## 1.12. Definitions of Key terms

**Rewards** refer to anything given in recognition of service effort or achievement. It is also defined as all the tools available to the employer that may be used to attract, motivate and retain Labour turnover. (Graham 2003)

**Monetary** is something related to money or currency. The system wherein people pay with dollar bills and other paper money

**Nonmonetary** item refers to those assets and liabilities whose price in terms of dollars may change over time.

Is defined as the proportion of a firm's **workforce** that leaves during the course of a year.

**Bonus** refers to a payment or a reward the attainment of company growth and profitability target.

**Promotion** refers to Labour turnover advancement on his or her career in which he is given more new and challenging responsibilities due to outstanding performance.

**Salary** refers to a fixed periodical payment to Labour turnover usually expressed in terms of money.

### **1.13 Conclusion of Chapter one**

This chapter above presents the background to the study, the statement of the problem, purpose of the study, specific objectives of the study, the research questions, hypotheses, conceptual framework, and significance of the study, justification of the study, the scope, and operational definitions of terms.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents related literature on rewards and labor turnover. The literature will be reviewed to give a deeper understanding of the role of rewards on labor turnover. The chapter will cover the theoretical review, basing on themes derived from objectives of the study. In this chapter, motivation and satisfaction will be used alongside rewards.

#### **2.1 Frederick Herzberg's (1959) Two-factor theory.**

This study is guided by Frederick Herzberg's two-factor theory, also known as the motivation-hygiene theory or intrinsic/extrinsic motivation, concludes that while there are certain factors in the workplace that cause job satisfaction, a separate set of factors can cause dissatisfaction. The factors that motivate people can change over their lifetime, but "respect for me as a person" is one of the top motivating factors at any stage of life. According to Herzberg, intrinsic motivators such as challenging work, recognition, and responsibility produce Labour turn over satisfaction, while extrinsic hygiene factors, including status, job security, salary, and fringe benefits – if absent – produce dissatisfaction (Stonner, Freeman, Gilbert, 2002).

Henry and Noon (2001) define labor turnover as an index of the number of Labour turn overs who leave the organization during a particular period, expressed as a percentage of the average number of Labour turn overs during that period.

According to Ivancevich, (2003) labour turnover is perceived as a situation whereby Labour turn overs see themselves as being unwanted in the organization. Mitchell and Lee (2001) noted that, the major idea or reason why Labour turn overs quit their jobs is because of job dissatisfaction (poor pay, less or no benefits). This results into negative job attitude. Griffeth et al., (2000) reveal a moderate strong relationship between job satisfaction and turnover.

## **2.2 Theoretical Review**

A number of theories have been developed by scholars to explain how rewards influence labour turnover. For example, Frederick Herzberg's (1959) Two-factor theory and the Equity theory by Adams are all relevant to studies on rewards and labor turnover. However, this study will be guided by the Equity theory by Adams.

### **2.2.1 Frederick Herzberg's (1959) Two-factor theory.**

According to Frederick Herzberg's two-factor theory Labour turn overs are motivated by intrinsic and extrinsic factors. While there are certain factors in the workplace that cause job satisfaction, a separate set of factors can cause dissatisfaction. According to this theory non monetary rewards such as recognition and promotion (challenging work) provide intrinsic motivation and therefore encourage Labour turn overs to retain their jobs. Similarly, extrinsic hygiene factors such as salary produce satisfaction and Labour turn overs are encouraged to retain their jobs (Stonner, Freeman, Gilbert, 2002). On the other hand, the absence of intrinsic and extrinsic factors produces dissatisfaction and therefore may lead to labor turnover.

While this theory states the intrinsic and extrinsic factors that motivate Labour turn overs to perform well, the theory does not indicate how rewards are responsible for labor turnover in organizations.



Instead, the theory only focuses at the presence of intrinsic and extrinsic factors as motivators, and how their absence cause dissatisfaction to Labour turn overs, thereby affecting their performance at work.

### **2.2.2 Equity theory (Adams 1965)**

The equity theory explains how Labour turn overs achieve satisfaction by the fair and unfair distribution of resources within an organization. The theory states that Labour turn overs seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive from it against the assumed inputs and outcomes of others. In this study, Labour turn overs' labour is the input while the rewards obtained from organization are the outcomes. To Adams, Labour turn over's value fair treatment and it motivates them to maintain their relationships with their co-workers and organizations (Adams, 1965). Therefore, if Labour turn overs in an organization are well rewarded they will be motivated and will not resign their jobs. Equity at a workplace is based on the ratio of inputs to outcomes. The equity theory emphasizes that individual contributions should be recognized in a way the equity is practiced. After reading and understanding this theory, it guides on what may influence staff to leave their current organizations.

The weakness with the equity theory is that in human nature, misrepresentation is common. What one may call a big contribution or outcome may not be necessarily big to the eyes of another person. This theory will guide the study by revealing how equity between input (Labour turn overs' labor) and output (rewards) affect labor turnover at the organisation. If Labour turn overs receive monetary rewards in form of salaries, allowances, bonuses and wages, then non monetary rewards such as promotion, recognition and health insurance among others that are commensurate with the labor offered there will be reduced labor.

## **2.3 Labor Turnover**

Henry and Noon (2001) define labor turnover as an index of the number of Labour turn overs who leave the organization during a particular period, expressed as a percentage of the average number of Labour turn overs during that period. There are several factors on which productivity of an organization mostly depends upon. Labour turn over's turnover is one of them which is considered to be one of the challenging issues in business now days (Rankin, 2006).

Labour turn over turnover can be extremely devastating for any company. It makes the employers difficult to maintain a steady and successful operation. Losing a single key worker can decrease the livelihood of a project's success and can reduce investors confidence in the firm (Lee & Mitchell, 2000). When an Labour turn over leaves an organization, it can have a variety of effects that not only impact on the organization, but also the individual Labour turn over and the society.

Information on turnover can help the planning, prediction and control of resources. Despite an enormous literature on turnover in organizations, there is as yet no universally accepted account or framework for why people choose to leave (Lazear, 2000). Labour turn over turnover can hamper the overall productivity of an organization and is often a symptom of other difficulties. Turnover directly affects the production and productivity. It causes a replacement which is costly and time consuming.

### **2.3 Relationship between Monetary rewards and labor turnover**

Monetary rewards are fundamental aspects for labor retention or labor turn over. In his report on monetary rewards, Hays (2006), noted that 42 percent of Labour turn overs surveyed said they preferred financial rewards, with nine per cent valuing non-financial rewards. Similarly, Cole (1997) emphasized that provision of stable monetary rewards contribute to Labour turn over commitment and stability on

the job. In fact, Armstrong (2006) identifies that monetary rewards have a powerful effect on freedom from worry, fear and contamination by the organization environment. In addition Nansasi (2003) observed that money is like a lubricant and if people are not compensated, they slow down and eventually retire or leave their jobs. If fair monetary rewards are adjusted to Labour turn overs and their basic needs are accessible, their level of commitment will rise and will be contented to continue working for an organization. This study will establish the role of monetary rewards such as; salaries, allowances, bonuses and wages on labor turnover at Millenium Villages Project-Ruhiira, Isingiro district.

### **2.3.1 Relationship between Salary and labour turn over**

Cole (2007) defines a salary as a fixed periodical payment to Labour turn overs usually expressed in terms of money. Holden (2001) asserts that in order to administer financial rewards it needs to establish a pay structure this involves a hierarchy of pay levels, and a hierarchy of jobs. Holden further encourages shift pay where Labour turn overs who work in unusual or changing hours should be paid to compensate for inconveniences and hardships they face if their commitment to the organization is to be enhanced.

Salary is the most common form of monetary reward. It is the financial compensation that one receives for the services rendered. It is fixed and periodically paid to non-manual workers after a fixed period of time usually on a monthly basis (Nansasi 2003). According to Bhambra (2008) a salary is the most common form of monetary reward responsible for turnover rate being so high. Labour turn overs are in search of jobs which pay well. If the companies which they are working with do not offer good salaries, they tend to hunt for jobs that pay them considerably well. Therefore, establishing the extent to which salary influences labor turn over will be critical for this study.

Meanwhile, Hewitt's Attrition and Retention study in Asia Pacific (2006), revealed that the first reason for growing attrition rate is compensation unfairness. Twenty one percent of the organizations that took

part in the study said that their Labour turn overs leave because they get offers from other organizations offering better pay packages.

While Nakanwagi, (2005) found out that inadequate salary leads to low Labour turn overs' social status leading to lack of commitment on their jobs hence increase Labour turn overs' tendency to leave an organization, her study on the other hand, revealed that offering high salaries and fringe benefits maximizes discontent among Labour turn overs, increases their social status hence commitment at work. However, Nakanwagi did not find out how monetary rewards should effectively be used to reduce labor turnover. Therefore, this study will examine the effect of monetary rewards and how they can be used to reduce labor turn over.

### **2.3.2 The relationship between Bonuses and labor turn over**

According to Armstrong (2006), bonuses are payments or general rewards offered after attainment of company growth and profitability targets, though in some schemes they may be related to the achievement of the individual. Bonuses are necessary to maintain a competitive overall level of remuneration for key people especially the performers. On the other hand, Hacket (2002) defines bonuses as a reward that closely resembles a straight addition to pay than most of the other benefits. They are normally payable in relation to some specified criterion such as profit or length of service, rather than as gifts from employer to Labour turn over. However, they tend to become rights other than a benefit in the eyes of the Labour turn over.

According to Adolfson and Bjornanger (2009), bonuses have a short motivational and minimal value; most Labour turn overs take it for granted. Labour turn overs expect bonuses at the end of the year, even though the Labour turn overs may not have contributed to the company's profitability. On the other hand, if the bonus for whatever reason is not paid, then there will be a backlash as Labour turn overs not

only become de-motivated but also angry, frustrated and disappointed. The value of the bonus now becomes sustenance of motivation rather than motivation per se. At the same time, there exists very real threat of de-motivation if the bonus is not given out or the amount given out is not up to expectations (Amoding 2010). According to Pink (2013), paying creative people bonuses for good performance not only demotivates them, but almost guarantees they will fail. According to him, there are four things that lead to better performance. They include fairness, autonomy, mastery and purpose.

However, Adolfsen and Bjornanger (2009), noted that bonuses are not the best way to motivate staff. According to research from the Institute of Leadership & Management (2012) emotional factors such job enjoyment, getting along with colleagues and feeling fairly treated by managers are the most effective ways of squeezing more out of staff – although a good basic salary is still important.

## **2.4 Relationship between Non-monetary rewards and labor turnover**

Money alone is not always enough to motivate high performance (Muhammad et al, 2011) This leads to a need for non financial rewards which do not involve any direct payments and often arise from the work itself (Armstrong, 2008). Wayne, (2006) reported that non-financial rewards include everything in a work environment that enhances a worker's sense of self esteem by others. This study will establish the extent to which non monetary rewards such as promotions, recognition, health insurance, participation in decision making and meals influence labour turn over at Millenium Villages Project- Isingiro district.

### **2.4.1 Promotion**

Beardwell (2004) contends that promotion shows a high value the employer places on the worker. It can lead to an increase in Labour turn over's satisfaction, motivation and commitment. Meanwhile, Souza's (2002) study revealed that promotion plays an important role in organizational career development process. In another study, promotion enhanced Labour turn overs' commitment to organizational

(Muhammad et al, 2011). Swarzwald et al (1992) reported that commitment was high among Labour turn overs who had been promoted. Wright (1992) in his study on the relationship between non-monetary incentives and job commitment in South Florida, USA, it was established that promotion at the job positively relates with commitment of Labour turn overs. This study will establish whether promotion takes place at the organization and how it affects labor turn over.

According to Wayne (1998), promotion psychologically helps to satisfy Labour turn overs' needs for security, sense of belonging and personal growth. Beardwell (2004) also observed that competition for promotion encourages Labour turn overs to increase their level of effort. In one of his studies, it was found out that one Labour turn over had to quit her job because she had been promised a promotion after her studies but the promise was not fulfilled. Basing on this scholarly view, it is right to conclude that promotions reduce labor turnover amongst Labour turn overs. This study will therefore establish the extent to which promotions contribute to labor turnover at the organization in Isingiro district.

#### **2.4.4 Participation in decision making**

Participation in decision-making is the extent to which employers allow or encourage Labour turn overs to share or participate in organizational decision-making (Probst, 2005). According to Barron (2010), there is a direct correlation between how involved Labour turn overs are in the decision making in their department or team and their overall morale, motivation, and satisfaction with their jobs which prevents them from quitting from their job. Companies and departments who have a higher level of Labour turn over involvement in decision making show higher levels of Labour turn over motivation, satisfaction and Labour turn over retention.

Jenkins (2013) states that, there are many benefits of involving Labour turn overs in the decision making of your company or department. When Labour turn overs are involved in the decision making, they feel

that people in ownership and management positions value them as a significant contributor to the team's success. When people feel valued, they will usually raise their level of effort and commitment to ensure the department's or company's success and will not resign from their jobs.

## **2.7 Conclusion of the chapter**

A critical review of the literature above indicates that both monetary and non-monetary rewards influence labour turn over. They motivate Labour turn overs who get encouraged to continue working with the organisation. However, the organization has both monetary and non money monetary rewards in place, yet labour turnover is high. Whereas the literature reviewed indicates that there is a relationship between rewards and labour turnover, note that other factors are responsible for labour turn over other than rewards. This study was therefore to establish the extent to which rewards influence labour turnover at the organization and suggest strategies through which to strengthen them and reduce the labour turnover rate.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the approaches and techniques the researcher will use to collect data and investigate the research problem. Specifically, the chapter presents the research design, study population, sample size and selection, sampling techniques and procedure, data collection methods, data collection instruments, data quality control (validity and reliability), procedure of data collection, data analysis and measurement of variables.

#### **3.2 Research Design**

A cross-sectional study design was adopted for this research because it enables an in-depth study and facilitates the collection of data at a one point in time, as Sekaran (2003) suggests. In addition, the study shall adopt a triangulation of both quantitative and qualitative approaches for data collection and analysis. In this case, the quantitative approach will allow the researcher to solicit information expressed in numerical format while the qualitative approach will complement the quantitative approach by soliciting more detailed information expressed in textual format (Mugenda&Mugenda, 1999). Combining numerical and textual information helps the researcher to enrich the study findings using the period between 2013-2016.

#### **3.3Study Population**

The study population included 149 Labour turn overs This was selected from the departments of, Health, Education, Finance and administration, community development, monitoring and evaluation, agriculture, infrastructure and enterprise. (MVP Human Resource Manual, 2014).



### 3.4 Sample size

The sample size was determined with the aid of Krejcie and Morgan's (1970) table for determining sample size, as cited in Amin (2005), as further explained in Table 1.

**Table 1 Study population and sample size**

Department	Total Population	Sample Size	Sampling Technique
Finance and administration	20	19	Purposive Sampling
Health	94	75	Simple random sampling
Enterprise	4	4	Census
Education	15	14	Simple random sampling
Infrastructure	3	3	Census
Community Development	2	2	Census
Monitoring and Evaluation	7	7	Census
Agriculture	4	4	Census
Total	149	128	

**Source:** Population adopted from Human Resource Manual (2014) & Krejcie & Morgan (1970) for sample size selection.

As shown in Table 1, a sample size of 128 respondents was drawn from a population of 149. This sample size was sufficient for the generalization of the study findings, as further supported by Amin (2005) who noted that for quantitative studies, a sample size of 93 or more is sufficient. Census, purposive and simple random sampling techniques was used to select the respondents.

### **3.5 Sampling Technique and Procedure**

The study was employ a combination of both simple random and purposive sampling techniques in selecting the sample, as further explained below;

#### **3.5.1 Simple random**

The simple random technique was used to select respondents from health and education departments. This is because the departments have many staff members, all of whom have equal chances of participating in the study. This was premised on the fact that the simple random technique gives respondents an equal chance of participating in the study and giving reliable data, as Amin (2005) emphasizes. The researcher shall establish the population of respondents in each department, after which sample size was determined using Manual (2014) & Krejcie & Morgan (1970) for sample size selection.

#### **3.5.2 Purposive Sampling**

The purposive sampling was employed to select key informants from finance and administration since these are expected to be more knowledgeable about rewards and voluntary labour turnover. According to Mugenda and Mugenda (1999) purposive sampling enables a researcher choose participants of his own interest based on their knowledge and expertise.

### **3.6 Data Collection methods**

The researcher used both quantitative and qualitative methods of data collection. The questionnaire survey method will be used for the collection of quantitative data, while the in-depth interview and documentary review methods was used to collect qualitative data.

### **3.6.1 Questionnaire Survey method**

The questionnaire survey method is a set of questions used to obtain information from a large group of people in a given study (Amin, 2005). The questionnaire is an efficient data collection method which has advantages of high complete responses within a short period. Use of questionnaires will allow the respondents ample time to reflect on answers to avoid hasty responses and thus enhance the validity (accuracy) of the responses (Mugenda&Mugenda, 2003). The questionnaire method will also help to reduce on the cost and time implications, besides enabling greater responses.

### **3.6.2 Interview method**

This is a data collection method that was used when dealing with purposive samples (Kothari 1985, Sekaran, 2003). In-depth interviews was used to obtain data from finance and administration who will be purposively selected because of the information they hold. The interviews was structured comprising a set of issues on monetary and non monetary rewards and the effect they have on voluntary labour turnover.

### **3.6.3 Documentary review method**

This is a data collection method which involves collecting information from already written materials (Sekaran, 2003). This will be used to obtain secondary data. Various books, reports, journals and human resource manuals was reviewed to get a deeper understanding of the variables under study.

## **3.7 Quality Control of Data Collection**

Data quality control measures was undertaken to ascertain accuracy and consistence of the data collected. The data collection instruments was pre- tested to ensure validity and reliability.

### **3.8.1 Validity**

Prior to the actual data collection, the developed data collection instruments was pretested to ascertain their validity. Relevant items will be identified, while the irrelevant ones was discarded or modified. Particularly, Content validity was used to ascertain the extent to which the content of the instrument corresponded to the theoretical content it was designed to measure (Amin, 2005).The instruments was presented to two experts who was assess the items and rate them basing on the suitability of a given item to the research study objectives to determine the validity index for each of the items. Content Validity Index (CVI) was used to quantify the agreements between the two judges, using the following formula;

$$CVI = \frac{K}{N}$$

Where CVI = Content Validity Index

K = Number of relevant/suitable items

N = number of items in the instrument.

The Content Validity Indices found to be higher than the recommended one at 0.70 will determine the validity of the instruments (Mugenda & Mugenda, 1999).

### **3.8.2 Reliability**

The study was adopt the test-retest method as propounded by Charles (1995) cited in Amin, (2005), who argued that consistency with which questionnaires (test) items are answered or individual's scores remain relatively the same can be determined through the test – retest method at two different times. Questionnaires was given to ten respondents after which their responses was analyzed for reliability T using Statistical Package for Social Scientists (SPSS) software to establish Cronbach's alpha, which is an

index of reliability associated with the variation accounted for by the true score of the underlying construct. The higher the score, the more reliable the generated scale is. The reliabilities found to be above 0.7, as recommended by (Amin, 2005) means the instruments are reliable.

### **3.9 Data Collection Procedure**

Upon successful report defense, the researcher shall secure an introductory letter from Uganda Management Institute for purposes of introduction before the participants when collecting data from the field. The researcher shall also seek permission from top management of MVP to access staff members participating in the study.

### **3.10 Data Analysis Techniques**

Data was analyzed both qualitatively and quantitatively.

#### **3.10.1 Quantitative Data Analysis**

This is a data analysis method used to reduce the gathered data to computer able form of information and enable the researcher enter the data into the data base and using statistics for the social scientists for analysis (Bery, 2004). Statistical package for the social sciences (SPSS) was used to aid to process and summarize information got from the questionnaires. The data will be sorted, coded and fed into the SPSS data analyst to generate various results. The data was analyzed for descriptive statistics, that is, frequencies, percentages, mean and standard deviation and was presented using charts, graphs and tables. Relational statistics like correlations was used to illustrate the existence of the relationship between variables (if any), while the regression analysis was used to explain how the independent variables affect the dependent variable.

### **3.9.2 Qualitative Data Analysis**

This a type of data analysis which helps a researcher reveal the content in a source of communication (Neuman, 2011). Qualitative Data analysis from in-depth interviews was done using thematic analysis. Responses from the key informants will be sorted and organised in line with the different thematic areas (variables and objectives under study). This was by identifying all data that is related to the already classified patterns according to research objectives. All information that fits under the specific pattern was identified and placed with corresponding patterns and thereafter, data will be combined into themes. Once the themes are collected, and the literature studied, the researcher will formulate theme statements to develop a comprehensive report. Quotations and other interpretations was used to back up quantitative data. This helps to triangulate findings of the study.

### **3.11 Measurement of Variables**

The independent variable (Monetary and non monetary rewards ) and the dependent variable labour turnover in terms of number of resignations registered per year, intention to leave and early retirements will be measured on a five point Likert type scale (1- strongly disagree, 2-Disagree, 3-Not sure, 4- Agree and 5-Strongly agree). The choice of this measurement is that each point on the scale carries a numerical score which was used to measure the respondents' attitude. According to Mugenda (1999) and Amin (2005), the Likert scale is able to measure perception, attitudes, values and behaviors of individuals towards a given phenomenon.

### **3.12 Ethical Consideration**

The researcher was emphasize confidentiality of all his research findings and use research assistants where he anticipates bias during data collection. The researcher will inform all respondents what their participation demands, the risks and benefits of participating in the study, how their confidentiality will be maintained, their right to refuse to participate in the study, and the right to refuse to answer any question during the interview process (Creswell, 2013). The respondents' names will be withheld to ensure anonymity and confidentiality in terms of any future prospects.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.0 Introduction

This chapter presents the response rate, background characteristics of the respondents, presentation, analysis and interpretation of study findings based on objectives of the study. The study examined the relationship between rewards (Monetary and non-monetary) and labor turn over (number of resignations registered per year, intention to leave, Early retirements) at organization (MVP) of Isingiro district.

The objective of the study was formulated, after which the researcher conducted basic data analysis including frequency distribution. Inferential statistics carried out were correlations and regression analysis which were presented according to objectives of the study. The statistical methods were used with the hope of discovering the nature of relationship between variables and the extent to which each item affects or contributes to the other.

During the study, the researcher prepared questionnaires which were distributed to respondents in order for them to give their opinions on the extent to which they agreed or disagreed with the statements. In addition, the researcher prepared interview guides in order to collect data from key informants through face to face interviews. The table below presents the number of the survey questions were shown in the table below. Items were measured using a 5-likert item scale ranging from the best opinion “strongly agree” (5) to the least opinion “strongly disagree”. The researcher then provided summaries of the findings from the interviews as backup of the findings generated from the quantitative data analysis. questionnaires and interview guides that were distributed/ targeted and the actual number of questionnaires received back as well as the interviews actually carried out.



**Table 4.1 Response rate**

<b>Instruments</b>	<b>Targeted</b>	<b>Conducted/Returned</b>	<b>Percentage</b>
Questionnaires	108	98	90.7%
Interview guides	20	14	70%
<b>Total</b>	<b>128</b>	<b>112</b>	<b>87.5%</b>

*Source: Primary data (2016)*

Table 4.1 above shows that out of 108 questionnaires, 98 were returned giving a response rate of 90.7% in addition, out of 20 interviews, 14 were conducted, giving a response rate of 70%. The overall response rate was 87.5% which is above the recommended two-thirds (67%) response rate (Amin, 2005; Mugenda and Mugenda, 1999). This indicates that the researcher was able to obtain adequate data for a complete study.

#### **4.2. Background characteristics of respondents**

This background information captures data on the response by age group, managerial level, level of education and the number of years worked at Millenium Villages Project. Background information was important to determine the respondents' ability to participate in the study and provide valid and reliable data. In terms of age, the lowest age was 20 years and there was no upper age limit. Regarding managerial level, three management categories (senior, middle and lower management) were considered. The level of education ranged from Certificate to Masters degree, while the number of years worked ranged from less than one year to more than six years.

##### **4.3.1 Respondents' age group**

The study established the age group of the respondents. This was because the researcher wanted to understand the age of the staff at the organization and unsure that those who participate in the study are

mature enough to understand the questions asked and provide relevant data. Results are presented in table 4.2 below;

**Table 4.2 Respondents’ age group**

<b>Age group</b>	<b>Frequency</b>	<b>Percentage</b>
20 – 30	54	48%
31 – 40	46	41%
41 and above	12	11%
<b>Total</b>	<b>112</b>	<b>100%</b>

*Source: Primary data (2016)*

Results in table 4.2 above indicates that majority of the respondents 54(48%) were between 20 and 30 years old. These were followed by 31 to 40 years 46(41%) while those above 41 years constituted 12 (11%). The above statistics indicate that all respondents were mature and able to understand the questions asked and provided reliable data for the study. The study further shows that majority of the respondents are in the youthful age (20-30years) which is often ambitious and likely to look for better jobs if they are not rewarded well.

#### **4.3.2 Position in the origin**

This section presents respondents according to managerial level. During the study, the researcher wanted to establish the roles and responsibilities which respondents held at Millenium Villages project. This would help know the extent to which respondents contribute to the organization’s reward policies and how rewards might affect or influence them voluntary resign from their jobs.

**Table 4.3 below shows the Results on managerial level**

**Table 4.3 Managerial level**

<b>Managerial level</b>	<b>Frequency</b>	<b>Percentage</b>
Senior Management	5	4%
Middle Management	65	58%
Lower level management	42	38%

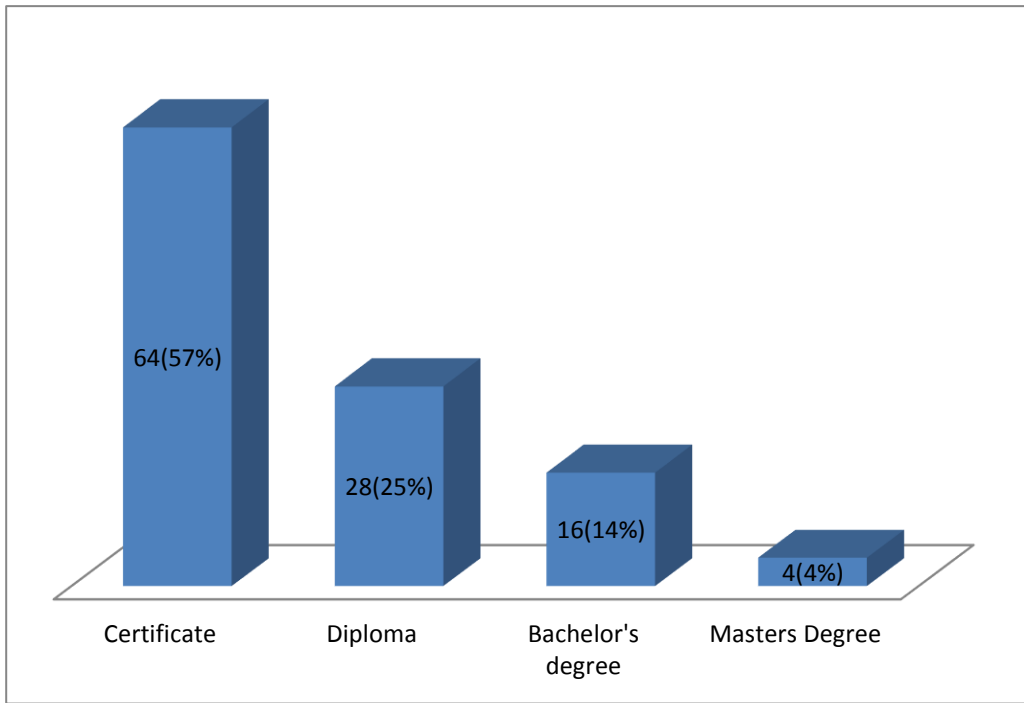
**Source: Primary data (2016)**

Table 4.3 Shows that majority (58%) of the respondents belonged to middle management level, 38% were at lower management level while 4% were at senior management level. The above statistics indicate that all respondents belonged to different levels of management. The difference in managerial level was an opportunity for the researcher to collect reliable data on rewards and labour turnover at the organization.

#### **4.3.3 Respondent' level of education**

During the study, the researcher sought to establish the respondents' level of education. The researcher wanted to know the education qualifications of the respondents since one's education level determines the ability to read, and understand the questions asked in order to give reliable information. The education level of respondents who participated in the study ranged from Certificate to Masters degree.

**Figure 4.1 Respondents' Education Level**



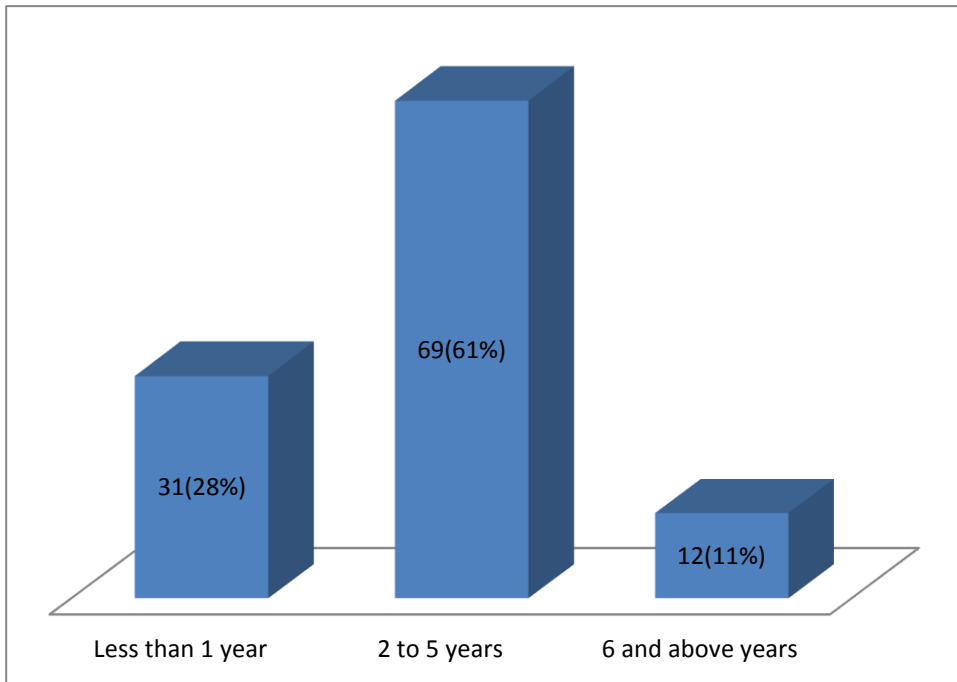
*Source : Educational Journal*

Results in figure 4.1 above show that 57% of the respondents held certificates, 25% held diploma, 14% Bachelors Degree while 4% obtained Masters Degrees. During the study, majority of the respondents who held certificates worked as Community Health Promoters in the health department. The fact that they hold the lowest qualifications might mean that their rewards in terms of salaries and other benefits are low. This might cause them to resign and look for other jobs or do their own businesses.

#### **4.3.4 Work Experience**

This sub section presents results on the number of years employees worked at Millennium Village Isingiro. The researcher wanted to establish employees' longevity at the organization and find out the number of new and old employees. A high number of new employees would possibly be an indicator of high labour turnover in case the positions they held were not newly created.

**Figure 4.2 Number of years worked at the organizations**



*Source : statistical data*

Figure 4.1 above shows that majority of the respondents (61%) had worked at the organization for two to five years. Those who had worked for less than one year were 28% while 11% had worked for more than six years. The above statistics indicate that the smallest percentage of employees had worked for more than six years possibly due to high labour turnover. Therefore, rewarding employees may motivate them to remain at their jobs. On the other hand, if they are not well rewarded, they may resign and work for a shorter period of time leading to increased labour turnover.

**Below are the responses obtained from the respondents;**

**Table 4.4 Responses on labour turnover**

	<b>LABOUR TURNOVER</b>	SD	D	N	A	SA
1	I intend to resign in the next two years	37(38%)	9(9%)	6(6%)	40(41%)	6(6%)
2	I felt good when my colleague resigned from work	44(45%)	36(37%)	11(12%)	4(4%)	3(3%)
3	I intend to apply for early retirement	28(29%)	6(6%)	8(8%)	46(47%)	10(10%)
4	I contemplate resigning from my job	10(10%)	19(20%)	6(6%)	10(10%)	19(20%)
5	If I get another job, I can resign and take it up.	46(47%)	12(14%)	15(15%)	5(6%)	20(21%)
6	I have written a job application letter in another organization in the last one year	41(42%)	11(11%)	0	31(32%)	15(15%)
7	Atleast, there are some employees in Millenium Village Project who resign from their jobs every year.	6(6%)	7(7%)	3(3%)	20(21%)	62(63%)

*Source: Primary data (2016)*

Table 4.4 above shows that 47% (41%+6%) intended to resign in the next two years while 47%(38% +9%) disagreed and 6% were not sure. This means that almost half of the staff who participated in the study intended to resign from their jobs. On whether they felt good I felt good when their colleague resigned from work, only 7% (4%+3%) agreed, majority 82% (45% +37%) disagreed while 12% were not sure. according to study results, majority of the staff members do not feel happy when an employee resigns because those who resign leave a lot of work load to other staff members while the new one takes long to catch up with the tasks. In addition, the cost of recruiting a new employee is high and sometimes

the organisation loses knowledgeable and experienced staff members. The study further found that 57% (47%+10%) agreed that they intended to apply for early retirement while 35% (29%+6%) disagreed and 8% were not sure. Applying for early retirement might be an indication that an employee is not satisfied with the rewards got from the job. On the other hand, if an employee is receiving better, rewards, he or she is motivated to keep doing the same job which reduces the labour turnover rate.

In addition, it was revealed that 64% (49% +15%) contemplated about resigning from their job. Only 30% (10%+20%) disagreed while 6% were not sure. This indicates that majority of the staff members who participated in the study were likely to resign from their jobs in case they got other opportunities. On the contrary, 47% (32% +15%) confirmed that if they got another job, they could resign and take it up while majority 61% (47% +14%) disagreed and 15% were not sure. This implies that majority of the respondents would not simply resign because of another job.

Asked whether they have written a job application letter in another organisation in the last one year 47% (32% +15%) agreed, 43% (42% +11%) disagreed. This showed that majority of the staff members at the organization who participated in the study had attempted to look for another place of work. Therefore, given an opportunity, they would resign. During the study, majority of the respondents constituting 84% (21% +63%) agreed that at least, there are some employees in the organisation who resign from their jobs every year. Only 13% (6%+7%) disagreed while 3% were not sure. This confirmed the fact that some staff members resign. This confirmed the fact that employees have been resigning from their duties at Meillenium village project. However, if the organization improves on its rewarding system and policy, the rate of labour turn over is likely to reduce.

#### 4.5 The effect of monetary rewards on voluntary labour turnover

During the study, the researcher sought to establish the effect of monetary rewards on labour turnover. The dimensions of monetary rewards that were studied include; salary, bonuses. The details are presented in the next subsections.

##### 4.5.1 Salaries

In relation to monetary rewards, respondents were asked a set of questions in order to establish their opinions on salaries and the extent to which they contribute to labour turnover. The responses are presented in the table below;

**Table 4.5 Respondents' views about salaries at the organization.**

	Salaries	SD	D	N	A	SA
1	The organization gives me a fair pay at the end of the month for the work that I do.	38(40%)	0	4(4%)	6(6%)	50(50%)
2	My salary/payment motivates me to stay on my job.	7(7%)	20(21%)	3(3%)	62(63%)	6(6%)
3	I receive my payments at the end of every month.	8(8%)	4(4%)	5(5%)	66(68%)	15(15%)

*Source: Primary data (2016)*

Results in Table 4.5 above show responses from respondents on salaries. It can be seen that that majority 56%(6% +50%) of the respondents agreed that the organization gives them a fair pay at the end of the month for the work that they do while 40% disagreed and 4% were not sure. Whereas the number of respondents reported to receive a fair pay at the end of the moth is higher, those who disagreed were also close to a half. This indicates that staff members who revealed that they do not receive a fair pay at



the end of the month are likely to resign when they get another opportunity. When asked whether the payment that employees receive may motivate them to stay on their jobs, 69% (63% +6%) agreed while 30% (21% +7%) disagreed and 3% were not sure.

This further indicates that though majority of the respondents agreed to being motivated to retain their jobs upon receiving their payments on time, almost three quarters of the respondents were not motivated. In most cases, when employees are not motivated to retain their jobs, they resign any time a new opportunity comes up. However, the study revealed that majority (83% (68% +15%)) of the employees receive their payments promptly while 12% (8%+4%) disagreed and 5% were not sure. The results imply that most employees receive their salaries on time, a factor which might encourage employees to keep working at the organisation.

A review of payment records for salaries indicated that there is no uniform salary scale for employees. Staff members holding similar positions such as sector coordinators and facilitators received different salaries. In an interview with a respondent from the health department, he revealed that staff' salaries are determined by a number of factors when he stated: "salaries are determined basing on the position one holds, seniority, bargaining power, and the person who recommends the employee. For instance, if a Minister recommends an employee who has the required skills and qualifications, the salary given to that person will be high." This indicates that Millenium Village Project does not have a uniform salary scale which might cause some employees to resign in case they realize that the colleagues with whom they do similar work are paid more money.

#### 4.5.5 Correlation between monetary rewards and labour turnover

To establish the relationship between monetary rewards and labour turnover, the researcher used Pearson correlation coefficient. The table below shows the results obtained from the analysis.

**Table 4.9: Correlation between monetary rewards and labour turnover**

		Monetary rewards	Labour turnover
Labour turnover	Pearson Correlation	1	.722**
	Sig. (2-tailed)		.000
	N	98	98
Monetary rewards	Pearson Correlation	.722**	1
	Sig. (2-tailed)	.000	
	N	98	98

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

*Source: Primary data (2016)*

Results in table 4.9 show that the correlation coefficient was 0.722\*\* and its significance 0.000 at the 0.01 level which is less than 0.05 level of significance. This implies that monetary rewards significantly influence labour turnover. According to the results, there is a positive significant relationship between monetary rewards and labour turnover. Therefore, if employees are given more monetary rewards, they will be encouraged to stay on their jobs. On the other hand, if employees at the organistaion are given less or fewer monetary rewards, they are likely to resign from their jobs, leading to an increase in labour turnover. It can therefore be argued that monetary rewards affect voluntary labour turnover.

#### 4.5.6 Regression between monetary rewards and labour turnover

During the study, the researcher carried out regression analysis in order to establish the strength of the relationship between monetary rewards and labour turnover.

#### 4.5.7 Regression between monetary rewards and labour turnover.

Regression analysis was further carried out in order to determine the strength of the relationship between monetary rewards and labour turnover. Results from regression analysis are presented in the table below:

**Table 4.10 Regression analysis for monetary rewards and labour turnover.**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722 <sup>a</sup>	.521	.33.1	.44297

a. Predictors: (Constant), Monetary rewards

The above regression analysis was conducted to test the alternative objective that; monetary rewards significantly affect labour turnover. According to the results obtained, the alternative objective can be accepted. The coefficient for determination (Adjusted R Square) value is 0.33.1. This implies that monetary rewards explain 33.1% variations in labour turnover.  $R^2$  value indicated how much of the dependent variable labour turnover at the organization can be explained by the independent variable monetary rewards. Therefore, improvement in monetary rewards such as salary, significantly relate to labour turnover. This is supported by results from interviews which revealed that employees who were paid low wages sought alternative employment opportunities. In addition, From all the results, the alternative objectives earlier postulated that monetary rewards significantly affect labour turnover is accepted.

#### 4.6 Non monetary rewards and labour turnover.

During the study, eleven statements were presented to respondents who were asked to give their opinions on the extent to which non monetary rewards influence labor turnover. Below are the responses obtained.

##### 4.6.1 Promotions

Promoting employees was one of the methods used to reward employees at the organisation. The researcher sought to establish the respondents’ opinions on promotion in order to determine its influence on voluntary labour turnover. The responses obtained are presented in the table 4.11 below;

**Table 4.11 Respondents’ views on promotion at the organization**

Promotions	SD	D	N	A	SA
Promotion may lead to my commitment to the work that I do	0	4(4%)	4(4%)	50(51%)	40(41%)
Promotion may help me to meet my needs for career growth	2(2%)	4(4%)	4(4%)	50(51%)	38(39%)
In our organization, promotion is done on merit	54(55%)	33(34%)	0	8(8%)	3(3%)

*Source: Primary data (2016)*

Results in Table 4.11 above indicate that 92% (51%+41%) agreed that promotion may lead to their commitment to the work that they do. Only 4% disagreed while the other 4% were not sure. This means that if employees at the organization are promoted, they are likely to get more committed to their work which may reduce labour turnover. In addition, when asked whether promotion may help them to meet their needs of career growth, majority 90% (51%+39%) agreed while only 6% disagreed and 4% were not sure. This indicates that most employees at the organization are optimistic that promotion may enhance their career growth, which means that when promoted they are less likely to resign from their jobs. On the contrary, when asked whether promotion is done on merit, 89% (55%+34%) disagreed,

indicating that there is no merit in the process of promoting employees at the organisation. This is likely to result into increased labour turnover especially when an employee has all the qualifications and skills required and he or she is not promoted. Such an employee may feel that the efforts put in the organisation are not appreciated, and may opt to work elsewhere, given an opportunity.

The above findings were supported by results from face to face interviews which showed that organization rarely promotes employees to senior positions. Instead, the organisation recruits other staff through adverts, which demoralizes the existing employees. This was revealed by a respondent from the Human resource department who indicated:

The way I view promotions at the organisation is that they are not done in a fair manner. Even when there is a staff that has worked for more than three years and possesses all requirements for a senior position, a new person was brought on board through adverts. This demoralizes us so much and given an opportunity else where I would resign and go to another organization.

Similar to the above, another respondent revealed: “At the organization , skills, qualifications and years of experience in the organization are not considered. Staff promotions are done depending on individual relationship with top management.” This indicates that most employees at the organization feel that there is unfairness while promoting employees, a factor that may result into high labour turnover especially if employees with required skills and qualifications are ignored.

#### 4.6.2 Recognition

The study also considered recognition as a form of non monetary reward which contributes to labour turnover. The researcher presented a set of questions to the respondents to establish their opinions on recognition and the results are presented in the table below:

**Table 4.12 Responses from respondents on recognition**

<b>Recognition</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
Recognition enhances my loyalty at organization	2(2%)	5(5%)	5(5%)	31(32%)	55(56%)
I am always praised for the good work I do	4%(4%)	34(35%)	5(5%)	47(48%)	8(8%)
Recognizing the work that I do encourages me to retain my job.	0	2(2%)	7(7%)	50(51%)	39(40%)
My performance is enhanced when I get recognized for my accomplishment	8(8%)	4(4%)	5(5%)	66(68%)	15(15%)

**Source: Primary data (2016)**

Results in Table 4.12 above shows that most respondents 88% (32% +56%) agreed that recognition may enhance their loyalty to the organization. Only 7% disagreed while 5% were not sure. this means that if employees are recognized through means such as thanking them for their outstanding performance, they will remain loyal to the organization which will reduce the rate of labour turnover. Related to this, 56% (48% +8%) of the respondents agreed that they are always praised for the good work that they do, while 39% (4%+35%) disagreed and 5% were not sure. Relatedly, 91% (51%+40%) agreed that recognizing the work that they do may encourage them to stay on their job while 83% (68% +15%) agreed that their performance may be enhanced when they get recognized for their accomplishment. This means that recognition is an important aspect that influences employees to either stay on their jobs or resign.

While the above findings revealed that recognition is significant for staff loyalty and enhancing members' commitment to their jobs, results from face to face interviews revealed that supervisors do not recognize the work their junior do. This was confirmed by a respondent from the education section who reported:

When one does a good job, they should be appreciated. But the challenge is that our supervisors never appreciate the work we do even when we meet their expectations. Of course given an opportunity, I would resign and look for a job in an organization that recognizes and appreciates the work that I do.

The above results indicate that while recognition is considered important by employees at the organisation, most of them feel that they are not appreciated which may cause them to resign from their jobs if they get another employment opportunity.

#### **4.6.4 Participation in decision making**

During the study, participation in decision making was considered as another form of non-monetary reward because it shows the extent to which staff member involved is valued and appreciated. Therefore the researcher presented a set of questions to respondents asking for their opinion on participation in decision making. The results obtained are presented in the table below:

**Table 4.14 Respondents’ opinion on decision making at the organization.**

<b>Participation in decision making</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
Participating in decision making encourages me to stay on my job	8(8%)	4(4%)	5(5%)	66(68%)	15(15%)
I am often consulted on issues concerning the work I do	50(51%)	39(40%)	2(2%)	7(7%)	0
Management involves me in key stakeholder decision making meetings.	65(67%)	14(14%)	5(5%)	11(11%)	3(3%)

**Source: Primary data (2016)**

While study findings in table 4.14 above show that participating in decision making encourages majority 83% (68% +15%) of the respondents to stay on their job, only 7% agreed that they are often consulted on issues concerning the work that they do. Majority 91% (51% + 40%) revealed that they are never consulted. In the same way, 81% (67% +14%) reported that management does not involve them in key stakeholder decision making meetings. The above results were confirmed by one of the respondents from the health department who revealed:

At the organisation, decisions are made by few technical people. Most employees are only communicated to, the decisions that have been made regardless of whether the decision is favourable or not. Some of the decisions are so heavy that they you feel like resigning immediately, but you stay because you need to earn a living.

A review of minutes of meetings where collective decision making was made showed that attendance lists included only sector coordinators and few facilitators. This indicates that most employees are not involved in decision making. In situations where the decisions taken have



adverse effects on employees in line with their performance, they are likely to resign which will contribute to increased labour turnover at the organization.

#### 4.6.6 Correlation for non monetary rewards and voluntary labour turnover.

In order to determine the relationship non monetary rewards and labour turnover at the organisation, the researcher conducted Pearson Correlation Coefficient which also showed the significance level of the relationship between the two variables under study. Results obtained from the correlations are presented in the table below:

**Table 4.16 Correlation matrix for Non monetary rewards and labour turnover**

		Non monetary rewards	Labour turnover
Non monetary rewards	Pearson Correlation	1	.825**
	Sig. (2-tailed)		.000
	N	98	98
Labour turnover	Pearson Correlation	.825**	1
	Sig. (2-tailed)	.000	
	N	98	98

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

**Source: Primary data (2016)**

Results in Table 4.16 show the correlation coefficient  $r$  of 0.825\*\* and its significance 0.000 which is less than 0.05 level of significance. Therefore, according to the results, there is a positive significant relationship between non monetary rewards and labour turnover. This implies that non monetary rewards significantly influence labour turnover. This further indicates that if the organization improves its non monetary rewards whereby staff are promoted on merit.

#### 4 6.7 Regression between non monetary rewards and voluntary labour turnover.

To test the strength of the relationship between non monetary rewards and labour turnover, the researcher run a regression analysis as illustrated in the table below;

**Table 4.17 Regression analysis non monetary rewards and labour turnover.**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825 <sup>a</sup>	.680	.669	.44286

a. Predictors: (Constant), non monetary rewards

*Source: Primary Data (2016)*

The above regression analysis was conducted to test the alternative hypothesis that; non-monetary rewards have a significant influence on labour turnover. According to the results obtained, the alternative hypothesis can be accepted (H1 accepted). The coefficient of determination (Adjusted R Square) value is 0.669. This implies that non monetary rewards explain 66.9% variation in labour turnover. Therefore, improvement in non monetary rewards positively and significantly relates to labor turnover.

These results are corroborated by responses from key informants which revealed that non monetary rewards such as promotion which was not done on merit influenced employees to look for other jobs. They felt sidelined and had limited opportunities for growth.

#### 4. 7 Summary of chapter four

From the results presented in chapter four, it can be deduced that rewards have a significant effect on labour turnover.

## CHAPTER FIVE

### SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter bases on the objectives of the study to present the summary and discussion of findings while making reference to other available literature. The researcher drew conclusions from those findings and made recommendations. The objectives on which the chapter is based were: to examine the effect of monetary rewards on labour turnover at the organization and to establish the extent to which non-monetary rewards influence labour turnover at the organization.

#### 5.2 Summary of major findings

Findings indicated that both monetary and non monetary rewards have a positive significant relationship with labor turnover. This implied that they both influence labour turn over at the organization

##### 5.2.1 Effect of monetary rewards on labour turnover at the organization.

Pearson's correlation coefficient for monetary rewards and labour turnover of the organization was  $r = 0.722^{**}$ , with probability value ( $p = 0.000$ ) that is less than 0.05 level of significance showing a strong relationship between monetary rewards and labour turnover of the organization.

The regression analysis gave R value of 0.521, which represented a simple correlation, therefore indicating a moderate degree of correlation. The  $R^2$  value indicated how much of the dependent variable, labour turnover at organization can be explained by the independent variable monetary rewards. In this case, 0.33.1 could be explained, which is very large. The standard error of the estimate is 0.44297 and the adjusted R square value is 0.33.1 monetary rewards predict labour turnover at the organisation. It implied that labour turnover is dependent on monetary rewards by 52.1%

The study also revealed that employees promptly receive a fair pay at the end of the month which motivates them to stay on the job. However, results from interviews indicated that few employees receive allowances. These were mostly top management officials and few staff members of the lower level who were considered “favored” by management.

### **5.2.2 Non-monetary rewards and labour turnover at the organization**

Pearson’s correlation coefficient for non-monetary rewards and labour turnover at the organization was  $r = 0.825$ , with probability value ( $p = 0.000$ ) that is less than 0 .05 level of significance showing a strong relationship between non-monetary rewards and labour turnover at the organisation.

The regression analysis gave R value of 0.680, which represented a simple correlation, therefore indicating a moderate degree of correlation. The  $R^2$  value indicated how much of the dependent variable, labour turnover at the organization can be explained by the independent variable non-monetary rewards. In this case, 66.9 could be explained, which is very large. The standard error of the estimate is 0.44286 and the adjusted R square value is 66.9. Non-monetary rewards predict labour turnover at the organization. It implied that labour turnover is dependent on non-monetary rewards by 68.0%

### **5.3 Discussion of findings**

Discussion of findings was done basing on objectives of the study. in addition, reference was made to the reviewed literature in order to establish the relevance of the study findings and the views of other scholars. The equity theory which guided the study was also referred to, in the process of discussion the findings.

### **5.3.1 Monetary rewards and labour turnover**

Study findings revealed that employees at the organisation receive a fair pay at the end of the month and that most employees receive allowance for the extra hours they work. This was mostly revealed by respondents from senior and middle management. However, those from lower level of management revealed that sometimes, they do not receive some of their monetary incentives. Therefore, if employees receive a fair pay for the work done, they are likely to retain their jobs which reduces on rate of labour turnover. This is in line with Hays (2007) who noted that monetary rewards are fundamental aspects for labour retention or labour turn over. Similarly, the study found that majority of the employees are satisfied with the additional incentives that they receive other than the basic salary, and that they payment they receive may motivate them to retain their jobs. In support of the above. This is supported by Rankin (2008) who contends that the provision of fair monetary rewards contributes to employees' commitment and stability on the job. This is further in line with the equity theory by Adams (1965) which postulates that employees seek a fair balance between what they put in and what they get out of the work. Therefore, if employees receive a fair pay at the end of the month and for the extra hours they work, they will be encouraged to stay on their jobs.

Whereas most employees receive a consolidated salary, the few employees who receive allowances noted that they have a great impact on their performance at the organisation. In addition, the study established that remuneration that employees receive contributes to their commitment to the job. However, some respondents expressed discontent with the remuneration they receive and would resign given a job opportunity that offers a higher pay. This is supported by Bhambra (2008) who observed that if companies in which employees are working do not offer good salaries, they tend to hunt for jobs that pay considerably well.

According to study findings, most employees at the organisation receive their payments promptly and the payment they receive motivates them to retain their job. This is supported by Natwenda (2010) who stated that prompt payment has a great impact on employee performance while delayed payment may incapacitate the labour force which may contribute to labour turnover.

While most respondents reported that they receive their salaries promptly, those who qualified to receive allowances revealed that they are sometimes not paid on time while others are not paid their allowances at all. This was attributed to the fact that finance officers at the organization have not explained to staff members those who qualify to receive allowances and those who do not qualify. In addition, allowances were reportedly paid depending on employees' individual relationship with the administration, which is unethical. This shows that there is no equity in the organization's rewarding system. According to Adam (1965)'s Equity theory, when employees fail to find equity, various actions may be taken one of which may be a decision to leave the organization. Therefore, if employees at the organisation are not equally treated, they are likely to leave their jobs which contributes to increased voluntary labour turnover.

### **5.3.2 Non-monetary rewards and labour turnover**

According to the study, employees' performance may be enhanced when they are recognized for their accomplishment, and that promotion may lead to employees' commitment to the work that they do. This is supported by Zhang and Zhang (2007) who contend that promotion shows a high value the employer places on the worker and that it can lead to an increase in employee satisfaction.

Related to the above, the study revealed that promotion at the organization is not done on merit. This too demoralizes most employees who feel they are sidelined and ignored when there are opportunities for promotion. This contradicts the equity theory which states that employees seek a fair balance between

what they input and what they get out of their work. If some employees are promoted on merit while others are not, those who feel cheated are likely to leave their jobs. In line with this, Adam (1965)'s equity theory states that employees seek to be treated fairly. This is supported by Bearwell (2007) who noted that employees quit their jobs when their expectations of being promoted are not fulfilled. The study further revealed that recognizing the work employees do may enhance their loyalty and that this may encourage them to retain their job. This is supported by Appelbaun and Kamal (2008) supports this view and noted that recognising and praising employee behaviour is deemed relevant and beneficial to the firm in question and that it may encourage employees to retain their jobs.

## **5.4 Conclusions**

The researcher drew several conclusions on monetary rewards and non monetary rewards basing on study findings as per the objectives and hypotheses which the study sought to test. The conclusions are indicated in the following sub sections.

### **5.4.1 Conclusions on monetary rewards and labour turnover**

According to study findings, it is concluded that monetary rewards significantly affect labour turn over. This conclusion was based on Pearson correlation coefficient which was at 722\*\* with a significance level of 0. 000. Therefore, prompt payment of salaries, paid to employees based on merit will reduce the rate of labour turnover at the organisation.

### **5.4.2 Conclusions on non-monetary rewards and labour turnover**

It was concluded that non-monetary rewards influence labour turnover. This conclusion was based on person correlation coefficient which as at 825\*\* with a significance level of 0.000. therefore, if the organization promotes employees on merit without giving priority to employees from outside the organization, if employees are recognized and appreciated for their efforts.

Non monetary rewards such as promotion are instrumental in influencing labour turnover. Promotions are not done on merit since staff members are rarely promoted to senior positions while those who are promoted are those with good relations with management. Most supervisors do not recognize their subordinates which de-motivates employees. Most staff members were found not to be involved in decision making because decisions are taken by few technical people at the organization.

## **5.5 Recommendations**

To ensure that rewards are used to reduce the rate of labour turnover, the researcher made recommendations upon which organisation and other organisations can base in order to improve the effect of rewards on labour turnover. The recommendations include the following:

### **5.5.1 Recommendations to improve monetary rewards and reduce labour turnover**

The study recommends that organization creates a standard salary scale for its employees. This will form a basis upon which a standard percentage salary increment can be implemented at the end of every year. This motivated employees to retain on their jobs.

### **5.5.2 Recommendations to improve non monetary rewards and reduce labour turnover**

The study recommends that organization strengthens its internal recruitment capacity by promoting staff who have required qualifications and work experience to senior positions before out sourcing for other staff outside the organisation. The study further recommends that employees should be involved in decision making, especially in areas of program implementation. This shows that they are valued, and will be motivated to retain their jobs.



## **5.6 Contributions of the study**

The study provides firsthand information, on rewards and labour turnover of the organization. It revealed that monetary and non monetary rewards influence labour turn over at the organisation. Such findings increase the organization's understanding of the extent to which rewards influence labour turnover. The information gathered can be used to design better strategies for reduction of labour turnover.

In this study, the researcher learnt that rewards have a significant effect on labour turnover. It is important to have a uniform scale on which monetary rewards are based. This shows transparency and equal treatment of employees who might want to resign from their jobs because of being sidelined. In addition the research revealed that it is important to offer employees wages that are commensurate to the services they render. Otherwise they will be de-motivated and look for other opportunities.

## **5.7 Limitations of the study**

Most respondents at the organization had a busy schedule, and were not readily available at the time the researcher wanted to engage them in the study. However, the researcher made a schedule and had appointments with all selected respondents, who reserved time for her and provided the required data for the study.

In addition, staff members were reluctant to participate in the study, fearing that management would punish them for revealing information about the organisation. However, the researcher contacted the Team leader of the organization who permitted her to interview all the required participants. She further assured all respondents of maximum confidentiality regarding the information provided, which made them to freely provide the required information.

## REFERENCES

Amin, M.E (2005): *Social science research, Conception, Methodology and analysis*. Makerere University Printery, Kampala

Amoding, R. (2010) Rewards and employee motivation in the private health sector in Uganda.  
A case study if Savanah Sunrise Medical Centre, Kampala Uganda

Armstrong, M (1999). *A hand book of Human Resource Management Practice, London. The Bath Press.*

Armstrong ,M (2001) *Human Resource Management Practic, 6<sup>th</sup> edition*. London:  
Kogan Page Ltd

Balle, L. (2014), *How to Motivate Employees Whose Salaries Are Commission Based*.  
Demand Media

Bhambra, A. S (1999) *Human Resource Management and Influenceson Employee Behaviour*.  
Common Wealth Publishers.

Chadan, A. (1996) *Management training for transformation*. A handbook for community workers.

Cole, G. A (1997)*Personal Management Therory and Practices*. 4<sup>th</sup> edition . London:  
Ashford Colour press

Creswell, J.W. (2003) *Research Design: Qualitative, Quantitative, and Mixed Method Approaches* 2nd ed., Sage Publications Ltd., USA.

Denny, R (1997), *Moivate to Win*. Kogan Page Limited

Farrell, D., & Rusbult, C. E. 1986. *Exchange variables as predictors of job satisfaction, job commitment, and turnover: The effects of rewards, costs, alternatives, and investments*. *Organizational Behavior and Human Performance*, 28: 78-95.

Gall, M. D., Borg, W. R., & Gall, J. P.(1996). *Educational Research* (6th ed.).

White Plains, NY:Longman Publishers USA.

Griffeth R. W., Hom, P. W and Gaertner S, (2000), a meta analysis of antecedents and correlates of employee turnover: update, moderator tests and research implications for the next millennium, *Journal of Management*, Vol. 26

Henry, E and Noon, M (2001) *Oxford Dictionary of Human Resource Management*. Oxford University Press

Hewitt's Attrition and Retention study Asia Pacific 2006

Kasaija, A. I (1996) Effects of monetary and non monetary rewards on motivation among teachers in post primary institutions in Hoima and Masindi districts. *Un published Masters Dissertation*; MUK, Uganda

Kayizzi, K.B (1990) *predictors of job satisfaction among graduate teachers in selected Kampala Secondary Schools*. Un published Master of Arts Dissertation, Makerere University, Uganda.

Krejcie,R.V., & Morgan, D.W.,(1970).*Determining sample size for research Activities*, Educational and psychological measurement: sage publications

Kothari, C.R. (2004) *Research Methodology*, 2nd ed., New Age International Publication, New Delhi, India.

Lee, T. and Mitchell, T (2000) *Control Turnover by Understanding its Causes*. Handbook of Principles of Organizational Behavior. Malden, MA: Blackwell Publishers Ltd.

Lazear, E (2000): *Performance pay and productivity*. American Economic Review, 90:1346-61.

Luthan, M., Peterson, C, and Suzan L (2006). Impact of non-financial incentives on the business unit outcome and commitment overtime among support staff of polytechnique of Virginia. *A journal of Applied Psychology*, Vol. 91, American Psychological Association, USA

Luthans, F. (2001) *Organisational Behaviour*, 9<sup>th</sup> ed. Library of Congress Cataloging in Publication data.

Mobley, H.W, Griffeth, R.W.H and Meglino B. M (1979) Review and conceptual analysis of employee turnover process, *psychological Bulletin*, Vol. 86 No. 3

- Mugenda, O.M. & Mugenda, A.G (1999) Research methods qualitative and quantitative approaches  
Nairobi: Act Press.
- Muhammad, A. S., Syed, M.A.J., Rabai, I and Arshad, Z. ( 2011). Effect of human resource  
practices on organisational commitment in Pakistan Universities. *World Applied Sciences  
Journal 15(^): 793-798*
- Najjinda J (2013) Rewards and Employee Turnover in Airtel Call Centre, Uganda. Un published  
dissertation UMI, Kampala.
- Nakacwa, J. (2005) Rewards and job performance of secondary school teachers in Kawempe  
Division. Unpublished Masters, Makerere University, Kampala Uganda
- Natwenda J (2010) Reward management and its effects on employee performance. A case  
study of the Ministry of Public Service Uganda. Unpublished dissertation. UMI, Kampala.
- Ogomarach R (2004) *The impact of professional allowances on job satisfaction among lecturers in  
National Teachers Colleges in Uganda*, Kampala, Uganda.
- Peccei, R and Rosenthal, P. (1997) the antecedents of employee commitment to  
customerservice:evidence from a UK *the international Journal of Human resource management  
8(1) 66-86*
- [Barron, P.S](#) (2010) *Six Reasons to Involve Employees in Decision Making*. Boundless.  
“Employee Involvement in Decision Making.” *Boundless Management*. Retrieved 26 Jul. 2015  
from <https://www.boundless.com/management/textbooks/boundless-management->
- Price, J. L (1977). *The study of turnover*, 1<sup>st</sup> edition Iowa state university press, IA pp10-25
- Jenkins C (2013) Motivate employees with commission plans
- Rankin, N. (2006) : *Benchmarking labour turnover*. IRS Employment Review. No 842.
- Souza’s G. D (2002) a study of the influence of promotions on promotion satisfaction and  
expectations of future promotions among managers. *Human resource development quartel  
13(3): 325-340*

**APPENDIX 1: QUESTIONNAIRE**

I am Prica Nakanwagi a student of Uganda Maryur's University, pursuing a bachelors degree in business administration and management as one of the requirement for the award of a bachelors degree above.

You have been selected to participate in the study through sampling and I am kindly, requesting you to respond to the questionnaire regarding the study and the information used purposely for academic use.

Your response will be treated with utmost confidentiality

**SECTION A BACKGROUND INFORMATION**

(Please tick box provided)

1. Gender

(a) Female  (b) Male

2. Age Bracket

(a) 20-30  (b) 31-40

(c) 41 and above

3. Educational Background .....

(a) Not qualification

(b) Primary Level

(c) Secondary Level

	Statement about over Non Monetary rewards and Labor turn over	1	2	3	4
--	---	---	---	---	---

(a) Degree

(e) Master

(f) Others.....

Period in service?

(a) Less than 1 year  (b) 1-5 years

(c) More than 5 years

**SECTION B: MONETARY REWARDS**

Please Tick where appropriate 1=Strongly Agree , 2 = Agree, 3Not sure 4= Disagree, 5= Strongly Disagree

Statement About Monetary Rewards and Labor Turn Over		1	2	3	4	5
1	The organization gives me a fair pay at the end of the month for the work that I do					
2	I get paid for extra work					
3	I am satisfied with the additional incentives that I receive other than my basic salary					
4	I am contented with the payment I receive for each piece of work I do					
5	The pament that I recive may motivate me to retain my job					
6	The remuneration that I receive contribute to my commitment to the job					

**SECTION C NON MONETARY REWARDS AND LABOR TURN OVER**

1	My performance may be enhanced when I get recognized for my accomplishment					
2	Promotion may lead to my commitement to the work that I do					
3	Promotion may help me to meet my needs for career growth					
4	Recognition may enhance my loyalty at MVP					
5	Participating in decision making encourages me to retain my job					
6	MVP recognizing my contribution to organizational growth					

**SECTION D: LABOR TURN OVER**

1	I Hope to resign in the next tow years					
2	I felt good when my colleagues resigned from work					
3	Intend to apply for early retirement					
4	Contmplate about resigning from my job					
5	If I get another job, I can resign and take it up					
6	I have written a job application letter in another organization in the last one year					

Thanks