

**INTRINSIC REWARDS AND EMPLOYEE PERFORMANCE IN
PRIVATE- NOT- FOR -PROFIT HOSPITALS IN UGANDA.**

CASE STUDY: NKOZI HOSPITAL

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2011-BO21-10302

UGANDA MARTYRS UNIVERSITY

APRIL 2014

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ABBREVIATIONS

PNFP	Private-not-for-profit
MoH	Minister of Health
UCMB	Uganda Catholic Medical Bureau
SUO	Standard Unit Output
PHC CG	Primary Health Care Conditional Grant
CEO	Chief Executive Officer
P&L	Profit and Loss Statement
SPSS	Statistical Package for Social Sciences
HSD	Health Sub District
ELBS	English language Book society
HFSA	Hungarian Financial Supervisory Authority
FM	Financial Management
FP	Financial Planning
OP	Organizational Performance

ABSTRACT

The study was set to investigate the impact of Intrinsic Rewards on the Employee Performance in Private-not-for-Profit Hospital in Uganda. The main objective of the study was to establish the effect of Intrinsic Rewards on Employee Performance on Private-not-for-Profit Hospitals in Uganda, with particular focus on Nkozi hospital. The researcher was interested to know why there is still low performance despite the provision of intrinsic rewards to employees. The case study design was used with both quantitative and qualitative approaches to collect and analyze the data. Primary data was collected using 30 questionnaires which were distributed in Nkozi hospital. The results were analyzed with the help of Statistical Package for Social Scientists (SPSS) computer program, which helped in the computation of responses into frequencies and percentages that were used for comparison of situations. Findings established a positive relationship between intrinsic rewards and employee performance. More so, the results showed that promotion, bonuses and recognition actually affect the employee performance; these effects were consistent with what other authors suggested. In conclusion therefore, considering the views expressed on the research objectives arising from both quantitative and qualitative results, it can be deduced that there is a positive relationship between Intrinsic Rewards and Employee Performance. According to the data that was gathered from the research at Nkozi hospital, it was found out that Intrinsic Reward greatly contributes to the Employee Performance. The study recommends management should adjust on their rewarding system applied to improve on the hospital performance. This is important because poor rewarding system measures can lead to poor health services offered in the hospital. Yet Intrinsic Rewards motivates and increases employee productivity all of which contribute to improved employee performance. When Intrinsic Rewards are provided in Nkozi hospital, it will be motivational factors that will enable the employee improve on their performance and thus quality services provided to the patients.

CHAPTER ONE

INTRODUCTORY

1.0 Introduction

Intrinsic Rewarding is needed in every type of public or private sector organization. Equally, its importance exists in both profits oriented and non-profit organizations. According to Drafke (2006) organizations have sustained poor performance due to poor rewarding system. Intrinsic Rewards as part of the general rewarding system have a direct positive relationship with the performance of an organization. This is imperative that the management of an organization puts special focus on the Intrinsic Rewards. The researcher was motivated to take on this study due to the fact that some private-not-for-profit hospital tends to value the need for Intrinsic Rewards to different people for different activities accomplished. This is evidenced in by Byars and Rue (2004) who say that Intrinsic Rewards are internal to the individual and are normally derived from involvement in certain activities or tasks

This chapter covers the background of the study, statement of the problem, objectives of the study, scope of the study, significance of the study, justification of the study, conceptual framework and definitions of key terms.

1.1 The Background of the Study

According to Thomas (2009) identifying Intrinsic Rewards began by analyzing the nature of today's work. Basically, most of today's workers are asked to self manage to a significant degree to use their intelligence and experience to direct their work activities to accomplish important organizational purposes. This is how today's employees add value, innovating and solve problems to meet the conditions they encounter to meet customers' needs.

Employees refer Intrinsic Rewards as a sense of meaningfulness. This makes the employees feel that they have an opportunity to accomplish something of real value something that matters in the larger scheme of things. Employees also consider the Intrinsic Rewards as a sense of choice that is to say feeling free to choose how to accomplish their work to use the best judgment to select those work activities that make the most sense to them and to perform them in ways that seem appropriate. In addition to that, the Intrinsic Rewards make employees have a sense of

progress. Sense of progress is where the employees are encouraged that their efforts are really accomplishing something. They feel that their work is on track and moving in the right direction.

In today's reality in the global world, people influence important aspects of organizational performance in a multitude of ways. People conceive and implement the organizational strategy, while the mix of people and systems mostly determine an organization's capabilities. Competencies are required to execute the strategy, and these competencies are primarily a function of the skills and knowledge of an organization's human capital. Therefore, if an organization is to treat its employees as its most important asset, it has to be knowledgeable about what it is that motivates people to reach their full potential (Lawler, 2003).

Performance-based reward systems have a long history in education, particularly in the United States of America (Owen, 2003). The reward system in an organization consists of its integrated policies, processes, and practices for rewarding its employees in accordance with their contribution, skills, competences and market worth, according to Harvey-BeavSis (2003). This implies that performance-based reward corresponds closely with employees' actual experiences.

Rewards and recognition programs create environments especially where jobs provide Intrinsic Rewards good feelings that people get from doing the work itself. Yet in many organizations, recognition is reserved for an elite few and rewards are defined solely in terms of wages and salaries. Effective recognition enhances employee motivation and increase employee productivity all of which contribute to improved organizational performance (Deep Rose, 1994)

The primary focus of reward and recognition programs is how organizations define their reward schemes and communicate this in a manner that employees clearly understand the link between reward and performance (Flynn, 1998). Baron (1983) argues that there is a close relationship between rewards and job performance. He notes that if successful performance does in fact lead to organizational rewards, such performance could be a motivational factor for employees. Under such conditions, they can see that their efforts result in rewards. Consequently, they may be motivated to exert higher levels of effort on the job.

Boddy (2008) defines Performance as the result of an activity. Upon individuals' results, there are main models of performance-based reward programs that are commonly found in hospitals. The first model is 'merit-pay', which generally involves individual pecuniary awards based on

service provided, and the efficiency, McCollum (2001). The second model is 'knowledge and skill-based' compensation, which generally involves individual pecuniary rewards for acquired qualifications and demonstrated knowledge and skills, which are believed to increase employee performance, Odden (2002). Knowledge and skill-based pay differs from merit-pay because it provides clear guidelines on what is being evaluated (Odden and Kelley, 2002).

In Uganda, the reward system is still at the evolution stage (Kakuru 2007). Most finance executives are concerned with the routine functions of the internal control in the utilization of funds. There are many changes in the organizations today and these changes include; the revolution of technology, the globalization trends and the main focus of managers is efficient use of resources (Kakuru, 2007). This is particularly true in the context of rural not-for-profit hospitals such as Nkozi Hospital where this study is encased, which are primarily oriented towards delivering cheap and affordable health care in the environment of scarce resources and limited financial management skills. Kakuru (2007) further asserts that, the promotion of the private sector as a primary engine of economic growth along with the liberalization of the economy of the economy is accelerating competition in the business.

1.2 Background of the Case Study

Nkozi Hospital is a Private-not-for-profit (PNFP) Catholic Hospital owned by Kampala Archdiocese. It was founded in 1942 by the White Sisters of Our Lady of Africa who in 1997 handed over the management to the current leadership of the Sisters of the Immaculate Heart of Mary Reparatrix (IHMR).

It is the Referral Facility and the Head of Mpigi District Health Sub District (HSD) lower level units. The Health Sub District (HSD) is traversed by the Equator at 0⁰ latitude and 22⁰longitudes and the altitude is between 1,200m and 1,400m above the Sea Level. The land area coverage is 485.67km². There is a tropical climate and a mean weather temperature of 22⁰C and two major rain seasons in a year.

The Hospital is located in Mawokota South Constituency in Mpigi District, 80kms along Kampala Masaka highway and 3 kms after branching off from Kayabwe Trading Center. Its area of responsibility stretches along the shores of Lake Victoria in the west, Kalungu District in the

Southwest, Butambala District in the North and Mawokota North Constituency in the East. It spreads in three sub counties; Nkozi, Buwama and Kituntu.

Like all other not-for-profit hospitals in Uganda, the performance of Nkozi hospital largely depends on the national financial management and adherence to the Uganda Medical and Dental Practitioners' Regulations and policies of Ministry of Health (MoH). There is also a reward system in place which stipulates all the operational financial procedures and guidelines in the hospital.

According to the Newsletter for Uganda Catholic Medical Bureau (2007), private-not for-profit hospitals are characterized by high-level of employee performance problems, such inadequate funds, poor planning especially on investment and organizational growth, inadequate implementation of Intrinsic Rewards and poor reporting. All these problems impact negatively on the hospitals ability to perform optimally. Unless the situation is reversed, they are not likely to fulfill the intentions contained in the Ministry of Health policy in Uganda. It is this contention that will inspire the researcher to focus study on the effects of Intrinsic Rewards on the employee performance.

1.3 Statement of the Problem

Workers in Uganda and elsewhere are faced with the problem of wage differentials which emanate from various circumstances such as differences in educational qualification, the varying level of experiences, the nature of risks involved in the job and the systems used in arriving at the remuneration rates. The biggest problem seems to be stemming from lack of proper methods and systems of arriving at the rates of rewards for labour. Lan and Len (2008) observe that there is continuing interest in remuneration schemes which attempt to link the assessment of individual performance to pay. Similarly many organizations have as a key component of their reward structure, performance related pay schemes whose objective is to encourage employee to improve their performance. The reward is in a sense directly proportional to the assessed level of performance such that the higher the performance level, the higher the reward depending on the type of rewards given.

The general assumption has been that both Intrinsic and Extrinsic Rewards have an independent and additive influence on motivation. That is to say; motivation is determined by the sum of the

person`s Intrinsic and Extrinsic sources of motivation and this is done through rewards (Herbert 2009). This straight forward assumption has been questioned by several researchers like Kanuge et al (1992) who says that to receive Intrinsic Rewards; employees must be engaged in the task or activities that define the job. They get the rewards directly as they perform the tasks in their jobs. Some like Deci (1975) have suggested that situations in which individuals are experiencing a high level of Intrinsic Rewards, the addition of Extrinsic Rewards for good performance may cause a decrease in motivation.

Despite all the Intrinsic Rewards put in place, the quality of service delivery in the PNFH hospitals has not improved. According to Nkozi hospital annual report (2010/2011 FY) the trend of user fees versus Standard Unit Output (SUO) is increasing every year which affects equity. It is also shown in the same report that the trend of efficiency fluctuates every year. The health workers salary is low compare to those who work in government health facilities and this affects their performance and the quality of the infrastructure is still poor. There is also a delay to put up new structures and replace equipment in Nkozi hospital.

It is against this background that this study is conducted to investigate why there is still low performance despite the provision of Intrinsic Rewards to employees and find a solution before it becomes permanent in the hospitals. The research therefore seeks to establish the extent to which Intrinsic Rewards affect the Employee Performance of the PNFH hospitals in Uganda, case study Nkozi Hospital.

1.4 General Objective

The general objective of this study was to establish the effect of Intrinsic Rewards on Employee Performance on private-not-for-profit hospitals in Uganda, with particular focus on Nkozi hospital.

1.4.1 Specific Objectives of the Study are to:

- Establish the relationship between bonuses given and employee performance of private-not-profits hospitals in Uganda.
- Explore the effect of promotions on employee performance of private- not-for-profits hospitals in Uganda

- Establish how recognition influences employee performance of private-not-for-profit hospitals in Uganda.

1.5 Research Questions of the Study are;

1. How do bonuses given affect employee performance of private-not-for-profit hospitals in Uganda?
2. To what extent do promotions affect employee performance of private-not-for-profit hospitals in Uganda?
3. In what way does recognition affect the employee performance of private-not-for-profit hospitals in Uganda?

1.5.1 Research Hypotheses

The study was guided by the following hypothesis.

1. Bonuses have an effect on the employee performance of private-not-for-profit hospitals in Uganda.
2. Promotions affect the employee performance of private-not-for-profit hospitals in Uganda.
3. Recognition has an effect on the employee performance of private-not-for-profits in Uganda.

1.6 Scope of the Study

There are so many dimensions of organizational performance but this study put more emphasis on Intrinsic Rewards in order to investigate its impact on the Employee Performance. Under the Intrinsic Rewards, the study specifically looked at bonuses, promotions and recognition and their effects on the employee performance. These elements were considered critical because they are the core aspects in Intrinsic Rewards and were followed properly for better performance.

The researcher mainly focused on the data of the hospital from 2007 to date. This was because the stipulated time was enough to enable the researcher to investigate the relationship between Intrinsic Rewards and Performance of the Employee. These are the years when the hospitals

performance started to decline and the researcher picked an interest in the hospitals performance and wanted to find out the cause of this decline.

The study was conducted at Nkozi Hospital located near the equator in Mawokota South Constituency in Mpigi District, 80kms along Kampala Masaka highway and 3 km after branching off from Kayabwe Trading Center. Nkozi Hospital`s area of responsibility stretches along the shores of Lake Victoria in the west, Butambala District in the North and Mawokota North in the East.

1.7 Significance of the Study

The findings of the study are expected to enable management of organizations in particular, the management of Nkozi Hospital to appreciate the problems associated with wage differentials such that they can be able to work out or select a meaningful solution from this research.

The hospital under study may use the findings of the study to address the problems affecting performance, consolidate on their strong areas and improve on their weaknesses

The government policy-makers and other stakeholders can utilize the findings of the study to formulate and implement proper policies regulating the Intrinsic Rewards in the hospitals through revising the types of rewards given to the employees for the work accomplished.

The community is likely to benefit from the good quality health care services as a result of cost effective resulting from good management of resources. Therefore health services delivery could be improved through effective and efficient use of rewarding system in the organization.

This research will increase the researcher`s knowledge on Intrinsic Reward especially in areas of bonuses and promotion on employee performance in Uganda.

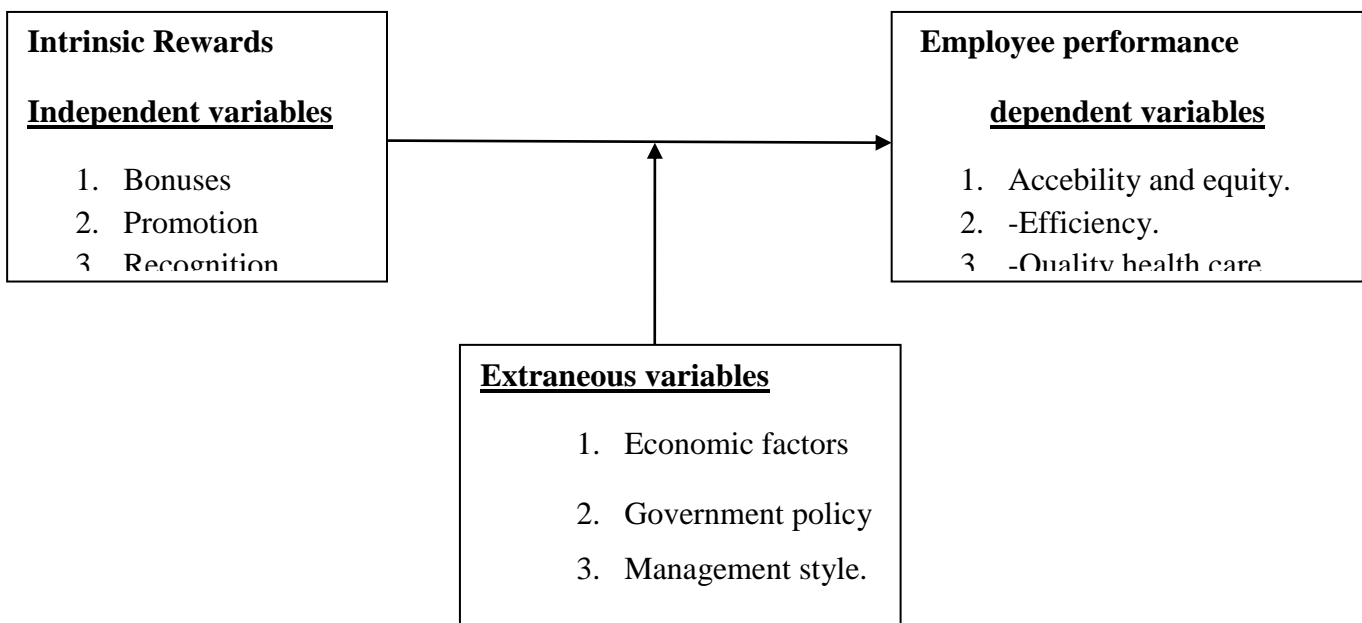
The study is hoped to enrich the researcher`s experience in research management and academic career. This is important because by personally visiting different libraries and hospitals, the researcher was able to gain more insight in Intrinsic Rewards given for the employee performance

1.8 Justification of the Study

According to Byars and Rue (2011) Intrinsic Rewards are internal to the individual and are normally derived from involvement in certain activities or tasks. In various technical workshops for Hospital Managers, Intrinsic Reward has been a key issue. Particularly for the not-for-profit hospitals whose revenue base is often minimal.

This study therefore investigated the effect of Intrinsic Rewards on the employee performance and the results from the study are likely to help management of such organizations to properly plan for and control the rewards and make sure that they are given in the most efficient way to ensure that the organizations can survive and be accessible.

1.9 Conceptual Framework



Source; Developed by the researcher 2013.

The conceptual framework shows the relationship between three variables which are the independent variables, dependent variables and the intervening variables each with dimensions. From the conceptual framework, the researcher used an approach where the three dimensions of the independent variables are related to one dependent variable as well as relating the intervening variable dimension to those of the independent variable and showing how they affect the dependent variable. For example the government policies as an intervening variable affects the

performance of the hospital through passing health care regulations that are likely to improve the hospitals' performance.

The conceptual framework indicates the Employee Performance and the way it is affected by bonuses, promotions and recognition. Provision of bonuses, promotion and recognition motivates employee to work hard which leads to efficiency and quality health care. Accessibility to the hospital is likely to affect the employee performance, similarly the equity, efficiency and quality care provided is highly related to bonuses, promotions and recognition. The performance of Hospitals in Uganda is affected by other factors such as management style, government policies and economic factors like poverty, unemployment and inflation.

Under economic factors the low interest rates enable the hospital to give higher bonuses. The promotion becomes possible because of saving accrued on the saved money. Such moves motivate employees to provide quality health care.

The conceptual framework is considering the findings of the study in which all the independent variables are found to be significantly affecting the employee performance. The conceptual framework is relevant considering the findings of the study in which all the independent variables are found to be significantly affecting the organizational performance. The role of management is to ensure that all employees are rewarded according to the work done which supplemented by Mullins (2005) who says rewards motivate employees to actively take part in their organizational roles so without them, the employee work morale may drop.

1.10 Definition of Key Terms

Rewards. These are prices or offers given to people after the performance of a task.(fred Luthans2003)

Intrinsic Rewards. These are rewards that are intangible and more internal to the job itself and experienced by the employee as an outgrowth of actually doing the job and being a member of the organization. (Herbert.et al 2009)

Non-profit. Organization set up not make profits but to provide serviced based on their charitable purpose.(Lawrence,Mills and Walton 2002)

Organizational Performance is the actual output or results of an organization as measured against the intended output (goals and objectives)

Hospital is a registered health care facility, public or private organization, profit or not profit, devoted to providing curative, preventive, promotive and rehabilitative care through outpatient, inpatient and community health service.

1.11 Conclusion

The introductory chapter gave a general overview of what the research was about and where it was carried out and why. It gave an elaborate the objectives of the study, research questions, the historical background of the study, the scope of the study as well as the conceptual framework.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher present and discusses policies, strategies and technique that managers use in rewarding employees as reviewed and summarized by different scholars in literature. As such areas which were not sufficiently covered in the past are likely to be identified and only those in line with the objectives of the study will be captured. The purpose of this review was to bring on board theories of employee performance that are related to the subject under study to help the researcher in the process of extending knowledge beyond what is already available. It also aimed at helping the researcher in understanding how the subject of Intrinsic Rewards and Employee Performance has been approached before by other scholars. The literature review will be conducted in accordance with the objectives and citations made in each objective indicating the research gaps that study intends to fulfill

2.1 Over view of Intrinsic Rewards and Employee Performance.

According to Schiller (2002) a private non-profit organization refers to an independent and self sustaining organization that uses its profits to pursue its goals rather than distributing them to shareholders or owners. In most countries, it is exempted from tax as it often thrives to improve the welfare of the people. David (2007) also defines a not for profit organization as a type of organization that does not earn profits for its owners. All of the money earned by or donated to a not for profit organization is used in pursuing the organization's objectives. Generally, not for profit organizations can apply for a tax exempt status so that the organization is not subject to most forms of taxation.

Performance is commonly said is the bottom line for people at work. It is the cornerstone of productivity and should contribute to the accomplishment of organizational objectives. Bernard et al (1995) define performance as the outcome of work because they provide luxage to the strategic goals of the organization.

According to Byars and Rue (2011) performance refers to the degree of accomplishment of the tasks that make up an employee`s job. It reflects how well an employee is fulfilling the

requirements of the job. Well as for Bernardin (2003) performance is the record of outcomes produced on neither specified job functions nor activities during a specified period of time.

According to Byars and Rue (2008) Intrinsic Rewards are internal to the individual and are normally derived from involvement in certain activities or tasks. They include job satisfaction and feelings of accomplishment. In addition to that, Kinicki and Kreitner (2009) say that Intrinsic Rewards are self granted.

Many scholars like Gipson et al (2009) believe that Intrinsic Rewards are those that are part of the job itself such as reasonability, challenge and feedback characteristics of a job. This is where by the rewarding of employees is not only for organization to achieve high output and increase their profitability due to improved quantity realized by motivated people but also for self granted which is the fact of motivating workers in an organization.

According to Herbert (2009) Intrinsic Rewards are intangibles that are more internal to the job itself and experienced by the employee as an outgrowth of actually doing the job and being a member of the organization. There is consistent evidence that employee dissatisfaction with the intrinsic quality of their jobs is strongly related to turnover improving the work environment. This involves assigning employees to jobs that better meet their Intrinsic Reward preference for example employees with high needs for skill variety could be assigned to more complex jobs or projects within a work unit.

Herzberg (1959) says that the growth related rewards are also referred to as Intrinsic Rewards in the sense that they are derived directly from job performance. Intrinsic Rewards generate in employees a level of satisfaction with what they do one job and consequently those rewards induce a high level of performance. For this reason, He continues to say that, Intrinsic Rewards are regarded as the real and only motivators. Intrinsic Rewards corresponds to motivators.

Herzberg (1959) continues to give an intrinsic dichotomy which assumes that people seeks need work that is meaningful and in which they are free to function on an independent tabis. This assumption is the fundamental rationale for giving Intrinsic Rewards a unique role. According to the task criterion by Dyer and Parker`s survey in 1998, rewards that derive directly from or are inherently connected with job tasks are considered to be Intrinsic Rewards.

Kreither (2008) says that Psychic rewards however are Intrinsic Rewards because they are self granted. He later 2010 say that Intrinsic Rewards are self granted but this does not leave management out of the picture. Indeed there is a great deal managers can do to create situations in which employees are more likely to experience Intrinsic Rewards and be intrinsically motivated. Kanuge (1992) further says, to receive Intrinsic Rewards, employees must be engaged in the task activities that define the job. They get those rewards directly as they perform the tasks in their jobs.

Ivancevich et al (2005) defines Intrinsic Reward as one that is self administered by the person. It provides a sense of satisfaction or gratification and often a feeling of pride for a job well done

2.2 Theoretical Framework

The study was informed by the process theory advanced by Buchanan, *et al* (2007). According to Buchanan *et al* (2007) process theory is a commonly used form of scientific research study in which events are said to be the result of certain inputs, leading to a certain outcome. Some of the theories that fall in this category are the expectancy theory, equity theory and the goal theory.

2.2.1 Expectancy theory

Expectancy theory was developed by Vroom (1964). It is the belief that one's effort (E) will result in attainment of the desired performance (P) goals. Expectancy: Effort → Performance (E–P) is usually based on an individual past experience, self-efficacy (confidence) and the perceived difficult of the performance standard or goal. According to Holdford and Bucharnan (2007) in order to enhance the performance-outcome tie, managers should use a system tie reward very closely to performance. For example, the managers should engage in training to improve the capabilities and improve their belief that added effort will in fact lead to better performance.

Jones (1992) stresses that the key point of the theory is an individual's behavior formed not on objective reality but on the subjective perception of that reality. The core of the theory relates to how a person perceives the relationship between three things; effort, performance and reward. Vroom (1964) focused especially on the factors involved in stimulating and individual an individual to put effort into something since this is the basis of motivation. He concluded that

there are three such factors, each based on the individual's personal perception of the situation, these include; expectance, instrumentality and valence.

Since rewarding is one of the motivating factor in most of organizations and workers perform better when they expect satisfactory reward, this indicated that when the employees of the hospital are rewarded accordingly, at the end of the day the performance is good as expected and this will motivate them to perform better, hence yielding better results.

2.2.2 Equity theory

Equity theory attempts to explain relational satisfaction in terms of perception of fair / unfair distribution of resources within interpersonal relations. It was developed by John Stacy Adams who asserted that employees seek to maintain equity between the inputs and outcome that they receive from it against perceived inputs and outcomes of others. Adams (1965) in the health service delivery, an individual will consider that he is treated fairly if he perceives that the ratio of his input to the outcome will be equivalent to those around him. According to the equity theory, based on the work of J. Stacy Adams, workers compare the reward potential to the effort they must expend. Equity exists when workers perceive that rewards equal efforts.

Figure 1: The Equity Theory



Source: Stacy Adams (2009)

Employees just don't look at their potential rewards; they look at the rewards of others as well. Inequities occur when people feel that their rewards are inferior to the rewards offered to other persons sharing the same workloads.

The basis of the equity theory in the workplace as asserted by Jones (1992) is that people make comparison between themselves and others in terms of what they invest in their work (input) and what outcome they receive from it. He further puts it that as in the case of the expectance theory, this theory is also founded on people's perceptions; in this case of the input and outcome involved, thus their sense of equity (fairness) is applied to their subjective news of conditions and not necessarily to the objective situation.

The theory states that when people perceive an unequal situation, they experience "equity tension" which they attempt to reduce by appropriate behavior, this behavior maybe to act positively to improve their performance, or negatively because they are being under-rated. Nevertheless, as far as intrinsic rewards are concerned, manager would be well advised to reflect on the ideas of equity theory, especially in recognizing that subjective perceptions are extremely powerful factor in motivation.

2.2.3 Goal theory

The thinking behind goal theory is that motivation is driven primarily by the goals that organizations set. (Buchanan *et al* (2007). Goal theorists Locke and Latham (Buchanan 2007) argue that an individual motivation is enhanced when feedback on performance is available. Locke et al (in Buchanan, *et al* 2007) asserts that goal setting involves establishing specific, measurable, achievable, realistic and time-targeted goals. Work on this theory of goal setting suggests that it is an effective tool for making progress by ensuring that participants in the group with a common goal are clearly aware of what is expected from them.

Unlike the expectancy theory where a satisfactory outcome is the prime motivator, goal theory suggests that it is the goal itself that provides the driving force. Locke (1968) first proposed the idea that working toward goals was in itself a motivator. His research indicated that performance improved when individual set specific rather than vague goals for themselves. When these specific goals were demanding, performance was better. Goal theorists (Lock & Latham 1988)

also argue that an individual's motivation is enhanced when feedback on performance is available and more so when is positive.

Armstrong (2009) highlights four mechanisms that connect goal to performance outcome as follows; they direct attention to priorities, stimulate efforts, challenge people to bring their knowledge and skills to increase their chances of success and the more challenging the goal, the more people will draw on their full repertoire of skills. The theory underpins the emphasis in performance management on setting and agreeing objectives against which performance can be measured and managed.

From the above theories, it can be deduced that performance in all organizations including hospitals can only be achieved by the efficiency and equity, quality care delivered and the accessibility which are influenced by health workers satisfaction.

2.3 The Effect of Bonuses on the Employee Performance

Sankey (2009) says that Non-cash bonuses are not just good for the employee but employers can usually get gift and travel vouchers at a reduced bulk rate. This helps employers save money on bonuses so they can give out more of them. Most bonuses are given on performance basis to an individual or team

According to Bernardin (2003) bonuses are one-time payments based on performance. Bonuses also can be based on individual or group based measures. Some workers prefer them to merit pay plans because they get the money all at once and it looks like a larger sum. Bonuses are more effective because they allow for larger one-time award without the amortized effect of lying pay for performance into base pay.

Byars and Rue (2000) denotes that a bonus is a reward offered on a one time basis for high performance. A bonus may be in cash or in some other form like trips. In addition, bonuses are contrast to gain sharing plans which typically reward the performance of all employees at a facility. Theses bonuses reward the members of a group for attaining a specific goal, usually measured in terms of physical output.

Noe et al (2007) says that bonuses reward individual performance and they are not rolled into base pay. In some cases, the bonus is a one-time reward and may be linked to objective

performance measures rather than subjective rating. For Price (2004) bonuses are paid to all staff in an organization departments or team. In common with all collective performance rewards, they are designed to reinforce corporate identity and performance. Whereas Cheatle (2001) posts that bonus payment is usually linked to output productivity or performance. A bonus may depend on the overall performance of the organization and may be paid at the end of the year.

Finkle (2009) posts that bonuses are normally awarded at the end of the year with an unspoken expectation of being a factor of motivation to employee performance for the next year that is if an individual gets a big bonus they would still want to get it the next year. Bonus aspect is seen by Megginson et al (2006) as the amounts given to employees either for exceeding their production quotas or as a reward on special occasion. They also denote that they are rewards not specified in advance given to employees for special efforts and accomplishment.

Lipsey (1980) said that bonuses are tied to individual and company performance. Many companies have mandatory bonuses at Christmas time or at the end of performance. This often depends on the level of seniority or position a person has in performance of the organization. Individual bonuses can be continuing incentive for employee because they know that they are always working towards a bonus.

Bateman (2009) says that using bonuses to reward hourly employees for meeting sales, profit and inventory targets of their stores each quarter builds employee`s satisfaction and reduce turnover. However Pinnington and Edwards (2005) denote that bonuses are granted in addition to base salary and paid to either individual or groups as a reward for achievements or for completion of a project.

According to Herbet (2009) bonuses are one time payments offered and subsequently paid on acceptance of the offer. Typically, the bonus is in the form of an outright cash grant; the bonus may also be in the form of cash advanced against future expected earnings. Bonuses are also restricted stock option. Lepine (2011) denotes that a bonus is received for meeting unit goals for criteria controllable by employees. The bonus represents at risk pay that must be re-earned each year.

Noe et al (2008) say that employers are making employees work harder for their money. Most workers receive modest raises during the year and until the next, as employers reward employees with performance-linked bonuses rather than broad salary increases. Employers are making more workers eligible for bonuses and have increased the share of their payroll devoted to variable pay in the past few years. Bonuses have the advantage of not being permanent. They denote that bonuses are more powerful motivator.

According to Torrington (2005) a bonus is a different type of variable payment which is the gratuitous payment by employers that is not directly earned by the employees. He later in 2008 say that the employee has no entitlement to the payment as a result of a contract of employment and cannot be assured of receiving if in return for a specific performance.

Charlec and Bruton (2011) define bonus as a reward offered to the employees based on their performance. Typically bonus systems are not as well defined as profit sharing instead the level of reward is left to the discretion of the small business owners. Bonuses given should be relevant to the individuals in the firm and within the realities and constraints of the business.

Kinicki and Williams (2003) define bonuses being the awards given to employees who achieve specific performance objective. In additional to that, Jone et al (2000) say that bonuses tend to have more motivational impact for at least some reasons like; salary levels which are typically based on performance levels, cost of living increases and so the amount of bonus can be directly and relatively high to reward employees for their contributions.

2.4 The Relationship between Promotion and Employee Performance

Heathfield (2008) says that promotion is the advancement of an employee from one job position to another job position that has a higher salary range, a higher level job title, and, often, more and higher level job responsibilities. Sometimes a promotion results in an employee taking on responsibility for managing or overseeing the work of other employees.

According to Noel et al (2007) promotions are advancements into positions with greater challenges, more responsibility and more authority than in the previous job. Promotions usually include pay increase. In 2010, they continued to say that promotion is the assignment of an

employee to a position with greater challenge, more responsibility and more authority than in the previous job, usually accompanied by a pay increase. Whereas to Pieter. G.Surette, et al (2006) promotion is the upgrading of an employee to a higher level.

Corman (2005) defines promotion as a change in position with a change in status or pay. Being promoted is that most employees, especially those in management strive for. Cascio (2006) said that promotions are important organizational decisions that should receive attention like any other employment decision. The same author (2010) says that promotions help satisfy employees needs for security, belonging and personal growth. Promoted employees usually assume greater responsibility and authority in return for higher pay, benefits and privileges.

To Armstrong (2010) promotion policy could state that organization`s intention to promote from within wherever this is appropriate as a means of satisfying its requirements for high quality staff. According to Brickley et al (2003) one most important part of corporate performance or reward system is promotion. Everard and Burrow (2005) say that a business should follow the policy of filling vacancy in high level position by promoting its own employees if they find that there are few opportunities for advancement. Promotion can be done by letting employees know the possible positions to which they might advance and this can be done by presenting them with an organizational chart which shows lines of authority and promotion. They too should know what the company considers for promotion, ability and seniority for work.

According to Lepine (2011) Promotion satisfaction refers to employees feelings about the company`s promotions policies and their execution, including whether promotions are frequent, fair and based on ability. Unlike pay, some employees may not want frequent, promotions because promotions bring more responsibility and increased work hours. However many employees value promotions because they provide opportunities for more personal growth, a better wage and more prestige.

Ivancevich et al (2011) say that for many employees promotion does not happen often, some employees never experience it in their careers. The manager making a promotion reward decision attempts to match the right person with the job. Criteria often used to reach promotion decision are performance and seniority. In 2005, they continued to say that performance, if it can be assessed, is often given significant weight in promotion reward allocations. As for Noe et al

(2008) promotions are advancements into positions with greater challenges, more responsibility and more authority than in the previous job.

Megginson et al (2006) defines Promotion as moving an employee to a higher position usually with increased responsibilities, title and pay. Brickley et al (2009) say that Promotions play an important role in providing incentives within many organizations and its benefit is to commit the firm to serious performance reviews of its employees. Rue and Byars (2005) refer Promotion to moving an employee to job involving higher pay, higher status and thus higher performance requirements. The two basic criteria used by most organization in promotions are merit and seniority. Many organizations prefer to base promotions on merit as away to reward and encourage performance. Luthan (2005) says that Promotional opportunities seem to have a variety of accompanying rewards.

2.5 The Effect of Recognition on the Employee Performance.

Gibson (2009) says Recognition is a final step of individuals who have done their jobs well and who can serve as role models to new people in the organization. This is done by pointing out these people as winners; the organization encourages others to follow their example. He continues to say that there is considerable research evidence that recognition can serve as a powerful reinforcement. The exhibiting cultural values that are given either formal recognition or even one-on-one social attention from relevant others can build and sustain the organizational culture.

Luthan (2008) says that Recognition as a reward does not have to be sophisticated or time consuming. In fact, many firms that are now working to improve their recognition systems all use fairly basic and easy to implement programs. This improves on the employee performance and retention. Recognition is also designed to meet the specific and changing needs of the employees. A growing number of firms are finding that well structured and implemented employee recognition reward system yield very positive cost benefit results.

According to Gibson et al (2009) Recognition refers to managerial acknowledgment of employee achievement that could result in improved status. Like public praise, expressions of a job well done special attention. The extent to which recognition is motivating depends, as do most rewards, on its perceived value and on the connection that the individual sees between it and

behavior. The key success factors in public recognition plans is that it is viewed as being fair and those not recognized agree that recipients are deserving. Armstrong (2010) says that Recognition is part of a total rewards package which enables appreciation to be shown to individuals for their achievements either informally on a day to day basis or through formal recognition arrangements.

Lepine (2011) denotes that Recognition is intangible rewards that are given on an impromptu basis to recognize achievement. Torrington et al (2005) say like individuals, teams need some form of recognition as a form of reward for their efforts. Most people have an objective for their payment arrangement, that their personal contribution is recognized. This is partly reassurance, but also a way in which people can mould their career thinking to produce progress and satisfaction.

According to Torrington (2008) most people have an objective for their payment arrangement that their personal contribution is recognized. This is away in which people can mould their behavior and their career thinking to produce progress and satisfaction. Recognition is a situation in which either via a formal written agreement or through custom and practice employers engage in collective bargaining with union.

According to Luthans (2005) Recognition is a vital part of the reward system that is being effectively used by organization and national wide. As organizations have altered and refined their reward systems to meet the changing needs of their workforce. Recognition leads to improved employee performance and retention. With Drafke (2006) Recognition is noticeable acknowledgment of performance. It is received less often but carries great significance. It is received from manager. It might be on employee of the month award.

According to Bernardin (2010) a growing number of organization offer award to employees for extended service work related achievements and suggestions for improving organizational effectiveness. This is done to recognize the performance of employees by giving gifts and many other options.

2.6 Conclusion

The above literature review represented an overarching scholarly works, which have provided insights on the organizational rewards and its effects on employee performance. The insights provided, the gaps identified and lessons learnt greatly informed this study on the effect of organizational rewards on the performance of employees in private-not-for-profit hospitals in Uganda, with particular reference to Nkozi Hospital.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

In any research project one must develop methodological perspectives upon which the project must be grounded (Otto & Onen, 2005). In this methodology section, the researcher discussed the type and source of data required, the techniques of analysis and the criteria for the interpretation of the findings, it described the research design, sample size, the population reliability and validity finally the researcher normally needed to discuss the limitations of the analytical technique used.

3.1 Research Design

This is the arrangement of the conditions for the collection and analysis of the data in a manner that aims to combine relevance to the research purpose. It is a detailed plan of how the goals of research are achieved (Ahuja 2005). In discovering the impact of Intrinsic Rewards towards Employee Performance, the researcher used the case study design under the exploratory research design which includes both the quantitative and qualitative approach. The aim was to get appropriate and valid data for to be analyzed. The correlation and descriptive methods were adopted in order to find out the impact of Intrinsic Rewards on the Employee Performance in Nkozi Hospital. The qualitative approach was to collect data from the theory part of the questionnaire and also secondary sources like textbooks, reports, surfing and reading articles on the internet while the quantitative approach was mainly to interpret codes that were attached to the questionnaires so as to bring about the degree of relationship between variables. These approaches helped the researcher to attain a high degree of validity by bringing out both the theoretical and numerical issues in the research findings. Basing on the above design, the researcher was able to achieve the research objectives and answer research questions on the effect of Intrinsic Rewards on the Employee Performance. Case study design helped the

researcher to explore in detail the specific aspects of Intrinsic Rewards and the hospital's performance from a practical point of view; while the correlation survey provided the linkage between the two.

3.2 Area of Study

The researcher carried out the study in Nkozi Hospital since it is one of the private-not-for-profit hospitals in Uganda. The hospital is located above the equator in a rural set up in Mawokota South Constituency in Mpigi District, 80kms along Kampala Masaka highway and 3 kms after branching off from Kayabwe Trading Center. It spreads in three sub counties; Nkozi, Buwama and Kituntu as faith-based, it suits the private not-for-profit categorization. It provides health care services at subsidized rates to ensure equity and accessibility especially to the most vulnerable. Unfortunately this puts a lot of pressure on health care delivery due to limitations with funding.

3.3 Study Population

Sekaran (2003) refers to population as the entire group of people, events, or things of interest that the researcher wishes to investigate. Ahuja (2005) defines study population as the aggregation of elements from which the sample is actually selected. The researcher was interested in the population of Nkozi hospital staff members because they are the people who are affected with the rewarding system therefore they were the appropriate people to provide the valid information than the community members.. The study focused at total population of 30 hospital staff where 8 were doctors, 18 were nurses and 4 were administrators. The study therefore involved hospital staff at all levels, in Nkozi Hospital hence helping the researcher to have an in-depth understanding of the hospital performance. Population is represented in the table below.

Table 3:1 Study Population.

Number of item	employees	Number of the employee (population)
1	Nurses	18
2	Doctors	8
3	Administrators	4
	Total	30

3.4 Sample Size

This section presents the sampling procedure, sample size and sampling techniques which will be used in the study. A sample is a portion of the population whose results can be generalized to the entire population Amin (2005). Sekaran (2003) argues that due to costs in terms of money, time and human resources, samples have to be considered. According to Amin (2005) sampling is the process of selecting elements from a population in such a way that the sample elements selected represent the population.

Nkozi hospital has 78 employees and around 340 people living in the same area making a population of 418 people. A sample of 44 employees were chose but 30 of the employees were used for the research therefore sample size that was used for the study was got using the formula below.

$$n=N/ 1+N^{e^2}$$

Where;

n is the sample size

N is the population of the study

E is the confidence level which is 95% (0.05)

Therefore

$$N = 44$$

$$44 / 1 + 44^{(0.05)^2} = 44 / 45^{(0.1)}$$

$$n = 30$$

This implied that the researcher used 30 people for the research.

3.5 Sampling Method or Techniques

The study entailed both probability and non-probability sampling techniques. Under the probability sampling technique, the researcher used simple random sampling to select the every level of the employees so as to obtain meaningful representation. The non-probability sampling technique included purposive sampling and convenient sampling. Purposive sampling was used to select doctors and nurses; while convenient sampling was used to select the administrators. According to Neuman (2007) sampling in management possesses information regarding the employee performance. Therefore purposive sampling helped the researcher to select unique cases that are informative who can be used for in depth investigations. while simple random sampling is the easiest random sample to understand and a model to all other types of samples.

3.6 Data Collection Methods and Instruments.

The researcher used both primary and secondary data collection methods to require data in order to obtain the objectives of the study. During the primary data collection the researcher went to the field to get fresh information from the human recourse manager who is responsible in assigning rewards to the employee, as well as the annual hospital reports prepared. For the secondary data collection, the researcher used already existing information provided by other researchers in text books, journals, reports, magazines, newspapers, dissertations and the internet to compile information necessary for the study and also to study the trend of the problem thus ensuring consistency. The researcher employed questionnaires as data collection method and questions as the data collection instruments to collect data.

3.6.1 Questionnaire

Sekaran (2003) defines a questionnaire as a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. As for Ghosh (2003) the questionnaire is that method in which a number of written questions are used for collecting data. The researcher distributed written questionnaires to the staff members who answered the questions accordingly. The questionnaires are meant to secure standardized results that were tabulate and treated statistically. The questionnaires were also more objective and it was also relatively quick and time saving to collect information.

3.7 Reliability and Validity.

According to Mugenda and Mugenda (2003) reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials. As for Amin (2005) Reliability refers to the degree to which the instrument consistently measures whatever it is measuring. Reliability of the instruments were tested through pre-tests, for example the questionnaires were administered to a group of respondents and the researcher intend to use the same questionnaire to be administered to the different group of respondents and then results of the two administrations were compared. The pilot study did not part of the main study but were carried at Villa Maria Hospital and this aimed at checking for errors, problems and accuracy of the research instruments.

According to Amin (2005) validity refers to the appropriateness of the instruments. The researcher used the face validity and content validity methods. The face validity helped the researcher in finding out whether the questions developed in the questionnaire were the right questions depended on the objectives and the research questions of the study. Amin (2005) continued to say that content validity refers to the degree to which the test actually measure or is specifically related to the traits for which it is designed. Human resource manager was consulted to give a judgment on the content of the structured sample of the data instrument of the questions depending on how well the employee are rewarded and their performance as stipulated in the purpose, objectives and in the questions of study. The researcher first set 27 questions but only

21 questions were relevant and the 6 questions were irrelevant and the validity was measured as below.

$$\text{CVI} = \frac{\text{questions rated relevant}}{\text{Total number of questions}} \times 100$$
$$= \frac{21}{27} \times 100$$
$$= 77.8\%$$

3.8 Data Analysis

According to Elizabeth (1995) data analysis is a process of gathering, modeling, and transforming data with the goal of highlighting useful information suggesting conclusions, and supporting decision making. And if data that has been collected is not properly managed and analyzed, then there is a risk of making wrong conclusions. Therefore, the data obtained was properly coded and analyzed quantitatively and qualitatively in order to avoid making wrong conclusions. All the data collected was categorized and edited for accuracy and completeness to ensure that all questions are answered.

Quantitative analysis applied to the data generated through questionnaires. The data was analyzed with the use of Statistical Package for Social Sciences (SPSS). Tables, pie charts, graphs and percentages were used to help in organizing and summarizing the data in order to develop a clear and understandable form; and also for further qualitative analysis. Qualitative analysis largely applied to the theoretic data generated at the end of the questionnaire and was done through critical inquiry and explanation. Quantitative and qualitative analyses were then triangulated to draw the connectivity between Intrinsic Rewards and the Employee Performance in Uganda. The data was also discussed basing on the knowledge from the literature review as well as the researcher's knowledge about intrinsic rewards in order to draw a logical conclusion on the study of whether Intrinsic Rewards have an impact on the Employee Performance in Uganda.

3.9 Ethical Considerations

According to Saunders et al (2003) research ethics is the appropriateness of one's behavior in relation to the rights of those who become the subject of the work. Ethical concerns are likely to occur at all stages of the research. The researcher therefore ensured utmost confidentiality, consent, competence and objectivity throughout the study process.

The identity of individuals from whom information was obtained in the course of research was strictly kept confidential. No information revealing the identity of any individual was included in the final dissertation or in any other communication prepared in the course of the research without the concerned individual's consent. Also, no individual became a subject of the research without his/her freely giving consent that he/she agrees to participate. Finally the researcher also endeavored to maintain objectivity during the data collection stage and made sure that the data collected accurate.

3.10 Limitations of the Study

- Some respondents did not have a clear understanding of Intrinsic Rewards and also its impact on employee performance. The researcher explained to them so as to understand the questions and also to use a research assistant to reduce the burden
- It was difficult to fix appointments with the employees of the hospital due to the busy schedule thus causing delay in the collection of data but with time I got some who could help out at their own convenience.
- Some respondents gave biased information based on personal interests and prejudice. The researcher had to be patient with such people so as get the data needed.

3.11 Conclusion

The concluded chapter looked at the methods that were used by the researcher to collect data by giving an overview of the plan and how the data was actually collected. All the above methods enabled the researcher to come up with information that helped to study the problem and also to provide recommendations.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents data collected using the questionnaire and documentary review described in Chapter three. The results of the study are presented according to the objectives and research questions which are: promotion and the employee performance, the relationship between recognition and employee performance and the effective bonuses on the employee performance. The research objectives were treated separately. The corresponding interpretations also follow each objective. The findings were analyzed and interpreted using SPSS. All the responses are presented in terms of frequencies, percentages, means, standard deviation and correlation coefficient which are displayed in tables, and graphs. The quantitative data was analyzed based on 1- Strongly disagree to 5-Strongly agree scale rate and statistical measures like the mean standard deviation and the correlation.

A total of 50 questionnaires were distributed to Nkozi hospital Staff respondents but only 30 questionnaires were returned. The response rate for the distributed questionnaires for this study was for that reason 73.6% which was representative enough of the research respondents.

4.1 General Information of the Research Respondents

The general information of the respondents was considered necessary for the reason that the ability of the respondents to give satisfactory information may be affected by their background. A number of variables were investigated and the information was about the respondents' age, gender, and reaction of Intrinsic Rewards on Employee Performance. The researcher regarded investigating the background variables about the respondents a necessary undertaking because it indicates the different categories of participant involved in the study.

4.2 Age of the Respondents

The researcher set out to establish the age of the research respondents who participated in the research study. The following was the research data that was captured from the research field.

Table: 4: 1 Respondents Age.

	Frequency	Percent
Valid 18-30 years	22	73.3
31-40 years	4	13.3
41-50 years	4	13.3
Total	30	100.0

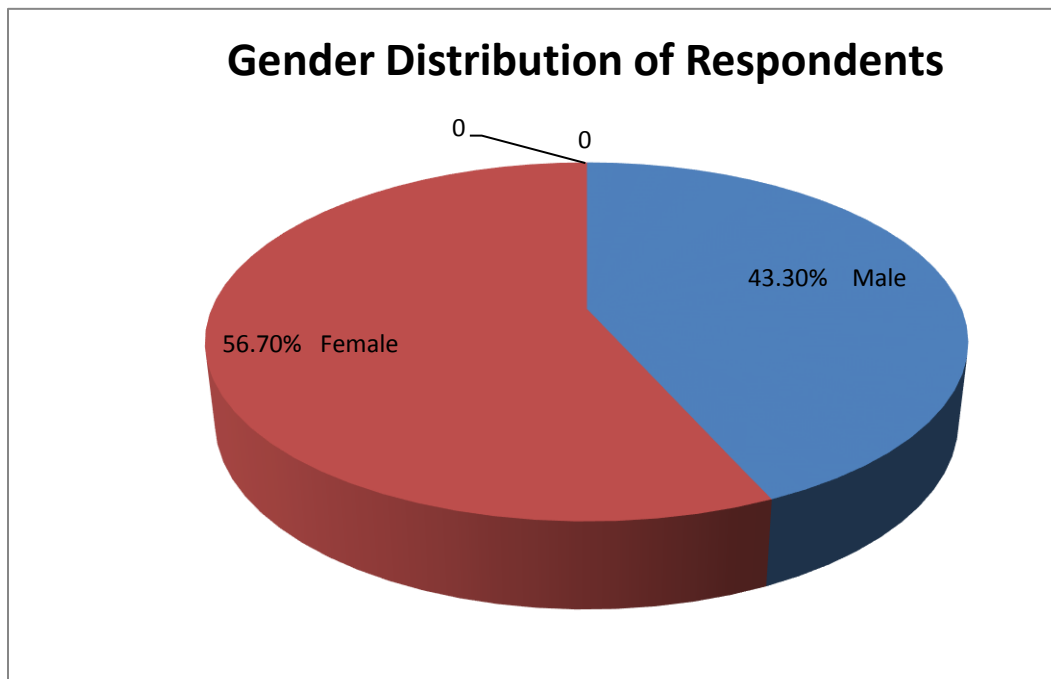
Source: Primary Research Data (2014)

Table 1 above presents the research findings on the age of the research respondents. It shows that the highest number of respondents was aged 18-30 years with 73.3%, the lowest number of respondents was aged between 41-50 years and 31-40 years while for the range of 51-70 had no one. From the findings above, it should be noted that all the respondents were mature adults who clearly understood the effect of Intrinsic Rewards to the Employee Performance of Nkozi Hospital.

4.3 Gender of the Research Respondents

This research study also set out to find out the gender of the research respondents who participated in the research study. The following was the research data that was captured from the research field.

Figure 4:2 ; Gender Distribution of respondents



Source: Primary Research Data (2014)

Pie chart above presents the research findings on the gender of the research participants. From the research findings above it should be noted that the highest number of the research respondents was females who comprised 56.7% of the respondents and males comprised 43.3% of the research respondents. The implication of the research results means that the distribution of the research study in terms of the gender was fairly balanced and as such, the results from the study can be relied on for drawing empirical conclusions and recommendations for the study.

4.4 Promotion and Employee Performance

During the research study, the researcher set out to establish the relationship between promotion the employee performance of Nkozi Hospital. The researcher was guided by a couple of research questions and the relationship was determined using descriptive statistics, mean, standard deviation and correlation. The research results in the tables below represent the descriptive statistics. The results in the tables below were analyzed based on views generated during self-administered questionnaires. Therefore the questions are sub- presented as: clarity of promotion policies, promotion procedure, monitoring promotion against performance, fair reports for promotion and better performance below.

4.4.1 The Hospital has Clarity of Promotion Policies

During the research study, the researcher set out to establish the promotion policies to which the research respondents had served within Nkozi Hospital. The following were the research findings that were captured from the research field work.

Table 4:2 Clarity of Promotion Policies

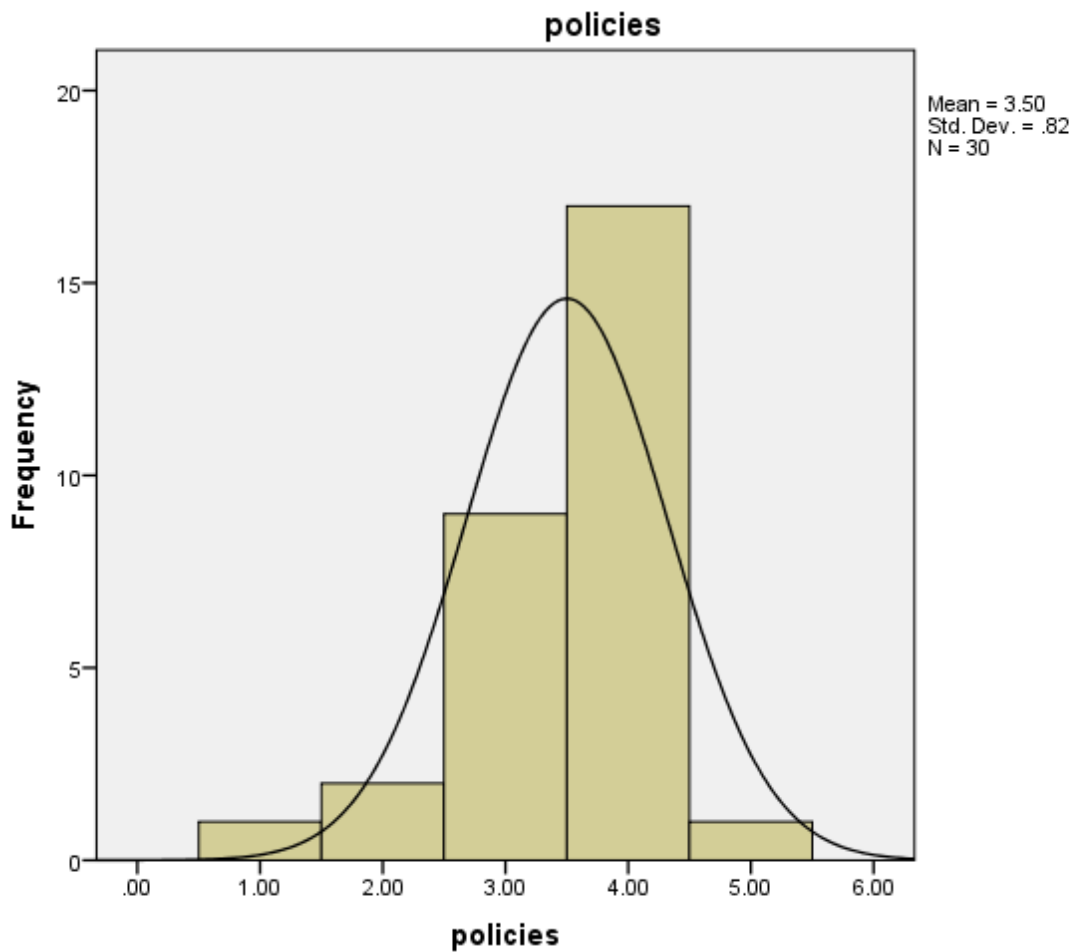
	Frequency	Percent
Strongly disagree	1	3.3
Disagree	2	6.7
Neutral	9	30.0
Agree	17	56.7
Strongly Agree	1	3.3
Total	30	100.0

Source: Primary Resource Data (2014)

The table 2 above presents the research findings on the promotion policies that Nkozi hospital has. The research results in the table above reveal that based on the scale of 1-strongly disagree to 5 strongly agree, the Nkozi Hospital's highest frequency 18. Based on the above scale, the

research respondents who participated in the research study 10% of the respondents disagreed to the clarity of promotion policies while 60% of the respondents agreed that promotion policies can positively influence the performance of Nkozi Hospital by conforming to the policies variables defined above in the table. This is supported by Armstrong (2010), who says that promotion policy could state that organization`s intention to promote from within wherever this is appropriate as a means of satisfying its requirements for high quality staff.

Figure 4:3 Clarity of Promotion Policies



Source: Primary Research Data (2014)

Still, from the above histogram the promotion policies of Nkozi Hospital, the mean of the responses was 3.50(\approx 4) and the standard deviation 82. Consequently, basing on the scale of 1-

strongly disagree to 5 strongly agree and an arithmetic mean of 3.0, the data mean is above the scale mean. The implication of the findings is that the sleekness of the distribution curve is undefined implying a relative importance of promotion policies and the employee performance of the Hospital.

4.4.2 There are written Promotion Procedures to be followed

Respondents were asked if the hospital has written promotion procedures to be followed and the responses were as shown in the table below.

Table 4:3 Promotion Procedure

	Frequency	Percent
Disagree	4	13.3
Neutral	8	26.7
Agree	13	43.3
Strongly Disagree	5	16.7
Total	30	100.0

In table 3 above, 30% of the respondents disagree with the promotion procedure yet 43.3% of the respondents said that Nkozi hospital has written promotion procedures to be followed This is supported by Ivancevich et al (2011) who say that the manager making a promotion reward decision attempts to match the right person with the job and this by following the procedures of the organization.

4.4.3 The Human Resource Manager Monitors the Promotion against the Performance.

Of the respondents who are monitored for promotion 13/30 reported that they have been monitored for their performance this is illustrated in the table below.

Table 4:4 Monitoring of Promotion against the Performance.

	Frequency	Percent
Valid Strongly disagree	1	3.3
Disagree	1	3.3
Neutral	5	16.7
Agree	13	43.3
Strongly Agree	10	33.3
Total	30	100.0

In table 4 above, 6.6% of the respondents disagree with the monitoring of promotion against the performance, 16.7% are neutral about the monitoring of promotion and 76.6% of the respondents agree that the human resource manager monitors the promotion against the performance. The positive results where the majority of the respondents agreed are in line with Lepine (2011) who says that promotions are frequent, fair and based on ability therefore monitoring and supervision should be put in place for the performance of the employees.

4.4.4 The Human Resource Manager Gives and Makes Fair Report for Promotion

The respondents were asked about if the human resource manager give fair reports for promotion and the response were as seen below in table.

Table 4:5 Fair Report for Promotion

	Frequency	Percent
Disagree	2	6.7
Neutral	4	13.3
Valid Agree	14	46.7
Strongly Agree	10	33.3
Total	30	100.0

According to the table 5 above, 6.7% of the respondents disagree that there are no fair reports for promotion and a frequency of 4 are neutral about the fair reports for promotion. 80% of the respondents agreed that the human resource manager gives and makes fair report for promotion. This is in agreement with Lepine (2011) who says promotions provide opportunities for more personal growth, a better wage and more prestige therefore the human resource manager should consider the performance of the employee to make a fair report so that the employee receives a better pay after promotion.

4.4.5 Promoted Skilled Staffs Contribute Greatly to Better Performance.

The respondents were asked if the promoted skilled staffs contributed greatly to better performance and their response were as below.

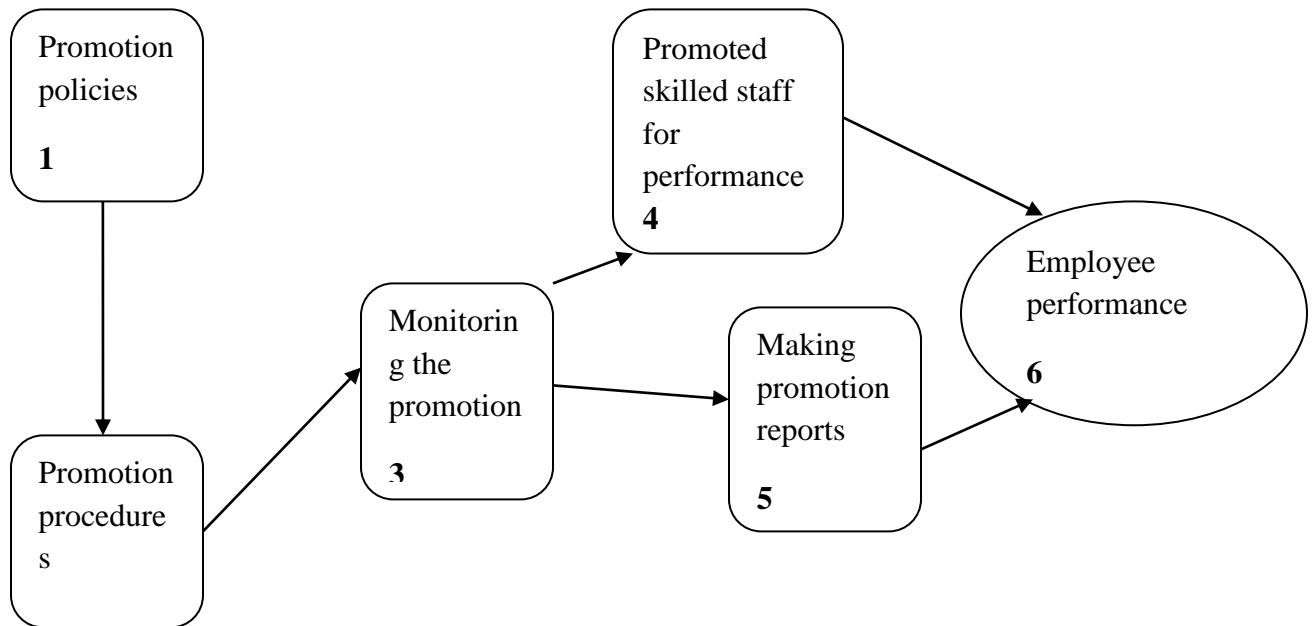
Table 4:6 Better Performance

	Frequency	Percent
Valid Strongly disagree	1	3.3
Disagree	2	6.7
Neutral	2	6.7
Agree	13	43.3
Strongly Agree	12	40.0
Total	30	100.0

According to the table 6 above, lowest percentage of the respondents which is 10% disagree with better performance and 83.3% of the employees agree that promoted skilled staffs contribute greatly to better performance. This is supported by Brickley et al (2009) who say that Promotions play an important role in providing incentives within many organizations and due to the great responsibilities gained by the person after promotion.

A diagram below shows the relationship between promotion and the employee performance.

Figure 4:4; shows the relationship between promotion and the employee



1. Represents that under promotion the hospital has clear policies it follows
2. Show that procedures take place after the policies have been followed by the hospital.
3. The human resource manager monitors the promotion following the promotion procedures of the hospital
4. The promoted skilled staff produces better performance through the monitoring by the human resource manager.
5. Human resource manger monitors the promotion in 3 and give a fair report in this diagram
6. With all the above lead to the employee performance.

4.5 The relationship Between Recognition and Employee Performance.

During the research study, the researcher set out to establish the relationship between recognition and employee performance of Nkozi Hospital. The researcher was guided by a couple of research questions and variables. The questions are represented in tables under sub headings as follows: efficient decisions are made, internal and external users, hospital ensures transparency, accessibility is promoted, recognition increases efficiency, set goals is achieved and recognition motivates. The questions are presented and analyzed in tables below.

4.5.1 The Organization Makes Efficient Decisions Based on the Reports from the Human Resource Manager.

Below is the composition of the efficient decisions based on the reports from the human resource manager the organization makes.

Table 4:7 Efficient Decisions are Made

	Frequency	Percent
Strongly disagree	1	3.3
Disagree	1	3.3
Neutral	6	20.0
Agree	15	50.0
Strongly Agree	7	23.3
Total	30	100.0

Data source: field data 2014

The table above presents the research findings on the relationship between recognition and the employee performance of Nkozi Hospital under the efficient. From the findings of the study above, it can be observed that basing on the scale of 1-strongly disagree to 5 strongly agree, Nkozi Hospital 83.3% of the respondents as the highest percentage . Basing on the above

scaling of the research findings, the research respondents who participated in the research study agreed that the organization makes efficient decisions based on the reports from the human resource manager which certainly influences the performance of Nkozi Hospital. On other side, Bernardin (2010) says that a growing number of organization offer award to employees for extended service work related achievements and suggestions for improving organizational effectiveness. Therefore efficient decision is made basing on the reports as the results can tell.

4.5.2 The Reports are Valued by Both the Internal and External Users

Respondents were asked about the reports if they are valued by both the internal and external uses. Detailed below in the table are the findings.

Table 4:8 Internal and External Users

	Frequency	Percent
Stongy disagree	1	3.3
Disagree	1	3.3
Valid Neutral	7	23.3
Agree	21	70.0
Total	30	100.0

According to the table above, the reports are valued by both the internal and external users this is due the result of 70% of the respondents showed agree to the question or research carried out. According to Luthans (2005) recognition is a vital part of the reward system that is being effectively used by organization and national wide which makes it to match with the findings.

4.5.3 The Hospital Ensures Transparency.

The respondents were asked if the hospital ensures transparency and the findings were detailed in the table below.

Table 4:9 Hospital Ensures Transparency

	Frequency	Percent
Valid Strongly disagree	2	6.7
Disagree	3	10.0
Neutral	13	43.3
Agree	11	36.7
Strongly Agree	1	3.3
Total	30	100.0

In the table above, 43.3% of the respondents were neutral that the hospital ensures transparency. While 16.7% of the respondents were saying the hospital does not ensure transparency 40% of the respondents agreed that the hospital ensures transparency. Torrington et al (2005) say like individuals, teams need some form of recognition as a form of reward for their efforts thus promoting transparency.

4.5 4 The Hospital Promotes Equity, Accessibility and Economic Efficiency

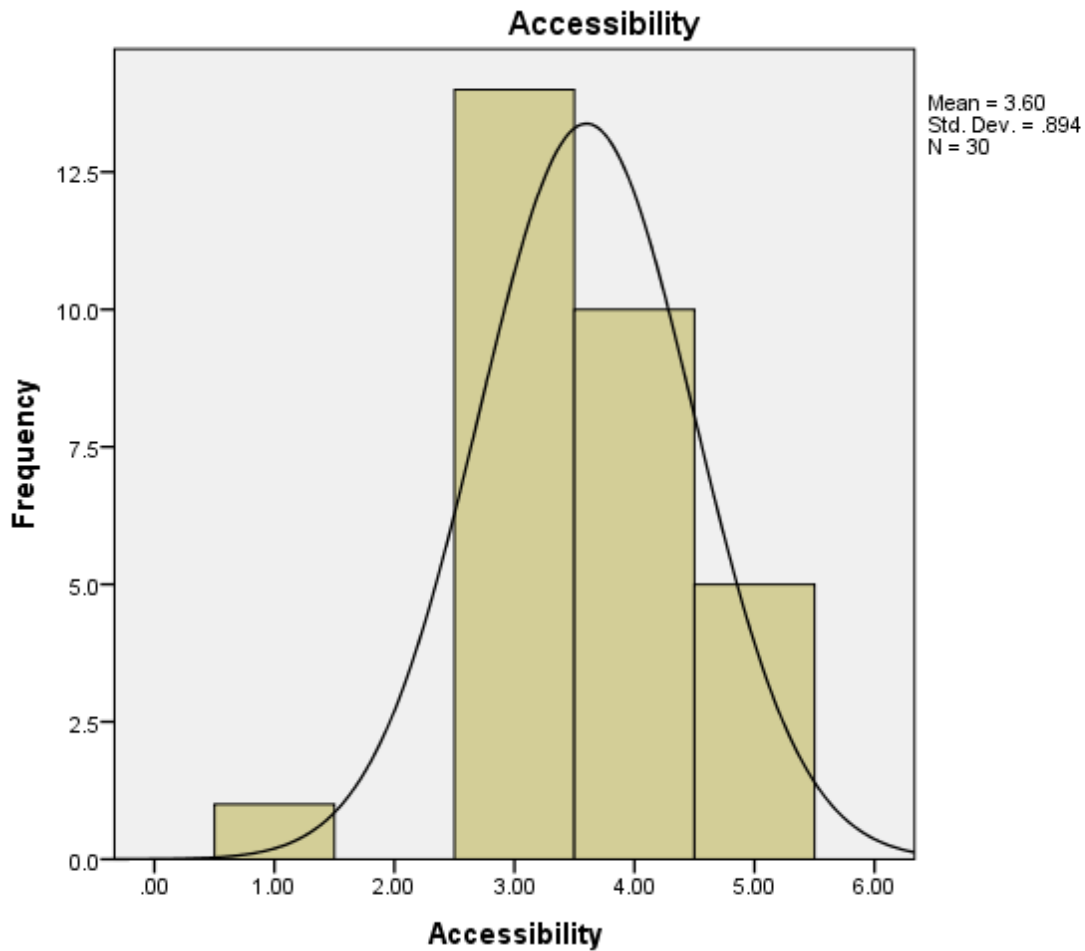
To determine whether the hospital promotes equity, accessibility and economic efficiency, the research was carried out and the findings are shown in the table below.

Table 4:10 Accessibility is Promoted

	Frequency	Percent
Valid Strongly disagree	1	3.3
Neutral	14	46.7
Agree	10	33.3
Strongly Agree	5	16.7
Total	30	100.0

According to the table above, 50% of the respondents agreed that hospital promotes equity, accessibility and economic efficiency. While highest number of the respondents of 46.7% was neutral that the hospital promotes accessibility and economic efficiency.

Figure 4:4: Accessibility



Source: Primary Research Data

From the figure above, the histogram presents the relationship between accessibility and the employee performance of Nkozi Hospital. It should be noted that weighted mean of the research responses was 3.60 with a standard deviation of 894. For that reason, basing on the scale of 1- strongly disagree to 5 strongly agree and an arithmetic mean of 4.0, the data mean was approximately equal to the scale mean. The implication of the findings is that the distribution

curve is negatively skewed to the left were the basic mean is less than the mode. Therefore, the performance of the Hospital is affected by the equity, accessibility and economic efficiency which it promotes.

4.5.5 The Recognition Increases the Efficiency of Employee.

The researcher was interested in knowing whether the recognition increases the efficiency of employee. Detailed below are the findings to the effect.

Table 4:11 Recognition Increases Efficiency

	Frequency	Percent
Strongly disagree	1	3.3
Disagree	4	13.3
Valid Neutral	7	23.3
Agree	18	60.0
Total	30	100.0

Results from the table show that majority of the respondents 60.0% believed that recognition increases the efficiency of employees and the frequency of 5 respondents disagreed. The positive results of agree was in line with Luthans (2005) who say that recognition leads to improved employee performance and retention thus increasing the efficiency of the employees.

4.5 6 Recognition Helps the Hospital to Achieve the Set Goals and Objectives.

The respondents who said that recognition helps the hospital to achieve the set goals and objectives 19/30 and this due to the response of agree and strongly agree as shown in the table below.

Table 4:12 Set Goals Are Achieved

	Frequency	Percent
Disagree	4	13.3
Neutral	7	23.3
Valid Agree	11	36.7
Strongly Agree	8	26.7
Total	30	100.0

According to the table above, 63.4% of the respondent agreed that recognition helps the hospital to achieve the set goals and objectives. This is supported by Lepine (2011) who denoted that Recognition is intangible reward that is given on an impromptu basis to recognize achievement thus achieving the set goals and objectives of the organization.

4.5.7 The Recognition Motivates Employee to Perform Better.

The research was carried out to find out whether recognition motivates employee to perform better and the results were as below in the table.

Table 4: 13 Recognition Motivates

	Frequency	Percent
Neutral	4	13.3
Valid Agree	22	73.3
Strongly Agree	4	13.3
Total	30	100.0

The table above shows that the recognition motivates employees to perform better evidenced by the result of 86.6% of the respondents agreeing to the research. It is also supported by Drafke (2006) who say that Recognition is noticeable acknowledgment of performance. It is received less often but carries great significance thus it is a form of motivating employees in the organization.

4.6 The effect of Bonuses on the Employee Performance.

During the research study, the researcher set out to find out whether bonuses can impact on the Employee Performance of an organization like Nkozi Hospital. The researcher identified some bonuses reporting variables that guided like bonuses given, bonuses and rate of work, coordination of activities, achievement of set goals and tool to attract quality services while in the field of the study.

4.6.1 Bonuses are given According to the Performance of the Employee.

The research was carried out to find out whether bonuses are given according to the performance of the employee. The table below shows the results of the research.

Table 4:14 Bonuses Given

	Frequency	Percent
Strongly disagree	2	6.7
Disagree	1	3.3
Neutral	8	26.7
Agree	13	43.3
Strongly Agree	6	20.0
Total	30	100.0

Source: Primary Research Data (2014)

The table above presents the research findings on the relationship between bonuses and the employee performance of an organization with Nkozi Hospital as the case for the study under the bonuses given according to the performance of the employee. From the findings of the study above, the findings reveal that 63.3% of the research respondents who participated in the research study agreed that bonuses are given according to the performance of the employee which can profoundly influence the performance of Nkozi Hospital as an organization. This is in support with Byars and Rue (2000) who says that bonuses are contrast to gain sharing plans which typically reward the performance of all employees at a facility. Theses bonuses reward the members of a group for attaining a specific goal, usually measured in terms of physical output. With this the hospital achieves its set goals and targets.

4.6.2 Bonuses are given after Measuring the Rate of Work done by the Employee.

The respondents were asked if the bonuses are given after measuring the rate of work done by the employee. The response is as shown in the table below.

Table 4:15 Bonuses and Rate of Work Done.

	Frequency	Percent
Strongly disagree	3	10.0
Disagree	4	13.3
Neutral	8	26.7
Agree	14	46.7
Strongly Agree	1	3.3
Total	30	100.0

According to the table above, 23.3% of the respondents disagreed with the research, a frequency of 8 of the respondents were neutral to the question and 50% agreed that bonuses are given after measuring the rate of work done by the employee. According to Byars and Rue (2000) bonuses reward given to the members of a group for attaining a specific goal are usually measured in terms of physical output

4.6.3 Effective Bonus System help the Hospital to coordinate it Activities for the Better Services.

Of the respondents who say that effective bonus system help the hospital to coordinate its activities for better services, 14/30 agreed to this. The table below shows the results.

Table 4:16 Coordination of Activities

	Frequency	Percent
Strongly disagree	4	13.3
Disagree	1	3.3
Neutral	10	33.3
Agree	14	46.7
Strongly Agree	1	3.3
Total	30	100.0

The highest number of the respondents 46.7% agreed that effective bonus system help the hospital to coordinate its activities for the better services with the cumulative percentage of 96.7%. Pinnington and Edwards (2005) denote that bonuses are granted in addition to base salary and paid to either individual or groups as a reward for achievements or for completion of a project thus helping to coordinate the activities for better services.

4.6.4 Bonuses Help the Hospital to Achieve its Objectives and the Set Targets.

The researcher carried out the research to find out whether bonuses help the hospital to achieve its objectives and the set targets and the results are as shown in the table below.

Table 4:17 Achievement of Set Goals

	Frequency	Percent
Disagree	5	16.7
Neutral	8	26.7
Valid Agree	15	50.0
Strongly Agree	2	6.7
Total	30	100.0

According to the table above, 50% of the respondents agreed that bonuses help the hospital to achieve its objectives and the set goal. . Lepine (2011) denotes that a bonus is received for meeting unit goals for criteria controllable by employees.

4.6.5 The Bonus is used as a Tool to Attract Quality Services.

The researcher was inspired to find out whether bonus is used as a tool to attract quality services. The results are as shown in the table below.

Table 4:18 Tool to Attract Quality Services.

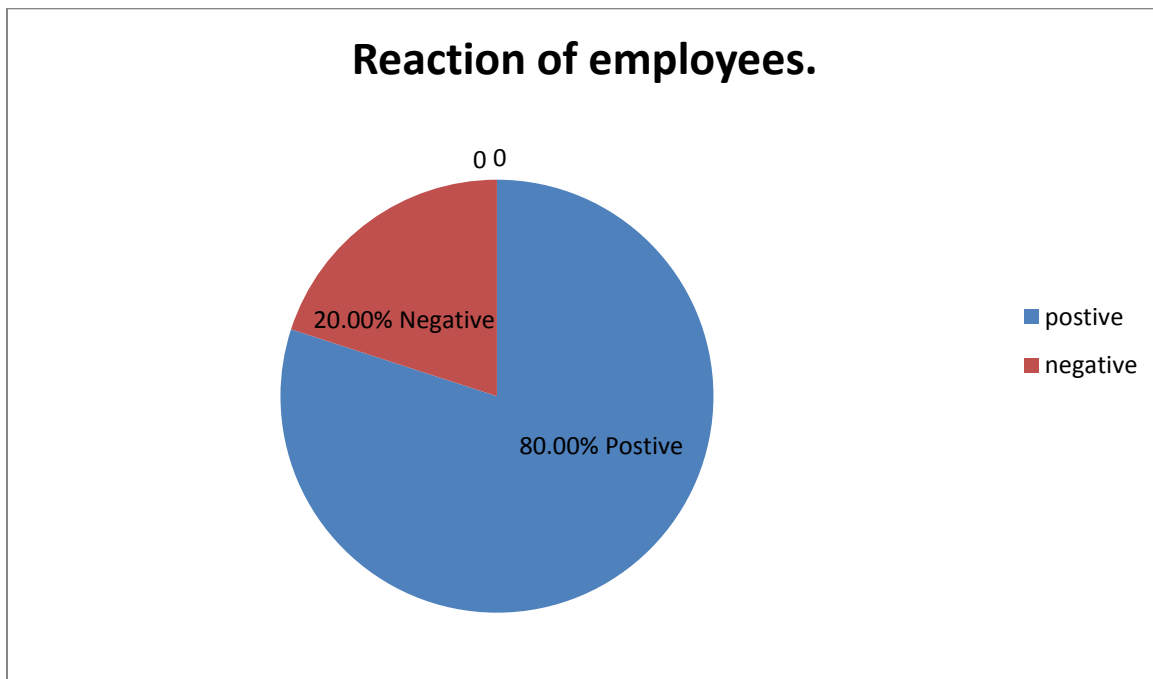
	Frequency	Percent
Strongly disagree	1	3.3
Neutral	13	43.3
Valid Agree	10	33.3
Strongly Agree	6	20.0
Total	30	100.0

According to the table above, 53.3% of the respondents agreed that bonus is used as a tool to attract quality services. This is through the bonuses given to motivate employees. Cheatle (2001) posts that bonus payment is usually linked to output productivity which is form of a tool used therefore Nkozi hospital uses bonus as a tool to attract quality services.

4.7 What is the reaction of employees towards the rewards given in the organization?

There was a reaction of employees towards the rewards given in the organization. The results are as shown below.

Figure 4:5: Reaction of Employees



The reaction of employees towards the rewards given in the organization is positive with 80.0%. According to Gipson et al (2009) rewarding of employees is not only for organization to achieve high output and increase their profitability due to improved quantity realized by motivated people but also for self granted which is the fact of motivating workers in an organization thus giving a positive response.

According to the research carried out, it was found out that 60.3% of the employees support the rewards given to the employees in the organization because they motivate them and increases the performance.

The researcher found out the there are other factors that affect performance in the organization where by 53.3% of the respondents said that there is lack of experience and skills. 33.6% said that employees need additional training.

The respondents gave the indicators of good performance in the hospital where 45.1% gave productivity, 56.4% said timely delivery of hospital services and 43.3% gave quick recovery of the patients.

4 8 Conclusion

In conclusion therefore, considering the views expressed on the research objectives arising from both quantitative and qualitative results, it can be deduced that there is a positive relationship between intrinsic rewards and employee performance. Accordings to the data that was gathered from the research at Nkozi hospital, it was found out that intrinsic reward greatly contributes to the employee performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of the findings derived from the data presented in chapter four. The discussion leads into varying conclusions, recommendations and implication of the study. The summary of the results is guided by the study objectives. The key questions that guided the study were as follows, what are the effects of bonuses on the employee performance of private- not-for-profit hospitals in Uganda, what is the relationship between promotion and the employee performance of private-not-for-profit hospital in Uganda and what are the effects of recognition on the employee performance in not-for-profit hospitals in Uganda.

4.1 Summary of the findings

The study was investigating about the relationship between bonuses and employee performance, the effect of promotion on the employee performance and the relationship between recognition and employee performance and they were summarized according to the findings in chapter four as below.

The study results indicated that the relationship between bonuses and employee performance in private-not-for-profit hospitals is significant. This was revealed by the correlation tests which indicated a positive situation. The relationship in the two variables was as well reflected by the descriptive statistics which were analyzed in Chapter four. The results of the study were analyzed along the views of other scholars in other organizational environments and revealed related situations. A bonus may depend on the overall performance of the organization and may be paid at the end of the year. This finding is related to those of the current study especially where it was revealed that bonus is important for better performance of an organization.

Given the findings of the current study and the views expressed by other scholars, it can be concluded that bonuses affects the employee performance in private-not-for-profit hospitals in

Uganda and there is a need for the manager of the hospital to plan properly for better results in their organizations.

The research objective aimed at ascertaining the relationship between promotion and employee performance in private-not-for-profit hospitals. The objective was verified a descriptive statistics analysis. The major areas analyzed in promotion are the policies and procedures to be followed, monitoring promotion against the performance; fair reports made and promoted skilled staff contributing greatly to better performance. These elements were held important in the study as they are the core of promotion. All in all, the results indicated that promotion is highly related to the employee performance especially as it relates to the issue of funds management. The researcher analyzed the results of the current study along those of other scholars in other organizational fields in which a correlated situation was established.

The researcher also analyzed the descriptive statistics of the study. That is, the percentages and frequencies of the responses generated during the self-administered questionnaire. From the findings of the current study and the analysis of the views expressed by scholars in other organizational environments, it can be concluded that the variable promotion is the organization performance itself. It affects the organization in many instances and the managers of private-not-for-profit hospitals need to put much more focus on it.

The study also aimed at establishing the relationship between recognition and employee performance of private-not-for-profit hospitals. The findings of the current study were cross-referenced with those of scholars in other organizational environments and displayed similar of relationship. This is true with the current study where recognition was found to affect all aspects of the organizational performance in private-not-for-profit hospitals. Recognition rewarding can be believed by both the current study and other scholars that it enables the organization to achieve its aims and objectives in order to register success and effectiveness. This is in line with equity theory which argues that when employees perceive the ratios of their inputs (e.g. experience, effort, education e.t.c) to outcomes (rewards) are equivalent to the ratios of other employees then there is existence of equity and employees will work for the success of the

organization. But if these ratios are not equivalent, inequity exists and therefore tension is created which may lead to lack of continuity and growth of the organization.

5.2 Conclusions

From the findings of the study, a number of conclusions were drawn which included the following. From the first objective of the study, it was concluded that there is a positive relationship between bonuses and employee performance. It was revealed through the descriptive statistics that bonuses by the Hospital administration have a positive correlation with the quality of health services delivered. Conversely, the study fully indicates that without promotion of employees, it is quite difficult for management to monitor the organizational activities with the poor rewarding system used.

It was also concluded that promotion has a significant effect on employee performance in Nkozi Hospital. It was evident that the promoted skilled staffs contribute greatly to better performance by the research called out and analyzed in chapter four, the patients are able to get the quality services if staff members are paid for the services offered. Finally, it was concluded from the third objective that there is a significant positive relationship between promotion and employee performance. In fact, if the hospital is to achieve any positive developments, the reward of promotion has to be emphasized.

The findings based on the relationship between recognition and employee performance show that there is a great effect on Nkozi hospital since most of the respondents give a positive feedback about the effect of recognition and employee performance. The results showed that the organization makes efficient decisions based on the reports from the human resource manager.

5.3 Recommendations

The study was able to come up with the following recommendations;

Management should adjust on their rewarding system applied to improve on the hospital performance. This is important because poor rewarding system measures can lead to poor health services offered delivered in the hospital.

Management of the hospital should put in place motivating factors like increase in payment to make sure that all employees are motivated with it so that to increase on the productivity of the hospital.

The management of hospital should put much more focus on human resource development to avoid any surprises. They should put in place guidelines concerning recruitment, promotion and staff welfare to avoid unnecessary dissatisfaction caused to staff members due to lack of systems.

5.4 Implication of the study.

When the management adjusts on their rewarding system applied to improve on the hospital performance, there will be timely delivery of health service to the patients thus the effectiveness of the employees to the hospital.

For the management of the hospital putting into place motivating factors like increase in payment of the employees which motivates them thus increasing on the productivity of the hospital through the services provided leading to quick recovery of the patients.

When the management of hospital puts much more focus on human resource development to avoid any surprises. The employees are motivated and work very hard to promote the name of the hospital.

5.5 Suggestions for further research

The researcher recommends the need for further study into the following areas:

- a) The effect of stress effect on the performance of private-not-for-profit hospitals.
- b) A comparative study can be carried out in public hospitals to see how the situation is portrayed.

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APPENDICES

APPENDIX 1

QUESTIONARE

Dear respondent, this is a research being carried out by Nanteza Sharon a student of Uganda Martyrs University pursuing Bachelors in Business Administration and Management. This research is aiming at helping the researcher at attaining results upon completion of dissertation which is a necessity in my course. I am expected to write a research report on any topic of a particular research study. I am therefore carrying out research on *Intrinsic Reward and Employee Performance in Private-not-for-profit Hospital in Uganda.*

You have been identified as a resource person who can provide useful and reliable data that will inform this research. Please answer the following questions as honestly as possible. The information given will be treated with the highest confidentiality and used only for the purpose of this study. .

I thank you in advance for your co-operation.

.....

Section A

GENERAL INFORMATION

Nationality

Occupation.....

Please tick the right option appropriately

1. Age

18 – 30 years

31 – 40 years

41 – 50 years

51 – 70 years

2. Gender

Male

Females

Instructions

For each of the statements in sections B, C D, E indicate your level of agreement by ticking one of the given statements using the following 5 points (1 -5)

1 Strongly disagree

2 Disagree

3 Neutral

4 Agree

5 Strongly Agree

SECTION B

4 PROMOTION AND EMPLOYEE PERFORMANCE

QUESTIONS	1	2	3	4	5
1. The hospital has clarity promotion policies.					
2. There are written promotion procedures to be followed.					
3. The human resource manager monitors the promotion against the performance					
4. The human resource manager gives and makes fair report for promotion.					
5. Promoted skilled staffs contribute greatly to better performance.					

SECTION C

5 RECOGNITION AND ORGANISATIONAL PERFORMANCE

	1	2	3	4	5
1. The organization makes efficient decisions based on the reports from the human resource manager					
2. The reports are valued by both the internal and external users.					
3. The hospital ensures transparency.					
4. The hospital promotes equity, accessibility and economic efficiency.					
5. The recognition increases the efficiency of employees.					
6. Recognition helps the hospital to achieve the set goals and objectives.					
7. The recognition motivates employees to perform better.					

SECTION D

6 BONUSES AND EMPLOYEE PERFORMANCE.

	1	2	3	4	5
1. Bonuses are given according to the performance of the employee.					
2. Bonuses are given after measuring the rate of work done by the employee					
3. Effective bonus system help the hospital to coordinate it activities for the better services.					
4. Bonuses help the hospital to achieve its objectives and the set targets.					
5. The bonus is used as a tool to attract quality services					

SECTION E

7 What is the reaction of employees towards the rewards given in the organization?

Positive

Negative

8 Do you support the rewards given to employees in the organization? If yes why?

.....

9 What are some of the other factors that affect performance in your organization?

.....

10 What are the indicators of good performance in the hospital?

.....

THANK YOU FOR YOUR CONTRIBUTION

WORK PLAN

ACTIVITY	TIME	PLACE	PERSONEL	REMRKS
Literature review	6weeks	UMU library	Researcher	Use of the Internet, text books and other sources
Questionnaire formation	2days	UMU library	Researcher	Using research objectives and questions
Questionnaire pre-testing	1 weeks	Villa Maria Hospital	Researcher and research assistants	To find out whether the questionnaire will be able to help the researcher to answer the objectives of the study
Data collection	3 weeks	Nkozi Hospital	Researcher	The researcher will collect the data from the hospital.
Data analysis, interpretation and presentation	3 weeks	UMU Library	Researcher and the assistant	In order for the researcher to organize the data in a presentable way.

BUDGET

ITEMS	NUMBER OF ITEMS NEEDED	COST PER ITEM	TOTAL AMOUNT (UGX)
Pens	10	300	3,000
Reams of paper	2	10,000	20,000
Printing and binding	-	-	250,000
Flash disk	2GB	50,000	50,000
Research assistants	2	-	150,000
Other expenses	-	-	100,000
TOTAL			573,000