THE EFFECT OF REWARD SYSTEM ON EMPLOYEE PERFORMANCE IN PUBLIC ORGANIZATION: A CASE OF ROMBO DISTRICT COUNCIL,

TANZANIA

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A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE

REQUIREMENTS FOR THE DEGREE OF MASTER OF HUMAN

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DEPARTMENT OF LEADERSHIP AND GOVERNANCE

THE OPEN UNIVERSITY OFTANZANIA

CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania a Dissertation entitled: *"The Effect of Reward System on Employee Performance in Public Organization: A Case of Rombo District Council, Tanzania"* in partial fulfillment of the requirements for the degree of Master of Human Resource Management (MHRM) of the Open University of Tanzania.

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Date

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Date

DEDICATION

I dedicate this work to my almighty God, my children Gladness and Sean. Equivalently, I devote this work to my lovely mother Marietha who believed in my potential and success.

ACKNOWLEDGEMENT

First and foremost, I thank the Almighty God who made me strong to complete this work. Second, I wish to express my sincere appreciation to my supervisor, Dr. France Shayo, he gave me constructive comments, guidance, and encouragement, which helped to accomplish this study.

I extend my sincere gratitude to my family for their support, patience, understanding, encouragement, and prayers. I also appreciate the role played by various OUT lecturers Mr. Kulwa Mang'ana, and Dr Lilian Macha for guiding me through this challenging path of academia. To my colleague Asha Issa thanks for your endless encouragement and support.

ABSTRACT

This study aimed to determine the effects of the reward system on employee's performance in Rombo District council. The study covered three specific objectives namely: to examine the effects of monetary rewards on employee's performance; find out the effects of promotion schemes on employees performance; and Identify the effects of recognition on employee's performance. The Vroom Expectancy Theory and Maslow's Hierarchy of Needs Theory informed the study. The study was guided by positivism philosophy and quantitative research approach. Probability sampling procedures were used to select a sample size of 170 respondents from the Administration and Human Resources department of Rombo DC in Kilimanjaro. Data were collected using structured questionnaires. Structured questionnaire, which was tested, and a reliable coefficient was 0.81. Data were analyzed descriptively (means and standard deviations) and inferentially (the Pearson Product Moment Correlation Coefficient test and Multiple linear regression analysis). Findings revealed that there is a significant and positive relationship between monetary reward and employee performance, employee promotion and employee performance, and employee recognition and employee performance. Therefore the study recommended that the Rombo district council should put more emphasis, consideration and formulate clear policies and plans on monetary rewards, promotion and employee recognition from which it can result in greater employee performance and further employee productivity and commitment.

Keywords: Monetary rewards, promotion schemes, Recognition and Employment Performance

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LIST OF ABBREVIATIONS AND ACRONYMS

- CAG Controller and Auditor General
- CFA Confirmatory Factor Analysis
- DC District Council
- DED District Executive Director
- DPGS Directorate of Postgraduate Studies
- HR Human Resource
- M Mean
- SD Standard Deviation
- SEM Structural Equation Modeling
- SPSS Statistical Package for Social Sciences

CHAPTER ONE

INTRODUCTION

1.1 Overview

This chapter covers the background of the study, statement of the problem, purpose of the study, Research Objectives, Research Questions, Significance of the Study and Limitations and Delimitations of the study.

1.2 Background to the Study

Employees are the heart of any business, they are hired to help organisations gain and maintain success, and they should at least initially, inspired to perform the work necessary to achieve the organizations' goals. People are the most important resource for organizational competitiveness, and keeping them on the job is a key task for any manager (Amstrong, 2009).

Reward is a return for a service rendered, an act performed to strengthen approved behavior and equates to achievement. When properly administered and communicated, a reward program can create and maintain a highly motivated workforce working for the prosperity of your business (Worldatwork, 2007). There are monetary rewards, which cover the basic need for survival, a feeling of stability and acknowledgement. These are the lower-level basic needs as described in the Maslow's Hierarchy of needs. Non-monetary benefits, however, are associated with the feeling of enjoyment after a successful completion of a challenging task, social interactions and even enjoyment found in the workplace and are considered higher level needs in the needs hierarchy (Bratton & Gold, 2007). According to Shields (2007), workplace reward systems are incentive programs that encourage employee engagement and productivity by offering bonuses, increased pay, additional time off or other awards for a job well done. Reward systems recognize staff members who excel in areas such as customer service, loyalty and sales ability. It is understood that Organizations implement workplace reward systems to retain employees, increase morale and improve overall service and productivity within the company. Daft and Marcic (2007) suggest that workplace reward systems come in a variety of forms.

Although many programs are performance-based, some reward for work ethic, tenure and/or attendance. If employees are not rewarded constantly, they tend to be demotivated and this can have a great impact on retention rate of employee's commitment and their performance at the workplace. From a broad perspective, performance can be interpreted as the end-point of various elements within the workplace environment. Performance has many aspects involving a close interaction of various factors including working conditions, supervisory inputs, compensation and workers satisfaction. In this regard, performance is a result and not necessarily a cause it is itself.

A reward system is a very important tool in managing the human capital and failure to reward the staff for their collective and individual efforts often leads to dissatisfaction. This affects productivity and leads to poor customer services, loses in terms of lost man hours, high staff turnover and loss of revenue. Several studies (Ngwa, 2019; Ali, 2016; Ali and Ahmed, 2009) indicates that there is a positive link between reward system and employee performance. The study on the impact of the reward system on

employee performance, a case of TESCO PLC, UK conducted by Ali (2016). Its findings suggested that employees performance is positive due to rewards received. Effective reward systems should always focus on the positive reinforcement and raising employee morale. Rombo district council as an employer is obligated to provide training, house allowance and basic salary to all its employees. The interest of the study is to try finding out different rewards (monetary rewards, promotion schemes and recognitions) given to employees and the effect it has on performance.

The reward system in the public sector has over the years encouraged disparities in rewards to employees within the departments in District Councils and therefore leading to general dissatisfaction by employees. According to Armstrong (2010) improved monetary rewards are regarded as the most important motivational factor by staff across all types of organizations in most countries. Incentives in public service are weak. This is because in most developing countries for instance the wages are too low and pay scales that at best are barely sufficient to live on. This makes public organizations less competitive as compared with the private sector. According to Armstrong (2005), reward systems therefore have arguably been at the centre stage as far as the performance of these organizations is concerned. Thus with this background the study sought to find out the relative effect of reward systems on employee performance in public service.

1.2 Statement of the Problem

Reward systems in any organization are a vital tool and play an important role as far as employee motivation and performance was concerned. The way organizations manage their reward systems determine or influence the attitudes of employees

towards work, as well as their performance (Aswathappa, 2009). According to Amstrong (2010) reward packages can influence employees' performance. For instance, Anyago (2011) conducted a study on the effects of rewards system on employee performance in the Kenya Pipeline organisation. Anyago (2011) found that employees were poorly remunerated hence they were dissatisfied, hence influenced their performances. The implication of rewards towards employees' satisfaction has been defined in many organizations. For instance, Ali and Ahmed (2009) conducted a survey at UNILEVER companies, findings indicated that reward systems have a positive relationship to employee's motivation and satisfaction.

Studies conducted in Tanzania by Peter (2017) and Kikoito (2014) who investigated the impact of promotion and reward systems on employees and organisation performance in Dar es Salaam and Mwanza cities have indeed linked reward systems with employee performance. However, these studies did not have an in-depth look at the circumstances surrounding the reward system and the strategies used to address them. Moreover, these studies did not examine the effects of the reward strategies on employees' performance. Additionally, key research variables and dimensions were different due to differences in the type of organizations studied. This, therefore, motivated the need for the present study to determine the effects of rewards strategies on employee performance in Rombo District Council.

Rombo district council is implementing different reforms some times for the purpose of maximizing employees and organization performance. All of the reforms focus on how to use human capitals to maximize the organizational performance and customer satisfaction. But reforms were rarely incorporating reward systems and ignoring

employees' satisfaction. Therefore, it is evident that there is a knowledge gap to be filled. As a result, the purpose of this study is to fill this gap by determining the effects of the reward system on employee's performance in Rombo District council.

The present study aims to increase employees' awareness on the impact of reward systems on individual performance, which provides competitive advantage to the institutions or organisations. Additionally, this study intends to add valuable evidence in the growing body of literature that focuses on the impact of reward system on organisational performance with focus on government sectors. Lastly, the present research study might also be helpful for the other government sectors especially those under the local authorities.

1.3 Research Objectives

1.3.1 General Objectives

The general objective of this study is to determine the effects of the reward system on employee's performance in Rombo District council.

1.3.2 Specific Objectives

Specific objectives guiding the study will be to:

- Examine the effects of monetary rewards on employees performance in Rombo District council.
- (ii) Find out the effects of promotion schemes on employees performance in Rombo District council.
- (iii) Identify the effects of recognition on employees performance in the Rombo District council.

1.4 Relevance of the Research

This study might provide insight to the district council authority on the need to improve their reward systems. Second, policy makers at the government level may also use the finding in shaping their HR policies. Third, district officials with managerial roles may also find results of this study useful. Lastly, the findings of this study might contribute to the academic community by adding to the literature on reward systems and employees performance.

1.5 Limitations and Scope of the Study

1.5.1 Limitations of the Study

Being in a managerial position, the study might seem biased towards my perceptions about the employees' rewarding systems at Rombo district council, this will be resolved by employing research assistance to assist in data collection. It is expected that some respondents might be reluctant to participate in the study. The researcher will overcome this by explaining the importance of the study to the respondents.

1.5.2 Scope of the Study

This study will be delimited to Rombo district council employees. The study seeks to explore the effects of the reward system on employee's performance. The study will concentrate on the following variables:, monetary reward, promotions schemes, recognition and employees satisfaction.

1.6 Organization of the Study

This proposal is organised in three chapters. The first chapter provides the background information of the study. The chapter includes a statement of the problem, research

questions, objectives, scope and the limitation of the research. The second chapter presents a literature review. This chapter defines research key terms, presents theoretical literature and reviews empirical literature based on research objectives.

The third chapter covers the methodology to be used in achieving research objectives. It covers the following: Research approach, design, sampling techniques and sample size, methods and procedures of data collection. Additionally, validity and reliability of instruments are presented as well as data analysis plan and logistical considerations and ethical issues. The last part presents references.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This chapter presents a review of related literature on the effects of reward systems on employees' performance. The chapter is divided into the following subheadings: the conceptual definitions, theoretical literature review, empirical literature based on objectives of the study, and the last part presents literature summary and gaps.

2.2 Conceptual Definitions

2.2.1 Reward System

Reward system refers to an interrelated process and practices that combine to ensure that reward management is carried out effectively to the benefits of the organisation and the people who work there (Amstrong, 2010). Reward system is the set of mechanisms for distributing both tangible and intangible returns as part of an unemployment relationship. Various types of returns include base pay, cost of living adjustment and contingent pay, short term and long term incentives, allowance, relation returns such as recognition, promotions, status and employment security.

Organisational rewards systems concerned with selection of types of rewards to be used by an organisation. They have to ensure that the reward system is fair, equitable to all employees and clearly communicated. Rewards can be a combination of monetary and non-monetary benefits that accrue for work performed Shield 2016. Based on these definitions this study adopts the definition of Amstrong because it is specific as rewards practices ensure employees and organisation benefits.

2.2.2 Employee Performance

According to Shield (2016) employee's performance has been defined as the degree to which an employee executes the duties and responsibilities. Employee performance involves factors such as quality, quantity and effectiveness of work as well as the behaviours of your employees shown in the workplace (Ashley & Thompson, 2019). This study adopts Ashley and Thompson as it involves the effect of the reward system towards employees behaviour.

2.2.3 Organization Performance

The growing need of the management is to get the full potential out of the workforce by providing them the skills and by proper coaching; motivation and appropriate appraisals, and this could only be possible when the employees are performing efficiently and up to the mark of achieving the organizational goals and mission (Ramzan, 2013). The management is getting aware of better understanding the growing needs of employees and using different techniques and strategies, to overcome this gap through the most effective strategy and that is the reward system (Armstrong & Taylor, 2014).

To manage performance of an individual or a group is that the management should have the skills to coach them in accordance to achieve the organizational goals and the best way is to give them a raise in something and it could be a monitory raise or some kind of recognition among others (Ramzan, 2013). Different organizations apply different strategies according to their respective environments, some may get influenced by more experienced or old employees and in response to that give a low performance behavior on the other hand sometime the organization makes the reward system so strong that it gets out of hand for them to manage the organizational goals themselves. Therefore, the management performance system is a balance between the performance of an employee and the reward he/she gets from achieving the goals of the organization according to its mission.

2.3 Theoretical Review

This study will be informed with the following theories:

2.3.1 Vroom Expectancy Theory

The Expectancy Theory was developed in 1964 by Victor H. Vroom. The theory postulates that individuals will be motivated to act provided they expect to be able to achieve the set goals. Further the employee believes that achieving these goals will lead to rewards and that the rewards offered are valuable to him or her. The theory argues that the strength of a tendency to act in a specific way depends on the strength of an expectation, followed by a given outcome and on the attractiveness of that outcome to the individual. In the public sector, especially at the district level, an employee can be motivated to perform better when there is a belief that the better performance will lead to good performance and that this shall result into realization of personal goal in the form of some reward.

Therefore in its application to the study, the strength of expectation will be determined by monetary rewards and performance relationship, promotion schemes and reward relationship; and recognition and rewards relationship. Motivation arising from the expectancy theory produces desired actions, which gives the required results in the form of performance and satisfaction from rewards for the employees (Vroom, 1964).

2.3.2 Maslow's Hierarchy of Needs Theory

Abraham Maslow organized five major types of human needs into a hierarchy. The need hierarchy illustrates Maslow's conception of people satisfying their needs in a specified order, from bottom to top. The needs, in ascending order, are: Physiological (food, water, and shelter.), Safety or security (protection against threat and deprivation), Social (friendship, affection, belonging, and love), Ego (independence, achievement, freedom, status, recognition, and self-esteem), and Self-actualization (realizing one's full potential; becoming everything one is capable of being (Adams, 1963).

In the context of rewards, needs entails internal states that make certain outcomes appear attractive. For example, money in Maslow's theory would essentially satisfy lower needs and motivate employees to work harder aiming at higher needs. In most cases, employees fight for money as a security need, provision of clothing, food, and shelter while on the other hand, money could act as a self- esteem need capable of giving the individual a sense of self-worth. In motivating employees, it is highly recommended that the manager understands the employee's position in the hierarchy and focusing on rewarding the employees by satisfying needs at that level or a level immediately above the employee's level.

2.4 Empirical Literature Review

2.4.1 Monetary Rewards and Employee Performance

Financial rewards include pay, bonuses, transportation facility, health insurance, and pensions. Therefore, employees receive financial payments from their employers in the form of salary or commissions. Basically, there are different types of financial

rewards. A bonus can be defined as an additional compensation given to an employee as a motivator or a reward for his/her hard work. It is given to workers majorly due to their performance. These performances might include: creating more deals, or inspiring new production lines. Therefore, managers use bonuses to motivate their subordinates toward specific goals. Also, employees are offered a financial reward for their services called pay. Pay must be closely linked to the performance. Employees who do their best want reasonable pay that satisfies their needs. Money is a major means for creating motivation because they need money to satisfy their basic needs of life (Zaraket & Saber, 2017).

Financial rewards have great impacts towards the employees' performances. Financial rewards include strengthening the relationship between the employers and their employees. It is an important and a crucial aspect that is based on the respect of the employers towards their employees through motivation. An employer offers monetary rewards to employees after observing their performances. The employer rewards the best-performing workers in his or her firm (Aktar, 2012).

Mehta (2014) conducted a descriptive and quantitative study in Pakistan on the impact of monetary and non-monetary rewards on employee performance and job satisfaction in insurance companies of Pakistan. The study used a structured questionnaire to collect data; and data were analysed using Pearson's correlation coefficient and regression analysis. Findings revealed that monetary rewards have a significant positive impact on employee performance and job satisfaction. The result of the study shows that this significant relation is due to factors, which vary from individual to individual whether the employee is working in the private sector or public sector. Employee performance and job satisfaction positively monetary rewards and Exports positively correlate with monetary rewards.

Studies have also revealed that monetary rewards have no strong association with employee motivation. For instance, Igbaekemem (2014) research on the relationship between monetary incentives and its impact on employee performance in Nigeria concluded that monetary incentives alone are not sufficient to motivate employees. A balance between monetary and non-monetary incentives should be used to satisfy the diverse needs and interests of employees. Motivation is a complex and individualistic concept and as such there is no best approach to it. The research shows that monetary incentives alone are not sufficient to motivate employees. Pay is important since it affords the provision of the basic necessities of life, but is most important for what it symbolizes to the recipient for money to be used as a motivational tool, managers must study their associates, the conditions under which they work and the task they perform.

2.4.2 **Promotion Schemes and Employees Performance**

Promotion is used as a reward for better work performance and organizationally approved form of behavior. People will work harder if they feel that this will lead to promotion. It provides satisfaction to personnel who enhance their morale, productivity, and loyalty to the organization (Prasad, 2012). Peter (2017) conducted a study in Dar es Salaam City Council to assess the impact of promotion to employees performance. The study employed a case study research design with a sample of 150 employees who were subjected to self-administered questionnaires and interview guides. Data were analysed descriptively using percentages and frequencies. Findings revealed that promotion has an impact on individual and organizational performance as it induces motivation, good performance, good relations and increased remunerations. Additionally, the findings indicated that there were impacts for nonadherence to promotion procedure, which affects individual performance and organization such as poor performance, accumulated promotion, poor relations and labour turnover.

A study by Gupta and Kumar (2012) on the relationship between perceptions of performance appraisal fairness and employee engagement in the Indian business context, evidently suggested that promotion based incentives are integral for the increased employees' performance in organizations, generating substantial interest among theorists. Apparently, these studies are more skewed on the theoretical end giving very little empirical interest creating a giving rise to conduct the evidence-based study.

After distributing 250 questionnaires, a regression analysis was conducted where job satisfaction and employee performance was regressed against promotion. Beta values indicated that job satisfaction was the major mediator compared to employee performance though both of them had a positive relationship with promotion. In conclusion, Gupta and Kumar (2012) asserted that promotion as a facet of job satisfaction significantly affected the level of job satisfaction of employees hence the need for management to consider promotion in a bid to promote job satisfaction, which eventually translates to higher Performance rates.

2.4.3 The Effects of Recognition on Employees Performance

Every human being has a need for praise and recognition, and the more often they get it, the better. Employers are in the best position to give recognition to employees; however, few do it often enough or creatively enough. Employees are likely to be motivated to improve their performance with nonmonetary rewards such as employee recognition. Recognition is the acknowledgement, appreciation, or approval of the positive accomplishments or behaviors of an individual or team (Caligiuri, Lepak & Bonache, 2010; Nelson, 2005). Recognition is considered acknowledgement or a special notice or attention to employees.

When a manager uses a recognition program to motivate an employee, whether a fast tracker or an underachiever the goal is to reinforce successful behaviors so the employee will repeat them and apply the same determination to other tasks (Tessema, Ready & Embaye; 2013). The effectiveness of a recognition employee system can be assessed on the metrics of how well it recognizes the achievements, accomplishments and outstanding performance of employees in an organization. Different recognition systems use different platforms such as the formal system which implements bonus schemes and reward ceremonies while gifts and verbal appreciation are common in the informal system. An effective recognition system improves the alignment of an employee's objective with the goals of the organization (Armstrong, 2003).

Hussain, Khaliq, Nisar, Kamboh, and Ali (2019) conducted a study to examine the role of employee rewards, recognition, and job-related stress towards employee performance in the call-centers located in Lahore, Pakistan. The study employed the

survey method of the questionnaire using a simple random sampling technique. They used Confirmatory factor analysis (CFA) and structure equation modeling (SEM) techniques for statistical analysis. Findings revealed that employee rewards and recognition have a significant and positive effect on employee performance whereas job stress has a significant and negative effect on employee performance.

2.5 Literature Summary and Gap

Studies indicate that rewards systems (financial and non financial) have a role in influencing job satisfaction, which ultimately impacts employee performance. However, the above studies were done in other organisational contexts, due to differences in social, cultural and economic situations a related study needed to be conducted in Rombo district council.

Rombo district council is implementing different reforms in order to maximize organization performance. However, these reforms rarely incorporate reward systems. Therefore, it is evident that there is a knowledge gap to be filled. As a result, the purpose of this study is to fill this gap by determining the effects of the reward system on employee's performance in Rombo District council.

Additionally, the reviewed studies did not have an in-depth look at the circumstances surrounding the reward system and the strategies used to address them. Moreover, these studies did not examine the effects of the reward strategies on employees' performance. Additionally, key research variables and dimensions were different due to differences in the type of organizations studied.

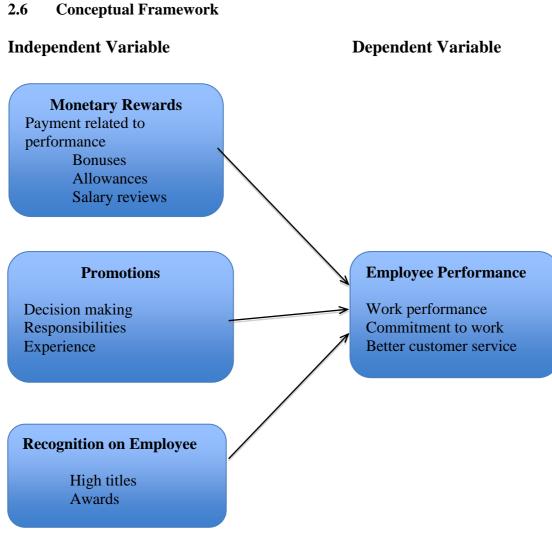


Figure 2.1: Conceptual Framework

Source: Compiled from literature review, 2020

The Conceptual framework in Figure 2.1 depicts that financial rewards like allowances, pay related to performance and salary reviews) are expected to affect employees' performances. Similarly, promotion based incentives are expected to be integral for the increased employees' performance in organizations. Lastly, employee recognitions in terms of rise in pay; increased level of responsibility is also expected to affect employee performance. Therefore, the following hypotheses will guide this study.

2.7 Research Hypotheses

H1: Financial rewards significantly and positively affect employee performance.

- H2: Promotion significantly and positively affects employee performance.
- H3: Employee recognition significantly and positively affects employee performance

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented the methodology that was used in conducting this study. It covers the following: research design, target population, sample and sampling techniques and sample size, instruments for data collection, validity and reliability of the instruments, data collection procedures, data analysis and ethical issues that were considered.

3.2 Research Philosophy

The study follows positivism philosophy. The primary goal of positivist inquiry is to generate explanatory associations or causal relationships that ultimately lead to prediction and control of the phenomena in question (Saunders, Lewis & Thornhill, 2009). Positivists claim that there is a single objective reality that can be observed and measured without bias using standardized instruments. Positivism believes that reality is stable and can be observed and described from an objective viewpoint. Positivism philosophy is associated with quantitative studies and hypothesis testing. This study was quantitative and hypotheses were tested hence adoption of positivism philosophy.

3.3 Research Approach

This study used a quantitative research approach. Quantitative research approach was useful in making statistical inference on the effect of the reward systems (monetary rewards, promotion schemes and recognition) on employee's performance. Creswell (2012) put it forward that, quantitative approach has several feature including but not limited to its ability to enable the researcher to: (i) describe a research problem through a description of trends or a need for an explanation of the relationship among variables, (ii) collecting numeric data from a large number of people using instruments with preset questions and responses, (iii) analyzing trends, comparing groups, or relating variables using statistical analysis, and interpreting results by comparing them with prior predictions and past research. Thus in this study the quantitative approach provided the researcher with rigorous, reliable, and verifiable large aggregates of data and the statistical testing of hypotheses.

3.4 Research Design

This research employed descriptive survey research design because of its ability to gather data at a particular point in time. The researcher used descriptive survey design because it is capable of describing the nature of the existing situations and conditions and identify standards against which existing conditions can be compared, and so provide accurate, reliable and valid data (Neuman, 2014). In this case data were gathered on a one-shot basis and therefore this design was economical and efficient.

3.5 Area of the Study

This study was conducted in Rombo district Council, Kilimanjaro region. The population of the study was all employees working under administration and human resources department of Rombo District Council. However they were represented by a selected sample. The study was conducted in Rombo DC due to the fact that the CAG report shows that in three years the Council performed poorly in revenue collection, which hindered quality of social services delivery. Also the selection of the study area was convenient for the researcher to get a sample for data collection (Kumar, 2011).

3.6 Target Population

The target population included the Head of sections (6) and subordinates (299) working at Rombo district council, plus other employees within the department. Therefore the target population was 305.

3.7 Sampling Techniques and Sample Size

3.7.1 Sampling Technique

Probability sampling procedures were used in this study. The study adopted a simple random sampling technique. In simple random sampling the researchers or fieldworkers have the freedom to choose whomever they find (Saunders et al., 2009).

3.7.2 Sample Size

A sample size of 170 respondents was selected from the Administration and Human Resources department of Rombo DC in Kilimanjaro. The sample size of this study was derived depending on the nature of the study and the information required. This sample size was determined using the Raosoft, sample size calculator, with estimated population size of 305 people, at 95% confidence level, 50% estimated response distribution and margin of error of 5% (Appendix I).

3.8 Study Variables

The study consisted of the independent and dependent variables. Independent variables consisted of the following dimensions; monetary rewards which represent (pay, bonuses, allowances and salary reviews); and non-monetary rewards like Recognition (Praise, awards, hightitles) and promotions. While an employee 's job performance represents the dependent variable of this study.

3.9 Methods of Data Collection

The study was quantitative therefore structured questionnaires were used in data collection of both primary and secondary sources.

3.9.1 Questionnaires

This is considered to be most appropriate because of its capability in collecting information in case of big enquiries and for short duration (Kothari, 2004). A Likert scale type questionnaire was administered to members of management, and employees (staff) at the council. The questionnaire was designed by the researcher based on objectives and study variables to collect data based on the objectives of the study. Information collected included; General information and job information regarding reward systems (financial, promotion schemes and recognition).

3.10 Validity and Reliability of the Instruments

3.10.1 Validity of Research Instruments

Validity is the extent to which an instrument measures what is supposed to measure (Babbie, 2011). The validity of research instruments were ensured by being checked by experts in the field including the supervisor before pilot testing; and some items of the instruments were removed while some restructured and reconstructed who will check the appropriateness and relevance.

3.10.2 Instrument Reliability

Reliability of the instrument refers to the degree to which an instrument measures what is intended to measure. Babbie (2011) maintains that reliability is the degree to which a particular measuring procedure gives similar results at any given time it is repeated. The study employed Cronbach's coefficient alpha (α) to determine the reliability of items in the questionnaire. The tool was tested and a reliable coefficient was 0.81; therefore the tool was acceptable as reliable.

3.11 Data Processing and Analysis

Data were analyzed descriptively and inferentially. Statistical Package for Social Sciences (SPSS) software version 22 was used to analyze the data. Descriptively data were analysed using (means and standard deviations). Inferentially, the Pearson Product Moment Correlation Coefficient test (r) were conducted to determine the significance of financial rewards, promotion and employee recognition (independent variables) and their effects on employee performance (the dependent variable). The study requires P value ranging between 0.00 and 0.05 for significant factors.

To test the extent by which a variable changes due to the change of another variable was determined using regression analysis. Multiple linear regression models were used as the study's main statistical model:

 $Y = \alpha + \beta 1x1 + \beta 2x2 + \beta 3x3 + \epsilon$

Where:

- Y = Employee performance;
- α = The Y intercept;
- x1 = Financial Rewards;
- x^2 = Promotion;
- *x*3= Employee Recognition;
- $\epsilon = \text{error term}$

3.12 Ethical Issues

The researcher got permission from the relevant authorities. These include the Directorate of Postgraduate Studies (DPGS) of the Open University of Tanzania, and District Executive Director (DED).

Ethical issues were also ensured by making sure that respondents' personal records such as names or any other identification are handled with confidentiality. In this case anonymity was ensured. Additionally, respondents were informed about the objectives of the study.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presents results on demographic data; statistical results on the effects of the reward system on employee's performance in Rombo District council. The data collected through a structured questionnaire (Appendix I) was analyzed using descriptive and inferential statistics. The results were presented as per the research questions.

In this study, the researcher distributed one hundred and seventy (170) questionnaires to the Rombo district council employee and only 152 were filled and returned. This represents a response rate of 89.4% as shown in Table 4.1.

Questionnaires	Numbers	Percentages	
Filled and collected	152	89.4%	
Non responded	18	10.6%	
Total	170	100%	

 Table 4.1: Response Rate

4.2 Demographic Information

The demographic data collected from the respondents were gender; age, level of education, the number of work experience and categories of employees in Rombo district council. All these socio-demographic characteristics were analyzed descriptively and presented in Tables and Figures.

4.2.1 Gender

The Figure 4.1 presents the findings on gender distribution where this study had 90 (59.2%) males and 62 (40.8%) females. The findings indicate that Rombo is district council is male dominated as more males compared to females were registered in the study.

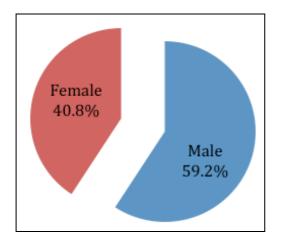


Figure 4.1: Gender Distribution among Respondents

Source: Author (Field Data, 2020)

4.2.2 Age

The results on age level were grouped as follows; 18-25 years, 31-40 years, 41- 50 years, 51 and above. It was noted that 2 (1.3%) were between 18-25 years, 44(28.9%) of the respondents were 26-30 years, 80 (52.6%) were 31-40 years, 8% (5.3) were between 41-50; and finally 51 and above were 18 (11.8%) years as shown in Figure 4.2.

The findings show that the age groups were normally distributed with majority 80% (52.6%) being 31-40 years of age.

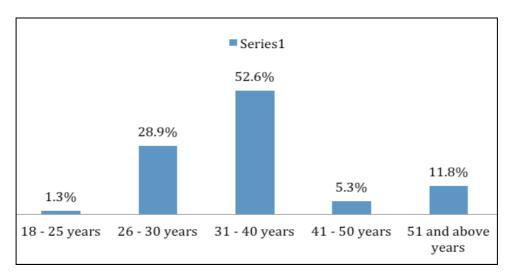


Figure 4.2: Age Distribution among Respondents

Source: Author (Field Data, 2020)

4.2.3 Education Level

The finding on the highest level of education attained by the respondents in Rombo district council were distributed as follows; 5 (3.3%) had secondary school certificate, 28 (18.4%) had college level certificate, 49 (32.2%) had college diploma certificate, 52 (34.2%) had University degree certificate and 18 (11.8%) had postgraduate certificate. Findings are presented in Figure 4.3.

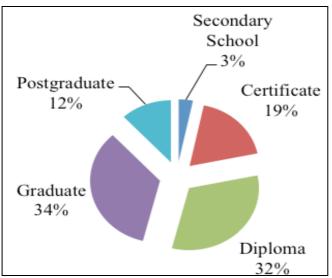


Figure 4.3: Education Level of Respondents

Source: Author (Field Data, 2020)

Majority 33.6 (34%) of the respondents had University degree certificates meaning they have the potential to advance in career in line with district council roles or choose to quit and pursue other careers.

4.2.4 Category of Employee

The category of employee filled by the respondents showed that 34 (23.6%) were senior staff, 102 (70.8%) were middle staff and 8 (5.6%) were support staff as shown in Figure 4.4.

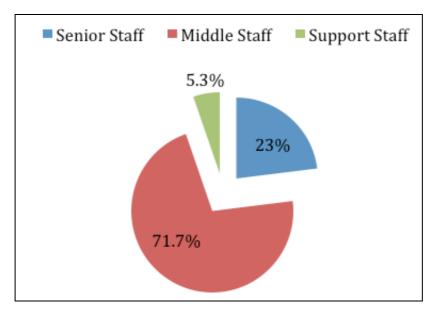


Figure 4.4: Level of Management Occupied by the Respondents

Source: Author (Field Data, 2020)

4.2.5 Number of Years Worked at the Organisation

Number of years worked at the organisation by the respondent revealed that majority 97 (65.1%) had 6 years and above, 6 (4%) had less than a year. Findings are presented in Figure 4.5.

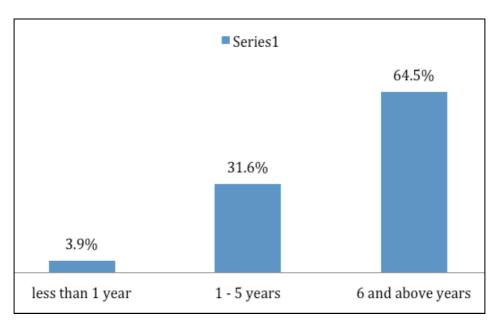


Figure 4.5: Number of Years Worked at the Organisationamong Respondents

Source: Author (Field Data, 2020)

4.3 Findings and Discussion

This section presents and discusses the findings, which were obtained from the field by the researcher based on the study objectives.

4.3.1 Effect of Monetary Rewards on Employees' Performance

The first objective of the study sought to examine the effects of monetary rewards on employees performance in Rombo district council. Respondents were asked several questions and were expected to rate them with the highest being strongly agreed (5) and the least being strongly disagree (1).

4.3.1.1 Descriptive Statistics of Effects of Monetary Rewards

Descriptive statistics of effects of monetary rewards and employee performance are presented in Table 4.2.

Variables	Mean	SD
All employees are fairly compensated in our administrative department	3.52	1.095
Our remuneration is based on market rate analysis	3.13	1.129
Employee grades and pay structures are used to determine the remuneration	3.70	.980
I am content with the remuneration scheme	3.06	1.029
The current pay schemes enhances employee effort	3.31	1.123
The monetary rewards have led to the upgrading of workforce quality	3.61	1.058
The current monetary rewards in our department is attracting talent	3.18	1.165
Overall mean of effects of monetary rewards on performance	3.35	1.082

Table 4.2: Descriptive Statistics – Monetary Rewards and Employee Performance

The means for all 7 items ranged from 3.06 (SD = 1.02) to 3.70 (SD = .98). Specifically, the highest mean score was reported on Employee grades and pay structures are used to determine the remuneration (M=3.70, SD=.980); followed by The monetary rewards have led to the upgrading of workforce quality (M=3.61, SD=1.058); all employees are fairly compensated in our administrative department (M=3.52, SD=1.095); The current pay schemes enhances employee effort (M=3.31, SD=1.123); The current monetary rewards in our department is attracting talent (M=3.18, SD=1.165); Our remuneration is based on market rate analysis (M=3.13, SD=1.129); I am content with the remuneration scheme (M=3.06, SD=1.029).

The Overall mean score and standard deviation of the effects of monetary rewards on performance was (M=3.38; SD = .73).

4.3.1.2 Inferential Statistics of Effects of Monetary Rewards on Employees Performance

In order to examine if there was a significant and positive relationship between financial rewards and employee performance the following null hypothesis were tested:

Ho1: There is no significant and positive relationship between financial rewards and employee performance. The researcher employed Pearson Product Moment Correlation Coefficient test (r) to determine the relationship between financial rewards and employee performance. The significance level tested was 0.05; and the results are presented in Table 4.3.

 Table 4.3: The Correlations Coefficient between Financial Rewards and

 Employee Performance

		Monetary reward	Employee performance
Monetary reward	Pearson Correlation	1	.423**
	Sig. (2-tailed)		.000
	Ν	152	152
Employee	Pearson Correlation	.423**	1
performance	Sig. (2-tailed)	.000	
	Ν	152	152

The findings in Table 4.3 shows that there is a significant and positive relationship between monetary reward and employee performance (r = .432, p = .000). Therefore, the null hypothesis, that there was no significant and positive relationship between

financial rewards and employee performance was rejected. The findings imply that monetary rewards positively affect employee performance.

In order to further find out the connection between monetary rewards and employee performance, a Multiple Regression analysis was used. The overall employee performance was treated as a dependent variable and seven (7) items that were measuring monetary rewards were treated as the independent variables. Findings are presented in Table 4.4.

Independent variables	Unstandardized Coefficients		Unstandardized Standardized Coefficients		Sig.
	В	Std. Error	Beta		
(Constant)	2.650	.205		12.909	.000
All employees are fairly compensated in our administrative department	.158	.051	.288	3.080	.003
Employee grades and pay structures are used to determine the remuneration	.073	.052	.123	1.393	.166
Our remuneration is based on market rate analysis	083	.050	159	-1.680	.095
I am content with the remuneration scheme	.108	.054	.190	1.988	.049
The current pay schemes enhances employee effort	.037	.051	.073	.735	.463
The monetary rewards have led to the upgrading of workforce quality	.150	.053	.279	2.816	.006
The current monetary rewards in our department is attracting talent	086	.047	175	-1.852	.066

 Table 4.4: Regression Analysis for Monetary Rewards and Employee

 Performance

a. Dependent Variable: performance

Table 4.4 depicts that three (3) items of monetary rewards were positive and significant (< .05) related to the employee performance. These were all employees are fairly compensated (β = .28, p < .05), I am content with the remuneration scheme (β = .19, p < .05) monetary rewards have led to the upgrading of workforce quality (β = .27, p < .05).

The results of this study are inline with previous studies that looked at the influence of monetary rewards on employee performance. For instance, Mehta (2014) conducted a study in Pakistan on the impact of monetary and non-monetary rewards on employee performance and job satisfaction in insurance companies of Pakistan. The study noted that the insurance companies that provided monetary rewards recorded higher employee performance. In view of this finding, the study suggested that management should pay more attention to monetary rewards so as to maintain their employee performance.

However, Igbaekemem (2014) study on the relationship between monetary incentives and its impact on employee performance in Nigeria, cautioned that monetary incentives alone are not sufficient to motivate employees. A balance between monetary and non-monetary incentives should be used to satisfy the diverse needs and interests of employees.

4.3.2 Effect of Promotion Schemes on Employees' Performance

The second objective of the study sought to find out the effects of promotion schemes on employees performance. Respondents were asked several questions and were expected to rate them with the highest being strongly agreed (5) and the least being strongly disagree (1). Descriptive statistics of effects of promotion schemes and employee performance are

presented in Table 4.5.

Variables	Mean	SD
The promotion system is based on the competence of the employee.	3.53	1.369
Our department bases promotion on employee performance	3.53	1.186
The department also bases promotion on years of service	3.51	1.229
Other non-performance related issues such as level of education are used when promoting an employee	3.55	1.150
I think the promotion criteria in our department is fair	3.30	1.190
The promotion scheme in encourages staff retention	3.61	1.153
The promotion system encourages the employees to improve their performance	3.92	1.081
Overall mean of effects of promotion schemes on performance	3.56	1.194

 Table 4.5: Descriptive Statistics – Promotion Schemes and Employee

 Performance

Finding in Table 4.4 portrays that the means for all 7 items ranged from 3.30 (SD 1.190) to 3.92 (SD = 1.081). Specifically, the highest mean score was reported on the promotion system encourages the employees to improve their performance (M=3.92, SD = 1.081); followed by the promotion scheme in encourages staff retention (M=3.61, SD=1.153); other non-performance related issues such as level of education are used when promoting an employee (M=3.55, SD=.1.150); our department bases promotion on employee performance (M=3.53, SD=1.186); the promotion system is

based on the competence of the employee. (M=3.53, SD=.1.369); The department also bases promotion on years of service (M=3.51, SD=1.229); I think the promotion criteria in our department is fair (M=3.30, SD=1.190). The Overall mean score and standard deviation of the effects of promotion schemes on performance was (M=3.56; SD =1.194).

4.3.2.2 Inferential Statistics of Effects of Promotion Schemes on Employees Performance

In order to examine if there was a significant and positive relationship between promotion and employee performance the following null hypothesis were tested: Ho2: There is no significant and positive relationship between promotion schemes and employee performance.

The researcher employed Pearson Product Moment Correlation Coefficient test (r) to determine the relationship between promotion and employee performance and the results are presented in Table 4.6.

		Promotion	Employee performance
Promotion	Pearson Correlation	1	.529**
	Sig. (2-tailed)		.000
	Ν	152	152
Employee	Pearson Correlation	.529**	1
performance	Sig. (2-tailed)	.000	
	Ν	152	152

 Table 4.6: The Correlations coefficient between Promotion and Employee

 Performance

The findings in Table 4.6 shows that there is a significant and positive relationship between employee promotion and employee performance (r = .529, p=.000). Therefore, the null hypothesis, that there was no significant and positive relationship between promotion and employee performance was rejected. The findings imply that promotion of employees positively affects employee performance.

In order to further find out the connection between employee promotion and employee performance, a Multiple Regression analysis was used. The overall employee performance was treated as a dependent variable and seven (7) items that were measuring employee promotion were treated as the independent variables. Findings are presented in Table 4.7.

Independent Variables	Unstandardized Coefficients		Standardize Coefficients		Sig.
	В	Std. Error	Beta		
1 (Constant)	2.682	.211		12.725	.000
The promotion system is based on the competence of the employee	.070	.049	.161	1.420	.158
Our department bases promotion on employee performance	.046	.058	.096	.799	.426
The department also bases promotion on years of service	.040	.051	.087	.789	.432
other non-performance related issues such as level of education are used when promoting an employee	.029	.052	.059	.565	.573
I think the promotion criteria in our department is fair	.012	.049	.026	.249	.804
The promotion scheme encourages staff retention	.116	.052	.235	2.231	.027
The promotion system encourages the employees to improve their performance	.039	.054	.073	.722	.472

 Table 4.7: Regression Analysis for Employee Promotion and Employee

 Performance

a. Dependent Variable: performance

Table 4.7 depicts that one (1) item of employee promotion was positive and significant (< .05) related to the employee performance. This was the promotion scheme encourages staff retention ($\beta = .23$, p < .05). However, six independent variables were not significantly related to employee performance.

The results are consistent with other studies that assessed the influence of promotion schemes on employee performance. For example, a study by Peter (2017) on the impact of promotion to employees' performance in Dar es Salaam City Council, Tanzania revealed similar results.

Peter (2017) even went further to indicate that promotion has an impact on individual and organizational performance as it induces motivation, good performance, good relations and increased remunerations. Additionally, the findings indicated that there were impacts for non-adherence to promotion procedure, which affects individual performance and organization such as poor performance, accumulated promotion, poor relations and labour turnover.

Besides this finding, there is another study finding which is also in line with this current one. A study by Gupta and Kumar (2012) who studied relationship between perceptions of performance appraisal fairness and employee engagement in the Indian business context, evidently suggested that promotion based incentives are integral for the increased employees' performance in organizations, evidently suggested that promotion based incentives are integral for the increased incentives are integral for the increased employees performance in organizations. In conclusion, Gupta and Kumar (2012) asserted that promotion as a facet of job satisfaction significantly affected the level of job satisfaction of

employees hence the need for management to consider promotion in a bid to promote job satisfaction, which eventually translates to higher Performance rates.

4.3.3 Effect of Recognition on Employees' Performance

The third objective of the study sought to identify the effects of recognition on employees performance. Respondents were asked several questions and were expected to rate them with the highest being strongly agree (5) and the least being strongly disagree (1).

4.3.3.1 Descriptive Statistics of Effects of Promotion Schemes

Descriptive statistics of effects of recognition and employee performance are presented in Table 4.8.

 Table 4.8: Descriptive Statistics - Recognition and Employee Performance

Variables	Mean	SD
Our management formally recognizes employee efforts	3.86	3.495
Formal recognition in our firm is well documented and used for future reference	3.51	1.002
Formal recognition encourages employees to work hard in our firm.	3.88	1.029
All formal recognition is often rewarded in the most appropriate form	3.54	.931
Informal recognition is practiced in our firm	3.37	.930
Employee recognition has improved workplace relations in our firm.	3.71	.863
Employee recognition has reduced workplace conflict in our firm	3.62	.984
Overall Mean of the effects of recognition on Performance	3.64	1.319

Finding in Table 4.8 shows that the means for all items on recognition on performance ranged from 3.06 (SD 1.02) to 3.70 (SD = .98). Specifically, the highest mean score was reported on formal recognition encourages employees to work hard in our firm (M=3.88, SD=1.029); followed by our management formally recognizes employee efforts (M=3.86, SD=3.495); Employee recognition has improved workplace relations in our firm (M=3.71, SD=.863); employee recognition has reduced workplace conflict in our firm (M=3.62, SD=.984); all formal recognition is often rewarded in the most appropriate form (M=3.54, SD=.931); formal recognition in our firm is well documented and used for future reference (M=3.51, SD=1.002); I am content with the remuneration scheme (M=3.06, SD=.1.002); and informal recognition is practiced in our firm (M=3.37, SD=.930). The Overall mean score and standard deviation of the effects of recognition on performance was (M=3.64; SD =1.319).

4.3.3.2 Inferential Statistics of Effects of Recognition on Employees Performance

In order to identify if there was a significant and positive relationship between recognition and employee performance the following null hypothesis were tested: Ho3: There is no significant and positive relationship between recognition and employee performance. Likewise, the researcher employed Pearson Product Moment Correlation Coefficient test (r) to determine the relationship between recognition and employee performance and the results are presented in Table 4.9.

The findings in Table 4.9 shows that there is a significant and positive relationship between employee recognition and employee performance (r = .386, p = .000). Therefore, the null hypothesis, that there was no significant and positive relationship

between employee recognition and employee performance was rejected. The findings imply that employee recognition positively affects employee performance.

		Employee recognition	Employee performance
Employee recognition	Pearson Correlation	1	.386**
	Sig. (2-tailed)		.000
	Ν	152	152
Employee performance	Pearson Correlation	.386**	1
	Sig. (2-tailed)	.000	
	Ν	152	152

 Table 4.9: The Correlations coefficient between Employee Recognition and

 Employee Performance

In order to further find out the connection between employee recognition and employee performance, a Multiple Regression analysis was used. The overall employee performance was treated as a dependent variable and seven (7) items that were measuring employee recognition were treated as the independent variables. Findings are presented in Table 4.10.

Table 4.10 depicts that all one (1) item of employee recognition was positive and significant (< .05) related to the employee performance. This was all formal recognition is often rewarded in the most appropriate form ($\beta = .21$, p < .05). Other six independent variables were not significantly related to employee performance.

Independent variables	Unstandardize d Coefficients		Standardiz ed Coefficients	t	Sig.
	В	Std. Erro r	Beta		
(Constant)	2.339	.241		9.710	.000
Our management formally recognizes employee efforts	003	.012	020	252	.801
Formal recognition in our firm is well documented and used for future reference	.024	.055	.043	.441	.660
Formal recognition encourages employees to work hard in our firm	.088	.050	.169	1.755	.082
All formal recognition is often rewarded in the most appropriate form	.131	.054	.219	2.434	.016
Informal recognition is practiced in our firm	.027	.047	.045	.571	.569
Employee recognition has improved workplace relations in our firm	.129	.066	.198	1.960	.052
Employee recognition has reduced workplace conflict in our firm	.049	.052	.086	.938	.350

Table 4.10: Regression Analysis for Employee Recognition and Employee Performance

a. Dependent Variable: performance

The present study findings are in agreement with a study by Hussain, et. al. (2019) which was conducted in call-centers located in Lahore, Pakistan. Hussain et al. (2019) showed that employee rewards and recognition have a significant and positive

effect on employee performance. The study stressed that employee rewards and recognition play an important role in overall employee performance. If the companies will not take it seriously, then it might lead to negative consequences.

4.3.4 Employees' Performance

The study sought to establish the employee performance in Rombo district council. Respondents were asked several questions and were expected to rate them with the highest being strongly agree (5) and the least being strongly disagree (1).

4.3.4.1 Descriptive Statistics of Employee Performance

Descriptive statistics of employee performance are presented in Table 4.11.

Variables	Mean	SD
Employees show a lot of commitment to our department	4.15	.883
Employees show a lot of commitment to their work	4.02	.893
There is high degree of innovation in problem solving in our department	3.83	.844
The service levels have been improving	3.80	.888
The quality of work output in our department is high	3.86	.779
Our department is always able to meet deadlines and targets	3.77	.909
Our staff are able to serve more clients / customers in a shorter time	3.97	.870
Overall Mean of Employee Performance	3.91	.866

 Table 4.11: Descriptive Statistics – Employee Performance

The means for all 7 items ranged from 3.83 (SD .844) to 4.15 (SD = .883). Specifically, the finding indicates that the means values for employee performance were higher on almost every item. The Overall mean score and standard deviation of employee performance was (M=3.91, SD = .866). This implies that respondents agreed that there is good employee performance in Rombo district council.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study. The chapter gives the study summary and the discussions guided by the study objectives. The chapter gives the study conclusions that have been derived from the study findings. The chapter also proposes recommendations for the study categorized by recommendations for improvement and those for additional studies.

5.2 Summary

The purpose of this study was to determine the effects of the reward system on employee's performance in Rombo District council. The study was guided by the following research objective: Examine the effects of monetary rewards on employees performance in Rombo District council, Find out the effects of promotion schemes on employees performance in Rombo District council, and Identify the effects of recognition on employees performance in the Rombo district council.

The study adopted a descriptive research design. The population of this study consisted of all the employees of Rombo district council. The sampling frame for this study consisted of a list of all employees that work at Rombo district council in Kilimanjaro.

The Raosoft, sample size calculator was used to determine the respondents sample size, thus, the sample size of the study was 170. Primary data for the study was

collected using a likert scale questionnaire. Descriptive analysis was used to determine the means and standard deviation of the variables. Pearson Product Moment Correlation coefficients were used to draw inferences about the population from the sample and Statistical Package for Social Sciences (SPSS) version 22 was used to facilitate the data analysis.

The findings of this study indicated that there is a significant and positive relationship between monetary reward and employee performance (r = .432, p = .000). This implies that monetary rewards positively affect employee performance. However, three (3) items of monetary rewards (all employees are fairly compensated; and I am content with the remuneration scheme; and monetary rewards have led to the upgrading of workforce quality) were positive and significant related to the employee performance.

In relation to promotion and employee performance, findings show that there is a significant and positive relationship between employee promotion and employee performance (r = .529, p=.000). The findings imply that promotion of employees positively affects employee performance.

Additionally, a significant and positive relationship between employee recognition and employee performance (r = .386, p=.000) was found. The findings imply that employee recognition positively affects employee performance.

5.3 Conclusions

From the findings of the study, the following are the conclusions;

5.3.1 Monetary Rewards and Employee Performance

First it can be concluded that the monetary rewards have a significant and positive impact on employee performance and hence, all the organizations including district councils should give it a priority in order to enhance their performance.

5.3.2 Employee Promotion and Employee Performance

Based on the findings it can be concluded that employee promotion significantly and positively affects employee performance in Rombo district council. Therefore, it is essential for organisations to develop good promotion schemes so as to retain the best talents and which will ultimately increase their performances.

5.3.3 Employee Recognition and Employee Performance

Lastly, it is conclusively that employee recognition significantly and positively affects employee performance in Rombo district council. Therefore, this indicates that employee recognition is significant determinants of employee performance.

5.4 **Recommendations**

5.4.1 Recommendations for Actions

According to the findings of this study, there has been a significance and positive relationship between monetary rewards, promotion, recognition and employee performance. This study, therefore recommends the following:

5.4.1.1 Effects of Monetary Rewards on Employee Performance

With regard to the first objective, this study recommends that the district council reconsider its benefits package as the employees perceive the money they are paid can

lead to the upgrading of workforce quality. This can help boost the motivation of the employees and consequently, their performance.

5.4.1.2 Effects of Promotion on Employee Performance

With regard to the second objective, and based on the findings of this study, it was noted that the promotion has a significant and positive effect on employee performance in Rombo district council. Therefore this study recommends that the district council should establish proper promotion schemes, which will enhance employees morale and consequently, their performance.

5.4.1.3 The Effects of Recognition on Employees Performance

Finally, in relation to the third objective, it is recommended that the Rombo district council should put more emphasis, consideration and formulate clear plans and criteria on employee recognition from which it can result in greater employee performance and further employee productivity and commitment.

5.4.2 Recommendations for Further Studies

This study focused on the effect of the reward system on employee's performance in Rombo District council. However, the study was not exhaustive and therefore more research is recommended to determine other factors that affect performance of employees in Rombo District council. Furthermore, this study was based on one district council and therefore recommends that a similar research is done in other district councils and government institutions to determine whether the factors affecting performance of employees in one organization are similar to another.

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APPENDICES

Appendix I: Sample Size Calculation

Raosoft	•	Sample size calculator
What margin of error can you accept? 5% is a common choice	5%	The margin of error is the amount of error that you can tolerate. If 90% of respondents answer yes, while 10% answer <i>no</i> , you may be able to tolerate a larger amount of error than if the respondents are split 50-50 or 45-55. Lower margin of error requires a larger sample size.
What confidence level do you need? Typical choices are 90%, 95%, or 99%	95%	The confidence level is the amount of uncertainty you can tolerate. Suppose that you have 20 yes-no questions in your survey. With a confidence level of 95%, you would expect that for one of the questions (1 in 20), the percentage of people who answer yes would be more than the margin of error away from the true answer. The true answer is the percentage you would get if you exhaustively interviewed everyone. Higher confidence level requires a larger sample size.
What is the population size? If you don't know, use 20000	305	How many people are there to choose your random sample from? The sample size doesn't change much for populations larger than 20,000.
What is the response distribution? Leave this as 50%	50 %	For each question, what do you expect the results will be? If the sample is skewed highly one way or the other, the population probably is, too. If you don't know, use 50%, which gives the largest sample size. See below under More information if this is confusing.
Your recommended sample size is	171	This is the minimum recommended size of your survey. If you create a sample of this many people and get responses from everyone, you're more likely to get a correct answer than you would from a large sample where only a small percentage of the sample responds to your survey.

Online surveys with Vovici have completion rates of 66%!

Alternate scenarios							
With a sample size of	100	200	300	With a confidence level of	90	95	99
Your margin of error would be	8.05%	4.07%	0.73%	Your sample size would need to be	144	171	210

Save effort, save time. Conduct your survey online with Vovici.

 $\overline{}$

Dear respondent, my name is Agnes, Hokororo, pursuing Master degree of Human Resource at the Open University of Tanzania. I am doing research on the Effect of Reward System on Employee Performance in Public Organization: A Case Of Rombo District Council, Tanzania. The purpose of the study is to determine the effects of the reward system on employee's performance in Rombo District council.. You are kindly requested to give your responses for each question to the best of your knowledge. Your answers will be treated strictly confidential and for academic purposes only.

Instructions: Fill in the information but where applicable please tick your selection.

SECTION A: PERSONAL INFORMATION

1

. What is your gender?

Male [] Female []

2 How old are you?

 31

 18-25 years []
 26 - 30 years []
 40 years []
 41-50 years

 50 and above years []
]

3. What is your highest level of education?

Secondary school	[]
Certificate	[]
Diploma	[]
Graduate	[]
Postgraduate	[]

- 4. Which category of employee are you? Senior staff [] Middle staff [] Support staff []
- 5. Number of years worked at the organization?

Less than	1		
year		[]
1-5 Years		[]
6 and above		[]

Section B: Monetary Rewards and Employee Performance

Please rate how you agree with the following statements regarding monetary rewards and employee performance in your organization (tick as appropriate)

Key: SA=Strongly Agree; A=Agree; N=Neutral; D=Disagree and SD=Strongly Disagree

All employees are fairly compensated in our administrative department			
Employee grades and pay structures are used to determine the remuneration			
Our remuneration is based on market rate analysis			
I am content with the remuneration scheme			
The current pay schemes enhances employee effort			
The monetary rewards have led to the upgrading of workforce quality			
The current monetary rewards in our department is attracting talent			

Section C: Promotion Schemes and Employee Performance

Please rate how you agree with the following statements regarding promotions

schemes and employee performance in your department (tick as appropriate)

Key: SA=Strongly Agree; A=Agree; N=Neutral; D=Disagree and SD=Strongly Disagree

Statements	SA	A	Ν	D	SD
The promotion system is based on the competence of the employee.					
Our department bases promotion on employee performance.					
The department also bases promotion on years of service.					
Other non-performance related issues such as level of education are used when promoting an employee.					
I think the promotion criteria in our department is fair.					
The promotion scheme encourages staff retention.					
The promotion system encourages the employees to improve their performance.					

Section D: Recognition and Employee Performance

•

•

Please rate how you agree with the following statements regarding employee recognition and performance in your organization (tick as appropriate)

Key: SA=Strongly Agree; A=Agree; N=Neutral; D=Disagree and SD=Strongly Disagree

Statements	SA	A	N	D	SD
Our management formally recognizes employee efforts					
Formal recognition in our firm is well documented and used for future reference					
Formal recognition encourages employees to work hard in our firm					
All formal recognition is often rewarded in the most appropriate form					
Informal recognition is practiced in our firm					
Employee recognition has improved workplace relations in our firm					
Employee recognition has reduced workplace conflict in our firm					

Section E: Employee Performance

10. Please rate how you agree with the following statements regarding Employee

Performance. (tick as appropriate)

•

Key: SA=Strongly Agree; A=Agree; N=Neutral; D=Disagree and SD=Strongly Disagree

Statements	SA	Α	Ν	D	SD
Employees show a lot of commitment to our department					
Employees show a lot of commitment to their work					
There is high degree of innovation in problem solving in our department					
The service levels have been improving					
The quality of work output in our department is high					
Our department is always able to meet deadlines and targets					
Our staff are able to serve more clients / customers in a shorter time					

Thank You Very Much for Your Cooperation

Appendix III: Research Clearance Letter (S)

The Open University of Tanzania, Kilimanjaro Regional Centre, P.O. Box 517, Moshi. Tel: 255-027-2753472 E-mail: drckilimanjaro@out.ac.tz Website: http/www.out.ac.tz



Chuo Kikuu Huria cha Tanzania

Kituo cha Mkoa wa Kilimanjaro,

E-mail: drckilimanjaro@out.ac.tz

Simu: 255-027-2753472

Website: http/www.out.ac.tz

DATE: 17/06/2020

S.L.P. 517,

Moshi.

Ref No: OUTKIL/ST.REQ/17/0125

TO.

District Executive Director, Rombo District Council, P.O BOX 27. Mkuu, Rombo,

Dear Sir/Madam,

RE: RESEARCH CLEARANCE

I am writing to introduce to your office, Ms. Agnes E. Hokororo who is a student of the Open University of Tanzania. Ms. Agnes E. Hokororo is pursuing Masters of Human Resources Management (MHRM) at the Open University of Tanzania, Kilimanjaro Regional Centre, Moshi. She is currently undertaking a compulsory research and she is in the course of data collection. Her research title is "The Effect of Reward System on Employee Performance in Public Organisations: A Case of Rombo District Council".

In view of the above she needs to collect data from some of the offices within Rombo district that are under your jurisdiction. She may need some information from workers and management in the said offices.

Kindly avail any assistance she may need from your office.

Regional Centre Oniv. of Tanzania AD Das 517, North Wels 027-2753472 Erick Gabriel, Director. Kilimanjaro Regional Centre, The Open University of Tanzania.

Yours Sincerely,

HALMASHAURI YA WILAYA ROMBO

(Barua zote zitumwe kwa Mkurugenzi Mtendaji)

Simu Na. 027 - 2757101/102 Fax Na. 027 - 2757294 Barua pepe: www.rombodc.go.tz nkurugenzi@rombodc.go.tz

Unapojibu tafadhali nukuu:

Kumb.Na. HWR/ E. 10/14/VOLIV/17

Bi. Agnes Hokororo, Mkuu wa Wilaya S.L.P 2, Mkuu - Rombo.



YAH: KIBALI CHA KUKUSANYA DATA

MTENDAN

Ofisi ya Mkurugenzi Mtendaji (H/W),

S.L.P. 52,

23/06/2020

Mkuu – Rombo.

Rejea mada tajwa hapo juu, pamoja na barua yako yenye Kumb. Na. PF/2546/79 ya tarehe 18/06/2020.

Ofisi ya Mkurugenzi Mtendaji wa Halmashauri ya Wilaya ya Rombo imepokea barua yako iliyohusu ombi la kibali cha kukusanya data katika Halmashauri ya Wilaya ya Rombo.

Kwa barua hii napenda kukujulisha kuwa ombi limekubaliwa hivyo umeruhusiwa kukusanya data katika Halmashauri ya Wilaya ya Rombo kama

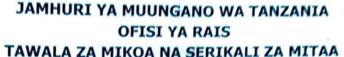
ulivyoomba.

Nakutakia kazi njema.

(0) Judith P. Mahende Kny, MKURUGENZI MTENDAJI (H/W) HALMASILAURI YA VILAYA ROMBO

Nakala: Mkurugenzi Mtendaji (H/W**)** Rombo

Aione kwenye jalada



WILAYA YA ROMBO Simu Nambari 027) 2790010/2790030 Fax No 027-2758805 *E-mail-das.rombo@kilimanjaro.go.tz.*



OFISI YA MKUU WA WILAYA, S.L.P. 2, **MKUU - ROMBO.**

Unapojibu tafadhali taja:

Kumb. Na. PF.2546/79

18/06/2018

Mkurugenzi Mtendaji, Halmashauri ya Wilaya, **Rombo.**

YAH: MAOMBI YA KUKUSANYA DATA

Naomba ruhusa/kibali cha kukusanya data katika Halmashauri ya wilaya ya Rombo kwa ajili ya kufanikisha Research nikiwa mwanafunzi wa Chuo Kikuu Huria, ambapo ninafanya utafiti kuhusu "*The effect of Reward System on Employee Performance in Public Organisation A case of Rombo District Council".*

Pamoja na barua hii naambatisha na uthibitisho wa Chuo.

Ni matumaini yangu kuwa ombi langu litakubaliwa.

Natanguliza shukrani.



Appendix IV: Plagiarism Report

2	27%	18%	2% PUBLICATIONS	20% STUDENT PAPERS
PRIM	ARY SOURCES			
1	Submitte Student Paper	d to Mancosa		3,
2	etd.aau.e			2
3	Submitte Pakistan Student Paper	d to Higher Educ	ation Commis	sion 2
4	Submitted Science a Student Paper	d to Kiriri Women and Technology	n's University o	of 24
5	www.grin.	.com		1
6	article.scie	encepublishinggr	oup.com	1
7	Submitted Student Paper	to Uganda Man	agement Insti	tute 1
8	repository.	rongovarsity.ac.	ke	1