
**COMPENSATION AND EMPLOYEE PRODUCTIVITY. A CASE STUDY OF EAST AFRICAN
SEED LIMITED KAWEMPE BWAISE KAMPALA UGANDA**

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ABSTRACT

The study aimed at the compensation and employee productivity with a case study of east African seed limited Kawempe Bwaise Kampala Uganda and it was guided by the following objectives; To examine the impacts of compensation on employee productivity at East African seed company, to assess the causes of poor employee productivity at East African seed limited and to identify the strategies to improve on quality seed at East African seed limited. The study population constituted mainly the employees of East African seed. These includes managerial and employee themselves. The researcher used the estimated population of 30 employees and 10 management staff to get clear information since they are the only members to consult with the adequate knowledge of the subject under investigation and research variables under investigation. The sample size was 40 respondents of which 10 were management staff and 30 were employees. The purposive sampling technique was used to select the manager in order to get in depth information about the problem under study since managers were few in number. From the findings, majority of the respondents strongly agreed giving 30%, 17.5% agreed 10% not sure, 25% strongly disagreed and 17.5% disagreed on the point of developing strategic planning to inspire and motivate others work hard Fairbolm (2009). Most of respondents strongly agreed meaning that the organization practices strategic planning in order to overcome the problem of unclear goals and objectives. Secondly setting clear goals was another strategy which had 22.5% strongly agreeing, 20% agreed, 27.5% not sure, 12.5% strongly disagreed and 17.5% were in disagreements. This indicated that majority were not sure as to whether the strategy can help to improve on productivity. The management of East African Seed Company should design effective

compensation systems by ensuring that motivational factors are practiced regularly in the organization, provision of good working condition and strategic planning should be practiced by the management in order to increase on the productivity create job satisfaction among employees and finally help the organization be ahead of competitors.

Key words: compensation and employee productivity

Background of the study

*One of the biggest challenges faced by business organizations around the world is finding and retaining employees, especially in the 21st century, when employees are disinterested and satisfied with their jobs (Carlson & O'Cass, 2010). Bievens et al. (2014) argues that better policy choices targeting low- and middle-income earners can lead to broader wage growth and empower and expand the working class. Since 1973, hourly wages for most American workers, 2nd workers (Emmanuel et al., 2016). According to Barton (2002), organizations should consider financial incentives such as wages as they have a positive effect on the motivation and retention of Kenyan workers, who are the mainstay of Kenyans. Therefore, there is a positive relationship between pay and employee productivity (Polycarp et al., 2023). Human resource management is defined as including excellence in paying employees for performance so that companies increase productivity and departmental profits, thereby reducing operational problems (Annet et al., 2017). *ibid*, 2023). Therefore, there is a relationship between the variables. According to the manager of EAST AFRICAN SEEDS company, not only salary affects employees, but also other factors affect employees, especially EAST AFRICAN SEEDS Co., Ltd. Such as personal circumstances, poor performance in the Bwaise Kawempe region. Lack of motivation, lack of skills and experience, controlled behavior and low wages affect the workforce. Therefore, the relationship between wages and employee performance is weak (Alex & Kazaara, 2023).*

Problem statement.

Employee compensation has become a major issue in most organizations and does a lot of damage to the organization such as high employee turnover, low productivity and lowers the company's revenue when workers go on strike for low wages. In other words, it is very important that the fee will be used in all organizations and it is seen that 60% of the members agree that the fee is beneficial, while 40% do not agree with a ratio of 6:4 (Christopher et al. 2022). However, for most organizations, better payment forms such as increased payment, incentives and incentive pressure are used due to high demand and recommendations (Micheal et al., 2023). If the payment issue is not resolved properly, the company will lose employees, face recruitment costs, encounter poor quality products and ultimately cause the organization to lose out due to declining sales.

Therefore, researchers were brought together to investigate the effect of remuneration on employee performance (Musaibah et al., 2023).

Objectives of the study

- 1. To examine the impacts of compensation on employee productivity at East African seed company.*
- 2. To assess the causes of poor employee productivity at East African seed limited.*
- 3. To identify the strategies to improve on quality seed at East African seed limited.*

Research questions

- 1. What are the processes of employee productivity at East African seeds limited?*
- 2. What strategies can be used to improve employee productivity at East African seed limited?*
- 3. What strategies can be used to improve on the level of compensation on the growth of East African seed limited?*

Methodology

Research design

The study of research was both qualitative and quantitative because it can only describe the variables.

Table 1: Study population.

Category.	Number.	Percentage
<i>Employees, 2019</i>	<i>30</i>	<i>75%</i>
<i>Staff management.</i>	<i>10</i>	<i>25%</i>
<i>Total.</i>	<i>40</i>	<i>100%</i>

The study population constituted mainly the employees of East African seed. These includes managerial and employee themselves. The researcher used the estimated population of 30 employees and 10 management staff to get clear information since they are the only members to consult with the adequate knowledge of the subject under investigation and research variables under investigation.

Determination of the Sample size

Statistical sampling was used to determine the population of employees where by every employee had equal chances of being selected. This involved employee being provided with serial numbers and cluster sampling was applied in order to group them. The sample size was 40 respondents of which 10 were management staff and 30 were employees. The purposive sampling technique was used to select the manager in order to get in depth information about the problem under study since managers were few in number.

Sampling techniques and procedures

The researcher employed several methods to select the appropriate sample for the study, these includes cluster, systematic and simple random sampling was employed to avoid bias. In the selected department, cluster sampling was used that is to say the respondents were grouped into males and females and simple random sampling was performed on the clusters. Purposive sampling was used when collecting data from the managers because they are few and directly involved in the planning and conducting of training and development of staff (Victoria et al., 2023).

Data collection methods and instruments.

The study utilized research instrument such as questionnaires for the respondents because they were easy to quantify and analyze, they were used because the study was focusing on opinions, altitudes, feelings and perception of respondents.

Validity of the instruments.

The researcher ensured that the questionnaires were clear and certain for the respondent to understand them and make sure answers them correctly at least out of 10 questions, 8were answered correct.

Reliability of the instruments.

The researcher ensured that at least 8 respondents were got, for example 5 from employees and 3 from the management staff and the questions were understood with clear responses, and the respondent's feedback was convincing thus making the questionnaires liable to the researcher.

Data analysis

Qualitative data and quantitative data were analyzed using bar graphs, statistical package of social scientist (SPSS), pie charts, tables and frequencies (Nelson et al., 2022).

RESULTS

Findings on whether the organization conducts formal training.

Table 2: Responses on whether the organizations conduct formal training.

<i>Response</i>	<i>Frequencies</i>	<i>Percentages (%)</i>
Yes	35	87.5
No	5	12.5
Total	40	100

Source: primary Data 2020

According to the table 2 above shows that 87.5% of respondents agree with the statement and 12.5% disagreed meaning that majority undergo training for more skills thus increasing organization performance.

Table 3: Responses on whether the organization compensates employees.

<i>Responses</i>	<i>Frequencies</i>	<i>Percentage (%)</i>
Yes	25	62.5
No	15	37.5
Total	40	100

Source: primary Data 2020

Results in table 3 shows that 62.5 % of the respondents accepted, 37.5% did not accept the statement. Majority of the respondents agreed which means that East African Seed Company highly compensates its employees in order to ensure high productivity.

Table 4: Responses on whether compensation affects employee productivity.

<i>Impacts of compensation.</i>	<i>Strongly agree</i>		<i>Agree</i>		<i>Not sure</i>		<i>Strongly disagree</i>		<i>Disagree</i>	
	<i>N</i>	<i>%</i>	<i>N</i>	<i>%</i>	<i>N</i>	<i>%</i>	<i>N</i>	<i>%</i>	<i>N</i>	<i>%</i>
<i>Attract and retain new talent</i>	20	50	10	25	5	12.5	2	5	3	7.5
<i>Performance feed back</i>	8	20	6	15	12	30	5	12.5	9	22.5
<i>Helps organization be ahead of competitors</i>	15	37.5	8	20	6	15	7	17.5	4	10

<i>Increases productivity</i>	12	30	4	10	10	25	8	20	6	15
<i>Employee satisfaction</i>	9	22.5	13	32.5	5	12.5	5	12.5	8	20

Source: primary Data 2020

The first objective of the study indicated that the company compensates its employees basing on the point of attracting and retaining of new talents among employees. This stood at 50% of respondents who strongly agreed about the effect. On the other hand, 25% of respondents also agreed, whereas 12.5% were not sure about the effects, this was stated according to Kimberlee Leonard who updated it in match2019. The rest of respondent strongly disagreed with 5% and 7.5% also disagreed. This indicates that organization ties to compensate its workers in order to attract top talents. On the point of feedback, the big number of respondents were not sure giving 30%, 20% strongly agreed, 15% agreed, 12.5% of respondents disagreed and finally 22.5% disagreed thus meaning compensation does not all that lead to high performance feedback. the point of helping the organization to be ahead of competitors, here the majority of respondents strongly agreed with 37.5%, 20% agreed, 15% were not sure, 17.5% strongly disagreed and finally 10% disagreed, indicating that compensation is very important to employee productivity thus organization performance since the large number of respondents strongly agreed. With increased productivity, the majority strongly agreed giving 30%, 10% also agreed whereas 25% were not sure, 20% strongly disagreed and 15% disagreed indicating that compensation is highly needed in the organization to ensure quality product output. The effect of employees meets their needs (job satisfaction), the big number of respondents agreed with 32.5%, followed by 22.5% who strongly agreed, then 12.5% were not sure, also 22.5% strongly disagreed and finally 20% disagreed, which meant that in order for the organization to have better productivity, employees need to be satisfied.

Table 5: Responses on whether there are causes of poor employee productivity.

<i>Causes of poor</i>	<i>Strongly</i>	<i>Agree</i>	<i>Not sure</i>	<i>Strongly</i>	<i>Disagree</i>
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productivity	agree						disagree			
	N	%	N	%	N	%	N	%	N	%
Lack of motivation	6	15	11	27.5	13	32.5	10	25	-	-
Fear and anxiety	7	17.5	14	35	9	22.5	-	-	10	25
Un clear goals and objectives	16	40	5	12.5	8	20	11	27.5	-	-
Lack of knowledge	15	37.5	20	50	-	-	-	-	5	12.5

Source: primary Data 2020

In the study the respondents were asked to provide their opinions on what could be the causes of poor employee productivity at East African Seed Company, they all had different views. Most of the respondents strongly agreed, others agreed, some were not sure and others disagreed on the point of unclear goals and objectives leads to poor employee productivity, this was seen in table 10 whereby 40% of respondents strongly agreed, 12.5% agreed, 20% were not sure, and 27.5% strongly disagreed which indicated that poor quality products can be caused by the organization not clearly stating their goals and objectives to the workers. in addition, on the view of lack of motivation causing poor quality products, the respondents who strongly agreed were 15%, 27.5% agreed, 32.5% not sure and 25% strongly disagreed which meant that the majority of the respondents were not all that sure about the cause of poor employee productivity thus Indicating the organization needs to carry out sensitization about the causes of poor productivity in order to create awareness, Taylor (2014).

Fear and anxiety were another cause and out of the respondents, 17.5% strongly agreed, 39% agreed, 22.5% were not sure, none of the respondents strongly disagreed and finally 25% of the respondents disagreed. Majority of respondents agreed with 35% indicating that fear and anxiety among employees strongly leads to poor productivity in the organisation. Not only that but also lack of knowledge and skills can highly lead to poor quality products. It was witnessed when the respondents

provided their opinions of which, 37.5% strongly agreed, 50% agreed, none strongly agreed and finally 12.5% disagreed. Meaning that the organization can perform poorly when the employees are lacking knowledge and skills on how things are to be done.

Table 6: Response on whether there are strategies to improve on the employee productivity.

Strategies to improve on the employee productivity	Strongly agree		Agree		Not sure		Strongly disagree		Disagree	
	N	%	N	%	N	%	N	%	N	%
Developing strategies to inspire, and motivate others	12	30	7	17.5	4	10	10	25	7	17.5
Setting clear goals	9	22.5	8	20	11	27.5	5	12.5	7	17.5
Provision of good working conditions	13	32.5	10	25	7	17.5	5	12.5	5	12.5
Clarify the exact problem	10	25	6	15	9	22.5	14	35	1	2.5
Reward improvement	12	30	5	12.5	7	17.5	12	12.5	4	10
Utilize the right technology	8	20	4	10	3	7.5	11	27.5	14	35

Source: primary Data 2020

According to table 6, the study showed clearly the opinions of the respondents after being asked; they all had different views on the strategies to improve on employee productivity at East African Seed Company. Majority of the respondents strongly agreed giving 30%, 17.5% agreed 10% not sure, 25% strongly disagreed and 17.5% disagreed on the point of developing strategic planning to inspire and motivate others work hard Fairbolm (2009). Most of respondents strongly agreed meaning that

the organization practices strategic planning in order to overcome the problem of unclear goals and objectives. Secondly setting clear goals was another strategy which had 22.5% strongly agreeing, 20% agreed, 27.5% not sure, 12.5% strongly disagreed and 17.5% were in disagreements. This indicated that majority were not sure as to whether the strategy can help to improve on productivity. In addition, provision of good working conditions was seen another strategy to improve on productivity where by majority of respondents strongly agreed at 32.5%, 25% agreed, indicating that it is of great importance to provide good working condition in terms of safety, wages, authorization among others. Whereas 17.5% of respondents were not sure, 12.5% strongly disagreed and 12.5% were in disagreements meaning that the organization ensures there is proper working environment in order to increases on the productivity.

The next strategy was reward improvement where by 30% of respondents strongly agreed, 12.5% agreed which indicated that poor performance among employees can be solved by improving on the rewards to workers. Whereas 17.5% were not sure, 12.5% were in strong disagreed and finally 10% disagreed. Besides that, utilizing the right technology was identified as another strategy and according to the data collected indicates that 20% of respondents strongly agreed, 10% were also in agreements, 7.5% not sure, 27.5% strongly disagreed and then 35% disagreed indicating that East African Seed Company needs to utilize highly the right technology since the majority were in disagreements in order to improve on the organization performance.

Conclusions.

The study revealed that there was a weak negative relationship between compensation and employee performance that is not statistically significant, meaning that it does not affect performance of employees at East African Seeds Company during the study. It was established that employees at the work place don't feel the importance of compensation although some employees confessed that there

was a quality assurance department which carried out some functions of compensation. Human resource strategies are increasingly necessary as essential components of human resource management conditioning the development and rational use of an organization, strategies to improve performance costs are much lower than the losses caused by fluctuation of employees and their dissatisfaction, conflicts.

Recommendations.

The management of East African Seed Company should design effective compensation systems by ensuring that motivational factors are practiced regularly in the organization, provision of good working condition and strategic planning should be practiced by the management in order to increase on the productivity create job satisfaction among employees and finally help the organization be ahead of competitors. The results show that employees and management should endeavor to avoid fear and anxiety, personal factors and lack of motivation which leads to poor productivity and ensures that rewards, wages, confidence should be provided adequately in order for the organization to prosper and improve on the productivity thus the company growth.

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