
Rewarding System And Employee Performance. A Case Study Of Hariss International Limited

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Abstract

The main objective of this study was to examine the effect of reward systems on employee job performance at Hariss International Limited. The study was guided by the following specific objectives: to determine the relationship between rewarding system and employee performance, to determine the different forms of rewards used by Hariss International Limited examine the effect of rewards at Hariss International Limited. The study adopted a causal research design with the population consisting of all the 2000 employees at Hariss International Limited. A sample of 95 employees representing 5% of the population was drawn using simple random sampling technique. Primary data collected using structured questionnaire organized on the basis of the research's specific objectives was used. Data analysis was done using Statistical Package for Social Sciences (SPSS) by applying descriptive and inferential statistical techniques. Data was tabulated and presented in the form of figures and tables. The findings of this study are expected to benefit Hariss International Limited management team, the Hariss International Limited employees and researchers who would use this study as the basis of future research. The finding on employees' job performance was that job performance was an important criterion for measuring organization performance. Rewarding employees, staff welfare, and continuous training were found to improve employee job performance. Effective internal communication was also found to increase employees' engagement in business resulting in increased employee job performance. Gifts/ packages was found to greatly affect employee job performance. Salary increment was found to be a motivational factor which encouraged employees to work better. Over time pay encouraged employees to perform better while at the organisation. The study concluded that Job performance was vital in evaluating organizational outcomes; gifts and packages were an important motivator for employees to achieve their goals; employees' value salary increment much more than overtime pay in increasing their motivation while at the organization. The study recommended that gifts or packages didn't base on the time the employees spend working but on the set performance targets and corresponding output. Salary increment should be focused on employees' personal growth. Further, organizations should praise and recognize best performing employees. Additionally, Hariss International Limited should research on other factors which when combined with rewards would improve communication at Hariss International Limited leading to improved job performance. The research by Hariss International Limited should explore the reasons why staff time offs do not motivate employees as expected. Thus, Hariss International Limited needs to explore other factors that could be combined with time off to improve the reward system and lead to reliable, well rested work force.

Keywords: Rewarding, System, Employee And Performance

Back ground of the study.

According to (Alex & Kazaara, 2023) employee compensation, where the employees of the organization are not exceptional, people are rewarded according to their values towards the organization, in this case we refer to the world in general (Gracious, 2023). Armstrong's idea of a reward system is a financial and non-financial process used by organizations around the world to develop and maintain reward systems. A reward system serves several purposes in an organization. An effective compensation system helps an organization to be more competitive and retain key employees and turnover (Ntirandekura, Ainebyoona, et al., 2022). A reward system can also increase employee motivation and strengthen the organization's image among key stakeholders or future employees. People are the most important sources of an organization's competitiveness, and keeping them at work is a key task for every manager (Edgar & Moses, 2023).

According to (Racheal et al., 2023), the only reliable way to keep people focused throughout the organization is to reward the individual who achieves the goal and deny the reward to the one who does not (Musimenta et al., 2017). When collaboration is positively biased and rewarded, people tend to respond with more enthusiasm and African effort, especially from a pay perspective, is a powerful troll for meeting organizational goals and objectives. More than the reward, it has a great impact on the employee's attitude and behavior (F. Christopher, Moses, Muhindo, & Komunda, 2022). It affects what kind of employees are attracted to stay in the organization. Compensation can align the interest of employees with the goals of the organization. Employees care about policies, practices and procedures that affect their income and standard of living (Musaibah et al., 2023).

According to (Ntirandekura, Ainebyoona, et al., 2022), interest in the effective use of rewards to influence the performance of workers to motivate them began in the 1970s in Nigeria. Worker performance has become important due to the growing concern of HR and HR professionals about the level of output obtained from workers due to poor compensation (Ntirandekura, Friday, et al., 2022). Performance measurement is of great importance to the incentive plan because it communicates the importance of established organizational goals. According to Ahmed and Ali 2008, incentives can only succeed in temporarily ensuring compliance. Use cannot change underlined attitudes, while attempts to do so ultimately harm the long-term health of the organization by understanding relationships and encouraging employees to focus on short-term goals (Paul et al., 2023). Kenya is a case study and reward systems motivate employees by providing a number of other forms of recognition within the industry. According to (Isaac et al., 2023), they have demonstrated that they see long-term career opportunities leading to growth and success in our jobs to be done and employees to serve. Most organizations in Uganda use the following rewards, individual/group photos, packages, gifts, gifts among others to encourage workers to perform their duties effectively.

Statement of the problem

Motivational scholars have all agreed that a good reward system positively affects employee performance (Isaac et al., 2023). Therefore, it is a common practice for managers to improve their rewards in an effort to increase the performance of their employees (F. Christopher, Moses, Muhindo, & Nturanabo, 2022). However, BIDCO Company Limited has been reported as one of the Indian companies in Uganda exploiting employees as they reward them with lesser benefits. However, it should be noted that according to the Uganda Manufacturers' Association Report 2016, BIDCO is ranked as one of the top performing manufacturers in Uganda (Winny et al., 2023). The researcher is therefore forced to assess the effects of the reward system on employee performance.

Specific objectives of the study

1. To examine the relationship between rewards and employee performance.
2. To find out the forms of rewards used by Hariss international limited.
3. To find out the effectiveness of rewards used by Hariss international limited.

Methodology

A research design refers to the arrangement of conditions for collection and analysis of data in a manner that helps to combine relevance with the research purpose. It is the conceptual structure with in which the research is conducted (Aslam et al., 2022). It constitutes the blueprint for the collection, measurement and analysis of data (Rasheed et al., 2022). There are two major types of research designs that is quantitative research design and qualitative research design. In this study both of the research designs will be used to collect data. (Olanrewaju & Abiodun, 2021) identified two strategies of qualitative research which are' ethnographies in which the researcher studies and interact cultural group in natural setting over a long period by collecting primarily and observational data (L. Nafiu et al., 2013). Therefore, a case study approach allows an in depth investigation phenomenon. The study helped the researcher to examine the role of rewards in setting organizational goals, visions and mission by removing impediments that are hindering employee performance so as to achieve a desirable performance. The research questionnaire was designed in such a way that respondent is in position to identify factors affecting rewards system and performance of employee of Hariss international limited (Jallow et al., 2021). The target population for this study included the directors/ managers and employees of Hariss international. The total number of populations was therefore 2000. (F. Christopher, Moses, Muhindo, & Nturanabo, 2022) defines population as a group of potential participants, objects or events to whom or to which researchers want to generalize the results of the study derived from the sample drawn from the population. In statistics, a sample is defined as a sub- set of a population to study a sample the total population (Olanrewaju & Abiodun, 2021). The sample must warily to be representative of a population. (Cooper and Schindler, 2003). The sample size was delivered from Yamane (1967)

$$\text{Formula } n = \frac{N}{1+N(e)^2}$$

$$n = \frac{2000}{1+2000(0.1)^2}$$

$$n = 95.24$$

Where n is the sample size, N is the population size and e is the margin of error

The sample size of 95.24 will be used and the samples used include both employees and their directors. Furthermore, the selected sample was believed to be able to provide relevant information for the accomplishment of the study. The researcher used the following methods for the study, questionnaires, observation and interviewing (L. A. Nafiu & Ph, 2012). The researcher used varieties of techniques to obtain data and to supplement on the data that was obtained from their instruments. The methods were used to ensure validity of the information that was collected (Lu et al., 2013). The questionnaire designed for this study were based on the research objectives. The structured questionnaire consisted of open-ended and close-ended questions designed to elicit specific response for quantitative analysis (L. A. Nafiu et al., 2017). The questionnaire was to be administered to the respondent selected within the entire community to capture the opinion of respondent and minimize bias. The researcher provided a covering letter to the questionnaire explaining the academic purpose of the study and the assurance of confidentiality. Questionnaires were administered to the chosen sample size of the organization and these responded to the researcher as required (L. Nafiu et al., 2013). The data collected from interviews, observation was analyzed using qualitative method of data analysis. The method was used to provide an in-depth description of the specific phenomenon, practice or setting and the qualities which the present study entails. The researcher used content analysis to process qualitative information. (L. A. Nafiu et al., 2017) content analysis is a technique that enables the researcher to study human behavior in an indirect way through analysis of communication. Content analysis enabled the researcher to organize a large amount of materials. It is done by developing appropriate interpretation. Data was analyzed in form of tables, frequencies and percentages using SPSS & STATA (Nelson et al., 2022).

RESULTS

Table 1: shows the relationship between regarding system and employee performance

	SD		D		N		A		SA		Total	
	%	F	%	F	%	F	%	F	%	F	%	F
Reward like salary increment motivate employees to carry out their activities effectively.	2	2	10	9	8	8	39	37	41	39	100	95
Rewards enables employees to accomplish their tasks that is being assigned to them.	2	2	6	6	7	7	33	31	52	49	100	95
Reward promotes team work spirit amongst the employees.	9	9	6	6	13	12	35	33	37	35	100	95
Demonstrates fair and equal treatment, rewards promote fair treatment of all the employees.	4	4	7	7	11	10	36	34	42	40	100	95

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Rewards improves on the performance of employees.	4	4	5	5	4	4	37	35	50	47	100	95
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The research objective aimed at examining the relationship between rewarding system and employee performance of Hariss international limited. Results showed that reward enable employees to accomplish their tasks that is being assigned to them with a percentage of 52% and frequency of 49 strongly agreed, 33% and a frequency of 31 agreed, 7% and a frequency employee neutral, 6% and a frequency of 6 employees disagreed, 2% with a frequency of 2 employees strongly disagreed (T. Christopher, Nelson, & Prudence, 2022). Reward improve on the perform of employees this had 50% and a frequency of 47 employees strongly agreed, 37% and a frequency of 35 employees agreed, 4% with a frequency of 4 employees neutral, 5% with a frequency of 5 employees disagreed and 4% with a frequency of 4 employees strongly disagreed.

Other findings were, rewards promote fair treatment among employees this had 42% and a frequency of 40 employees who strongly agreed, 36% with a frequency of 34 employees agreed, 11% with a frequency of 10 employees neutral, 7% with a frequency of 7 employees disagreed and 4% with a frequency of 4 employees strongly disagreed.

Table 2: shows forms of rewards used at the organisation.

	SD		D		N		A		SA		Total	
	%	F	%	F	%	F	%	F	%	F	%	F
Packages or gifts encourage employees to participate in their activities.	4	4	5	5	4	4	37	35	50	47	100	95
Promotion motivates employees in the organisation to involve in activities.	2	2	6	6	7	7	33	31	52	49	100	95
Bonuses are the form of reward also encourage employees to perform their task.	4	4	7	7	11	10	36	34	42	40	100	95
Over time pay motivate employees to perform tasks and beyond the agreed time.	4	4	7	7	11	10	36	34	42	40	100	95
Salary increment as a form of reward encourages employees to perform their duties.	2	2	10	9	8	8	39	37	41	39	100	95

The second research question aimed at establishing the types of reward system used in Hariss international limited. Results showed that the most used reward system in Hariss international was packages/ gifts which are given to better employees as a way to encourage them participate in the activities of the organization. Results were 50% strongly agreed, 37% agreed. 4% neutral, 5% disagreed while 4% strongly disagreed. The second most used reward system used in Hariss international was overtime pay in that employees who add more extra time for work are given more payments. During the discussion with the directors it was stated that they preferred to use overtime and gifts in order to attain salary increment to any form of reward. Results were 42%, with a frequency of 40 strongly agreed, 36% with a frequency of 34 employees agreed. 11%, with a frequency of 10 employees neutral (Innocent et al., 2023), 7% with a frequency of 7 employees disagreed and 4% with a frequency of 4 employees disagreed. The study established from employees however they preferred salary increment to any form of reward used at Hariss international. They stated that overtime would be good because it helps the company clients to properly receive their goods they ordered for. With 41% and a frequency of 39 employees strongly agreed, 39% with a frequency of 37 employees agreed then 8% with a frequency of 8 employees neutral, 10% with a frequency of 9 employees disagreed and 2% with a frequency of 2 employees strongly disagreed.

Bonuses was also another form or rewards used at Hariss international Limited, this study aimed to establish the respondent’s opinion on whether bonuses are given to employees for doing a good job and if this affected employee performance most respondents who were at 39% with a frequency of 37 employees strongly agreed, 37% with a frequency of 35 employees agreed, 14% with a frequency of 13 employees were neutral, 6% with a frequency of 6 employees disagreed and 4% with a frequency of 4 employees strongly disagreed (T. Christopher et al., 2023). Promotional, the study aimed to establish the respondent’s opinion on whether promotion acts as a motivating factor for any employee and if it positively affect job performance. Most respondents who were 52% with a frequency of 49 employees strongly agreed, 33% with a frequency of 31 employees agreed, 7% with a frequency of 7 employees neutral, and 6% with a frequency of 6 employees disagreed and 2% with a frequency of 2 employees strongly disagreed.

Table 3: Shows effects of rewards at the organisation

	SD		D		N		A		SA		Total	
	%	F	%	F	%	F	%	F	%	F	%	F
Rewards increases productivity in the organisation.	7	6	7	7	5	5	35	33	46	44	100	95
Rewards enable employees to perform their tasks thus meeting organizational goals.	2	2	4	4	7	7	35	33	52	49	100	95

Rewards promote motivation hence encouraging employees to accomplish their tasks.	2	2	2	2	9	9	37	35	50	47	100	95
Promotes team work, rewards help to encourage employees to work as a team.	4	4	7	7	21	20	36	34	32	30	100	95
Rewards improve on work habits within the organisation.	9	8	4	4	9	9	35	33	43	41	100	95

The research also aimed at examining the effectiveness of reward system in Hariss international limited. It tended to establish the effects of reward system on the performance of employees in Hariss international. However, the researcher first prompted the participants to reveal their experience and skills in working at any department. The employee's performance was measured by the company's customer satisfaction and the levels of output (F. Christopher, Moses, Muhindo, & Nturanabo, 2022). The table above showed results obtained from employees of Hariss International showing how reward affect employee performance. Result obtained were reward enable employees to perform their tasks and this was the best effect of reward at Hariss with 50% and 49 employees strongly agreed, 35% with frequency of 33 employees agreed, 7% with frequency of 7 employees neutral, 4% with frequency of 4 employees disagree and 2% with frequency of 2 employees strongly disagreed.

Rewards promote motivation, this was the second most effect of reward at Hariss International with 50% and frequency of 47 employees strongly agreed, 37% with frequency of 35 employees agreed, 9% with frequency of 9 neutral, 2% with frequency of 2 employees disagreed and 2% with frequency of 2 employees strongly disagreed as obtained from the respondents (F. Christopher, Moses, Muhindo, & Komunda, 2022).

Conclusion.

As regards the types of reward, it was concluded that the most commonly used types of reward system in Hariss international were packages, overtime pay, duty allowances, salary increment and promotions. It was concluded that promotions and duty allowances were the least used considered by the managers because it often constraints the organizational budget and it cannot easily be re-adjusted in case of any financial crisis. It was also concluded that rewarding system has effects like motivating employees, promotes good performance, demonstrates fair and equal performance, and improves employee-employer relationship among other effects and these help on the productivity of the organization.

Recommendations.

The current system of rewarding employees as it is in Hariss international limited is inadequate, unfair and limited in scope because the rewards are given on levels of experience and formal qualifications instead of performance. This means that reward system should be based on performance considerations. Further recommendations on employee training should be carried out so as to enable employees be equipped with skills which they used to perform their tasks so as to meet the organizational goals.

Employees should be made aware that pay motivates employees to perform at their best. This means that to implement a reward system, administrators should not perceive the process as being expensive and time consuming, but rather, a necessity where rewards such as financial incentives do not provide enough incentives for employees to improve.

Employees should clearly understand the organizational culture so as to be able to perform in line with the set goals and objectives of the organisation.

A proper leadership system should be well built at the organisation for proper coordination and accomplishment of tasks assigned to each department.

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