

Assessing the Effect of Employee Reward on the Performance of an Organisation: A Case Study of Southern Water and Sewerage Company (SWASCO) in Mazabuka District.

(Paper ID: CFP/1114/2019)

By: Patricia Maseya
School of Humanities
Information and Communications University
(ICU)
Lusaka, Zambia
patmaseya@gmail.com

Advisor: Mr. K. Chibomba
School of Humanities
Information and Communications University
(ICU)
Lusaka, Zambia
Kelvin.chibomba@gmail.com

Abstract:

Employees are greatest assets that any organisation can have. A well designed rewards system has a positive effect on the performance of an organisation as a whole. The issue of employee reward has continuously posed a big challenge to organisations especially where high levels of productivity effects the profitability, development, stability, growth and future success of an organisation. It is therefore important for an organisation to maintain a competitive edge in order to avoid a decline in the productivity levels of its employees by rewarding them accordingly in order to keep them motivated at all times. For a reward system to be ideally motivational, it should have value, impact, be timely, and be understandable and cost effective. To maximise organisation productivity, SWASCO needs a competent and motivated human resource as it is the critical input in achieving organisational goals and objectives. The purpose of this study was to assess the effect of employee rewards on the performance of an organisation.

Keywords: *rewards, organisational performance, incentives, intrinsic rewards, extrinsic rewards, reward packages, employees, perception*

1.0. INTRODUCTION

1.1. Background

Zambia just celebrated 54 years of independence, a period that can be considered longer enough for a meaningful development. Nevertheless Zambia still remains underdeveloped though it is currently ranked as a Lower middle income country (World Bank, 2012). It is a well-known fact that the water sector in Zambia, in particular the water and sanitation sub – sector has not performed to its expectations. This has in turn affected performance in other sectors such as the health, agriculture, manufacturing, mining and education that have a critical linkage to the sector (UNDP, 2011). It is also true that the socio-economic success is largely dependent on the provision of adequate and safe water and sanitation services which is paramount to a health population, national productivity and wealth creation. The inadequacies in the provision of quality water supply and sanitation impede on human development and this leads to an unproductive society.

Water is essential to livelihoods and it is a prerequisite to development as it is a crucial element in supporting life, agriculture and industries. Based on this, there has been an understanding that effective management of the water resources improves the performance of the water sector in many countries. This is reflected in the many water sector reforms that have currently taken place in many countries, especially in developing countries (DIIS, 2006). Numerous initiatives in Zambia such as the separation of Water Resources Management (WRM) from the Water Supply and Sanitation (WSS) and devolution of authority from the Central Government to Local Authorities (LAs) have been introduced in water resources management in order to improve the performance of the water sector after the realization of poor performance in the sector. In the late 1980s and early 1990s, the Water and Sanitation Chapter of the Fifth National Development Plan (FNDP, 2007) reports that the government began to review and realized that the issues constraining effective development and management of the water sector in Zambia were an inadequacy in human resource capacity, lack of shareholder participation, lack of Water Resources Management, among others. The weaknesses identified in the water sector all pointed to too much centralization of activities by central government. Curtailing the weaknesses in the water supply and sanitation saw the birth of a number of institutions and modification in the roles and responsibilities for others to streamline the sector. Through the Water Supply and Sanitation Act that was enacted in 1997, the National Water Supply and Sanitation Council (NWASCO) was established and started

operating in 2000 in order to regulate the Water Supply and Sanitation sub sector in Zambia and Commercial Utilities (CUs) under the Custody of the Local Authorities were established to offer water supply and sanitation services in urban and peri-urban areas in Zambia. This saw the birth of Southern Water and Sewerage Company (SWASCO) that started its operations in 2001.

When SWASCO started its operations in 2001, it inherited all problems from the local municipal council such as broken down machinery, late or non-payment of bills by members of the community among others. This contributed to employees not being paid their salaries on time. This normalized when SWASCO started receiving financing through donor support from German Technical Cooperation (GTZ). GTZ also bought infrastructure, machinery and chemicals for SWASCO to run its operations smoothly. After GTZ left, SWASCO has continued striving hard in order to provide the best service ever to its clients. As such, SWASCO is among the top three water utility companies that serve its customers better.

1.2.Statement of the Problem

Most organisations have strategic plans on which to achieve organisational objectives. An organization that wishes to achieve these objectives must have a competitive and perhaps a comprehensive total reward system that is aligned with the organization's business strategy and that reflects the competitive reality of the labor market. In a world where people have become more and more demanding about their lives and surroundings, the reward system could be used to motivate employees by satisfying these demands. Organisations fail to achieve these objectives partly because of the inadequacy of the reward and compensation system. To maximise organisation productivity, SWASCO needs a competent and motivated human resource as it is the critical input in achieving organisational goals and objectives. Rewarding employees motivates them to maximise performance and achieve maximum organisation productivity. A carefully balanced mix of rewards, both monetary and non-monetary, are vital in ensuring that the organisation achieves maximum productivity and remains competitive and relevant. Despite the increased resources and incentives that NWASCO and the government is providing to SWASCO, there is need to interrogate the current employee reward incentives instituted by the organisation as organisational productivity solely depends on a competent and well-motivated human resource.

1.3. Main Objective

The main objective of this research was to access the effect of employee rewards on the performance of an organization using SWSCO in Mazabuka District as a case study.

1.3.1. Specific Objectives

1. To identify the relationship between rewards and organizational performance.
2. To find out the effect of extrinsic rewards on organizational performance.
3. To find out the effect of intrinsic rewards on organizational performance.
4. To determine the perceptions of employees on the effects of incentives, rewards and the performance of an organization.
5. To analyze the available reward packages and how they affect the organizational performance.

1.4. Research Questions

The following research questions shall guide this research;

- 1 What is the relationship between rewards and organizational performance?
- 2 What is the effect of extrinsic rewards on organizational performance?
- 3 What is the effect of intrinsic rewards on organizational performance?
- 4 What perceptions do employees have on the effect of incentives, rewards on the performance of an organization?
- 5 What are the available reward packages that affect organizational performance?

1.5. Significance of the Study

The importance of this study cannot be underestimated since many organizations will benefit from the study. Findings in this study will help SWASCO management and other organization's to have knowledge on how to align reward practices in order to attain organizational performance. The researcher will also benefit from the research in that it will establish a clear understanding of the influence of reward system on organizational performance. Other researchers may also use the findings from this study for further research in other similar or relevant area thus adding knowledge to the field of research. The study therefore sought to identify if benefits, recognition, promotion and rewards have a positive effect on the performance of an organization. The study intended to fill the gap that exists in

research especially in the Zambian context where only a few if not none have been carried out at any of the service delivery institutions. It also sought to determine the basis of a good reward and compensation system.

1.6.Theoretical Framework

This study was guided by the incentive theory (B.F. Skinner, 1904 – 1990), expectancy theory (Vroom, 1964) and Maslow’s hierarchy of needs (Abraham Maslow, 1943). Motivation theories have been associated with rewards and compensation over time. This means that when employees are rewarded for a good job, they get motivated and move to the next level in terms of performance and productivity.

Incentive theory states that an incentive attracts a person towards it. An individual will therefore more likely behave in order to get himself closer to the incentive.

Expectancy theory emphasizes the need for the organization to relate rewards directly to the performance and ensure that rewards provided are those that are deserved and wanted by the recipients.

Maslow’s hierarchy of needs suggests that at any given time, people tend to have each of their needs partly met. This theory is relevant to an organization because it is concerned with human motivation as people work primarily for money while others like to go to work because they feel respected and appreciated for their good work.

2. Literature Review

This chapter explains the input of the various scholars who have made various contributions in the area of employee rewards on the performance of an organization and besides, tries linking the first chapter assertions on rewards and performance of an organization indicated through productivity. This part is dedicated to investigation and evaluation of the writings of various scholars whose contributions on this issue are helpful. It is significant to state that rewards contribute towards organizational productivity. It is therefore the aim of this research to establish the views and opinions expressed by other scholars and authors on the subject matter. A lot has been said concerning employee rewards and the performance of an organization.

Amhed & Shabbir (2017) conducted a study in Pakistan and in their study, they found out that extrinsic reward (salary, promotion, bonus, financial incentive) motivate the employees to be retained in banks. Extrinsic rewards highly affected employee performance. The banking sector management in Pakistan faced several issues like left job their loyal and experience employees. The reason behind this, the new bank firms offer high salary and better working environment. In this situation, such banks should facilitate their employees through intrinsic and extrinsic rewards that they feel comfortable with their job and organization. The Financial Rewards are a greater motivation factors for the banking employees. Performance based rewards provision to employee's equal opportunities. Financial rewards are helpful in long term success because through financial rewards the organization retain their most experience employees in the bank. When an employee feel that their endeavour with rewarded, he expend his all efforts to improve his job and explore the new way in which he satisfy their customers.

According to a study conducted in Zimbabwe (Tatenda Chikukwa, 2017) on the impact of extrinsic rewards on employee motivation and organizational effectiveness, the study shows that salaries, bonuses and transport allowances were among the top financial rewards that were offered. The study further states that remunerating employees on time drives them to be motivated and in turn perform their work effectively. Furthermore, the study concluded that financial rewards are imperative in influencing employee behavior as well as organizational outcomes.

According to Masaiti and Naluyele (2011) in their study on strategies to retain and motivate employees in Africa, a case study of the Ministry of Education in Zambia found that recognition in form of awards the results showed that there was a higher percent of respondents (71.3%) who answered that they had not received an award while working for the ministry of education, while (28.7%) had received an award in form of a household item. This indicates that awards are not being used as a form of motivation to the employees in the MOE in Zambia. It further shows that awards are not differentiated according to individuals because all the respondents who answered that they had received an award were in form of a household good. There is need to differentiate rewards because individual employees are different and have different needs and values, not all employees can be motivated by one form of award. Recognition and rewards.

Muyakwa, Daka and Mwape (2008) in their study on Shoprite and the Zambian economy established from most of the employees interviewed that training, development, promotion and advancement opportunities at Shoprite were not made available to most of the employees. It was noted during the study that most employees served for more than 5 years without any promotion or technical training. The respondents indicated that the few lucky employees got promoted got the promotion only after they had served for a very long period of time. A considerable number of respondents however, pointed out that the company had an education scheme through the provision of a loan facility for Shoprite employees who desired to advance their education. It was also noted that the loan facility was only available to permanent employees and their children who were thirteen years or below. Internal training programmes were available at Shoprite but these are basic trainings, such as, how to order, receive and package Shoprite goods.

3. Methodology

3.1 Research Design

Research design as defined by Cooper (2003) is the plan and structure of investigation so conceived as to obtain answer to research questions. Krishnaswani and Ranganathan (2007) defined research design as a logical and systematic plan prepared for directing a research study.

The research design was in the form of a case study which focused its attention on finding out the effects of employee rewards on organizational performance. According to Creswell (2007), a case study is an in depth study of a particular situation rather than a sweeping statistical survey. Creswell (2007) contends that the case study research design is also useful for testing whether scientific theories and models actually work in the real world. Palys (2008) states that in doing a case study research design, the case being studied may be an individual, organization, event, or action, existing in a particular time and place. This study will be guided by Pragmatism as a philosophical world view by using quantitative and qualitative (Creswell, 2014).

The case study design was used in this study because of its qualitative nature which considered a small study group which consisted of the branch manager, departmental heads, the human resource manager, the accountant and members of staff of SWASCO in Mazabuka District of Zambia

3.2 Population of the Study

The targeted population for this study consisted of SWASCO management and staff in Mazabuka District. Population is defined as a totality of any group of units which have one or more characteristics in common that are of interest to the researcher (Omari, 2011). The population may be of all individuals of a particular type or more restricts part of that group. A population can be large or small depending in the size of the group of persons or subjects about which the researcher plans to make inference.

3.3 Sample Size and Technique

A sample size is a small part that is selected from a large unit or entity. In selecting a sample, caution must be taken because it is possible to introduce biases in the process (Baradyana, 2007). A sample is a finite part of statistical population whose properties are studied in order to gain information about the whole (Kombo and Tromp, 2006). In this study, the sample consisted of ten (10) in management positions and forty (40) members of staff. The total number of participants in the study was fifty (50) all from SWASCO in Mazabuka District.

3.4 Sampling Technique

Kombo and Tromp (2006) defines sample as a finite part of a statistical population whose properties are studied to gain information about the whole population. A set of respondents selected from a larger population of people for the purpose of survey can be called a sample. Purposive sampling, also referred to as judgment, selective or subjective sampling, is a non-probability sampling method that is characterized by a deliberate effort to gain representative samples by including groups or typical areas in a sample. The researcher relies on his/her own judgment to select sample group members. Purposive sampling is mainly popular in qualitative studies. Palys (2008) further contends that purposive sampling is virtually synonymous with qualitative research. Purposive sampling represents a group of different non-probability sampling techniques. It relies on the judgment of the researcher when it comes to selecting the units such as people, cases/organizations, events, or pieces of data that are to be studied. Palys (2008) also observes that in purposive sampling, the sample being investigated is quite small, especially when compared with probability sampling techniques. In the current study, the participants were selected using purposive sampling because of the nature of the study which was qualitative.

3.5 Research Instruments

This study employed questionnaires which were designed by the researcher with the assistance of the supervisor, a checklist, dairy and telephone interview.

According to Kasomo (2007), a questionnaire is a carefully designed instrument for collecting data directly from people. It is a research instrument that gathers data over a large sample. It is confidential, saves time and ensures there is no opportunity for interviewer bias (Kombo and Tromp, 2006).

White (2005) describes questionnaire as being relatively economical and has the same questions for all participants, ensure anonymity and contains questions for specific purposes. Survey was assembled using Microsoft Word to capture the questions. This is a systematic way of collecting data by obtaining opinions, answers and questions from selected participants. Questionnaire is defined as a structured sequence of questions designed to draw out facts and opinions which provides a vehicle for recording data. White (2005) describes questionnaire as being relatively economical and has the same questions for all participants, ensure anonymity and contains questions for specific purposes.

This study used questionnaires as an instrument for collecting data so as to achieve the intended goals. To ensure that there was confidentiality and willingness to respond, respondents were instructed not to write their names on the questionnaires and were assured that their responses will be kept confidential. Questionnaires were self-administered. The questionnaire research instrument was used in this research work to gather information because it helps to access respondents at a minimal cost.

Primary and secondary source of data was used for gathering data in this research work. It is the data collected for the purpose of the research, these are the responses generated or obtained from administered questionnaires (Mugenda & Mugenda, 2003).

Primary Data

Adam and Kamuzora (2008) defined primary data as data collected by the researcher himself/herself or by the research assistant from the field for the purpose of answering a research question/issue. Primary data collection methods apply when the researcher goes directly to the originator of the information or evidence. Thietart et al. (2001) consider primary research to yield greater truth-value as they argue the

researcher has observed the phenomena with their own eyes. It is generally considered to be a superior form of data collection as the researcher will have formed a system of data collection very specific to the research been undertaken. In this sense, primary research does have advantages and disadvantages.

Questionnaires with both closed and open ended questions were used to collect primary data for this study. The primary data collected in this study gave feedback on the effects of employee rewards on organizational performance at SWASCO, in Mazabuka District.

Secondary Data

Secondary data are data which is already collected for the purpose other than the problem at hand. These data can be collected quickly and inexpensively. It is the relevant information that is already available in some sources of information (Gupta and Gupta, 2012). Secondary data is used to gain initial insight into the research problem. In this study, secondary data was collected from various reports such as already published books, journals and reports.

Secondary data is the data that have been already collected by and readily available from other sources. Such data are cheaper and more quickly obtainable. Secondary data can be collected through internal sources (within the organization) and external sources (outside the organization).

3.6 Data Collection Procedure

In an attempt to collect data, the following steps were taken; first, the researcher sought permission to conduct the research from the Human Resource and development Officer, secondly, approval was given. The researcher then assured the principals that the findings were only to be used to accomplish the study. Questionnaires were self-administered by the researcher. A self – administered questionnaire is relatively a simple method of obtaining data and all participants respond to the same questions in order to suite the local conditions. However, this tool has an advantage in that it includes the collection of data in uniformity and the participants were exposed to the same questions.

3.7 Data Analysis

The data collected would be gathered, sorted, and analyzed with the use of Excel. Immediately after questionnaires were completed, participants submitted the questionnaires to the researcher who started the process of interpreting and analyzing it accordingly in line with the responses as aligned to the

research topic. After raw data was collected, data analysis commenced in order to interpret and draw conclusions from the collected data. Descriptive analysis was chosen as an appropriate analysis method for the study. Raw data was then captured in excel and analyzed using bar charts, pie charts and line charts.

The qualitative data was analyzed from the information recorded in the discussions, interviews and documents. Data was classified in major themes and sub themes and critically analyzed. Expressions will be infused in major views with a view to gaining deeper insight into the subject matter. Qualitative data was analyzed by coding emerging themes and was subjected to the IPA interpretation. Interpretative Phenomenological Analysis (IPA) which involved the coding of emerging themes. Creswell (2007) defines an Interpretative Phenomenological analysis (IPA) as an experiential qualitative approach to research in social sciences concerned with trying to understand lived experiences and how participants themselves make sense of their experiences. He further asserts that the main aim of IPA is to explore in detail how participants make sense of their personal and social world. Thus, IPA and mainstream psychology converge in being interested in examining how people think about what is happening to them but diverge in deciding how this thinking can best be studied. According to Creswell (2007), IPA is a suitable approach when one is trying to find out how individuals perceive the particular situation they are facing.

IPA is also aimed at exploring, flexibly and in detail an area of concern. Therefore, research questions for an IPA are broadly and openly framed. IPA studies are conducted on small sample sizes. The detailed case-by-case analysis of individuals' transcripts takes a long time, and the aim of the study is to say something in detail about the perceptions and understanding of this particular group rather than prematurely make more general claims.

IPA researchers wish to analyze in detail how participants perceive and make sense of things which are happening to them. It therefore requires a flexible data collection instrument such as the semi-structured interview guide (Creswell, 2007). Creswell (2007) argues that IPA acknowledges a debt to symbolic interaction with its concern for how meanings are constructed by individual, it has a theoretical commitment to the person as a cognitive, linguistic, affective and physical being and assumes a chain of connections between people's talk and their thinking and emotional state. IPA researchers realize this

chain of connection is complicated because people struggle to express what they are thinking and feeling, there may be reasons why they do not wish to self-disclose, and the researcher has to interpret people's mental and emotional state from what they say.

3.8 Validity

According to Babbie (2004), validity refers to the extent to which an empirical measures accurately reflects the concept it is intended to measure. The validity of a measurement procedure is the degree to which the measurement process measures the variable it claims to measure (De Vos, 2005). The question of validity is brought up with regards to the three focuses including the type of test, the motivation behind the test and the populace for whom it is expected (Heale and Twycross, 2015).

The validity of test reveals the degree to which a measuring instrument measures what it is intended to measure (Norland,1990). He stated that the accuracy and significance of inferences are based on research results. According to Nitko (1996), validity of an instrument refers to the accuracy with which an instrument measures what it sets out to measure. Validity refers to the adequacy and appropriateness of the interpretations made from an instrument with regard to a particular use. Fisher (1991) explains that validity is the extent to which an instrument measures what it is supposed to measure. The pre-testing of the instruments was done at SWASCO from those under study. The pretesting participants were provided a chance to revise ambiguous questions in the questionnaires and the interview guide.

3.9 Limitations of the Study

A research work of this nature has challenges that limit the researcher from having the relevant information as some organizations do not disclose information about their organizations to the researcher. The major problem encountered by the researcher during the data collection process was the reluctance of respondents to answer the questionnaire. Further, due to a small sample size (SWASCO being the only water utility company in Mazabuka), the study was limited to only one utility company.

3.10 Ethical Consideration

It was very important that participants were assured of their privacy and confidentiality when participating in this study. Tustin (2005) states that participants should at all times be respected and be

treated with respect and loyalty. Whatever information received from the participants should be scrutinized confidentially without jeopardy. No person should suffer the consequences of unknown research feedback and that all information and or feedback made by the participants will be treated with strict responsibility and accountability thereof by the researcher in order to avoid unwarranted publications or participants' feedback without their knowledge. According to Mugenda & Mugenda (1999), participants should be protected by keeping the information given as confidential especially if confidentiality has been promised.

The principles of voluntary participation were applied in this study. The research participants were fully informed about the procedures involved in the research and they were required to give their consent to participate. The researcher also treated the respondents with respect and courtesy. The research procedures were reasonable, non-exploitative, carefully considered and fairly administered.

3.11 Chapter Summary

In summary, the research methodology offered the researcher the ability to ensure that the correct approach in the study was followed and used such as drawing the sample, choosing the right instruments as without performing this process, the research would have been rendered impractical. Therefore, the next chapter will bring into light all the findings of the study.

4. Presentation of Findings

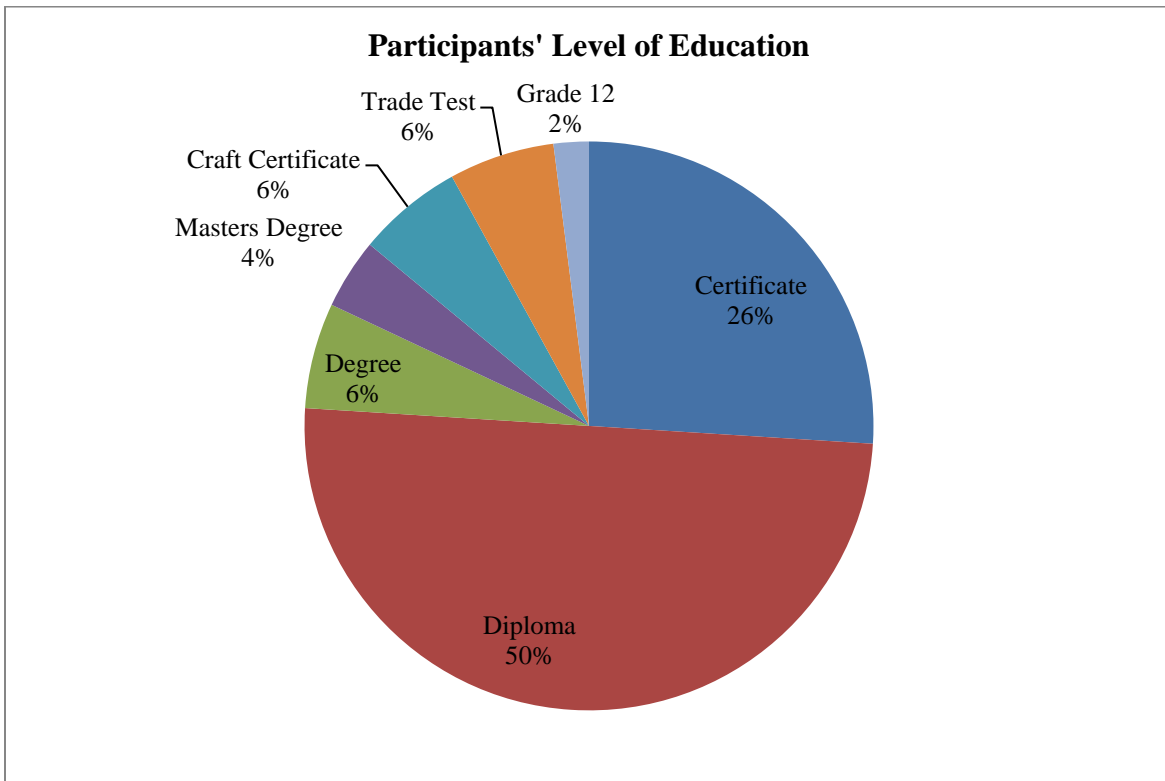
4.1 Characteristics of Participants

The study took into account the participants' general statistics and information. In this study, the researcher considered the participants in terms of gender, age, marital status and education level in order to draw an understanding of the effects of employee rewards (including recognition, praise, salary, promotion, remuneration, salary, promotion) on organizational performance at SWASCO in Mazabuka District.

Participants' Level of Education

The chart below illustrates the level of education for participants respectively.

Figure 1 – Participants’ Level of Education



Source: Research findings – 2019

Table 1 - Qualifications

Category	Frequency	Percentage
Grade 12	1	2
Trade test	3	6
Craft Certificate	3	6
Certificate	13	26
Diploma	25	50
Degree	3	6
Master’s Degree	2	4
Total	50	100

Note: All employees are permanent workers.

Different education qualifications have a significant impact to rewards and performance of an organization. Whenever an employee acquires his/her education qualification, he/she is expecting for more incentive packages starting with their salaries and or needed promotion that will motivate them and in return improve the performance of a particular organization.

4.2 Years worked in the organization

The following chart shows the number of years that employees have been engaged to the organization. Employee turnover is not high as most employees seem to be ok with the reward system being offered by SWASCO. It is therefore important to note that employees who have been with the organization for between 5 – 10 years are those who are between the ages of 26 and 45 years. Employees who have worked with SWASCO are familiar with the utility’s policy and structure. It can be said that SWASCO has well experienced employees who can achieve better results and enhance good performance for the organization.

Figure 2 – Number of years worked in the organization



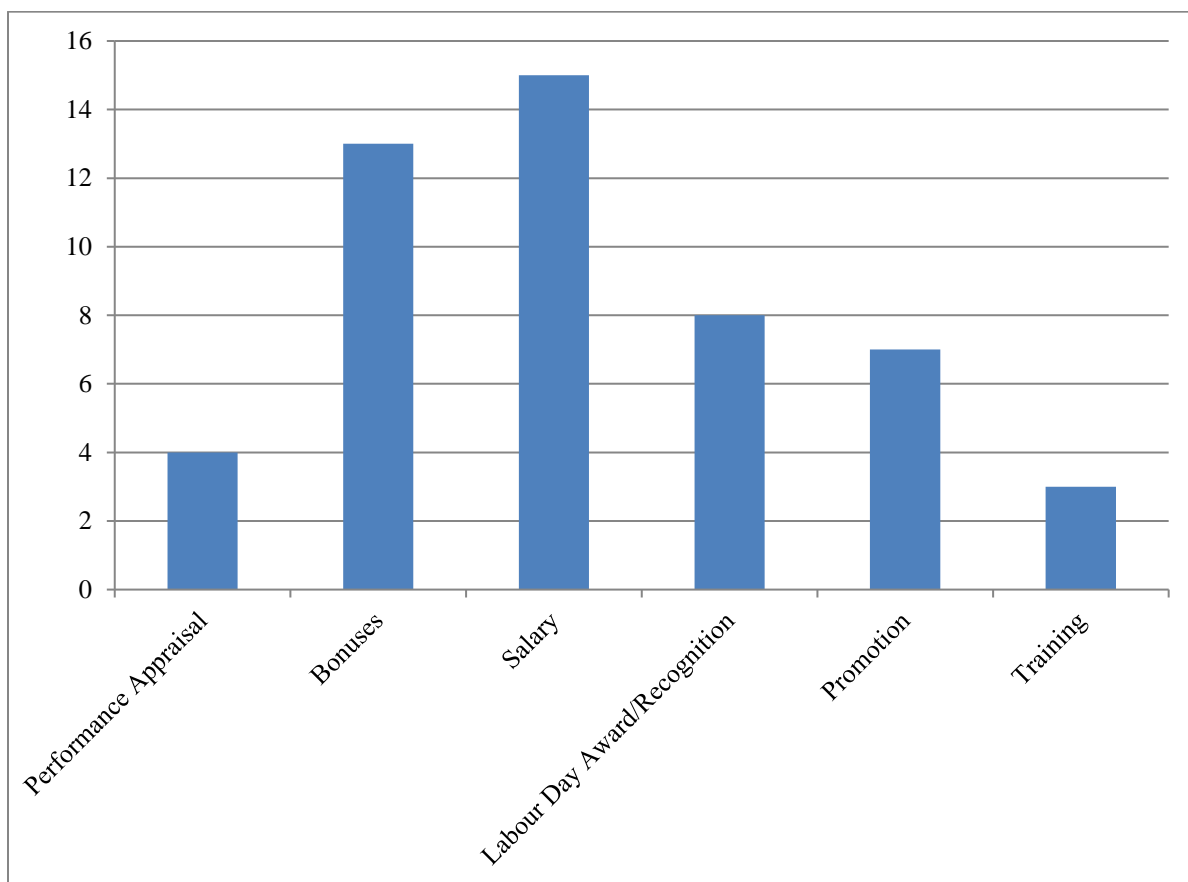
Source: Research findings – 2019

4.3 Staff and Reward

4.3.1 Reward available in the organization

It has been observed that only 6 rewards are received by the participants at SWASCO. The highest reward received in this study is salary with 15 participants (30%). This shows that SWASCO provides better salaries to its employees compared to any other reward. Bonuses are received by 26% (13 participants), only 16% (8 participants) so far have been considered for labour day awards and recognition, 14% (7 participants) were considered for promotion, 8% (4 participants) were considered for performance appraisal and 6% (3 participants) were considered for training. Some employees spoken to admitted to being praised by their supervisors for a task well performed. This encouraged them to work even hard.

Figure 3– Rewards Available in the Organisation



Source: Research findings – 2019

4.3.2.Importance of Rewards

The elements of reward management within an organisation are all the things that they use to attract potential employees into their business which includes salary, bonuses, incentive pay, benefits and employee growth opportunities such as professional development and training opportunities. Having a reward management system in place provides the business with many advantages, especially in small to medium size organisations where the managers must have a good relationship with the employees. Reward programmes have proved to be very successful in motivating employees and in turn increase the performance of the organisation as a whole.

Participants were asked to indicate the importance of rewards provided by SWASCO. It is shown that 38% of the participants felt that employees would be motivated and retained at SWASCO. However, 31% believed that rewards would promote good performance and employee engagement. 17% believed that rewards would improve management and employee engagement and finally the smallest percentage of Participants (14%) believed that rewards would demonstrate a fair and equal treatment by management.

Figure 4 – Importance of Reward to an Organisation

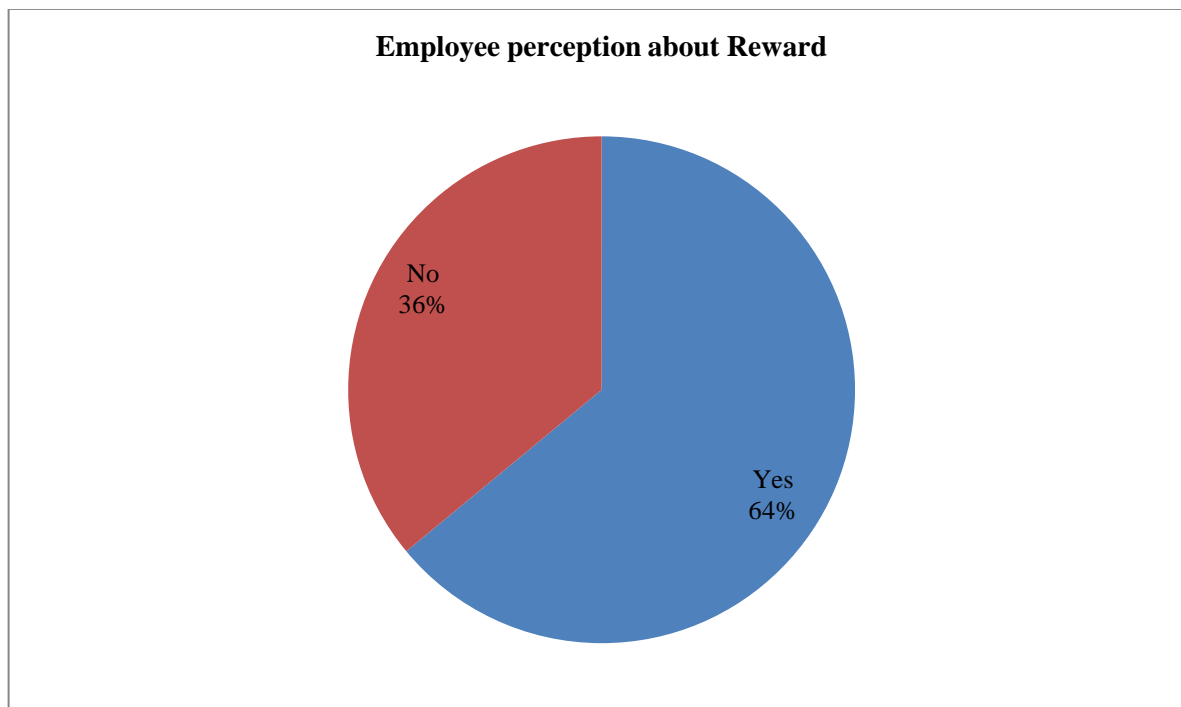


Source: Research findings – 2019

Employee Perception about Reward

The figure below represents data on employees' perception about reward packages at SWASCO.

Figure 5- Employee Perception about Reward



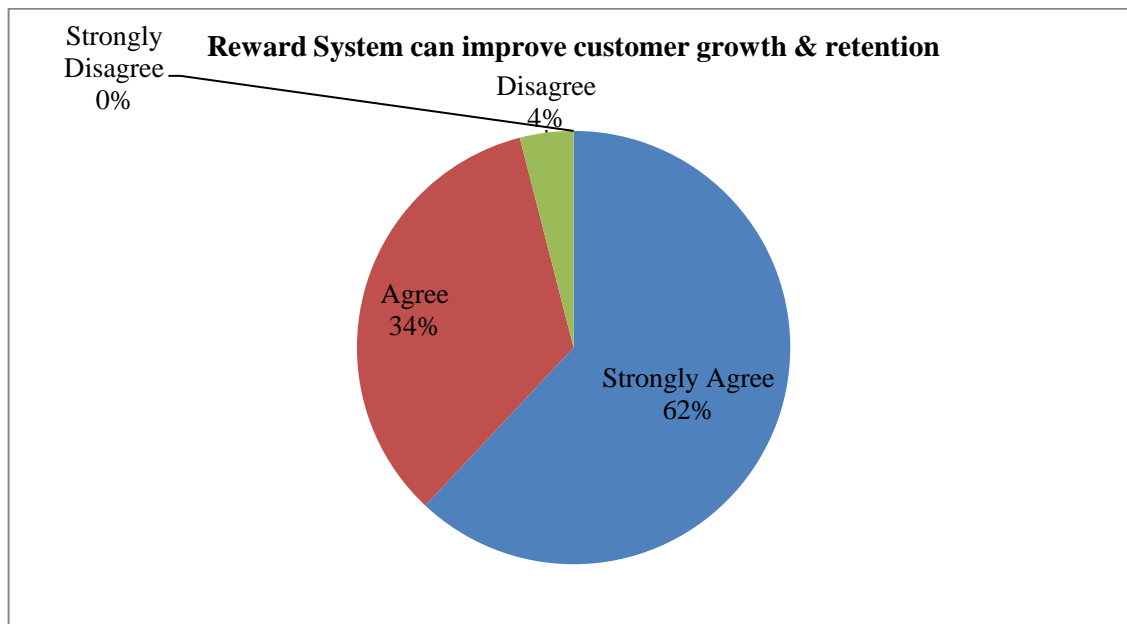
Source: Research Findings – 2019

64% (32 participants) were of the view that employees are happy with their reward packages that are available at SWASCO whereas 36% (18 participants) were not happy with the packages. This means that a continuous reward packages are supposed to be put in place in order for those employees that are not happy with what is being offered are covered. Those that saw it to be ok admitted that it meets their costs of living.

4.4 Organisational Performance

Using a scale of 1 = Strongly Agree, 2 = Agree, 3 = Disagree, 4 = Strongly Disagree, staff were asked to rate the influence of reward system that is currently being used as SWASCO on organizational performance. Their responses are shown in the graphs that follow;

Figure 6 - Reward system can improve customer growth and retention



Source: Research findings - 2019

From the findings, 62% (31 participants) strongly agreed that reward systems can improve customer growth and retention, 34% (17 participants) agreed that reward systems can improve customer growth and retention while 4% (2 participants) disagreed that reward systems improves customer growth and retention.

Relationship between Employee Reward and Organizational Performance

The figure below shows that 84% (42 participants) agreed with the statement while 16% (8 participants) disagreed with the statement. The theoretical framework used suggests a causality effect between reward and performance. Therefore, it is important to note that reward can positively or negatively trigger the performance of an organization.

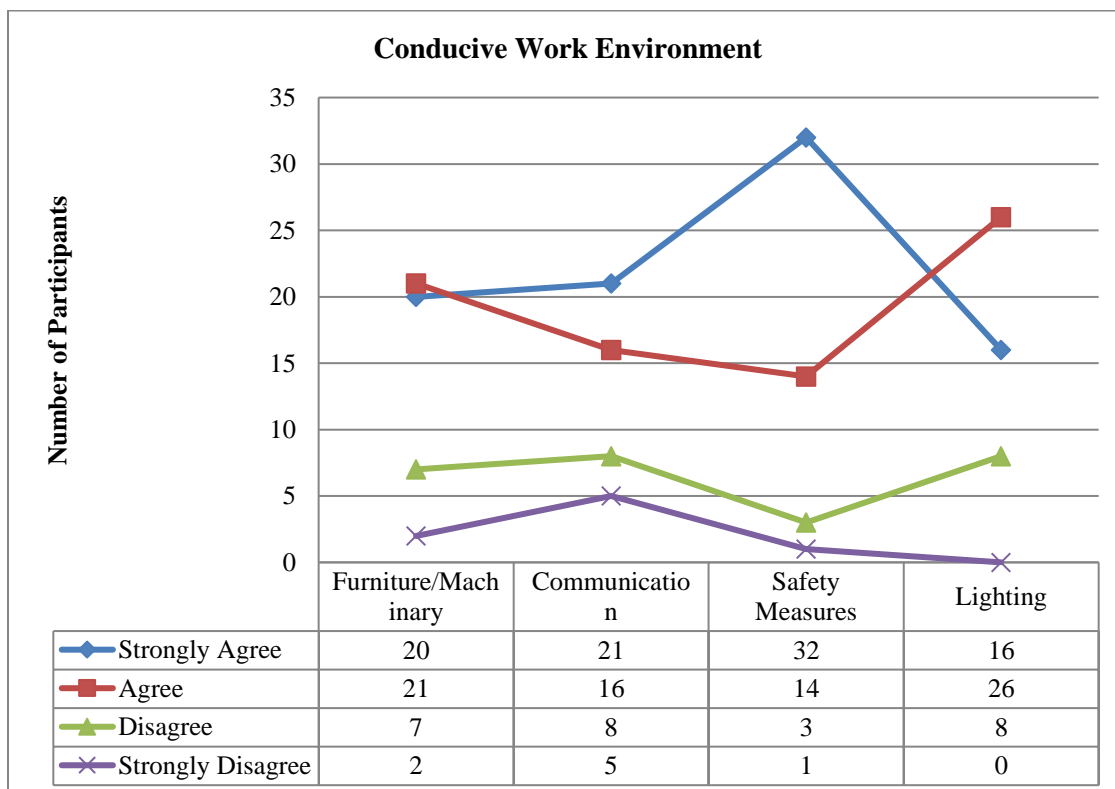
Figure 7 – Relationship between Employee Reward and Organizational Performance



Source: Research findings – 2019

Conducive Workplace and its Influence on organizational Performance

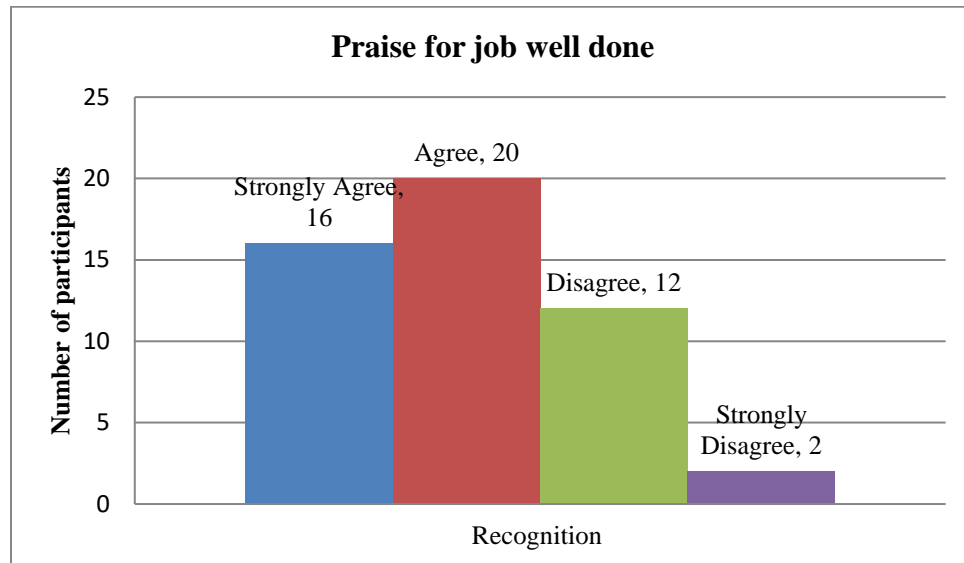
Figure 8 – Conducive Work Environment



Source: Research Findings 2019

Intrinsic Rewards on Organizational Performance

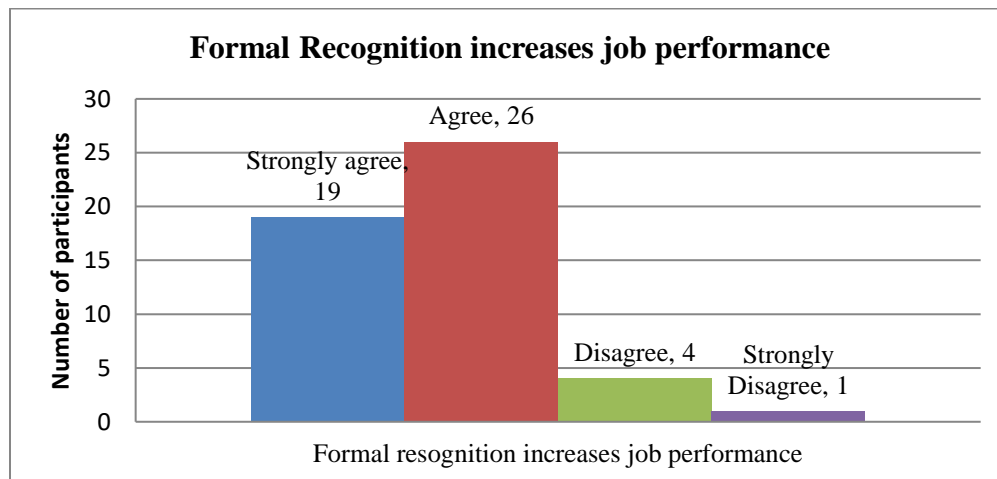
Figure 9 – Praise for job well done



Source: Research findings – 2019

Findings show that 40% (20 participants) agree, 32% (16 participants) strongly agree that praise for a job well done increases their performance while 24% (12 participants) and 4% (2 participants) disagree and (2 participants) strongly disagree.

Figure 10– Formal Recognition increases job performance



Source: Research findings – 2019

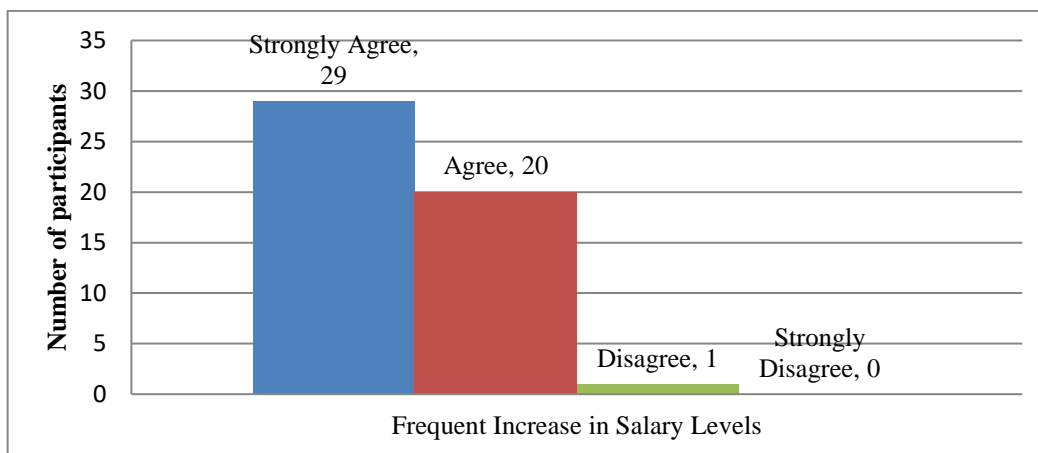
Findings show that 52% (26 participants) agree and 38% (19 participants) strongly agree that formal recognition increases job performance. 8% (4 participants) disagree while 2% (1 participant) strongly disagree.

Extrinsic Rewards on Organizational Performance

Frequent increase in salary levels

Findings show that 58% (29 participants) strongly agree and 40% (20 participants) agree that a frequent increase in salary levels increase organizational performance while 2% (1 participant) disagrees.

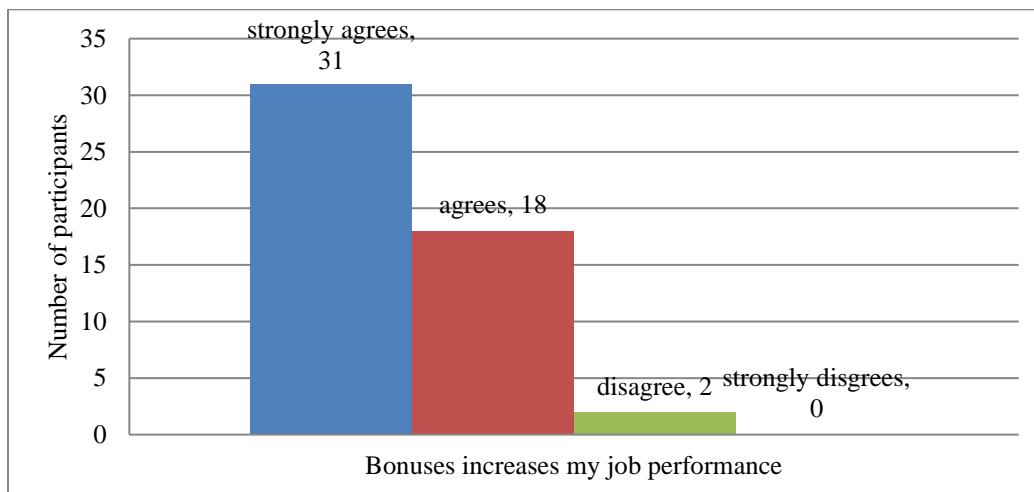
Figure 11 – Frequent Increase in Salary Levels



Source: Research findings – 2019

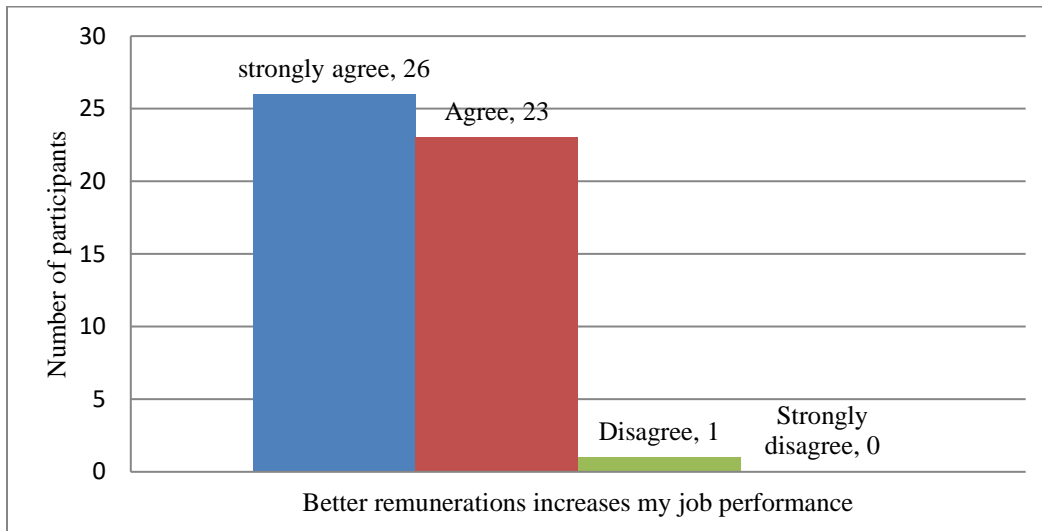
Bonuses increases my job performance

Findings below show that 62% (31 participants) strongly agree and 36% (18 participants) agree that bonuses increase job performance while 2% (1 participant) disagrees.



Source: Research findings – 2019

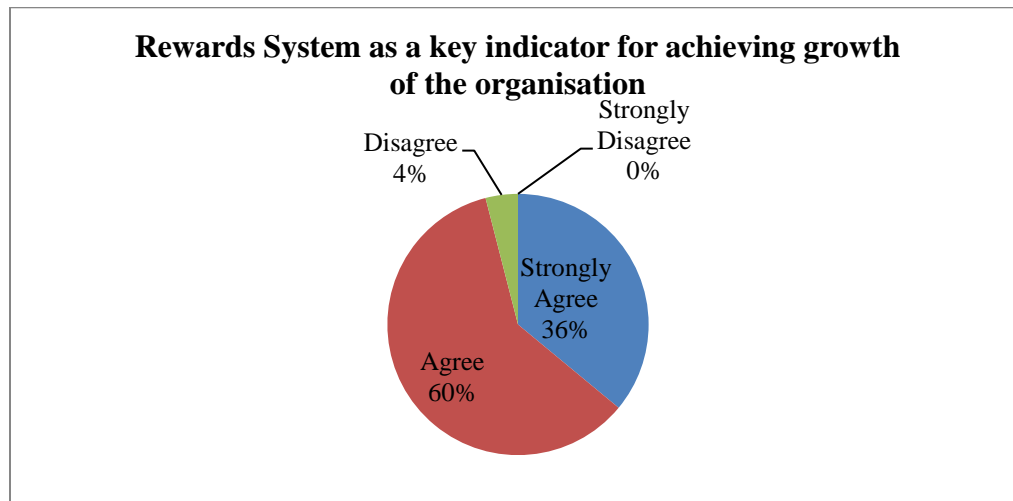
Figure 13– Better remunerations increases my job performance



Source: Research findings – 2019

Findings show that 52% (26 participants) strongly agreed and 46% (23 participants) agreed that better remunerations increases job performance while 2% (1 participant) disagreed.

Figure 14-Reward system is a key indicator for achieving growth of an organization



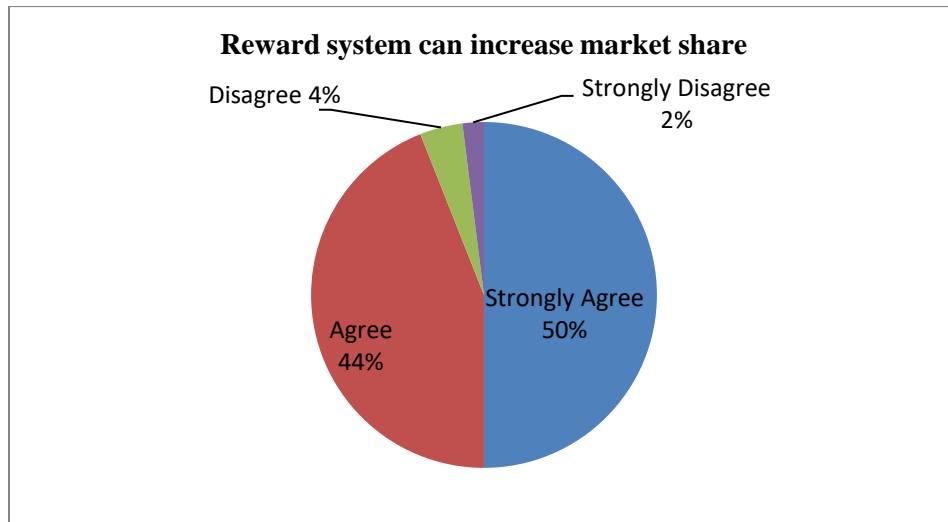
Source: Research Findings – 2019

From the findings, 60% (30 participants) agree that reward system is a key indicator for achieving growth of the organization, 36% (18 participants) strongly agree while 4% (2 participants) disagree on rewards being the key indicator for achieving growth of the organization.

Reward System can increase an organization's market share

Findings show that 50% (25 participants) strongly agree that a good reward system will increase an organization's market share while 44% (22 participants) agree that a good reward system can increase an organization's market share. Only 4% (2 participants) disagree and 2% (1 participant) strongly disagree.

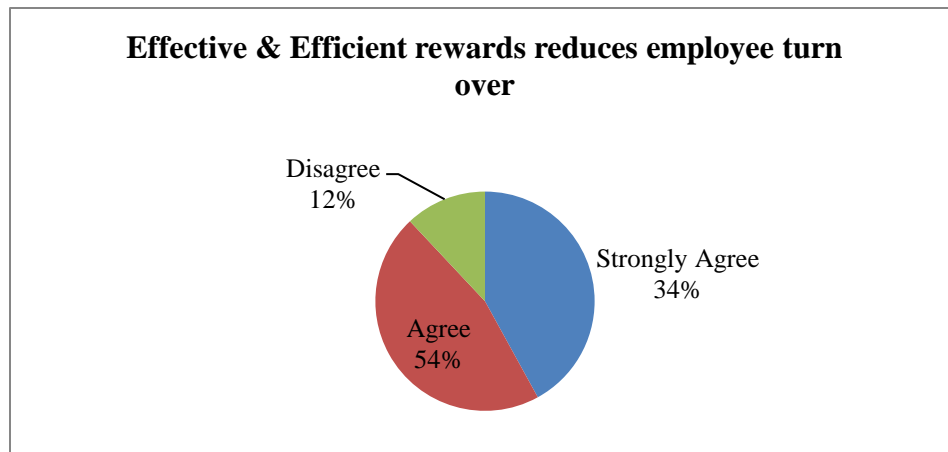
Figure 15 – Reward system can increase market share



Source: Research findings – 2019

Effective and efficient rewards have reduced the rate of employee turn over

Figure 16 – Effective and efficient rewards reduces employee turnover



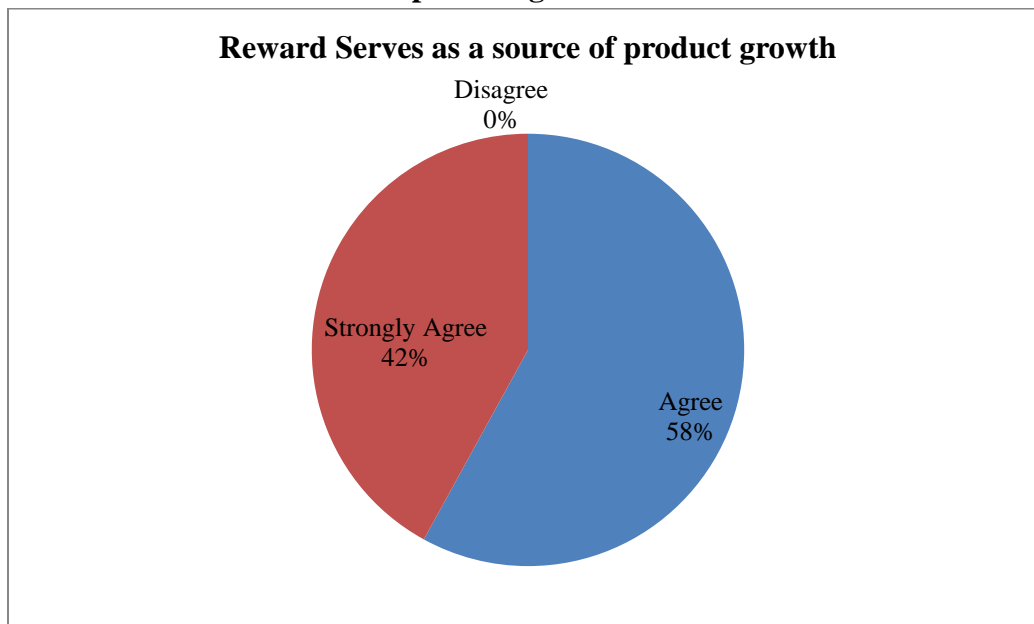
Source:
Research
findings –
2019

Figure 16 shows that 54% (27) of the participants agreed that effective and efficient rewards has reduced the rate of turnover, 34% (17 participants) strongly agreed with that statement and 12% (6 participants) disagreed. These results imply that the majority (88%) of the employees get motivated to work better if rewards are effective and efficient.

Reward serves as a chief source of product and service spin-off and growth

From the findings, 58% (29) participants agreed while 42% strongly agreed that reward serves as a chief source of product growth making it a 100%.

Figure 17 – Reward serves as a source of product growth

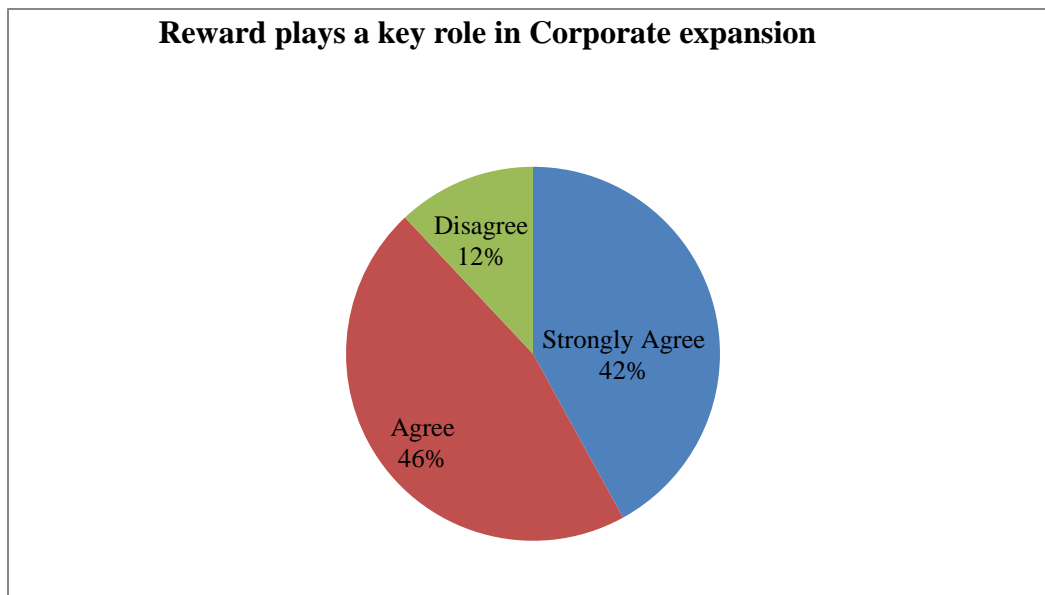


Source: Research findings – 2019

Rewards plays a key role in corporate expansion

Figure below illustrates the role reward plays on corporate expansion. 42% (21 participants) strongly agreed while 46% (23 participants) agreed that reward actually plays a key role in corporate expansion. Only 12% (6 participants) disagreed. This shows that 88% agreed that rewards play a key role in corporate expansion.

Figure 19 – reward plays a key role in corporate expansion



Source: Research findings - 2019

Having a good reward system in an organisation is essential as it increases performance of an organisation. However, in this segment the researcher looked at the effects employee rewards in general have on the performance of an organization. The participants explained that rewards are an 'exceptional' motivator in terms of increasing performance. However, one employee who was interviewed said the performance depends on the type of reward offered. Another employee said increased motivation will depend on what is happening at that point in time with the employee and that it also depends on the individual. On the contrary the branch manager and the human resource manager did not believe rewards are the primary motivators, and that job satisfaction is more important than periodical rewards. One Supervisor said self-worth and sense of achievement were greater motivators for performance than compensation based rewards.

All the participants however, agreed that performance increases as rewards increase but the rate of increase depended on the value each individual employee attached to the reward they have been given. Asked directly if increased rewards lead to a more motivated employee and all employees interviewed agreed they do but works best when the reward is known early on in the process. The human resource

manager however did not believe monetary reward will motivate an employee more and stressed that job satisfaction is most important from their experience.

Asked if rewarding employees who are on the same level and doing the same tasks differently can be divisive - due to people been based in different physical jurisdictions, all participants found this to be a major problem and very divisive. It was found this has a negative effect on performance, once it becomes known to employees. Also, an employee found it to be de-motivating and perceived it to be the company not treating you fairly and a lack of procedural justice. People don't expect that it may be a legal necessity to have this in place and that showing unity in the reward structure is more beneficial to performance and motivation.

5. Conclusion and Recommendation

Conclusion

The study aimed at assessing the effect of employee rewards on the performance of an organisation. An organisation needs well motivated employees in order for it to be more effective and efficient in its functioning since a motivated workforce will work towards accomplishing organisational goals. The study found that despite other factors that motivate employees at SWASCO, money in the form of monthly salary and bonuses are the most motivating factors of all rewards. Employee reward is an important aspect in an organisation as it influences organisational performance. SWASCO recognises excellent performers but however the organisation did not carry out timely promotions for high achievers. Employees are not offered overtime allowances hence the researcher fears that this can be a demotivator to the hard working employees. On training, the researcher concludes that employees have opportunities for training and seminars are held frequently. Generally, the study concludes that employee reward has a great effect of any organisation specifically in service delivery organisations if such rewards entails efficiency in delivering the service that a particular organisation has to offer.

In addition, in order to achieve organizational goals, SWASCO must design various strategies to make employees happy, and place various incentives for them to benefit from, thereby adding value to themselves and increasing organizational performance. If employees are not satisfied with their job or work place, they tend to put little efforts at work or move to other organizations with better job

packages. A demotivated workforce will not perform according to expectations and hence performance for both the organisation and employees will drop drastically. This can cost an organization so much, especially if they are losing a key and very competent staff to a competitor. The type of reward practices used by organization plays an important role in motivating employees to perform. It is commonly believed that if rewards are used effectively, they can motivate individuals to perform at higher levels (Allen and Helms 2001). Therefore, the success of an organization depends on its ability to manage their employee's talent. Reward is one of the determinants to motivate employees for them to actualize the goals of the organization. Employees will grow as a tremendous productive asset for organizations when they get an ethical work environment which makes them more valuable and gives them the opportunity to advance their career by achieving the best performance. By giving reward to the employee made them feel like their job appreciated and valued by the company that they are working for. If they got this feeling their job satisfaction will be fulfilled that could increase their job performance automatically and then organizational goals will be achieved through performance.

This research concludes that, the concept of reward systems is not fully understood in SWASCO and for that matter in Zambia. What most Zambians consider reward is the basic salary which is enjoyed by everyone in that particular organization. What is more intriguing is the fact that the relationship between reward and productivity and therefore organizational performance is not clear cut and is shrouded in its own mysterious world. It was noticed with mixed feelings that companies do not reward performance and this could account for the reason why most staff as well as managers indicated higher rewards will not prompt them to work harder. This study also revealed a limited nature of compensation packages in SWASCO, and the existing few are tailored to monetary terms ignoring other non-monetary rewards.

Recommendations

The following are the recommendations made by the researcher

Employees at SWASCO should be made aware of the training programmes that are available in the organization because they think that training only entails someone going to school full time. SWASCO has in-house training programmes that run from time to time.

Recognition should be used fairly on employees as some of the employees within the organization feel that they are not fairly recognized especially during labour day celebration. The reward system used by

SWASCO should align with the performance of the organization with the way it rewards its employees in order to provide the necessary incentives and motivation required for employees to deliver the goals of SWASCO. Therefore, SWASCO should use financial and non – financial rewards in addition to providing other incentives that will help in motivating its employees.

Salaries should be increased regularly to ensure that employees are satisfied as financial rewards are most appealing at all times. A good salary has a positive effect on the organization's brand. It is therefore important to note that a low salary has been found to be one of the causes of stress amongst employees.

Communication is the wheel on which relations and good organizational relation thrive, to instill trust and create a good working atmosphere. Rewards should be communicated, consensus sought and a compromise reached at the end of the day in instituting the rewards in various organizations. After recruitment and selection, employees should be made aware of the reward components in their employment contract. This will ensure that rewards are not taken for granted but as a component worth working for. Although, the basis for the difference in reward packages is necessary to meet the different responsibilities; this should be communicated to create understanding among workers and also to motivate others to excel. By communicating this basis, employee confidence will be boosted and equity stands a higher chance of being restored. Reward packages should be clear and easily understood, it should have bearing on organizational goals, be fairly administered and aim at ensuring equity among the total workforce. An employee's total reward package which includes both financial rewards and benefits should aim at improving employee work satisfaction, meet health and safety requirements of the employee, attract and motivate employees and reduce turnover while maintaining a favorable and competitive position for the organization. As much as these factors depend on the organization's ability to pay, it suggested that reward should be strategic enough to meet both the goals of the organization while meeting the needs of the employees.

The researcher also proposes that further studies should be done on the effect of employee rewards on the performance of an organization since few studies have been done in Zambia in particular. In addition, further research should be carried out using more than one organization as a study in order to ascertain the applicability of research findings in other contexts.

Acknowledgements

Firstly, I would like to thank God Almighty for His protection and for overseeing me in completing this task.

I would like to recognise my supervisor Mr. K. Chibomba for his guidance, dedication, comments and advice he gave from the first draft of the research title to the final report.

To my mum, brothers and sisters, I am grateful for their support, understanding and encouragement during the course of my study.

Finally but not the least, I want to express my gratitude to management of SWASCO, Mazabuka for according me the opportunity to take up this study.

REFERENCE

- [1] Agwu, M.O. (2013). *Impact of fair reward system on employee job performance in Nageria Agip Oil Company Limited, Port-Harcourt*. British Journal of Education, soceity and behavioral science.
- [2] Apeyusi, P. (2012). *Impact of Reward System on Corporate Performance. A Case Study of Ghana Commercial Banks Limited*. Ghana
- [3] Bosco, B.M. (2014). *Reward Management Practices anf Employee Performance at Nakumatt Holdings Limited*. University of Noirobi.
- [4] Cooper, D. R. and Schindler, P.S. (2006). *Business Research Methods and Empirical Investigation*. Journal of Service Research.
- [5] Creswell, J.W. (2007). *Qualitative Inquiry and Research Design. Choosing Among Five Traditions (2nd Ed.)*. Thousand Oaks: Sage Publication.
- [6] Danish R.Q. and Usman A. (2010). *Impact of Reward and Recognition on Job satisfaction and Motivation. An Empirical Study from Pakistan*. International Journal of Business and Management.
- [7] Dassler, G. (2005). *Human Resource Management*. Pearson Education Publication Upper Saddler, New Jersey.
- [8] Khalid, K., Salim, H. M., and Loke, S.P. (2011). *Impact of Rewards and Motivation on Job Satisfaction in Utility Industry*. International Conference on Financial Management and Economics.
- [9] Mugenda, O. and Mugenda, A. (2003). *Research Methods: Qualitative and Quantttative Approaches*. Publishers Act Press, Nairobi.
- [10] Munthali, B. (2016). *Assessing the Impact o Job Satisfatcion and Motivation on the Turnover of Teachers from Private to Government Schools*. Unza, Zambia.
- [11] Nwannebuife, A.,S. (2017). *Effect of Employee Motivation on Organisational Productivity*. Nigeria.
- [12] NWASCO (2010). *Urban and Peri – urban Water Supply and Sanitation Sector Report 2009/2010*. Lusaka
- [13] Onyango, W.P. (2014). *Effects of Employee Rewards Policy on Organisational Performance in Public Primary Schools in Rachuonyo North Sub Country*. Europe Journal of Business and Management.
- [14] Sitengu, R.I. (2018). *The Role of Employee Rewards on Organisational Performance*. University of Namibia.
- [15] UNDP (2011). *Zambia Human Development Report*. United Nations Development Programme, Lusaka, Zambia.
- [16] Whitaker P. (2010). *What non financial rewards are successful motivators?* Strategic HR Review.
- [17] White (2005). *A Strategic Approach to Building Consistent Global Rewards Program*. Compensation and Benefit Review.