



**REWARDS AND EMPLOYEE PERFORMANCE IN THE PUBLIC HEALTH SERVICE SECTOR
IN UGANDA: A CASE STUDY OF MULAGO NATIONAL REFERRAL HOSPITAL**

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Abstract: - The paper was derived from a bigger study that examined the relationship between rewards and employee performance at Mulago Referral Hospital. The research adopted a case study research design. Data was analyzed using descriptive and inferential as well as qualitative methods. The objectives which guided the study were:

- To examine the relationship between pay and employee performance
- To establish a relationship between training and employee performance and
- To assess whether a relationship exists between promotion and employee performance at Mulago Referral Hospital.

Findings revealed that: pay, training and promotion were significantly related to employee performance in Mulago Referral Hospital. The study also revealed that pay contributed more to employee performance, followed by promotion and finally training. This implies that training and promoting employee without adequate pay may not motivate them to expend effort on their jobs. On the basis of the findings, the study recommends that: Public Health care Institutions initiates strategies for increasing employee's pay. The Ministry of Health, the major employer of medical workers in Public health care institutions should revise pay structure of these workers. Institutions should initiate several income generating projects so that they can have funds to supplement the pay of employees.

Key words: Rewards, Referral

Introduction: Over the years, employees especially in the public sector have been going

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on strikes because of a number of reasons but majorly because of poor pay. Empirical evidence from studies done globally and in Africa in particular have attributed the causes of public workers unrest to poor pay and employee relations (Herath and Gajanayake, 2008). Leaving out other salient aspects that may be affecting specific institutions in third world

countries. The study therefore was an *attempt to establish a relationship between specific reward management and employee performance in the Public Health Sector in Uganda taking Mulago referral hospital as a case study*. The chapter presents the background to the study, statement of the problem, the general and specific objectives and research questions. Conceptual frame-work, significance of the study, justification, scope of the study and operational definitions are part of the chapter contents.

Background to the study: The concept of employ rewards started as far back as the slavery era when the Roman word *salarium* linked employment rewards to salt for soldiers who had carried out the slave capturing missions. (<http://en.wikipedia.org/w/inex.php>). The soldiers' pay was originally salt from which, the word salary is derived. Later scholars note that the soldiers were paid and maintained by offering them vast allowances in the form of huge amounts of salt which motivated them to conquer huge salt mains and guard salt roads (via *solarium*) that led to Rome. (<http://en.wikipedia.org/w/inex.php>).

Fair reward administration continued during the commercial revolution in the years from 1520 to 1650 which created more jobs and later during the industrialization in the 18th and 19th centuries which would not have been salaried, but to the extent they paid employees probably an hourly or daily wages or paid per unit or piece rate. From 1870 to 1930, the second industrial revolution gave rise to the modern business corporation powered by railroads, electricity, telegraph and telephone. This era saw the widespread emergence of compensation as the only way of maintaining a class of salaried executives and administrators who served in the new, large-scale enterprises being created.

In Africa, most people in post-independence countries were not inspired to work because they lacked the desire to accomplish anything. The bureaucrat is often motivated by material things they expect to gain from the work they do. Africans engage in those activities that will

result in either immediate gains or possession of the potential for such. For example in Nigeria, the drive for success was characterized by self-employment as opposed to being employed by the industry and Public service where employees lacked motivation due to absence of fair rewards. This points out the fact that reward systems in industry and the public sector are not related to effort put into the work, but based on unknown factors such as ethnic background, age, gender coupled with perception of favoritism, corruption or just lack of competence (Abudu, 2008). This, together with high pay difference among grades of employees, provides disincentives where progression up the ranks is seen as difficult and training opportunities for some employees as impossible, points to a scenario which leads to unsatisfactory attitudes and behavior including negligence of duty (Abudu, 2008). This particular study is an attempt to establish whether poor pay coupled with absence of fair promotion and training opportunities for all are the causes of poor performance in the Public Health sector in Uganda and particularly Mulago Referral Hospital

The already inadequate health systems of Africa, especially sub-Saharan Africa, have been badly damaged by the migration of their health professional due to poor rewards offered to health personnel after their hard labor. The World Health Organization (WHO) has played an important role in safeguarding the quality of Health services within the health sector. As a result, the sector has reported to have shown signs of remarkable improvements and the quality of services offered by hospitals in Africa have drastically improved in the last five years. (<http://www.mulago.org.ug>).

Much as WHO has over the years gone out of its way and played a significant role to improve the Health service sector in sub-Saharan Africa, in Uganda this is not the case for example the health sector report and the Mulago report of 2013/2014, (Mwenda, 2008). At Mulago Hospital, rewards have continued to be

contagious issue and a source of employee dissatisfaction a situation which has led to poor service delivery. This however has led to poor service delivery to patients; high rate of maternal mortality rate (MMR), absenteeism and employee turnover some of the medical workers especially surgeons leaving to look for better paying jobs and unexplained late coming. It is imperative to establish empirically whether a relationship exist between equitable reward and employee performance in the public health sector with particular reference to Mulago Referral Hospital.

One wonders whether its poor rewards in form of low pay, training and promotion that lead to poor service delivery in Public Health Sector particularly for the case of Mulago Referral Hospital. Thus the need to conduct this study.

Theoretical Background: The study was based on both the Equity theory by Adams in Armstrong, (2012) and the expectancy theory by Vroom in Ivacevinch (2006). The equity theory proposes that individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress, and that this distress needs a lot of efforts to restore the affected parties motivation, (Redmond, 2010). It also focuses on determining whether the distribution of resources is fair. Equity is measured by comparing the ratios of contributions and benefits of each employee .The expectancy theory by Vroom in Armstrong 2012 and 2006). is another view which will guide the study, It stipulates that human beings believe that if they do one thing, it will lead to another and expectancy is the probability that action or effort will lead to outcome. It goes on to say that different individuals value different things and hence have different motivational needs. The theory also holds the view that if an individual expects something that reinforces behavior and receives it, that behavior will be boosted. This theory is relevant to this study in that employees, when adequately rewarded, are expected to offer their best in terms of service delivery. These rewards could be financial or

non-financial, for example, pay training and promotion.

Extrinsic rewards are usually financial or tangible benefits which include pay, commissions and bonuses while intrinsic research include benefits such as promotion, training, medical and insurance cover among others (Zaman PRP Performance related Pay, 2011). Stoner and Freeman (2012), explain intrinsic rewards as the psychological benefits that are intended to boost workers morale. The aim of this study was to identify whether the relationship exists between rewards and employee performance in the Public Health sector in Uganda. Mulago Referral Hospital in particular.

Conceptual Background: Conceptually the study looked at rewards management as an independent variable and employee performance as the dependent variable. Rewards had dimensions such as pay, training and promotion. On the other hand employee performance consisted of dimensions such as efficiency, effectiveness, employee attitude towards work, rate of employee turnover commitment and work Excellency. A reward is how people are compensated in accordance with their value to an organization. It is concerned with both financial and non-financial rewards and embraces the philosophies, strategies, to develop and maintain reward system. It is also a positive outcome that is earned as a result of an employee's performance. Rewards are aligned with organizational goals when an employee helps an organization in the achievement of its goals, a reward often follows. There are two general types of rewards that motivate people: intrinsic and extrinsic.

Employee performance is a systematic process for improving organizational performance by developing the performance of individuals or teams. It is a means of getting better result. Employee performance is also viewed as the level at which the employees are performing. Employees are more than just completing the dread annual review in order to get the annual

bonus or pay increase. It is an ongoing activity with the ultimate goal of improving both individual and corporate performance. (<http://www.cause.com/post83839>). Bernardin, (2007) looks at performance as the outcome of work because they provide the strongest linkages to the strategic goals of the organization. Customer satisfaction and economic contribution are also a result of performance. It is because of the above definitions that the researcher sought to inquire more on reward management and employee performance in regard to Mulago Hospital. Measuring performance is of great importance to an incentive plan because it communicates the importance of established organizational goals. "What gets measured and rewarded gets attention" (Bohlander *et al.*, 2001).

Performance can be measured in a number of ways for example, timeliness of service delivery. Usually looked at in terms of how fast work is performed by the employees when given a certain task; absenteeism/tardiness observed when employees absent themselves from work; and achievement of objectives measured when an employee has surpassed his/her set targets, he/she is then considered to have performed well to achieve objectives (Hakala, 2008; Armstrong, 2006). Individual performance within organizations has traditionally centered on assessing performance and allocating rewards, with effective performance seen as the result of the interaction between Individual ability and motivation. The definitions clearly indicate that if employees are rewarded equitably it leads to better performance. In this regard therefore, the researcher wonders whether rewards such as pay, promotion and training have a crucial relationship with employee performance at Mulago Hospital.

According to Barattton (2000) rewards refer to all form of financial returns and other tangible and services and benefits an employee receives as part of an employment relationship. "Reward is the benefits that arise from performing a task, rendering a service or discharging a

responsibility". Rewards can be categorized into two broad areas, namely extrinsic rewards and intrinsic rewards

Contextual Background: The study was carried out at Mulago National Referral Hospital, commonly known as Mulago hospital. It is the largest Hospital in Uganda. The Hospital is located at Mulago Hill in the northern part of the city of (<http://en.wikipedia.org/wiki/kampala>) Kampala. It is the teaching Hospital for Makerere University College of Health Sciences, the oldest medial college in Uganda, established in 1924. Mulago was founded in 1917 by Albert Ruskin cook. The currently facility was completed in 1962. The hospital had an estimated 1,500 beds and an annual budget (2007) of five billion shillings (approximately US & 2.7million). It employs approximately three thousand medical workers (3000) which include doctors, medial officers and .Nurses of all levels. It also employees approximately 1000 administrative and support staff (<http://wikipedia.org/wiki/kampala>).

Mulago Hospital is headed by an interim board of members who include a Chairman Interim Board Member, Vice Chairman Interim Board member, Executive Director / Secretary Interim. In 1986, however, Mulago Hospital was declared as being in a poor state in areas such as the plumbing and electrical systems which were dysfunctional and staff were depressed and poorly motivated.

There was barely any equipment and instrument working at Mulago Hospital and yet the facilities at Mulago are expected to support patients from all over the country that are unable to access medical services which may not be available in their home areas.

After 1986 the Hospital improved in all sectors, funding expanded but not at the rate of patient growth. The Hospital has an annual in-patients turnover of over 120,000 patients and attends to over 480,000 out patients in the assessment center, general; outpatient clinics specialist and in the accident and emergency department

annually. The Hospital delivers over 27,000 women per year. (Mulago Bulletin, 2007 Special edition). Mulago Hospital rewards its employee through certificate of recognition given on a monthly basis to best performers by different departments. At the hospital level, promotions are only possible when positions at a higher grade are vacated and allowances are paid by the hospital from their respective votes. Staff pensions and gratuity are paid by the central government's pension authority. Training sponsorship is done by individuals and donors who contribute far more than the hospital can afford towards staff training, especially informal long courses. Mulago hospital workers are given footage/ mileage allowances for those workers who do not reside in the Hospital houses so as to motivate them, but it is insignificant.

Although these rewards are given, it has been noted that they are not equally shared as some workers get de-motivated especially if they perceive that some of their fellow medical employees are more favored than others. This resulted into continuous strikes by medical workers. There have been continually reports about Mulago Hospital strikes for example where over 100 intern doctors, nurses and pharmacists went on strike over unpaid allowances yet their meals and accommodation is not paid for. (www.newvision.com.ug/articles). This situation is an indicator that there is a deeper problem, pointing out how medical officer's rewards should be managed. It is on this background that this research will be carried out.

Statement of the problem:-In a bid to improve health service delivery in the country, the Uganda Government in conjunction with World Bank have been and continue to renovate Mulago Hospital. The Government has also gone ahead to re-equip the Hospital with modern medical equipment and stocked it with medicines on top of revising staff salaries from time to time and put a few incentives in place. Despite this commendable effort by the state, service delivery at Mulago Referral Hospital

continues to be poor (Mwenda, 2012). The claims are confirmed in various reports such as the Annual medical National Reports (2013/2014), individual reports and the media. Cited cases include for example high levels of Maternal and infant Mortality Rates, negligence of patients by medical staff in wards and emergency unit (causality), unexplained absenteeism, late reporting for duty and high employee turnover, stealing of medicines. (July 2012, Mulago report). It is on the basis of this observation that the researcher sought to conduct a study to prove if there was a relationship between rewards in the form of pay, training, promotion and employee performance in Mulago Referral Hospital.

General Objective of the study: The study sought to establish the influence of rewards on employee performance at Mulago Referral Hospital

Specific Objectives: The study was guided by the following objectives:

- To examine the relationship between pay and employee performance at Mulago Referral Hospital.
- To establish the relationship between influences employee performance at Mulago Referral Hospital.
- To assess the relationship between promotion and employee performance at Mulago Referral Hospital

Research questions: The study explored the following questions;

- What is the relationship between pay and employee performance at Mulago Hospital?
- How does training influence employee performance at Mulago Referral Hospital?
- In which way does promotion contribute to employee performance at Mulago Referral Hospital?

Scope of the study: The scope of the study is divided into content, area and time scope.

Content scope: In terms of content scope, the study explored the relationship between rewards and employee performance. As far as rewards are concerned the, study examined how the

institution uses pay, training and promotion to reward employees. As far as employee performance is concerned, the researcher explored whether rewards contributed to job commitment, effectiveness, efficiency and satisfaction

Ministry of Health: The findings will be a benchmark for use in understanding employee issues in all health institutions in the country so as to come up with better policies.

Mulago Hospital: The recommendations made may also be used by Mulago Referral Hospital administration as a tool for better management of health services and problem solving.

Justification of the study: This study was needed to generate empirical data that would contribute to effective use of rewards in enhancing performance of health professional working in public settings in Uganda so that they can offer quality health care services and subsequently become more competitive both in the East Africa Common Market and the world at large. Improvement in the performance of healthcare workers in public institutions would increase the trust the public has in the institutions.

Literature Review

Introduction: This literature review provides insight into rewards administration practices that enhance employee performance in public institutions and critical review of major issues and the summary of gaps to be filled by the study. The review highlighted current understanding and insights pertaining to the research problem (Oso & Onen, 2009). This chapter presents the theoretical review of rewards and the actual review of literature objective by objective.

Theoretical Review: This section makes a critical review of the major theoretical underlings of this study. This study was based on the expectancy and Equity theory.

Expectancy theory: The expectancy theory is the core cognitive theory (Mullins, 2007), which assaults that when people go to work they expect rewards which can be in physical or non

physical that can change their behavior to react positively towards the achievement to perform and most other approaches adapt or build on it. The concept of expectancy was originally contained in the valiancy – instrumentality – Expectancy (VIE) theory formulated Armstrong (2012) where Valiancy stands for value, Instrumental for belief that if we do one thing it will lead to another and Expectancy is the probability that action or effort will lead to outcome. Expectancy theory identifies that different individuals value different things and hence have different motivational needs.

Expectancy is based on past experience but individuals are presented with a new situation change of job, payment system or working condition. Motivation is likely only when clearly perceived and usable relationship exists between performance and outcome and this seems when the outcome is satisfactory needs. It also explains why the financial motivation arising from the work itself can be more powerful than non-financial motivation.

The theory was developed by Porter and Lawler, (1968) into a model which follows Vroom's ideas by suggesting that there are two factors determining the effort people put into their jobs such as the value of reward to individual in so far as they satisfy their need for security, social esteem autonomy and self-actualization.

Porter and Lawler (1968) developed a model as illustrated below by following Vroom's ideas of suggesting that there are two factors determining the efforts people put in their jobs. Such as the value of rewards to individuals so as to satisfy their needs for security, social esteem, autonomy and self-actualization.

Another factor was the probability that rewards depend on effort, as perceived by individuals, in other words their expectations about the relationship between effort and reward. Thus the value of reward and higher probability that received each of these rewards depends upon the effort put in given situation. Below is an expectancy theory model (Armstrong, 2008).

Expectancy theory model

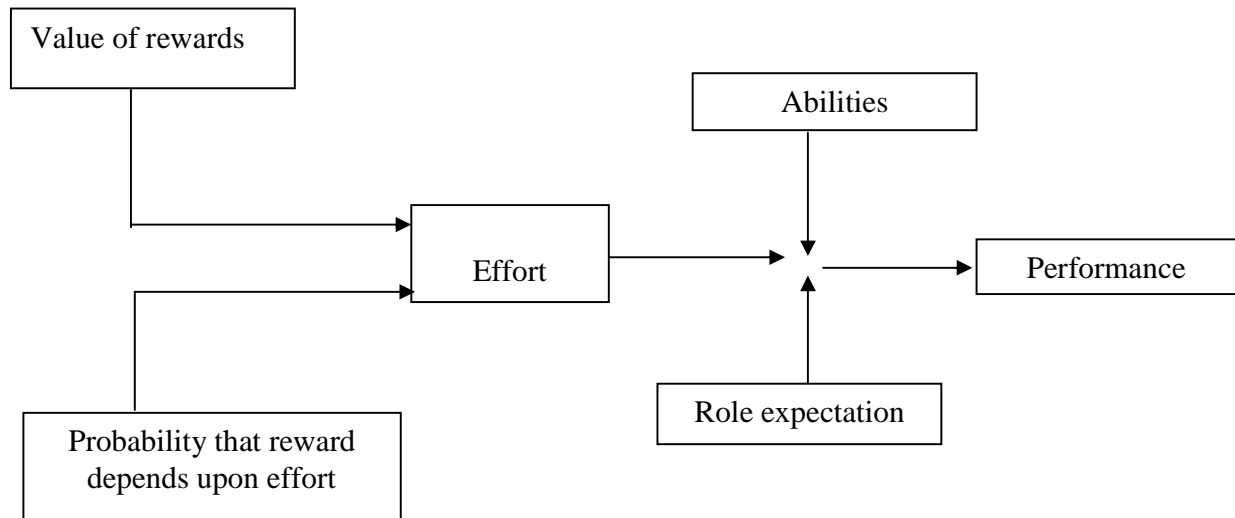


Figure 1: Sources: *Expectancy theory model (Vroom in Mullins 2007)*

The other two variables additional to effort which affect task achievement are; ability to individual characteristics such as intelligence, manual skills and know how. Role perception what the individual wants to do or think is required to do. (Armstrong, 2012).

According to the expectancy theory of motivation people will put forth the greatest effort if they expect the effort to lead to performance that in turn leads to reward. The various versions of expectancy theory suggest that a process similar to rational gambling determines choices.

Equity theory: It is concerned with people’s perceptions of how they are being treated in relation to others.

Equity theory is linked with the ‘felt fair’ principle as defined by Al-Zawahiri and Al in Baraton (2000) rewards refer to all form of financial returns and other tangible and services and benefits an employee receives as part of an employment relationship. “*Reward is the benefits that arise from performing a task, rendering a service or discharging a responsibility*”. Rewards can be categorized into two broad areas, namely extrinsic and intrinsic

rewards. Equity involves feelings and perceptions and it is always a comparative process. It is not synonymous with equality which means treating everyone alike is a recognized standard of fair payment for any level of work.

Adams, in Mullins, (2007) *developed the equity theory that focused on* how people feel about being fairly treated compared to others in terms of distribution and fair pay. When employees perceive that there is bias and inequity in job decision, not listening to their views when making decision this will bring procedural injustice among employees. To be equitable, pay must be felt to match the level of work and capacity of the individual to do it which is the reason of reward management as in its definition where pay is according to the value of people to the organization.

The equity theory also assumes that people should not receive less pay that they deserve by comparison with their fellow workers. Therefore, this leads to felt fair principle that has passed into the common language of those concerned with employee rewards and it has been used as the final arbiter of how a job

should be graded and sometimes overriding the conclusions reached by the analytical job evaluation exercise. This theory informs the study of reward management and employee performance as it states that it's not the actual rewards that motivates but the perception and which is based not on the rewards in isolation but in comparison with the efforts that went into getting it where by every employee on the same level should be rewarded equally.

The researcher agrees with this theory, if Mulago Hospital has given 5% pay raise, it should be equally distributed to all employees. Employees are motivated by what they expect will be the consequences of their efforts at the same time they must be confident they can perform the task, (Durbin, 2006). The study is an attempt to establish whether pay, Non selective training and Non selective promotion contribute to employee performance .

The Effect of Pay on Employee Performance:

Pay is an important feature of human resource after all; it's the main reason why people work. It is a sensitive and controversial area that has been extensively debated at both practical and theoretical levels. In the US, the term "Compensation" is used to encompass everything received by an individual in return for work. (<http://www.hrmguidance.co.uk/download/november2011>).

Employees may see compensation as return in exchange between their employer and themselves, as an entitlement for being an employee of the company or as a reward for a job well done.

Pay structures are one of the important parts of reward systems. When properly designed and maintained they provide a logically designed framework within which an organization pay policy can be implemented. Pay determines job hierarchy, pay levels and the scope for pay progression and provides the basis upon which relatives can be managed. Different organizations have different ways or rewarding their employees and pay/salary is one of the major ways of rewarding employees. Pay is in

monetary term (money). It is the goal for compensation and designed in a way that will attract, motivate and retain competent employee (Armstrong, 2008).

argues that if the necessary abilities and conditions are present pay, can motivate good performance if employees value pay, and believe that good performance results in high pay that is performance related pay (PRP). Lawler's model indicates that when employee reward / salary or pay is not perceived to be enough the effect will be absenteeism, labor turnover, job dissatisfaction and may lead to corruption.

Salary is a form of periodic payment from an employee which may be specified in an employment contract regardless of hours worked. (<http://www.wikipedia.org>2005). Employee will tend to look for jobs that are highly paying though it is now considered high pay is no longer an issue; people prefer being paid on time. This will motivate employee to work and perform as they expect to be paid on time. It is argued that how the organization rewards its employee can determine its success and meeting the target. There is an indication that salary continues to evolve as part of the system of all the combined rewards that employers offer to their employees. This usually influences performance to some degree because salary is a regular prompt payment which is believed to induce commitment to work. In considering pay and taking it as a powerful factor that influence staff performance, the remained double whether this financial rewarding has a great influence on employee performance in Mulago Hospital for this reason research was carried out to find out if it has an impact which revealed a positive relationship.

Types of Pay

Base pay: Base pay (basic) is the amount of pay (the fixed salary or wage) that constitutes the rate for the job; it may be varied according to the grade of the job or for manual workers, the level of skill required. Base is influenced by internal and external relativities. The internal relativities

may be measured by some form of job evaluation while external relativities are assessed by tracking market rates. Alternatively the level of pay can be agreed upon using collective bargaining pay with trade union (Armstrong, 2003). Base pay can be expressed as an annual, weekly or hourly for manual workers as time rate. The base rate may be adjusted to reflect increase in the cost of living or market rate by different organizations or trade unions.

Contingent pay and performance: Contingent pay provides an answer to the two fundamental reward management questions such as, what do we value and what are we prepared to pay for? It depends on measurement assessment whereby individual contingent pay may relate to financial rewards, performance, competence, contribution and skills of individual employees. However, it may also be provided for teams and organization performance contingent pay contributes to performance increase as employees will work hard so that their work is valued according to pay (Armstrong, 2008).

Contingent pay is additional financial rewards that may be provided which are related to employee performance, competence contribution, skill or service in the grade. It is added to base pay which acts as a motivator. Contingent pay can apply to individual or team or it can operate on an organization wide basis. Contingent pay is either consolidated in the base rate so that pay progresses within a pay range or it can be paid as a non-consolidated cash bonus (Armstrong, 2007). However in Mulago Hospital there is no consideration of contingent pay, which if put in place would increase performance as employees would be motivated to work.

Bonus and Performance

Bonus schemes are cash payments to employees that are related to performance of employees their organization for team. They are often referred to as variable pay or pay-at-risk. Bonus pay is not consolidated into base pay. It has to be re-earned, unlike increase arising from

individual contingent pay schemes such as performance or contribution related pay which are consolidated bonus is described as 'gifts' that go on giving these rewards are continuous even if their performance have become low.

cash bonuses may be the sole method of providing people with rewards in addition to their base pay or contingent combination bonus combines scheme for rewarding individual performance with those rewards either team or organization (Armstrong, 2008). The researcher found out there is no bonus pay.

Allowances and performance: Allowances are paid in addition to basic pay for special circumstances such as transport, housing allowances, and lunch and overtime payment for extra work done. These may be determined unilaterally by the organization but they are often the subject of negotiation.

This is done in order to encourage workers hence increasing performance, its one way to motivate workers, (Armstrong, 2003). Allowances are important as the progress of pay reforms have slowed down in different countries where authorities have turned to allowances to implement their own organization (Valentine, 2006). The research concurs with the above ideas because it is not enough to just pay salaries it is equally important to give allowances to employees so as to get better performance.

Conceptual Framework

The framework shows the relationship between independent variable and independent variable as well as intervening variable. According to Mugenda and Mugenda (1999), an independent variable is variable that has an influence on the dependent variable. When the independent variable is present, the dependent variable is also present and with each unit of increase in the independent variable, there is an increase in or decrease in the dependent variable as well. In other words, the independent variable was rewards management while the dependent variable was employee performance. The moderating Variable was Government policy

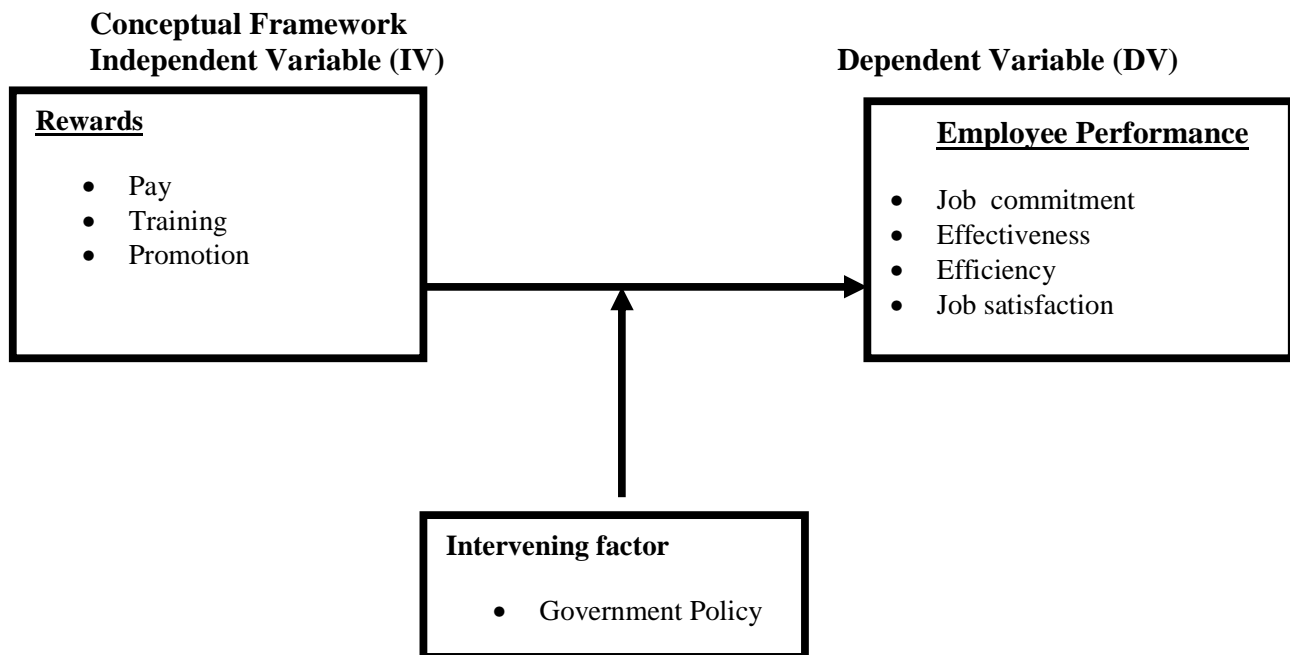


Figure 2: The Conceptual framework: Adopted from Adam's theories in Armstrong (2012) and modified by the researcher.

The conceptual framework in figure 2 shows that significant aspects of rewards in an institution are pay, training and promotion. These aspects influence employee performance. The higher, the pay, opportunities for training and promotion, the higher the efficiency, effectiveness, work excellence, attitudes and job commitment of employees. Government policy can intervene by providing policies and guidelines that either enhance or reduce the capacity of institutions in using rewards to enhance employee performance.

Review of Literature:

The Influence of Training on Employee Performance: Very often training and development are considered as synonymous but there has always been a different between two. Training implies the act of increasing the knowledge and skills required for efficient performance of a particular job. Training is largely job centered. Systematic and scientific training is the corner stone of sound management in the absence of formal training Programme workers learn by trial and error or

by observing others. It involves a lot of money and time. In human resource management training is regarded as a measure of staff development and career planning for purposes of ensuring improved performance.

Money spent on training is an investment in human assets (Saleem, 2010).

Though workers may pick up wasteful methods and practices, the need for formal training has increased due to rapid technological changes which make the methods and techniques of production obsolete. New skills are needed to operate efficiently and new employees need training to work efficiently. Training is needed not only to the organization but also the employees it provides job security and an opportunity for advancement. Training has the following benefits which include: Training has the following benefits which include higher performance and target or organization through participative management, uniformity of procedures, manpower development, economy of materials and equipment, less supervision,

high morale, and participative management (Saleem, 2010).

Training is the use of systematic and planned instruction activities to promote learning. The approach can be summarized in the phase 'learner – based training' it is one of the organization can undertake to promote learning. (Reynolds, 2004) points out that training has a complementary role to play in accelerating learning, it should be reserved for situation that justify a more directed, expert-led approach rather than viewing it as a comprehensive and all – pervasive people development solution.

Training is any procedure intended to foster and enhance learning among employees and particularly direct at acquiring job skills, rapid changes in technology and globalization of businesses have spurred the growth of training programs. These exist to teach hundreds of different skills such as equipment repair, performance evaluation, and software utilization and budget preparation. Training can be both hard skill and soft skills their aim can lead to developing talent internally as a good investment (Durbin, 2009). There are different types of training internal training or on the job training and the external training or off the job programme.

Training philosophy and performance: Dressler and Robbins, (2002) assert that training philosophy of an organization expresses the degree of importance it attaches to training. Some firms adopt a laissez-fair approach, believing that staff will find out what to do for themselves. If this sort of organization for institution suffers a skill shortage, it is remedied by recruitment from firms who do invest in training. Other organizations pay lip service and indiscriminately allocated money to it in the good times but in the bad times these organizations are the first to cut their in-service training budgets. This is a common practice by many institutions in Uganda and this is evidence by a number of employees who take their own initiative to training in various fields that may even not be relevant to their current jobs. It

should therefore, be noted that training budgets would not be tempered with for organization to benefit from training.

According to Armstrong, (2006), organizations with a positive training philosophy understand that they live in a world where competitive advantage is achieved by having higher-quality staff than other organizations employ, and that this need will not be satisfied unless they invest in developing the skills and competence of their people. They also recognized that actual or potential skill shortage can threaten their future prosperity and growth. Leslie Lane, (2003) on the other hand asserts that the training philosophy should be action-oriented, it should stress that training exists to make things happen, to get people into action, and to ensure that they can do things they are doing now better or will be able to do things that they could not do before. The objectives of any training event should be defined in terms of deliverables – this is what staff should be able to do after training, and this is what they will achieve. The researcher concurs with the above ideas because it is not enough to just train it is equally important to training. There is no reason therefore to train if there is no action to be taken by trainees after training.

Training Methods and Performance: A training method can be understood as an instrument or techniques that a trainer employs for delivering training content or facilitating the learning process in pursuance of predetermined learning objectives Agachiya, (2009). It is necessary to remember that a training method is not an end in itself, but a means to enhance learning and achieve certain objectives.

Training methods help the training to communicated with the training group, reach out to the participants, motivate them and investigate action. A trainer may use a range of training method to provide variety in the delivery of training to sustain the interest of the participants and to maintain the momentum of the training process Raymond, (2010). Raymond further suggests that training methods

help in creating and sustaining an appropriate learning environment for a particular module or topic. Training methods also help participants to actively engage in the training activity. Agachiya, (2009) suggests that the choice of a training method for delivering a particular module or topic or training activity is a crucial decision: selecting the training method is all about choosing a method that is most appropriate and relevant to your situation. For the case of Mulago Hospital employees training methods was hands on since they deal with human beings and need a lot of supervision and skills.

Agachiya, (2009), identifies training through placements as a situation where participants are placed with appropriate organization for a specific period. When placement is organized as part of training program, the objective is to either reinforce the experience or further enrich staff with handling a range of unfamiliar problems. Placements not only enhance learning but also assist in identifying the inadequacies in training. It is however, a very challenging exercise demanding the commitment and a lot of resources in time and personnel. According to the researcher's findings training had a positive impact on staff performance since more skills were gained.

The contribution of Promotion on Employee Performance: Promotion policy could state the organization's intention to promote from within wherever this is appropriate as a means of satisfying its requirements for high quality staff. The policy could however, recognize that there were occasions when the organization's present and future needs can only be met by recruitment from outside. The point could be made that a vigorous organization needs infusions for fresh blood from time to time if it's not to stagnate.

In addition, the policy would state that employees would be encouraged to apply for internally advertised jobs and would not be held back from promotion by their managers, however reluctant the latter may be loose them Armstrong, (2008). Promotion is one of the non-

financial rewards, as promotions in organization are considered as big reward system to increase performance and these come with challenges and they seem to be a tool for performance improvement. Promotion of employees is a very important aspect because it encourages performance hence increasing efficiency – Mulago Hospital employees have not yet benefited on promotion because it is not equitably distributed and if it is done the salary increase is on a small percentage hence this reduces their morale.

Promotion has different dimensions which include time, basis of promotion and change of roles. Promotion is the advancement of an employee's rank or position in an organizational hierarchy system. Promotion may be an employee's reward for good performance i.e. positive appraisal. The amount of salary increase associated with a promotion varies a great deal between industries and sectors, and depending on what parts of the hierarchical ladder an employee is moving between [Http://en.wikipedia.org.\(promotionrank\)](http://en.wikipedia.org.(promotionrank)).

Time and performance: Different organizations grant the hiring and promoting managers at different levels of discretion to award promotions. In some parts of the private sector, senior management has a very high level of discretion towards promotions, and they can promote employees without going through much procedures or formalities such as testing, screening and interviewing. In the public sector and in academia, there are usually many more checks and balances in place to prevent favoritism or bias.

In many western public service bodies, when a manager wants to promote an employee, they must follow a number of steps, such as advertising the position, accepting applications from qualified candidates, screening and interviewing candidates and then documenting why they chose a particular candidate. (<http://en.wikipedia.org.wikipromotion>). For the case of Mulago Hospital employee the researcher found out promotion is also done

through similar steps like western public bodies though they don't inform their candidates why certain candidates was promoted, which usually bring in queries. Desired performance can only be achieved efficiently and effectively, if employee gets a sense of mutual gain of organization as well as of him, with the attainment of that defined target or goal. An organization must carefully set the rewards system to evaluate the employee's performance at all levels and then rewarding them whether visible pay for performance of invisible satisfaction. The concept of performance management has given a rewards system which contains; needs and goals alignment between organization and employees, rewarding employee both extrinsically and intrinsically. The system also suggests where training and development is needed by the employee in order to complete the defined goals. This training or development need assessment of employee gives them an intrinsic motivation.

Basis of promotion and performance: Promotions at Mulago Hospital seem to be based on merit and experience of employee which means work experience has a lot of relationship with employee reward such as the case of promotion. Before a company promotes an employee to a particular position, it ensures that the person is able to handle the added responsibilities by screening the employee through interviews and tests and giving them training or on-the-job experience which the researcher found was being done in Mulago Hospital.

Changing of roles and performance: When an employee is promoted, their work changes substantially, for example, whereas a Mulago hospital employee on lower cadres will spend their time working on patient, head of department spends most of their day in meetings with senior managers, planning for the department and reading financial reports. They most of the time don't get involved in clinical work unless on appointment (Mulago Hospital bulletin 2012).

Summary of Literature View: Existing literature indicates a strong influence on reward management strategies which include pay, promotion and training can have possible effect on employee performance. And if management undertakes effort to address and provide rewards equally according to people's needs, then they would impress employees and this would bring attraction and retention of employee and the reverse is true. The study was intended to examine the relation between Rewards and employee performance in public health sector in Uganda taking Mulago Hospital as a case study.

Methodology:

Research design: The study adopted a case study design with specific reference to Mulago Hospital. This study design was preferred due to the fact that it enables a researcher to research on a specific aspect in detail and therefore makes concrete and logical findings that are in-depth in content and interrelationship (Creswell *et al* 2003). A case study method was also employed because of its strength in allowing the researcher to concentrate on a specific situation and to identify, the various interactive issues affecting the research problem (Ary, and Razavieh, 2002). Correlation methods were used to analyze data. The researcher sought to establish the magnitude and direction of the relationship between the independent and dependent variables. This quantitative technique was used because it captures a lot of data in a relatively short time (Amin 2005, Newman 2006, Babie, 2007). The researcher prefers triangulation (mixed method) approach of merit associated with it. One such merit is that triangulation tests consistency of the findings obtained through different instruments. it also increases chances to control or at least to assess some of the treats or multiple causes influencing out results (Green *et al* 1989). Triangulation also puts a sense of richness and complexity to an inquiry. The technique to become a device for enhancing the credibility and persuasiveness of a research account (Bryan, 2001). The purpose of this will be to gain a deeper understanding on

the relationship between reward management and employee performance.

Study population: The target population for this study included; medical workers who are directly involved in providing treatment to patients and their heads of departments. Targeted medical workers were; doctors, enrolled nurses, midwives and their heads of departments. This population was targeted because media reports indicate that they have been at the forefront of employee strikes in Mulago hospital cause by poor working conditions. Hence they were able to provide valid data on rewards management. On the quantitative aspect, the study obtained responses representative of medical workers (doctors, enrolled nurses, midwives) of the hospital. On the qualitative aspect, the study obtained rich contextualized understanding of the study constructs through collection of intensive views

from particular selected heads of departments from which medical workers were selected. Heads of departments were target because they recommend, implement supervise rewards manage in the institution. Besides since they are in the middle ground partly administrations and employees they were more likely to provide reliably data on rewards management. The Mulago hospital pay roll (2015) shows that the hospital has a total of 160 doctors and 256 enrolled nurses and midwives including heads of departments. This brought the grand total of the study population to 416 respondents, including 20 heads of departments.

Sample size and selection: The Krejcie and Morgan (1970) guide was used to determine the random sample while the non-random sample was determined using the saturation point. The selection procedure is summarized in the tables below.

Table 1: Population, sample and sampling strategies

Category	Population	Target Sample	Actual Sample	Sampling strategy
Random sample				
Medical workers	396*	196	190	Stratified random
Non -random sample				
Heads of Departments	20*	19	12	
Total	416	219	202	Grand total = 202

*Source: Mulago Hospital pay roll (2015)

The preceding table shows that the target random sample was 196 medical workers. However, 6 questionnaires were not fully completed reducing the sample to 190 respondents. The final sample size for the non-random sample of was determined during data collection using saturation. The researcher collected data from available respondents until no new information was being received. A total of 12 heads of departments participated in the study. Therefore the actual study sample was 202 respondents.

Sampling Techniques and Procedure: Mugenda and Mugenda (2003) define sampling as a formulation of procedure of selecting the subject or cases to be included in the sample .in other words, a sampling technique is a plan for

obtaining a sample from a given population.Both random and non-random sampling techniques were used to select a representative sample. Random sampling strategies give every individual in the population a chance to be part of the sample. This reduces bias and increases the representativeness of the sample. On the other hand, Amen (2005), say that non- random sampling strategies enable the researcher to select respondents who have the information. Stratified random sampling was used to select medical workers. This method was used in order to give more respondents in the population a chance of being part of the sample. The technique was also used to increase representatives of information since it was collected from a cross of respondents. Purposive

sampling was used to select heads of departments. This sampling method was used for this sub sample in order to collect in-depth responses from respondents who were well informed about the research problem.

Data Collection tools: Data was collected from primary sources. Survey methods were used. A structured questionnaire and Key informant interviews were used to collect data.

Survey Questionnaire: A structured questionnaire was used to collect quantitative data. After being briefed, the respondents were given a structured questionnaire to complete. As advised by Bush and Ortinau (2000), the questionnaire had items derived from the study objectives and Likert scale responses. The respondents ticked the response that best described rewards administration issues, and their performance.

Key informant interviews: In-depth key informant interviews were used to collect data from Heads of departments. This method was preferred because it enables collection of reliable, in-depth information. With the use of the interview guide, the researcher asked key informants, individually questions on rewards administration and their influence on employee performance. The key informants' responses were written down by a research assistant (Kvale & Brinkmann, 2009; Mugenda & Mugenda, 1999). The real opinions of the respondents on the research problem were sought. Using appropriate probing, the researcher sought detailed information that was relevant to the research questions (Amin, 2005).

Data Collection Instruments

Structured questionnaire for Medical workers: A structured questionnaire was used to collect quantitative data from medical workers. The questionnaire had structured items. Structured questions were used because they allow the collection of specific data. Using questionnaires allowed respondents some time to reflect on answers to avoid hasty responses (Mugenda and Mugenda, 1990). This contributed to accuracy of data collected.

Section A of the questionnaire measured the demographic variables of the respondents. The demographic variables that were measured included gender, age, education and length of service. Section B measured the independent variable, i.e. rewards administration Section C, on the other hand, measured employee performance. New scales were constructed for these items. For all items in sections B and C the respondents responded on a five-point Likert scale on which they presented 'strongly disagree' and 5 'strongly agree'.

Interview guide for Heads of Departments: An interview guide was used to collect in-depth information from Heads of departments. Interviews were used because the study targeted the respondents' real opinions on the research problems. The interview questions focused on the major themes of the study (Kvale & Brinkmann, 2009).

Validity and Reliability of instruments: The researcher first ascertained whether data collection instruments had the necessary validity before they were used. This was done by establishing whether instruments measured what the study intended to measure claims to measure (Arya *et al.*, 2002). Content validity of the instruments was measured. Hussey and Hussey, 1997 affirm that respondents are more likely to honestly complete and return questionnaires they perceive as having relevant content. To measure content validity, the research supervisors evaluated whether the instruments had the content they intended to measure. As recommended by Amin (2005), items that were found to be ambiguous and those judged inappropriate were either eliminated or adjusted. In the content validity test, the validity of each item were evaluated on a scale for which 1 = relevant, 2 = quite relevant 3 = somehow relevant and 4 = not relevant. The validity of the instrument was tested using the Content Validity Index (CVI). The CVI was measured using the formula:

Content Validity Index (CVI) = K/N , Where K was total number of items rated relevant and N,

total number of items in the questionnaires. The findings are shown in the table below.

Table 2: Content validity index (CVI) of Instruments

Expert	Content validity index	
	Questionnaire	Interview guide
Supervisor 1	0.81	0.82
Supervisor 2	0.82	0.80
Average	0.82	0.81

Source: Pilot data

As indicated in the previous table, all CVIs for the two instruments were above 0.80, indicating that the items in the instruments actually measured the study variables. On average, the content validity index for the questionnaire was 0.82, while that of the interview guide was 0.81. These values were in agreement with Mugenda (2003), who recommended that for an instrument to be valid for research purposes, its content validity index has to be 0.8 and above. The researcher also ensured that all items in the instruments had face validity. The words that were used in instruments were simple, clear and related to the research problem. Besides, the instruments were made easy to complete and the total time needed to complete both instruments was limited to about 15 minutes.

Reliability of Instruments: When an instrument is reliable, it yields consistent responses because it is interpreted well. If the desired variable is not measured reliably, the information obtained would not be correct and therefore not be valid. Pilot data was collected from 20 respondents and used to measure and enhance the reliability of the questionnaire. Data collected was entered in the Statistical Package for Social Sciences (SPSS) version 20. A Cronbach alpha coefficient test of reliability was calculated using the formula below.

$$\alpha_{\text{standardized}} = \frac{K\bar{r}}{(1 + (K - 1)\bar{r})}$$

Where (K-items or test lets) and \bar{r} the mean of the $K(K - 1)/2$ non-redundant correlation

coefficients . The findings are presented in the table below.

Table 3: Reliability of the Instrument

Variable	Alpha coefficient
Pay	0.723
Training	0.816
Promotion	0.722
Employee Performance	0.742
Average	0.763

Source: Pilot data

Findings displayed in table 3 above table revealed that the alpha coefficients of the sub variables making the independent variable rewards administration were; pay = 0.723, Training = 0.816 and Promotion = 0.712. The alpha coefficient for the dependent variable, employee performance was 0.762. All Cronbach alpha coefficients were above 0.70 which indicated that the questionnaire was reliable enough to be used as a research instrument (Sekarani 2003).

Procedure of data collection: The researcher first constructed the instruments and gave them to the supervisors for approval. The supervisors ascertained the face validity and clarity of the instrument. Changes were made as recommended by the supervisor. After proposal approval the researcher got permission letter from graduate school. The researcher presented the letter to Mulago research committee and submitted a proposal to the committee for approval, who wrote a consent letter to allow the researcher after payment of research fee before proceeding to the field to collect data in Mulago Hospital. He explained the purpose of the research and its benefits. The researcher assured respondents of confidentiality in relation to the information they provided. Respondents gave their consent to participate in the study before the self-administered questionnaires. Data was collected in a period of 3 weeks.

Data Analysis

Qualitative Data Analysis: Qualitatively data collected through interviews was continuously analyzed at all stages. Qualitative data analysis

refers to non-numerical analysis – analyzing information in a systematic way in order to come up with some meaningful and useful conclusions and recommendations (Mugenda & Mugenda.2005). The findings from the interviews were read and re-read several times to ascertain the similarities and differences in order to find themes and develop categories as put forward by Amin, (2005). The data was analyze using themes and code categories in the study, the opinions and ideas from the qualitative data was coded according to the themes in the study and used for illustration of the qualitative findings in chapter four and five of the dissertation.

Quantitative Data Analysis: Quantitative data analysis was done at different levels, namely univariate and bivariate data was first edited and coded and then entered into Statistical Package for Social Scientists (SPSS) . The data analysis at univariate level was based on descriptive statistics, specifically the mean and standard deviation. At the bivariate level, inferential analysis, correlation and liner regression were done to establish the magnitude, direction and significance of relationships in the major research variables that existed in the collected data. Regression indicated the specific contribution (deterministic relationship) of the independent variable to the dependent variable. Following the approach recommended by Zikmund (2010), the responses given by each of the respondents in sections B and C were summed up to convert ordinal measurement into a continuous scale to make bivariate analysis possible. Higher scores on each of the two scales indicated higher levels of the variables.

Qualitative data analysis: Qualitative responses were analysed using thematic analysis. Using the procedure recommended by Trochim (2006), interview data was examined and classified in terms of themes derived from the objectives. Clusters of text with similar meaning presented together and analyzed in relation to the study using Madill and Gough (2008) suggestions, qualitative responses were

identified as HR1, HR2,...HR 12. The letter R stood for the word respondent and the corresponded figure for the serial number of a particular respondent (Head of department) who participated in the study.

Data Presentation, Analysis And Interpretation

Response rate: A total of 196 questionnaires were distributed and 20key informants targeted. Six (6) questionnaires were however eliminated due to errors and missing data leaving 190 questionnaires, reflecting 88% valid response rate among medical workers. With regard to key informants, 20 were targeted and 19 participated in the study giving a response rate of 6% out of the total targeted respondents. The overall response rate was 94%. This was high enough to result into findings that were a true representation of the population.

Table 4: Response Rate

Category of respondents	Targeted respondents	Valid respondents	Response rate (out of 120)
Medical workers	196	190	88%
Key informants	19	12	6%
Total	215	202	94%

Source: Primary data

As indicated in the previous table, the valid sample 202 respondents. This sample was representative enough to contribute valid and reliable responses. Therefore it can be argued that the findings can be generalized to the study population.

Descriptive Statistics of Study Variables: Scores on each variable were calculated by summing up the numbers representing the responses on each of the items measuring the variable as recommended by Saunders *et.al* (2003). This turned the scale on which the variables were measured from nominal to ordinal (Zikumund, 2000). The Means, standard deviations and mean responses of the variables were calculated and the scores were used to do regression analysis. This subsequently enabled

inferential analysis possible. Pay was measured on a scale of 11 to 55, training was measured on a scale of 5 to 25, promotion was measured on a scale of 5 to 25, organizational policy was measured on a scale of 5 to 25 and work performance was measured on a scale of 5 to 25. The findings are shown in the table below.

Table 5: Descriptive statistics (N=190)

Variables	Mean	SD	Mean response
Pay	56.2	1.2	3.3
Training	16.3	1.4	2.7
Promotion	29.1	3.8	2.8
Employee performance	17.3	1.4	3.2

The findings in the table above, the mean response was got by calculating the mean of the level of agreement or disagreement and this

table shows that the mean for pay was 56.2 (SD=1.2) with a mean response of 3.3; that of training was 16.3 (SD= 1.4) .The mean for promotion was 15.7 (SD=1.2), with a mean response of 2.8 and maximum value 35.7, while that of employee performance was 17.3(SD=1.4). The descriptive findings indicate a positive relationship between the independent variables and the dependent variable. This fact was explored using regression analysis in the sections below.

The Relationship between Pay and Employee Performance: The first objective the study was to explore the effect of pay on employee performance at Mulago Hospital. Liner regression was done to establish the influence of pay on employee performance. Scores on pay were regressed on scores of performance. The mean score for pay was 56.2 (SD = 1.2) and that of performance was 17.3 (SD = 1.4). The findings are shown in the table below.

Table 6: Regression analysis of pay vs employee performance

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.970	.221		8.915	.00*
Pay	.254	.053	.219	4.759	.01*
Dependent Variable: Employee Performance					
R Square	.490		F Statistic	103.64	
Adjusted R Square	.485		Sig. (F Statistic)	.00*	

* Values significant at the 0.05 level (2-tailed).

Source: Primary data

The results in the table above show that pay was positively related to employee performance and explains 49% (Adjusted $r^2 = .490$, $p < 0.05$) of the variation in employee performance. This implies that giving employees adequate pay and benefits can increase their performance.

The views of key informants were explored on these issues. The findings indicate that while respondents were happy with the annual increments on their salary. They were too small to positively affect their work performance. The head of pediatrics intimated that “ the current

salary does not motivate workers in his department to offer the best services” He added that the majority had part- time work in private health care institutions to supplement their incomes. The head of accounts added that “The majority of medical workers were not able to save their salary so that they can invest it in personal development projects”. The head of out patients clinic said that their salary was not able to” pay medical and housing bills”. Respondents were especially bitter about not having overtime, and risk allowances.

Influence of training to employ performance:

The second objective examined how training influences employee performance at Mulago Referral Hospital. Liner regression was done to establish the influence of training on employee

performance. Scores on training were regressed on scores on performance. The mean score for training was 16.3 (*SD* = 1.2) and that of performance was 17.3 (*SD* = 1.4). The findings are shown in the table below.

Table 7: Regression analysis of Training vs employee performance

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.520	.311		7.915	.00*
Training	.121	.041	.219	5.559	.02*
Dependent Variable: Employee Performance					
R Square	.210		F Statistic	83.42	
Adjusted R Square	.208		Sig. (F Statistic)	.01*	

* Values significant at the 0.05 level (2-tailed).

Source: Primary data

The results in the preceding table show that training is positively related to employee performance and explains 21% (Adjusted $r^2 = .210$, $p < 0.05$) of the variance in employee performance. Therefore providing regular and equitably distributed refresher courses to improve knowledge and skills whenever need arises for employees can increase employee performance.

The views of key informants were also explored. The head of gynecology said that “*medical workers have sufficient knowledge and skills to do their job properly because of the training they got in the colleges*”. The head of surgery intimated that though the institution organizes regular refresher courses and on job training they are” not well attended”. The head of private wing indicated the reasons “*institutions*

was overwhelmed with work load that employees did not have time to participate on professional development”. This scenario has reduced the creativity and innovation of worker. Employees just work to fulfill duty but do not have passion for their work.

Contribution of Promotion to Employee Performance:

The last objective was to investigate the contribution of promotion to employee performance at Mulago Referral Hospital. Liner regression was done to establish the influence of promotion on employee performance. Scores on promotion were regressed on scores on performance. The mean score for promotion was 15.7 (*SD* = 1.2) and that of performance was 17.3 (*SD* = 1.4).

The findings are shown in the table below.

Table 8: Regression analysis of promotions employee performance

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.520	.211		4.615	.00*
Promotion	.231	.051	.219	2.459	.03*
Dependent Variable: Employee Performance					
R Square	.222		F Statistic	203.12	
Adjusted R Square	.224		Sig. (F Statistic)	.00*	

* Values significant at the 0.05 level (2-tailed).

Source: Primary data

The results in the previous table show that promotion explains 22 % (Adjusted $r^2 = .222$,

$p < 0.05$) of the variance in employee performance. This means that giving employees’

opportunity for promotion based on merit, following accurate appraisals of job performance can increase their performance. The views of key informant were also explored on this issue. The head of public relations intimated that “Promotions were irregular and sometimes not being on merit”. The head of orthopedics added that workers “complain that performance appraisals are not made objectively”. This scenario has reduced the

“work commitment and satisfaction” of some employees “Which lowers performance.

The overall effect of the independent variables on the dependent Variable

The researcher finally investigated the combined (overall effect) of rewards management on employee performance, a multiple regression test was run. The three sub variables making up rewards management; pay, training and promotion were regressed with employee performance. The table below shows this effect.

Table 9: Multiple Regression results of Rewards Management (pay, training and promotion) Vs Employee performance

Model	R	R square	Adjusted R square	Std. Error of the estimate	Sig.
1	.712 ^a	.690	.685	2.90648	.043 ^a

a. Predictors: (Constant) pay, training and promotion

b. Dependent variable: Employee performance

The multiple regression summary in the preceding table shows that overall correlation (linear relationship) between employee job performance (dependent variable) and rewards management is $r=0.712$. This implies that, generally, the rewards management is highly and positively related to employee job performance. The relationship was significant at $p\text{-value} < 0.05$. The results of the regression model indicated an R-square of 71.2 %. This implies that on average, the rewards management explained 71.2 per cent of the variation in employee job performance. This confirms that good rewards management leads to an improvement in employee job performance in Mulago Hospital.

Discussion, Conclusion and Recommendations

The relationship between Pay and Employee Performance: The first objective of the study was to examine the effect of pay on employee performance in Mulago Hospital. The findings indicated that Pay was a significant and positive predictor of employee performance ($r=0.490$). However, the score for were low (Mean= 56.2 sd=1.2). This implies that despite the positive contribution of pay, respondent’s satisfaction

with the pay was low. Respondents felt that their salary does not motivate them to offer the best services. They felt it was low and were not able to save it so that they can invest it in personal development projects. They complained that their salary was not able to pay medical and housing bills. They especially complained about not having overtime, and risk allowances. This finding agrees with Al-Zawahreh and Al-Madi (2012) who said that the most important effect of a pay system is for employees to feel it fairly rewards.

Generally medical workers did not have the perception of Equity in payments. Medical workers had negative feeling mentioned by Adams, (1965) they felts that they were unfairly treated compared to other professional on fair pay. They felt that government was not listening to their pleas for fair payment. Generally respondents disagreed that their institutions offers good pay. Medical workers were very dissatisfied with the pay given to them. They complained that their earnings were low, the housing facilities or allowance was very low, the medical facilities were poor and transport allowance was inadequate. Given the fact that Armstrong (2006) says that total pay

and benefits are all the employers' available tools that may be used to attract, retain, motivate and satisfy employees, the fact that it was low implies that Mulago is not been able to use it effectively. Since Bonner and Sprinkle (2002) say that individuals exert no effort on a task unless it somehow contributes to their own economic wellbeing poor pay is likely to have negative consequences on employee and institutional performance. This was indicated by the low average scores on pay and employee performance. This finding was in line with (Kobia and Mohammed 2006) who said that workers can only effectively execute their tasks systematically, purposefully and with reasonable probability of achievement if they are sure that their effort will be well rewarded with incentives.

However respondents complained that they did not have a complete picture of the pay and benefits they are supposed to have when they achieve good results. Though key informants mentioned existence of monetary incentives, they did not mention them yet employees seem to value these more. Employees may not take seriously incentives that do not help them meet their financial needs.

The Influence of Training on Employee Performance: The second objective of the study was to establish the influence of training on employee Performance. Training was also a significant predictor of employee performance ($r=0.210$) Therefore, providing training opportunities for employees would increase their performance. However, the scores on training were also low. This was probably the reason why the correlation was only moderate. This indicated low training opportunities assessed by employees in the institution. Respondents indicated that they have sufficient knowledge and skills to do their job properly because of the training they got in the colleges. They did agree that that institution has regular refresher courses and on job training. It was evident that respondents were not able to access training, uniformity of procedures, manpower

development, economy of materials and equipment, and participative management (Saleem, 2010).

Respondents indicated that the institutions were overwhelmed with work load that employees did not have time to participate on professional development. Therefore as indicated by Reynolds, (2004), they were few systematic and planned instruction activities to promote learning. Yet accelerated learning about job task increased work performance. This is because employees were more innovative and came up with practical solution to problems.

The relationship between Promotion and Employee Performance: The last objective of the study was to explore the contribution of Promotion on Employee Performance. Promotion was a significant predictor of employee performance ($r^2= .222$). Therefore, promotion opportunities increased employee performance. However, the scores for promotion were low (mean= 15.7, SD = 1.2). This was due to Promotion being irregular and sometimes not being on merit. This finding agrees with Armstrong, (2008) who said that given the fact that Promotion is non-financial reward, most organizations neglect it yet it is a significant factor in employee performance. However respondents complained promotion is irregular and performance appraisals are not made objectively, hence making the essence of promotion meaningless, for it does not motivate to better performance.

Conclusion: The findings have revealed that pay, training and promotion are significant factors in employee performance and significantly predict the performances of medical workers in Mulago Referral Hospital. The expectancy and equity theories apply in the work environment of Mulago. However, Pay contributed more to employee performance. This was followed by promotion and finally by training. This implies that training and promoting employees without adequate pay may not motivate workers to expend effort on their jobs.

Recommendations for Action: In view of the findings, the following recommends are made:

- Given the fact that pay was the most significant predictor of employee performance, public health care institutions need to have strategies for increasing employees' pay.
- The Ministry of Health, which is the major employer of medical workers in public health care institutions, should revise the pay structure of these workers.
- Institutions should initiate several income generating projects so that they can have funds to supplement the pay of employees.
- Public institutions need to provide regular refresher courses to improve knowledge and skills of employees.

Recommendation for Further Research:

An investigation of the possible innovations Public Healthcare Institutions can use to generate income to subsidize their employees' remuneration

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