

**AN INVESTIGATION INTO THE EFFECTS OF REWARD PRACTICES ON JOB  
SATISFACTION AND EMPLOYEE PERFORMANCE IN NAMIBIA POST OFFICE**

**A THESIS SUBMITTED IN PARTIAL FULFILMENT**

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## Abstract

The study investigates the effects of reward practices on job satisfaction and employee performance in the Namibia Post Office (NamPost). More specifically, the study aims to determine whether employees are motivated and satisfied with current reward practices. The company has failed to keep up with new reward practices and the company also has a high labour turnover. Emphasis is put on reward systems and types of rewards, Maslow's (Hierarchy of needs), Herzberg's Two Factor Theory, Vroom's Expectancy theory, Equity Theory, the Goal Setting Theory and Effort Reward Imbalance. This study was quantitative in nature with the descriptive research design. Disproportionate stratified sampling was used to draw a sample of 80 respondents for the study in categories of clerical, Supervisory and Specialist. The quantitative research falls short of explanations or expressions of respondents and therefore might fail to be conclusive as it might lack certain information. Sampling method may lead to selection of employees that might fail to understand the concept as it requires some appreciation of the concept to answer accordingly. A self-developed questionnaire with structured questions was administered to respondents. The study used SPSS as the analysis software and the descriptive statistics and Pearson's correlation analysis, Chi-square goodness of fit tests and ANOVA were used to analyze the data and test the relationship between the variables. The findings indicated that reward system contributes to job satisfaction and employee performance. The study urges the organization to improve on the reward system in order to improve on its employee job satisfaction and performance.

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## Acknowledgement

### Acronyms and abbreviations

CCA	Association of Chartered Certified Accountants
ANOVA	Analysis of variance
HR	Human Resources
NAMPOST	Namibia Post Office
SPSS	Statistical Package for Social Science
TCTC	Total Cost to Company

Thank you to my sister Louise Jacqueline Uras, who partially raised me from a tender age of 16 after our mother passed on. You have not only been a mentor for me but also a role model that inspired me to move on achieving my targets courageously and thoughtfully in spite of so many difficulties and stumbling blocks on the way. I love you very much.

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## Dedication

I dedicate this thesis to my late mother, Wilhelmina Hotage Damases and late grandmother Walburga Shapopi, who always loved me unconditionally and whose good examples taught me to work hard for the things I aspire to achieve. I will never be able to pay back the love, care, valuable prayers and affection showered upon me by you. You taught me the value of hard work and for that I shall be eternally grateful.

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Signature

14/08/2020

Date

## Declarations

I, Faith Vivian Fritzlyn Damases, hereby declares that this study is my own work and is a true reflection of my research, and that this work, or any part thereof has not been submitted for a degree at any other institution.

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**Signature**

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Introduction

All organisations have a reward system which they follow. The performance as well as the satisfaction by employees is highly dependent on the reward system used by a company. The driving factor for a great work performance and job satisfaction remains unknown. This study seeks to investigate the effects of reward systems on job satisfaction and employee performance in the Namibia Post Office Head Office in Windhoek Namibia.

This chapter introduces this research by focusing on the orientation, purpose and justification for the study. It also gives a summation of the background research pertaining to and motivating this study. The problem statement, research problem, research objectives and study significance are also discussed.

#### 1.2 Background of the study

In their study, Budiman, Yi Lin & Singham (2009) stated that remuneration, rewards and skills may also be factors attributed to underperformance. Maslow (1943) in his hierarchy of needs mentioned physiological needs as the driving factor for one to look for employment as they are the first needs that need to be met. It is also generally assumed that people go to work to earn money.

Locke and Latham (2011) make available a well-built goal-setting theory of motivation. Their theory stresses more on the important association between goals and performance. They assert that the most effective performance appears to result when goals are specific and demanding, when they

are used to assess performance and linked to feedback on results, and create commitment and acceptance. It was further asserted in the theory that ability and self-efficacy are some of the moderators that may have a motivational impact on goals but generally deadlines improve the effectiveness of goals. The Goal Setting theory further deduces that a learning goal orientation leads to higher performance than a performance goal orientation, and group goal-setting is as important as individual goal-setting.

Leonard (2019) examined the importance of employee performance in State Owned Enterprises. The study articulated the effect a motivated worker has on achieving goals. Many aspects were also outlined in the study which comes with good employee performance including a positive work environment, employee growth and vibrant teams in the organisation. The study however did not bring forth what a motivated worker is or what motivates workers in an organisation. There is also a need to highlight what enhances employee performance.

Humphrey (2011), on the other hand argued that reward systems have been cited as one of the many factors that contribute to the low level of employee performance and job satisfaction in the public sector. He further explained that failure to address issues that hinder employees' commitment and hence productivity, will result in an increased employee turnover as employees may seek greener pastures. It is therefore imperative to establish the extent to which the reward practices affect employees' job satisfaction and performance.

Namibia Post office is one of the largest courier companies in Namibia. It is a state owned enterprise that was commercialised in 1992 when it had 92 branches but in 2012 the number of branches has grown to 135 (NAMPOST, 2013). Even though the company has been growing in size, it recorded falling profits in the year 2013. There are various reasons that are attributed to this as the Namibian

in July 2014 reported that employees at Namibia Post Office were disgruntled due to new contracts that they were forced to sign (The Namibian, 2014).

According to Namibia Post office yearend report (2013), the company introduced cost cutting measures which included new contracts for employees as well as the cutting of some of the benefits that the employees were getting previously from operations as well as the different activities the employees are involved in. The conduct of Namibia Post Office employees according to The Namibian (2014), where they solicit and steal money from clients might be evidence that the employees are not happy with their rewards. This conduct supports what is written in Ombudsman report (2008) where they are many reports of misconduct relating to rewards from Namibia Post office employees.

Namibia Post Office at the moment is the lowest paying Posts and Telecommunications industry and also taking into consideration the banking service it provides (Institute of Bankers Namibia, 2018). According to the Institute of Bankers Namibia Report (2018), this has resulted in the Namibia Post Office losing employees after two years of service compared to other commercial banks. According to the Nampost HR report (2018), 36 workers had left the company in the year beginning January 2018 to December 2018 while more theft and fraud cases continue to be reported. Employees at Namibia Post office seem to be disgruntled and the research sought to investigate the effects of reward practises on the satisfaction and the performance of employees.

### **1.3 Statement of the problem**

Budiman, Yi Lin & Singham (2009) assert that most state enterprises are affected by high staff turnover and they fail to attract a highly qualified workforce. The rewarding system of the base pay system as compared to other SOEs' system of The Cost to Company (TCTC) remuneration system

is a cause for concern (Institute of Bankers Namibia, 2018). The reward system that is adopted by Namibia Post office has an impact on the satisfaction and performance of employees. The company has failed to keep up with the rewards that are provided by other state owned enterprises and has been behind in terms of rewards. With poor rewards, the company has also a high labour turnover compared to other state owned enterprises. It is against this background that the researcher seeks to investigate the effects of reward practises on the satisfaction and performance of employees at Namibia Post office. The question there is, to what extent the reward system influences employee turnover and invariably poor performance?

#### **1.4 Objectives of the study**

The main objective is to investigate the effects of reward practices on job satisfaction and employee performance in the Namibia post office. The Specific Objectives of the study are as follows:

1. To investigate the rewards practices that are practiced by the Namibia Post Office
2. To find out the effects of reward practices on employees' performance in the Namibia Post Office
3. To examine the effects of reward practices on employee job satisfaction in the Namibia Post Office.

#### **1.5 Hypothesis of the study**

H<sub>0</sub>: There is no relationship between employee rewards and Job Satisfaction in the Namibia Post Office.

H<sub>1</sub>: There is a positive relationship between employee rewards and Job Satisfaction in the Namibia Post Office.

H<sub>0</sub>: There is no relationship between rewards and employee performance in the Namibia Post Office.

H<sub>2</sub>: There is a positive relationship between rewards and employee performance in the Namibia Post Office.

### **1.6 Significance of the study**

This study might benefit the Namibia Post Office management to understand whether rewards offered to employees can affect job satisfaction and performance and also assist to improve or amend their reward practices. The research may also be used to add on to existing literature in the same research field and also increase the researcher's knowledge-base about rewards systems.

### **1.7 Limitation of the study**

The researcher used stratified random sampling which starts with the classification of employees into groups then selecting a sample from the given group. This method might lead to selection of employees that might fail to understand the concept as it requires some appreciation of the concept to answer accordingly.

Some of the respondents to the project might lack in-depth understanding of the topic under study. This might pose a challenge on the results as they might fail to understand the meaning of the questions and fail to interpret the questions.

The research is quantitative in nature and does not provide room for further explanations or expressions of the views of the respondents. The research might therefore fail to be conclusive as it might lack certain information that cannot be expressed in quantitative measures

## **Confidentiality**

Quality of responses could be compromised due to participants' ability/willingness to share, the degree of biasness, failure to describe their experiences or they may refuse to speak against the organisation. The study is a case study and therefore generalizability will be limited. However, a confidentiality clause was included in the questionnaire to guarantee the respondents that the information would be used solely for academic purposes.

## **Application Limitation**

The research targeted only the Namibia Post Office Head office employees in grades C1-C5 in the three different levels clerical, supervisory and specialist thus, findings of the study may not apply to other organisations.

## **1.8 Delimitation of the study**

The research was limited to the non-managerial Namibia Post Office employees in Windhoek only; therefore, findings and application were limited to those employees. The study was conducted in Windhoek at the Namibia Post Office head office only which was convenient to the researcher and also because it was the head-office, the results could be generalised to the whole of NamPost in Namibia. The study focused on reward practices, job satisfaction and employee performance.

## **1.9 Organisation of the Study**

This section provides an overview of the organisation of the five chapters in this research.

## **Chapter One**

This introductory chapter provides: the background of the study, statement of the problem, the delimitation of the study, the conceptual framework and the significance of the study, the limitations and definition of key terms.

## **Chapter Two**

This chapter comprised of a review of related literature on public relations. It contains ideas and concepts from the collective body of prior works on the subject. These works are referred to as literature.

## **Chapter Three**

This section consisted of the methodology under the following subheadings: type of research, population, sample, procedure, and research design. The research design section consists of data collection and treatment, instrumentation as well as data analysis.

## **Chapter Four**

This chapter analysed and interpreted the data for using various tables and statistical tools, highlighting areas of interest and importance in the study.

## **Chapter Five**

The final chapter contains a summary of the research, conclusions, and recommendations to the organisation under study as well as recommendations for future research.

### **1.10 Summary**

This chapter revealed the background to the study by explaining what triggered the research. Objectives and questions which the study sought to answer are also highlighted in this chapter. The importance of carrying out this study was stated to justify why the study was carried out and

how various stakeholders would benefit out of it. Hypotheses, limitation and delimitation with regards to investigation into the effects of reward practices on job satisfaction and employee performance in the Namibia Post Office were laid out in this chapter.

### 2.1 Introduction

This chapter provides an overview of the purpose of the reward systems on the perceived performance of employees in their workplace. The chapter also looks at the objectives, ideas and findings of previous studies, gaps in the literature on the subject of question and emphasis on the research gap on the subject. Various researchers have shown that there are many factors that push people to go to work every day as outlined below.

### 2.2 The Relationship between Rewards and Job Satisfaction

A reward system refers to every type of payment, be it monetary, non-monetary and psychological payments that an employer offers its workers as a compensation for the work they do (Ryan, 2013). Reward systems may include intrinsic, extrinsic and intrinsic rewards (DeJongh, 2010). Extrinsic rewards are salaries and benefits, performance bonuses and working conditions that the employee receives as part of his job. Intrinsic rewards refer to the pleasure that employees find in their work, performance, or job responsibility (DeJongh, 2010). Ryan (2013) went on and stated that the relationship between rewards and job satisfaction is as follows:

#### 2.2.1 The Effect of Rewards on Job Satisfaction

The reward system is a key factor in job satisfaction. At the organizational level, the reward system may be a differentiator or a level strategy. If a strategy of differentiation is chosen, for example, not every employee gets the same benefits, and these may be listed as following (Ryan, 2013):

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter provides an overview of the impact of the reward systems on the general performance of employees at their workplace. The chapter also looks at the opinions, ideas and findings of various researchers and theorists on the subject in question and emphasises on the research gap on the subject. Various researchers have shown that there are many factors that push people to go to work every day as outlined below.

#### 2.2 The Relationship between Rewards and Job Satisfaction

A reward system refers to every type of payment; be it monetary, non-monetary and psychological payments that an entity offers its workers as a compensation for the work they do (Ryan 2013). Reward schemes may perhaps incorporate extrinsic and intrinsic rewards (Marriott 2010). Extrinsic rewards are substances such as monetary payments and working conditions that the workers receive as part of the job. Intrinsic rewards relate to the pleasure that emanates from actually performing the job such as personal fulfillment, and also a sense of contributing something and being relevant to the society. Ryan (2013); Ryan & Deci (2017) went on and stated that the organisations might make use of the reward system in order to achieve the following:

##### *(a) Aligning the Goals of the Organisation and Employees*

The reward system has to support what the organisation seeks to achieve. At the tactical level, the reward system must be in line with the organisational strategy. If a strategy of differentiation is chosen, for example, staff may receive more generous benefits, and these may be linked to achieving certain skills or achieving pre-determined targets (Ryan 2013).

### ***(b) To Recruit and Retain Sufficient Employees with the Right Skills***

If uncompetitive rewards are being offered, it might be difficult to recruit new staff since prospective employees can get better rewards from competitors (Ryan 2013). Existing employees might also be tempted to abscond from the organisation if they become aware that their reward system is not competitive.

High levels of staff turnover can result in higher recruitment and training costs. Losing existing workers might also be an indication that some of the organisation's accrued competence is lost permanently. For many knowledge-based organisations, the human capital might be one of the most precious assets they have.

### ***(c) To Motivate Employees***

Motivation of the workforce is undoubtedly a significant aspect in the whole performance of an organisation. Organisations would like their workers to work extra hard, and be flexible (Ryan 2013). Ryan (2013) also mentioned that the connection flanked by reward systems and motivation is an intricate issue that is fervently debated in both accounting and human resource-related literature.

A famous theory relating to motivation is Maslow's hierarchy of needs. Maslow stated that people's wants and needs tag along a hierarchy. Once the needs of one level of the hierarchy are satisfied, the individual will subsequently seek to achieve the needs of the next stage in the hierarchy. The needs at the lowest levels of the hierarchy are physiological, describing the need to survive (e.g. eating and being housed); once these have been met, people then yearn for safety, chased by love, trailed by esteem, and ultimately at the top of the hierarchy, self actualisation, or self fulfillment (Bratton, 2010).

Applying Maslow's hierarchy of needs to reward systems suggests that extremely low-ranking staff, earning extremely low earnings will be motivated by earning higher monetary rewards, as this will allow them to meet their physiological needs. As the workforce become increasingly more better paid, however, financial rewards become comparatively less important as other needs in the hierarchy, such as job security, ability to achieve one's potential, and feeling of being needed become more important (Ryan 2013).

Herzberg argued that increasing rewards simply motivates employees temporarily. Once they become de-motivated again, it is necessary to 'recharge their batteries' with a further increase. A far better way to motivate employees is to 'install a generator in an employee so they can revive their own batteries; in simple terms to find out what really motivates them. According to Herzberg, it is the inherent factors in a job that motivate the workforce, such as 'achievement, recognition of achievement, the work itself, responsibility and growth or advancement'. Giving larger responsibility to workers, for example, can increase motivation (Fred, 2011; Cupido, 2010).

Possibly the conclusion to be gained from this is that financial rewards alone are not sufficient to motivate employees. Other aspects such as giving greater acknowledgment and greater responsibility may be equally important, for example acknowledging an employee at company meetings, promoting staff, and involving staff more in decision-making.

Employee performance is linked to rewards which take many forms according to theories of motivation as they are discussed above. The motivation theories however fail to address the effects of rewards on satisfaction as well as the performance of employees as they focus mostly on the driving forces behind the behaviour of employees. This research sought to find the reward systems

used by Namibia Post office and how they would affect the satisfaction and performance of employees.

***(d) Aligning the Risk Preferences of Managers and Employees with those of the Organisation***

Managers and senior workers make decisions on behalf of the organisation, acting as agents of the organisation. It is advantageous that the risk preferences of these workers should match the risk preferences of the organisation and its stakeholders. One problem with many reward systems is that managers are too risk averse, and will not make investments that may risk their objectives not being met (Ryan 2013).

**2.2.1 Job Rewards**

According to Cole (2013) job rewards are the benefits provided by the company, generally money, promotion or benefits and contentment derived from the work itself such as pride in one's work, a sense of execution or being a part of the group. She went on to say that a reward is essentially an indication of gratitude, prearranged by the employer to the worker for his/her service to the entity. A well-made reward system inspires workers and assists in the construction of a positive emotional reaction towards work. Cole (2013) also argued that a well-structured reward system also leads to elevated and enhanced performance of workers. Rewards can be classified into two categories namely: which are intrinsic and extrinsic rewards (Kelly 2010; Zaman, 2011). Intrinsic rewards are monetary and involve the satisfaction that a worker obtains from the performance or achievement of the job itself and also from a rich and encouraging organisational culture.

Intrinsic rewards are non-monetary and unsubstantial. Intrinsic rewards come from content of the job and approach pursued in its implementation, career outlook and feeling of being part of the organisation (Biswas, 2014; Kelly 2010; Welch 2011). They also went on to outline that an

extrinsic reward is substantial and signifies the pecuniary value for the job. They comprise reimbursement components and a variety of benefits. Compensation comprises of basic salary, various types of allowances, inducements, incentive plots like profit-sharing, deferred compensation, capricious pay, performance-associated pay etc. Extrinsic benefits also comprise a variety of health and medical benefits, retirement benefits, and other social security benefits.

## **2.2.1.1 TYPES OF REWARD SCHEMES**

### **2.2.1.1.1 Base pay**

Base pay, or basic pay, is the lowest amount that a member of staff is paid for working for an organisation. For instance, a member of staff may be paid N\$5 per hour for at least 40 hours per week. The member of staff will consequently earn at least N\$200 per week. This will be awarded in spite of how many of those 40 hours the member of staff is actually working. A fixed monthly or annual salary is one more example of basic pay (Cole 2013).

Basic pay may be complemented by other types of rewards. A blue-collar employee may be paid overtime for instance if he works more than 40 hours per week, whilst a director may be given some form of performance pay adding up to the base pay. Base pay is possibly awarded to address the lower levels of Maslow's hierarchy of needs mentioned above (Cole 2013).

### **2.2.1.1.2 Performance-related pay**

Performance-related pay is a common term for a payment system where employees are remunerated based on the performance, be it of the individual (individual performance-related pay) or a team of employees (group performance-related schemes). In modern trends there has been a move towards performance-related pay systems in many organisations. This has however led to circumstances where a higher fraction of the workers' pay is reliant on performance.

The underlying principle of performance-related pay is that it motivates members of staff to work harder, and it rewards those with a larger contribution to the organisational goals. There are many categories of performance-related pay, and the mainly popular ones are described below (Agarwal 2010):

**i. Piecework schemes**

Under the Piecework system, a price is waged for each unit of output. According to Bratton and Gold (2010), a piecework design is one of the oldest structures of performance pay, and was used for instance in the textile manufacturing industry in Great Britain during the industrial revolution. Piecework schemes are suitable where productivity can be calculated easily in units. The advantage of piecework systems is their intrinsic fairness since the employer does not have to pay for unused time or wastefulness. The larger the quantity produced, the more the employee is paid.

The major advantage of this system is that employees swallow industrial risk if demand for their merchandise falls. A further disadvantage of the piecework system to the employer is that the payment is not determined by the quality of output. This places a need for some quality control measures to be in place.

**ii. Individual performance-related pay schemes**

Individual performance-related pay systems are where the member of staff receives either a bonus or an increment in basic pay for accomplishing previously agreed targets or based on appraisal by their superior, or both. If performance goals are set based on the goals of the organisation, then it becomes clear that making part of the rewards of employees contingent on achieving those objectives will signify that workers are motivated to accomplish the goals of the organisation (Fred 2011). Individual performance-related schemes also possess an advantage over group schemes that

each member of staff has control over her rewards, as they are not dependant on other members' efforts (Fred 2011).

A critic of such schemes argues that performance-related schemes cause tunnel vision, whereby if something is not measured, and then rewarded, it won't get done. Individual reward schemes may lead to a lack of teamwork and may lead to variances in pay among individuals, which can lead to ill feeling (Fred 2011).

### iii. **Group-related performance-related pay schemes**

Group-related performance-related schemes are identical to individual, in that remunerations are based on the accomplishment of goals. However, the targets are set for a group of employees, like a specific department, or division of a company, other than for an individual. A bonus pool is determined by calculations based on the performance of the team, and then shared among the members of the team (Cole 2013).

The major advantage asserted for group schemes is that they support joint effort. The disadvantage is that the lazier members of the team benefit from the hard work of the more dedicated team members (Cole 2013).

#### **2.2.1.1.3 Knowledge contingent pay**

Knowledge contingent pay is where a member of staff is given a pay rise or a bonus, or both, for job-related learning. For instance, an ACCA candidate may receive a higher salary after passing all the knowledge level papers, and an even higher salary after passing all of his exams (Cole 2013).

#### **2.2.1.1.4 Commissions**

Commissions are a type of reward generally used for sales staff. The employees may receive a low basic pay, but are then given a commission, based on a percentage of the amount of their sales (Hope & Fraser 2009).

The main advantage of commission is that it motivates sales staff to achieve higher sales, as their remuneration depends on it. Commission means that the large part of the salesman's salary turns out to be variable. If sales are little, the organisation will also have to pay little (Hope & Fraser 2009).

The disadvantage of commission however, is that it might lead to dysfunctional behaviour. Sales staff might indulge in window dressing, for example, to meet this year's sales goal, by selling on a 'sale and return basis' in the final month of the year, with the inbuilt thought that the merchandise will be returned in the following month of next year (Hope & Fraser 2009).

#### **2.2.1.1.5 Profit-related pay**

Profit-related pay is a kind of group performance-related pay system where a fraction of the worker's reward is connected to the profits of the organisation. If the company's profits hit a prearranged threshold, a bonus will be paid to all members of the scheme. Normally the bonus is a fraction of the basic pay (Bratton & Gold 2010).

Advocates of profit-related pay argue that it motivates the workforce to turn out to be more interested in the general profitability and therefore become more motivated to 'do their bit' to improve it (Bratton & Gold 2010). It may also encourage loyalty in cases where staff may lose their bonus if leaving the organisation means that they lose the right to it.

The clear disadvantage with profit-related pay is that it does not meet the primary objective of the businesses which is to maximise the value of the shares. The management may be motivated to increase profits by taking short-term actions that will harm the business in the long run, for example, or destroy wealth by investing in projects that increase the profits of the organisation, but produce a return that is below the cost of capital of the organisation. However, profit-related pay may not be a motivator for junior workers, who might not see the connection between their effort and the overall profits of the organisation (Bratton & Gold 2010).

#### **2.2.1.1.6 Stock option plans**

Stock option plans have become very popular since the 1990s, when greater emphasis started to be given to shareholder value (Ryan 2013). Under this scheme, employees are given the right to purchase shares in the business at a certain date in the future, at an agreed price today.

Stock option schemes are most suitable for the senior management of organisations since they have the most influence over the share-price. The logic for using the stock option policy is that it aligns the objectives of the directors with the objectives of shareholders. When the share prices increase, the senior management benefit because their options increase in value (Ryan 2013).

The big disadvantage of stock option plans is that share prices may be determined by outside factors like the political environment. One more limitation is risk misalignment. Share options recompense managers if the share price increases. However, if the share price falls, there is no difference in reward compared to a situation whereby the share prices remain the same – so managers may be motivated to take extreme risks where the exercise price may not be met (Ryan 2013).

What shareholders really seek is the performance of their company to rise above the market. One solution to this is to use an indexed exercise price, where the value at which the director can purchase the shares is equivalent to the current market price, plus the increase in the stock market index between the date that the options are issued, and the implementation date (Ryan 2013).

#### **2.2.1.1.7 Pension Schemes**

Hope & Fraser (2015) outlined that defined benefit pension schemes used to be a popular form of reward. Under such schemes, the employer pays a pension to former workers based on their final salary, and the total number of years that the employee worked for the organisation. A typical example is that the former employee receives 1/60ths of their final salary for every year of service. An employee who works for 40 years for the same organisation would therefore receive a pension equal to 40/60ths of their final salary from the date of retirement to the date of death (Hope & Fraser 2015). Defined benefit schemes often leave companies with a tentative, often large obligation, and for this cause, many organisations have now discontinued such schemes.

Defined contribution schemes are another type of pension system where the company pays a definite fraction of the employee's remuneration into an account for the member of staff in a pension 'pot' (Ryan 2013). The worker may also have the opportunity to make extra voluntary contributions into this pension pot. The pension pot is then invested, and the employee will receive whatever is in their account on retirement. In other countries, these workers may be required to use what is in the pot to buy an annuity, which pays them fixed returns for the rest of their lives. Hope and Fraser advocated that these contributions necessitate the need for employees to keep working hard preparing for life after retirement.

### **2.2.1.1.8 Benefits in Kind**

Benefits in kind also known as indirect pay is paid to workers in addition to their base salary and performance-related pay. These benefits in kind include items such as health insurance and meal coupons. These are generally provided to lower level staff in order to offer additional incentives at a reduced cost. They are mostly used as a form of acknowledgment, so the employee of the year for example will be given a benefit as opposed to a cash payment (Hopper 2019).

'Cafeteria' schemes have also turned out to be popular, whereby the workforce is told that they may select benefits from a menu up to a specified value. The benefit of this is that workers will select the benefits that they value most. Benefits from which the workers can choose normally comprise such items as health insurance, holiday vouchers, company cars or sports vouchers (Hopper 2019). Cafeteria schemes may be hard to manage since staff may also find them difficult to understand, as they are required to select a number of benefits that have a value that is within the agreed cost limit (Hopper 2019).

Reward systems that are adopted by companies differ. Each reward system is based on the nature of the business as well as the type of ownership that a business has. The theories that were used to develop the different types of rewards were considered in this research. However, this research will seek to find the specific reward practices that are practiced by Namibia Post office and will seek to find how they affect the satisfaction as well as the performance of employees.

### **2.2.1.2 Establishing the level of benefits**

According to Ryan (2013) there are two factors that need to be considered in determining how much to pay an employee, these factors are: competitiveness, and internal equity.

## **Competitiveness**

Unless the level of pay is reasonable, it will be hard to hire and keep hold of the right number of skilled employees. If it is too much, the cost to the organisation will be too high. Most organisations usually compare their pay levels with that of their competitors (Hopper 2014).

## **Internal equity**

This relates to the pay variations within the organisation itself. Workers are likely to be demotivated if they feel that the reward system is 'unfair' and that other people are being paid more munificently (Muyogi, 2013). To try and counter this challenge, organisations normally carry out job evaluation to determine the value of a particular job to the organisation. Based on this, the level of remuneration for that particular position will be established (Hopper 2014).

### **2.2.2 Job Satisfaction**

According to Monk (2012) job satisfaction is the height of contentment one feels about his or her job. It is the optimistic emotional connection to the job which plays a role of being a motivational factor (Monk 2012). He also pointed out that different workers have varying insights concerning their jobs, thus making causes of job fulfillment imprecise. Nevertheless, there are a number of universally known factors that have an effect on job satisfaction and these include: relations at work, the nature of the job, autonomy, job security and achievement among others.

In his two-factor theory of 1959, Fredrick Herzberg pointed out that there are a number of job aspects that result in satisfaction whereas there are also other job aspects that thwart dissatisfaction. Herzberg classified these job factors into two categories:

**Hygiene factors** - Hygiene factors form part of those job factors which are necessary for survival of motivation at a place of work. These factors according to Herzberg do not cause a positive satisfaction for a longer term but their non-existence at a place of work can lead to dissatisfaction. In simple terms, hygiene factors are those factors which when adequately provided in a job, calms the employees and do not make them dissatisfied. These factors are extrinsic to the job. They are also called as dissatisfiers or safeguarding factors as they are necessary to ward off discontentment. The hygiene factors represent the physiological needs which the employees want and anticipate to be satisfied.

According to Herzberg living in a hygienic environment would help one concentrate on their work and to be more focused, but does not result in motivation. So just as good hygiene can ward off disease, it does not necessarily result in more a better sense of well-being, nor does it give one the drive to achieve more. Hygiene factors include: pay, fringe benefits, physical working conditions, company policies, inter-personal relations, job security and many others

**Motivational factors** - According to Herzberg, the hygiene factors cannot be considered as motivators. He went on to argue that the motivational factors produce a desirable satisfaction. These factors are intrinsic to work. These factors inspire the workforce for a higher performance. They are called satisfiers. These are factors involved in performing the job. The workforce finds these factors essentially gratifying. Motivational factors incorporate: recognition, a sense of achievement, responsibility, growth and promotional opportunities and the experienced meaningfulness of work among others.



**Figure 2.1: Herzberg's Two-Factor Theory of Motivation (Herzberg, 1968)**

*Source: Grobler et al. (2006) Human Resource Management in South Africa (3rd ed.). London: Thomson Learning*

Herzberg's two-factor theory of motivation draws on the model and theory of Maslow. In his research on motivation, Herzberg identified two factors that influenced motivation and job satisfaction, specifically hygiene and motivational factors (Herzberg, 1968). These factors are seen to be effective in motivating the individual towards a greater work effort. This is depicted in Figure 2.1 above.

The Two-Factor model entails that the management have got to stress more on assuring the sufficiency of the hygiene factors to shun worker dissatisfaction as well as making sure that the work is interesting and gratifying so that the workforce is stirred to work and achieve better results. The model lays more emphasis on job-enrichment so as to encourage the employees. The job must make use of the workforce abilities and competencies to the ceiling.

### 2.2.3 Effects of Rewards on Job Satisfaction

There remains contestation on the effect of rewards on job satisfaction. Some are arguing that some people are more satisfied when their efforts are recognised whereas some are adamant that rewards

form an essential part of job satisfaction. In his theory Herzberg argues that motivators if put in place result in satisfaction and that hygiene factors are only capable of causing dissatisfaction but cannot lead to satisfaction even if they are in place, an opinion that differs with Chamorro-Premuzic (2013)'s view who advocated money alone cannot enhance performance unless supported by other factors such as good working conditions, recognition and many others.

### **2.3 The Relationship between Rewards and Employee Performance**

Rewards can be either monetary or just recognition. There is a sense of motivation that is instilled when someone is recognised for a great work like being awarded an appreciation shield for surpassing targets. It creates a sense of acknowledgement and will make the individual want to achieve more (McKenna, 2011). However, this can prove to be a best motivator if it is accompanied with monetary value benefits. This research will consider both monetary and non-monetary rewards.

According to Kirkcaldy & Furnham (1993); Muo (2013) and Tang (1992), money is related to achievement and recognition, status and respect, freedom and control, and power. It therefore is an aspect of motivation because of what it stands for.

Vroom (1964) with his expectancy theory argued that a worker's performance is greatly dependent on personal factors such as personality, skill, know-how, experience and aptitude. According to Bevilacqua & Singh (2010); Nokoku (2010); Vroom (2006): effort, performance and motivation are correlated in an individual's motivation.

These views are more linked to motivation but they do not provide sufficient evidence as to the effect of reward system adopted by a company to satisfaction and performance of employees. This research therefore closes the gap that these theories have failed to explain.

The general perception is that everyone wants to be appreciated and acknowledged for the good work they do at their working environment. There is also an assumption in the environment we live in that people go to work so that they can earn a living, which is so that they can be able to pay their bills, buy basic needs and also luxurious needs. This notion clearly outlines that the main driving factor for people to go to work are the rewards they receive. It is also important to note that the most rewarded staff at an organisation is the directors or the management; these usually receive numerous benefits including motoring benefits, fuel allowances, among others so that they are kept highly motivated. In addition, depending on the organisational policies, some top management team receive holiday allowances every year. This places more emphasis on the fact that benefits play a major role in making people work diligently and efficiently.

When the basic salary falls beyond the poverty datum line, the workforce tends to feel under appreciated and usually becomes frustrated leading to formation of pressure groups as being witnessed in many nations recently. So, generally people look for jobs in order to increase their purchasing power, low wages can lead to high rate of staff turnover which is most undesirable in any organisation as it is costlier and time consuming to train new staff every now and then. Most entities prefer to retain their workforce for the purposes of continuity.

It has been observed that people can work in underpaying jobs just for the sake of experience or for educational purposes. This is especially true for undergraduate students who are studying for a program that requires a year internship experience. In some organisations, these workers are only paid food, transport and housing allowances and a zero-basic salary.

A lot of theories have been put forward in trying to explain the factors that influences workforce performance at work (Mulwa, 2012). For the purposes of this research, we will be using some the results of some of these theories for analysis to come up with our own findings.

### 2.3.1 The Equity Theory (Adam, 1963)

This development model emphasizes more on employees' perceptions of the fairness of their job results versus their contributions. The theory outlines that employees strive to maintain proportions of their personal rewards to contributions compared to others' proportions. This theory emphasizes more on benefits that equates to effort that is to avoid underpayments and over-payments.

Equity model suggests that people who perceive themselves as either under rewarded or over rewarded will suffer from stress, and that this stress is necessary in formulating efforts to reinstate equity in simple terms if an employee believes his treatment is unbalanced, in relation to others, he or she will be driven to take action about it, that is, pursue justice. The model also outlines that if workers are treated with respect and if they are involved in decision making, they become more effective and more productive. The Equity theory is illustrated by the formula below:

## EQUITY EQUATIONS

- **Equity**

$$- \frac{\text{Outcomes (self)}}{\text{Inputs (self)}} = \frac{\text{Outcomes (other)}}{\text{Inputs (other)}}$$

- **Underpayment Inequity**

$$\frac{\text{Outcomes (self)}}{\text{Inputs (self)}} < \frac{\text{Outcomes (other)}}{\text{Inputs (other)}}$$

- **Overpayment Inequity**

$$\frac{\text{Outcomes (self)}}{\text{Inputs (self)}} > \frac{\text{Outcomes (other)}}{\text{Inputs (other)}}$$

Figure 2.2: The Equity Theory

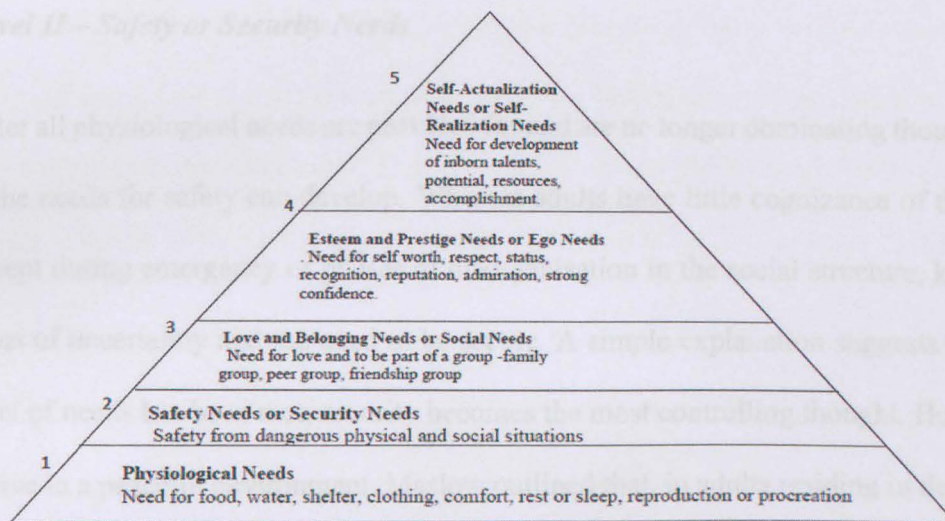
*Source: Redmond, B.F. (2013) Equity Theory*

Figure 2.2 above, explains that the worker is inspired to have an unbiased exchange with the employer. In instances where there is inequity, employees will try to reduce inequity by reducing inputs - that is reducing effort, or they will try to influence the manager to increase outcomes through filing of grievances. If all these prove to be unfruitful, employees may go as far as trying to influence co-workers' inputs or pull out emotionally or physically through engaging in absenteeism, lateness or resigning. This theory explains why employees will perform in certain ways. However, it does not clearly show the relationship and the effect of reward systems on the performance of employees. This will be answered by this research.

The theory concludes that organisations should develop instruments to pay their workers in proportion to their efforts, struggle for consistent pay distributions as well as monitoring their internal pay structure and position in the labor marketplace for uniformity (Adam, 1963). The conclusions of this theory are will be seen after collection of results to confirm or dispute some of the opinions.

### **2.3.2 Abraham Maslow's Hierarchy of Needs**

Abraham Maslow (1943) promulgated the concept of human needs which is commonly recognised as Maslow's hierarchy of needs in human settings in the society. Onah (2015) comments that in 1943, professor of psychology, Abraham Maslow as a famous researcher in the area of human needs and motivation originated this hierarchy of needs theory with a suggestion that people are motivated by five levels of needs namely: Physiological needs, security needs, belonging needs, esteem needs and self-actualization needs. The hierarchy is illustrated below:



Source: Onah, F. O. (2015). *Human Resource Management 4th Edition*. Enugu: John Jacob's Classic Publisher Ltd

Figure 2.3: *Abraham Maslow's Hierarchy of Needs*

The essential emphasis of Abraham Maslow's hierarchy of needs is on examination of how people's attitude is stirred by human wish to meet certain human needs in several groups in the society. According to Abraham Maslow's hierarchy, human needs are developed in stages, and once the need has been met, it is no longer motivational. In simple terms once the first stage of the needs has been met, human needs shift to the next stage. The hierarchy of needs is explained in detail below:

### **Level I – Physiological Needs**

These are the most basic needs that are needed for survival; they are the first driving factor for human beings to go to work. These includes: food, shelter, clothes and many others. These form part of the strongest of human needs since if a person is disadvantaged of all needs, it is these physiological ones that would come first in the person's hunt for survival.

## ***Level II – Safety or Security Needs***

After all physiological needs are provided for and are no longer dominating thoughts and behaviours, the needs for safety can develop. Whereas adults have little cognizance of their security needs except during emergency or phases of disorganisation in the social structure, kids often show the signs of uncertainty and the need to be secure. A simple explanation suggests that when the first level of needs has been met, security becomes the most controlling thought. Human beings prefer to live in a peaceful environment. Maslow outlined that, in adults residing in developed countries, security needs can be more apparent in crisis situations but this need can also elucidate why we do stuff like purchasing insurance and depositing money into a savings account.

## ***Level III- Love and Belonging***

According to Maslow, the subsequent need in the hierarchy involves love and acceptance. This need encompasses both romantic interactions as well as attachment to friends and members of the family. It also takes into account the need to sense that we fit into a social group. Notably, this need includes both a sense of being loved *as well as* feeling love towards others. Modern day researchers have been continuous in exploring how love and belonging needs impact health and wellness for example, having good social connections is believed to be related to improved mental and physical health and, on the contrary, feeling secluded is believed to impact health and wellbeing negatively.

## ***Level IV – Esteem Needs***

Our esteem needs entail the aspiration to believe in ourselves. According to Maslow, esteem this need takes into account two factors. The first one encompasses to feel a sense of self-assurance and self-confidence. The subsequent component involving a sense of feeling respected by others; that

is, a sense of feeling that our contributions and achievements have been recognised by others. When these esteem needs are fulfilled, people feel very confident and perceive their contributions and achievements as precious and significant. However, failing to meet these esteem needs usually causes a feeling of inferiority as outlined by Alfred Adler in his Adlerian Therapy.

Adler's ideas is that every person experiences these feelings of inferiority; that is, the worry that one is not achieving adequate enough. These inferiority feelings support the chasing of goals, providing extra incentive to dare towards self-improvement. In simple terms, by increasing positive ways of coping with feelings of inferiority, people end up being able achieve immense things and making an affirmative contribution to the organisation as a whole. However, some people have complicatedness in trying to cope with feelings of inferiority, and this brings a sense of discouragement. Others may cope with feelings of inferiority in fruitless ways, like developing a selfish behavior in an attempt to feel superior to others (Hopper, 2019).

### ***Level V – Self Actualization***

Self-actualization according to Maslow refers to the feeling of fulfillment, or sentiment that we are living up to our potential. The most exceptional characteristic of self-actualization is that it looks diverse for everyone. For one person, self-actualization might engage serving others; whilst for a different one, it might entail achievements in a creative or artistic field. Fundamentally, self-actualization means having a great feeling that we are undertaking what we believe we are supposed to do. According to Maslow, achieving self-actualization is relatively uncommon, and his examples of well-known self-actualized persons comprises of Abraham Lincoln, Albert Einstein, and Mother Teresa. Abraham Maslow's theory explains motivation of employees and

does not clearly focus on reward systems. This research will not focus on motivation but rather will look at reward systems as factors that will influence the performance of employees.

### 2.3.3 The Goal Setting Theory

Locke and Latham (2011), principals in goal-setting model have integrated several studies in relation to goals into a theory of goal setting and duty performance. Figure 2.4 below portrays an abridged outlook of goal-setting theory. A goal is simply defined as what a person or an entity is intentionally trying to achieve. Goals also have an effect on job performance since they help directing attention and action towards objectives to be achieved. Additionally, demanding goals direct more energy, lead to elevated effort, and enhance unrelenting effort. Goals encourage people to build up an approach that will allow them to execute their duties at the required goal stages. Conclusively, accomplishing the goals can lead to contentment and additional motivation, or disappointment and de-motivation if goals are not accomplished.

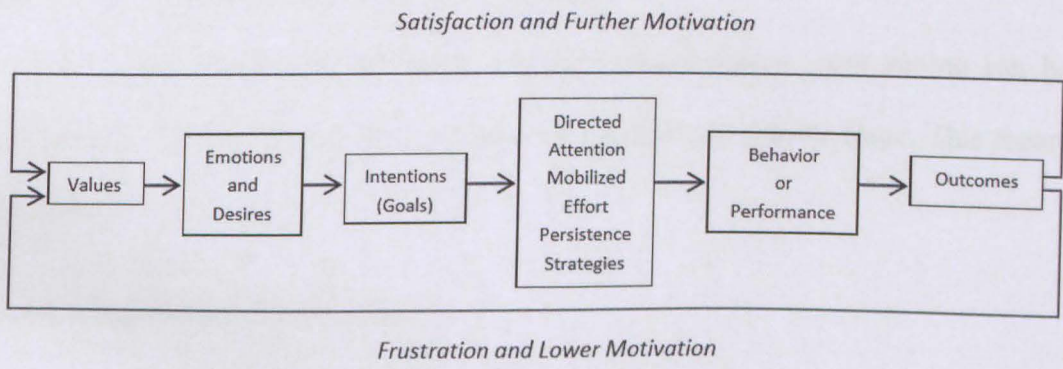


Figure 2.4: The Goal-Setting Theory Model

Source: Locke and Latham (2011)

A goal contains a pervasive persuasion on employee performance and behaviour in management and administration practices (Locke & Latham, 2011). Almost each modern-day organisation has

some form of goal or target setting in existence. Programs such as stretch targets, high-performance work practices, management by objectives, bench marking, management information systems, as well as systems philosophy and strategic planning, comprises the development of particular goals.

Lunenburg (2011) asserts that goal setting is the main reason and explanation for the development and implementation of all major theories of motivation. DuBrin (2012) also supported this notion when he outlined that managers expansively acknowledge goal setting as a way to better and maintain performance. Hundreds of researches such as (Brett & VandeWalle, 1999; VandeWalle, 2001; Drach-Zahavy, & Erez, 2002; Van Yperson & Janssen, 2002; Cianci, Klein, and Seijts, 2010) discovered that persons who are provided with exact, complicated but realistic goals execute their jobs better than those given simple, unclear, or no goals at all. At the same time, nevertheless, the individuals should have the adequate aptitude, accept the goals, and entertain feedback connected to performance (Latham, 2011).

### **2.3.3.1 Implications of the Goal-Setting Technique**

Lunenburg (2011) suggested that under the right circumstances, goal setting can be a very influential practice for motivating organisation employees to achieve more. This theory thrives under when:

#### **2.3.3.1.1 *The goals need to be specific***

According to this theory, organisational members are more effective when asked to meet a particular high-performance goal. Sometimes asking employees to improve, to put more effort, or to do their best might not be helpful, since that sort of a goal does not provide them with a focused target. Specific goals especially if quantified let the workforce know what to achieve and permit them to assess their own progress. Studies have shown that specific goals aid in bringing about

other desirable organisational goals, such as plummeting absenteeism, lateness, and labour turnover (Locke & Latham, 2002).

#### **2.3.3.1.2 Goals Must Be Difficult but Attainable**

Goals that are too easily achieved will not bring about the required increase in performance. The key indication is that a goal must be hard and specific for it to increase performance. However, there is a limitation to this effect; although employees will work hard to attain demanding goals, unless if the goals are within their capacity. As goals turn out to be too hard, performance suffers since the workforce rejects the goals as difficult and unattainable. A major feature in attainability of a goal is self-efficacy (Bandura, 2012) which is an internal conviction concerning one's work-related capabilities and competencies. If workers have high self-efficacies, they tend to set advanced individual goals under the conviction that they are achievable. The first key to a successful goal setting is to fabricate and strengthen employees' self-efficacy.

#### **2.3.3.1.3 Goals Must Be Accepted**

Assigning goals to the employees may not end in their dedication to those goals, particularly if the goal will be hard to carry out. A powerful technique of gaining acceptance by the workforce is to allow them to partake in the goal-setting process. In other words, taking part in the goal-setting process leads to enhanced goal commitment. Participation assists the organisation colleagues to enhance understanding of the goals, to ensure that the goals are not unreasonable, and helps them accomplish the goals. The issue of self-efficacy pointed out above also may come into play in relation to obligatory goals. Some people may refuse imposed goals, but if they have self-efficacy, they might still uphold high individual goals to achieve the imposed goals (Bandura, 2012).

#### **2.3.3.1.4 Feedback Must Be Provided on Goal Attainment**

Feedback helps people establish how well they are performing. Performance feedback has a propensity to push for a better performance. Feedback also helps people to agree on the nature of the modification to their performance that needs to be improved.

#### **2.3.3.1.5 Goals are more effectual when they are used to assess Performance**

When workers are aware that their performance will be assessed in terms of how good they attained their goals, the impact of goals boost.

#### **2.3.3.1.6 Deadlines Improve the Effectiveness of Goals**

For majority of the employees, goals are extra effective when they have a deadline for completion. Deadlines act as a time-control tool and amplify the motivational impact of goals. Having the knowledge that a deadline is closer usually results in a worker investing more effort into carrying out the task. On the other hand, if lots of time remains for attaining the goal, the workers are likely to slow down his or her speed to fill the available time. However, when time limits are too tight, predominantly with difficult tasks, the quality of work might be compromised.

#### **2.3.3.1.7 A Learning Goal Orientation Leads to Higher Performance than a Performance**

##### ***Goal Orientation.***

A person with a learning goal orientation wants to develop competence by mastering challenging situations. In contrast, the person with a performance goal orientation wants to demonstrate and validate competence by seeking favourable judgments. Considerable research has indicated that a learning goal orientation has a positive impact on work-related behaviors and performance (Van

de Walle 2015; Van de Walle, Brown, Cron, & Slocum, 2014; Van de Walle, Cron, & Slocum, 2012; Van Yperen & Janssen, 2009). The learning goal orientation is particularly relevant in today's work environment, which requires employees to be proactive, problem solve, be creative and open to new ideas, and adapt to new and changing situations (Luthans, 2011).

### ***2.3.3.1.8 Group Goal-Setting is as Important as Individual Goal-Setting***

Nowadays, a lot of organisation members work as teams, groups, or committees. Having employees work in teams with specific team goals, as opposed to individuals with only individual goals, boosts productivity. Moreover, the combination of well-matched group and individual goals is more efficient as compared to either personal or group goals unaided. A related deliberation is that when a group member observes that other players within the group share his or her individual goals, the individual will feel more content and fruitful. A research of project teams specified that a professed fit among personal and team performance goals resulted in better personal fulfillment and contribution to the team (Kristof-Brown & Stevens, 2009).

According to (Locke & Latham, 2011) merging goals with economic rewards motivates many organisation members to ascertain easy rather than complex goals. In some instances, organisation members have bargained for goals with their superintendent that they have already achieved. Locke and Latham went on to outline that goal setting hubs on organisation members on a thin subset of quantifiable performance pointers while paying no attention to important aspects of job performance that are complex to quantify. The proverb "What gets measured is what gets done" relates here. Moreover, Locke and Latham advocated that setting performance goals is efficient in well-established jobs, but it might not be effective when members are learning a new, difficult job.

### **2.3.3.1.10 Conclusion**

Locke and Latham make available a powerfully built goal-setting theory of motivation. The theory put emphasis on the important connection between goals and performance. Research favours assertions that the most effectual performance appears to result when goals are exact and demanding, when they are used to assess performance and connected to feedback on results, and generate obligation and acceptance. The motivational impact of goals may be affected by arbitrators such as aptitude and self-efficacy. Deadlines are used to better the effectiveness of goals just as goal orientation. A team goal-setting is as important as individual goal-setting.

### **2.3.4 Effort-Reward Imbalance**

This Effort-Reward Imbalance (ERI) model was brought about by Siegrist (1996); Siegrist et al., 2004. The emphasis of this model is on the reward rather than the control structure of the work. In Siegrist's (ERI) model, rewards are distributed to employees by three transmitter systems namely:

- Money – which refers to adequate salary
- Esteem - respect and support
- Security or career opportunities - which refers to promotion aspects, job security and status consistency.

The model argues that high effort low reward conditions has the ability to cause a state of emotional distress which can lead to reactions like poor health and sickness absence. By employees having a demanding but unstable jobs, high achievements without being offered any promotional aspects are good examples of stressful imbalance. The models best quality is that it makes a distinct demarcation between extrinsic (situational) and intrinsic (personal) components of Effort Reward Imbalance. Extrinsic components are mainly psychological and physical demands at work. The published studies with ERI model is growing fast and combination of high effort and low reward

at work was found to be a risk factor low performance, subjective health and mild psychiatric disorders. Based on this model, if the management fails to reciprocate the efforts of its employees i.e. low rewards provided for high efforts, the employee may lower motivation and hence lower performance.

### **2.3.5 Effects of Reward practices on Employee performance**

In summary we have noted, that various rewards can enhance the workers performance. Several rewards being mentioned as performance enhancers include workplace relationship, nature of the job, and the level of skill and knowledge of the workforce. Different scholars like Karami (2013), Andualem (2013) and Khawaja (2012) are putting up different views on the subject in question. However, according to Ryan (2013); Ryan & Deci (2017); Grobler (2013), a fine reward system seeks to motivate the workforce to work harder, and bring into line their goals with those of the organisation they work for. The existing trend towards performance-related reward systems is intended to lead to better rewards and motivation for those who contribute the most. However, designing such reward systems is difficult, as they aim to influence human actions. According to the human resources director of Flow Pack Engineering (quoted in Bratton), 'There is not a thing called a good pay system; but there is only a series of bad ones. The trick is to select the least bad one.'

### **2.4 Research Gap**

Different researchers such as Misra et al. (2013); Aktar et al., 2013; Malik et al, 2015; Huttu, 2017; Devonish, 2018; Sharma and Gulyani, 2018, pointed out different results on the impact of reward practices on job satisfaction and employee performance. Aktar et al. (2013) argue that the three variables rewards, job satisfaction and job performance are positively correlated while Priya and Eshwar (2014) demonstrate that rewards generate first an increase in job performance, and then

later influence job satisfaction. Herzberg in his two-factor theory pointed out that pay do not lead to positive satisfaction whereas Maslow outlined those monetary rewards comes first when a person is looking for a job. In his equity theory of 1962, Adam emphasizes more on equity and fairness as a means of enhancing performance.

On the same note Hopper (2019) advocated that different employees are driven by different factors to perform well at work. She went on to argue that people have different preferences- that are; some are motivated by recognition and pride yet some are motivated by money. Therefore, the variation in results by different scholars represents a research gap which this research is to exploit. Employee satisfaction and performance has been greatly linked to motivation. There are many researches and theories as outlined above that have been conducted and they focus mostly on motivation. The researches have failed to separate or clearly deal with the issue of reward practises and the satisfaction of employees. This research will seek to investigate the effect of reward practices on the job satisfaction and performance of employees at Namibia Post office.

## **2.5 Summary**

The just ended chapter re-examined pertinent researches from different scholars that are in support of the research topic. Literature was obtained from online publications, websites, books, journals and newsletters. An essential assessment and evaluation of philosophies, sympathetic, notions, ideologies, authenticities, presumptions and annotations of a numerous researchers were done with a determination to move in the direction of an investigation that is well supported. Numerous researchers are of the judgment that reward practices have a positive substantial influence on job satisfaction and employee performance. The next chapter presents the research methods applied in data collection and analysis for the research.

## CHAPTER 3

### RESEARCH METHODOLOGY

#### 3.1 Introduction

The last chapter reviewed the driving factors for job satisfaction and employee performance as per the literature on the subject. This chapter covers the research methodology used in the investigation. The research design, the population and sampling are also covered in this section. The data collection instruments, including techniques applied to ensure validity and reliability of the research instruments are also elucidated in this chapter.

#### 3.2 Research Design

According to Wills (2014), a research design is a structure and strategy of an examination structure that permits the academic to attain responses to the research questions. Jerome (2010) supported that a research design is an approach used to syndicate different apparatus of the research in a reasonable and comprehensible way, so as to adequately address the research problem.

Van Wyk (2009) describes research design as the complete strategy that links the research problem to the realizable empirical study. This indicates that the research design demonstrates the kind and quantity of information required, the approaches to be used for data assemblage, data scrutiny and ways in which way the research questions will be drafted and responded to.

#### 3.3 Research Approach

##### 3.3.1 Descriptive Research Design

This study was quantitative in nature and will use the descriptive research design. According to Muijs (2010), quantitative research involves the use of numerical measurement and statistical

analysis of measurements to examine social phenomena. Muijs further asserts that quantitative research places great premium on objectivity and reliability of findings and encourages replication.

The researcher chose a quantitative research method as it is easy to analyse the data and draw conclusions from the responses provided. Questionnaire allows for a broader study to be conducted with a large number of subjects and in this research the respondents were 80 and hence questionnaire will be appropriate and designed in a quantitative way which makes it easier for the researcher to analyse the findings.

For the research to remain objective, the researcher chose to use a quantitative research design as it allows the results to remain objective. With a quantitative research, the results obtained will be accurate as they will be processed using statistical methods and hence conclusions will be drawn based on actual results.

A descriptive research design was thought to be more appropriate for this study. Deductive approach is used for this study.

According to Saunders and Lewis, (2006) descriptive research accentuates on determining the proportion that something transpires or the degree to which two or more variables are connected. Sekaran and Bougie (2009) defines descriptive research techniques as those approaches of data gathering that comprises of questionnaires and document examination. Descriptive research techniques include surveys and investigatory inquiries of different types (Kothari 2004). Burns and Grove (2009) note, that a descriptive research depicts a scenario as it transpires certainly on the ground thus it is beneficial for authenticating the current practice, to come up with the findings and formulate concepts.

The purpose of this investigation was to interrogate the existing practice and to appreciate Namibia Post Office's reward practices and how they impact the employees. The descriptive technique was then used because it takes into consideration several forms of data and how it is able to integrate human experience in association with the impact of rewards on employee performance as per the questionnaires provided by the investigator.

The framework of the study is given below in Figure 3.1.



Figure 3.1: The research framework – Effects of rewards on job satisfaction and employee performance

Source: Research 2020

### 3.3.2 Advantages of Descriptive Research Design

The descriptive research design is flexible for the reason that it is selected founded on the anticipated results rather than selecting the method then studying. Descriptive research strategy is more concerned with understanding the phenomena from the contributor's viewpoint. The technique allows independent verdict and the researcher made conclusions about data collection approaches during the course of the research.

Descriptive research is mostly used as a pre-pointer to quantifiable research strategies, the universal impression giving some valuable indicators as to what variables are worth trying quantitatively. Quantitative experimentation is often too costly and long so it often makes sense to get an idea of what hypotheses are worth examining.

### **3.3.3 Disadvantage of Descriptive Research Design**

The descriptive approach delivers a narrow foundation for severe assessment purposes. The researcher reached for many personnel involved in the organisation in a quest to guarantee validity and reliability of data. Respondents were not keen to answer some questions and that encouraged the researcher to reassure them about the privacy of information gathered.

In addition, the outcomes of observational studies are not replicable and so there can be no replication of the experiment and reviewing of the results. This study used the of questionnaire which provides more first-hand information from respondents and can be tailor made to best suit the subject in question whilst eliminating unnecessary information.

### **3.4 Justification of the descriptive research design**

Blumberg (2009) argued that the emblem of the descriptive research design is its strength as a tool for examining the current status of phenomena. The investigator adopted the descriptive research technique for the reason that it is able to address the questions how, where and why of the study. The use of descriptive research strategy results in the composition of applicable data and at the same time avoiding unsuitable and superfluous data. This research system is more formal than the exploratory method. This study makes use of questionnaire for data collection. The design was selected as it seeks to provide evidence of the relationship that exists between the variables that have been identified by the researcher. These variables are the reward practices and job satisfaction

and employee performance. A descriptive design will clearly show the reasons and factors that lead to the existence of certain relationships.

### **3.5 Population**

Hart (2009) defined population as the totality of all the classes of a similar cluster existing in the same area. De Vaus (2012) noted that a population can be any assembly of people or objects under study. Additionally, Castillo (2011) particularised population as a bulky collection of people or items that are under the emphasis of a scientific enquiry. According to, Punch (2008) population is a set of persons nominated to epitomise what the entire group is like. Punch went on to identify dual categories of population which are; the target population and the reachable population. For the purposes of this study, the population basically refers to persons that meet the criteria for inclusion in this case study.

#### **3.5.1 Target Population**

Punch (2009), defines target population as the entire group of persons or objects that are applicable to the study in order to draw conclusions. A research population is also recognised as a well-defined assembly of persons or objects acknowledged to have similar features. All people or items within a certain population typically have a mutual, essential characteristic or attribute (<https://explorable.com/research-population>). For the purposes of this project, the target population comprised of the 100 current non-managerial employees from the NamPost Head Office in Windhoek (NamPost, 2019). The population included workers in job categories clerical, Specialist and Supervisory (C1 – C5) in HR, Finance, Savings bank, Courier & Postal, Marketing, IT and Internal audit. This made up a target population of 100 respondents.

### 3.5.2 Sample

According to Keller and Warrack (2009) a sample is data attained from a target population. Steyn et al. (2014) corroborated by asserting that a sample is a subsection of the target population. Slovene's Sampling Formula i.e.  $n=N / [1+N (e^2)]$  was used to determine the sample size of 80 from the total population of 100. Employees were stratified into 3 groups based on job categories at NamPost Head office. To ensure all groups were represented, a percentage of the population distribution in each job category was calculated based on 100 employees. Proportions used to randomly draw a sample from each stratum were Clerical  $=\frac{47}{100}$ , Supervisory  $=\frac{28}{100}$ , Specialist  $=\frac{25}{100}$ .

Firstly, employees were stratified into 3 groups according to job categories. Secondly the percentage population distribution in each job categories was calculated based on 100 employees. Thirdly, disproportionate random sampling was used to draw a sample of 80 employees to participate in this study. Stratified random sampling technique was used in this research because of its advantages of giving a better precision on the sample as compared to random sampling, it is easy and cheap to conduct and it helps in ensuring that the sample is representative enough of the population. The table below shows the sample distribution by strata:

**Table 3.1: Sample Distribution by Strata (based on Slovene's Sampling Formula i.e.  $n=N / [1+N (e^2)]$ )**

Job category	Target population	Percentage	Sample size
Clerical	47	0.47	38
Supervisory	28	0.28	22
Specialist	25	0.25	20
Total	100	1	80

*Source: Researcher's Own Construct*

### **3.6 Data Sources**

Kumar (2011) stated that there are two sources of data which are Primary Data Sources and Secondary Data Sources.

#### **3.6.1 Primary Sources of Data**

Sindhu (2012) states that primary data is the information that is gathered by researchers for the sole purpose of researching. This is information gathered and amassed by the researcher from questionnaires since it has not yet been published on any platform accessible to the public. Primary data is inventive in nature and deals with the problem being investigated unswervingly.

##### **3.6.1.1 Advantages of Primary Source Data**

There is a high grade of accurateness since the data is original and relevant to the research subject. Gathering of primary data was completed through a questionnaire. The data was up-to-date thus the researcher was gifted with a genuine assessment of the subject under study. The data collection was done from dependable and concerned parties so it was reliable.

##### **3.6.1.2 Disadvantages of Primary Source Data**

It took a lot of time to do the distribution the questionnaires to the respondents. Some respondents responded in a way which covers up the veracities.

#### **3.6.2 Secondary Source of Data**

Kumar (2011) pronounced secondary data as information that has been previously collected for other purposes other than the research in question. This information is usually accessible in hard copy or soft copy and it is a much-treasured instrument in aiding insight into the research. Secondary data can be obtained from inside the entity or can be internally sourced. The researcher made use of monthly management reports, annual and quarterly financial statements and company year books

### **3.6.2.1 Advantages of Secondary Source Data**

The data was inexpensive and easy to access. Secondary data saved the researcher some time and cash and it was also pivotal in value addition to the study. By gaining access to the documents from the entity and written records accurate statistics were obtained, therefore investigator got a starting point and an overall sense of direction for the research.

### **3.6.2.2 Disadvantages of Secondary Source Data**

Secondary data can be rendered out-dated with the passage of time but for this study only applicable information was used. The data might contain jargon which might make it difficult for external users to understand but for this study classification was sought. Reliability is not compromised since on this research since analytical procedures were made and the researcher is also part of the organisation.

This research will make use of primary data. The research seeks to find out the views of respondents over a given scenario and sorts to get their opinion on a certain matter that relates to their work. The researcher requires opinions of the respondents and therefore this information can be obtained from primary sources of data. Primary data is easy to gather and has less requirements as compared to secondary data which might be sensitive. The data collected using primary methods in this research is not sensitive and the research will allow respondents to respond willingly. Therefore, as it is easy to get and also appropriate for the research, the researcher chooses to use primary data.

## **3.7 Research Instruments**

### **3.7.1 Questionnaires**

Kothari (2009) suggested that a questionnaire is a document which holds a list of arranged questions with the objective of obtaining data for analysis. The questionnaires are convenient since they can be used to gather analogous information from more individuals owing to the fact that the

questions will be similar and they must be clear and detailed. For the purposes of this study structured questions were used to form part of the questionnaire which was filled by the respondents.

### 3.7.2 Likert scale

It is a summary of the respondent's opinion highlighting their level of agreement or disagreement with the question or statement given according to Reis et al. (2009). The scale commonly used in development of data collection instruments for structured questionnaires to give respondents choices from strongly agree to strongly disagree as highlighted in table 2 below.

Table 3.2: The Likert Scale Item

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
(1)	(2)	(3)	(4)	(5)

#### *Advantages of Likert scale*

It is easy to understand since it uses a universal method of data collection. Working with quantitative data, it is easy to draw conclusions, reports, results and graphs from the responses. The responders are not forced to express either or opinion, rather to be neutral should they choose so choose.

#### *Disadvantages of Likert scale*

Respondents have a tendency of automatically avoiding 'extremes', therefore answering the way they think they are expected to, rather than giving real honesty. There is a social desirability bias since respondents may agree with statements as presented to portray themselves or their organisations in a more favourable way. Attitudes and opinions are complex and not readily

summarised in a scale. Ranked questions do not provide means for respondents to elaborate on or explain reasons behind the stated degree of satisfaction. Summary statistics are powerful and if based on poorly designed questionnaires can be damaging.

### **3.8 Data Validity**

The term validity means that an instrument measures what it is intended to measure and it measures this correctly (Melville & Goddard 1996). This therefore refers to the appropriateness and usefulness of a specific inference made from the test score. Peterson (1982) refers to validity as the degree to which a scale performs the function it was designed to perform. Data is said to be valid if it provides a true picture of what is being studied. The research is considered to be valid because only relevant information was used in the analysis of the research. Joppa (2000) states that validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are.

The researcher was guided by two of those validity types, as listed below:

- Face validity requires the research instrument to be relevant to participants in the study.

Face validity can be established by asking friends, colleagues and individuals from the target population to comment on the relevance, balance and adequacy of the research instrument in relation to the research objectives. This was done during the pilot study where the questionnaire was given to friends, colleagues and other individuals to comment on.

- Content validity is similar to face validity except that the researcher must seek the opinion of experts in the field on the adequacy of his/her research instrument.

To ensure content validity, the research instrument was given to a specialist in the field of research for commentary, after which necessary modifications were made to the instrument. The researcher made sure the data collected was valid by matching the data collected to the research questions.

The researcher also went to cross check the data after collection to ascertain whether or not the data was similar to the study area.

### 3.9 Reliability

According to De Vaus (1996), reliability is concerned with the consistency or repeatability of the measurement of certain phenomena. Based on the above definition, it becomes clear that reliability is chiefly concerned with making sure the method of data gathering leads to consistent results. De Vaus (1996) further highlights that there are three types of reliability, as follows:

1. **Parallel reliability** which is a measure of equivalence and involves administering two different forms of measurements to the same group of participants and obtaining positive correlation between the two forms.

2. **Test-retest reliability** which essentially involves administering the same research instrument at two different points in time to the same research subjects and obtaining a correlation between the two sets of responses.

3. **Inter-rater reliability** which is a measure of homogeneity. With inter-rater reliability one measures the amount of agreement between two people who rate a behaviour, object or phenomenon.

A test is seen as being reliable when it can be used by a number of different researchers under stable conditions, with consistent results and the results not varying. Reliability reflects consistency and replicability over time. Furthermore, reliability is seen as the degree to which a test is free from measurement errors, since the more measurement errors occur the less reliable the test (Fraenkel & Wallen, 2003; McMillan & Schumacher, 2001, 2006; Neuman, 2003).

According to Carmines & Zeller (1979) reliability concerns the extent to which a measurement of a phenomenon provides stable and consistent result. Reliability is also concerned with repeatability. For example, a scale or test is said to be reliable if repeat measurement made by it under constant conditions will give the same result (Moser & Kalton, 1989). Testing for reliability is important as it refers to the consistency across the parts of a measuring instrument (Huck, 2007). A scale is said to have high internal consistency reliability if the items of a scale “hang together” and measure the same construct (Huck, 2007 & Robinson, 2009). The most commonly used internal consistency measure is the Cronbach Alpha coefficient. It is viewed as the most appropriate measure of reliability when making use of Likert scales.

The researcher used the test-retest technique. De Vaus (1996) defines the test-retest technique as the only practical approach to the establishment of the reliability of the questionnaire. A respondent who has completed the questionnaire as part of its standardisation can be asked to complete it again, and his/her choices can be compared for consistency.

### **3.10 Data Presentation**

The presentation of data entails grouping or arranging and showing the data gathered, Willis (2008). The researcher first grouped the data, then presented it in tables as figures and percentages then used graphs and pie charts. Presentation tools like pie charts and graphs aid in visualising the findings and even in interpreting and analysing the data.

### **3.11 Data analysis**

Reis et al. (2009) alludes that data analysis is done to come up with a conclusion from the data presented. This means a summary has to be used for such a purpose then comparisons made with the research questions to ensure findings are relevant and reliable to the research. Descriptive

statistical methods were used to interpret data and inferential tests such as Pearson's correlation analysis, Chi-square goodness of fit tests, ANOVA and regression analysis were used to find relationships and to test the hypotheses.

Basic inferential statistics used in analysing data to come up with conclusions include the mean, median, mode, variance and standard deviation. The researcher used the mode to come up with a conclusion from the research findings. The mode is the most common answer used by respondents according to Reis et al. (2009).

These methods of analysis are most desirable as it enables the researcher to have an insight on how reward practices affect employee job satisfaction and performance and also established relationship between variables.

The regression equation used was as follows:

$Y = \beta_0 + \beta_1 X$ , Where:  $Y =$  Job Satisfaction and Performance,  $X =$  Rewards. With  $\beta_0$  and  $\beta_1 =$  Regression coefficients to be observed.

### **3.12 Research Ethics**

According to Cooper & Schindler (2006), ethics in research deals with the development of moral standards that can be applied to a situation in which there can be actual or potential harm to an individual or a group. The research methodology employed was scientifically sound and practically feasible. All participants were sensitised about the purpose of the research. Respondents were well-informed of the risks and/or benefits that could accrue to them as a result of participating. A letter of assurance of confidentiality and consent, was signed by the researcher and issued as a cover letter of the questionnaires, to the respondents to encourage trust and openness. Participation was voluntary, and confidentiality was guaranteed. The researcher also assured the participants of the

utmost safe-keeping of the raw data. The data collected will be stored in a locked cabinet for five (5) years in the researcher's office, and will be destroyed by shredding after the period.

### 3.13 Chapter Summary

This chapter discussed the research methodology which was used by the researcher. The chapter outlined the research design, target population, sample methods and techniques. The chapter also highlighted the data sources used, research instruments, data collection procedure, reliability of the research instrument, data analysis and presentation tools. Research ethics applied and observed were also covered. The next chapter focuses on data analysis, presentation and interpretation of the results.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

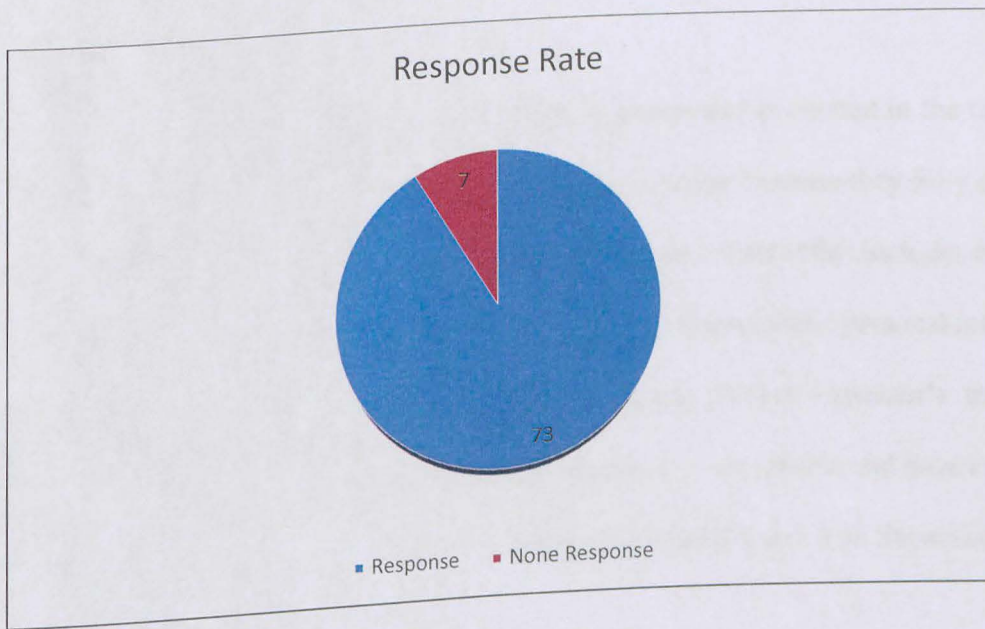
#### 4.1 Introduction

This study focused on investigating the effects of reward practices on job satisfaction and employee performance in the Namibia Post Office. This chapter presents the research results, discussions and findings. The analysis was based on a total of 73 returned questionnaires out of 80 questionnaires distributed. Descriptive analysis was carried out in order to show the demographic profile of the respondents, to explore the direction of the level of motivation and satisfaction from reward practices, effects of reward practices on employee performance and the effects of reward practices on employee job satisfaction in Namibia Post office.

Calculation of the Pearson Product Moment Correlation Coefficient and the Chi square were carried out in order to determine the impact of reward systems on job satisfaction. ANOVA and regression analysis was done in order to test the relationship between the reward system and job satisfaction at Namibia Post office. A detailed discussion of the research results with the support from literature was done to provide a better understanding of the results and to come up with the findings.

#### 4.2 Response Rate for the Survey

The researcher distributed 80 questionnaires to the respondents. The number of questionnaires distributed and returned is shown in the Pie chart below:



*Figure 4.1: Response Rate*

**Source: Research Data 2020**

Figure 4.1 above shows the response rate. A total of 80 questionnaires were distributed to the Namibia Post office employees according to their job categories. Returned questionnaires were 73 out of the 80 questionnaires distributed with 7 questionnaires not returned.

Response rate is the percentage of respondents who complete the survey compared to the number of the potential participants (Creswell 2009). A high response rate means the study results can be relied on. A response rate of 91.25% was achieved for this research study meaning it was sufficient enough to carry out data analysis (Creswell 2009).

### **4.3 Demographic profile of the respondents**

The demographics section focussed on the characteristics of the sample with regards to: age, gender, level of education, work experience and job category. This is depicted in Tables below.

### 4.3.1 Employee's job position

The job category of the respondents is classified into 3 groups and presented in the table below. The researcher targeted the job categories listed in the table below because they fully represented the researcher sample. The responsibilities of clerks in at Namibia Post office includes maintaining paperwork and records (which includes maintaining customer financial and personal information), handle outgoing and incoming parcels, deal with customers, process customer's transactions, answer visitor questions and compile reports. The specialists are responsible and have expert skills in Information Technology, Human Resources, Sales, and Logistics etc. The Supervisors are the first level below management.

Table 4.1: Job category

		Frequency	Percent	Cumulative Percent
Valid	Clerical	35	47.9	47.9
	Specialist	21	28.8	69.7
	Supervisory	17	23.3	100.0
	Total	73	100.0	

*Source: Research Data 2020*

Table 4.1 above shows that Clerical, is the job category which had the highest percentage of respondents 47.9% (n=35). The specialist job category had a percentage of respondents of 28.8% (n=21) and 23.3% (n=17) of the respondents were supervisors. At Namibia Post office the job category with the highest number of employees is Clerical.

### 4.3.2 Age of the respondents

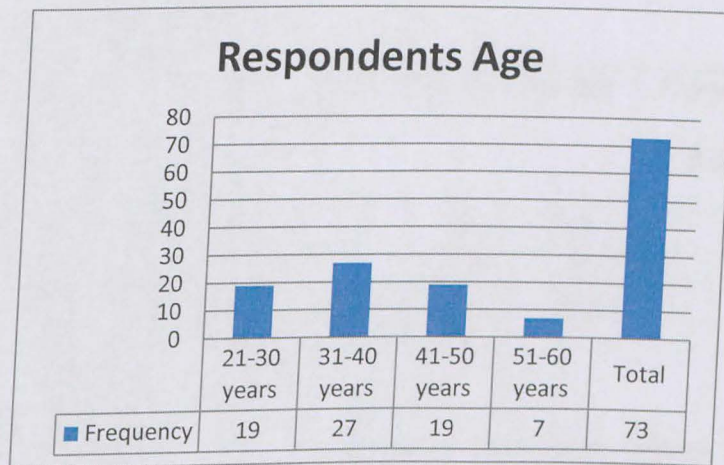


Figure 4.2: Age of respondents

Source: Research Data 2020

Figure 4.2 above shows 26% (n=19) of the employees were aged between 21-30 years, 37% (n=27) were aged between 31-40 years, 26% (n=19) of the employees were aged between 41-50 years and lastly 9.6% (7) of the employees were aged between 51-60 years. The majority of the employees were aged between 31-40 years. This shows that the Namibia Post Office has fairly young and middle aged active workforce. A younger workforce provides a promise that the organisation has a productive group of employees who can take the business in to the distant future.

### 4.3.3 Gender of the respondents

Table 4.2: Gender of the respondents

		Frequency	Percent	Cumulative Percent
Valid	Female	48	65.8	65.8
	Male	25	34.2	100.0
	Total	73	100.0	

Source: Research data 2020

Table 4.2 above shows that the majority of employees at Namibia Post office are female, the female employees had a percentage of 65.8% (n=48) compared to male employees who had a percentage of 34.2% (n=25). This means in the job categories selected for sampling women constitute a larger sample proportion of those affected by the reward system at NamPost compared to their male counterparts.

### 4.3.4 Level of Education

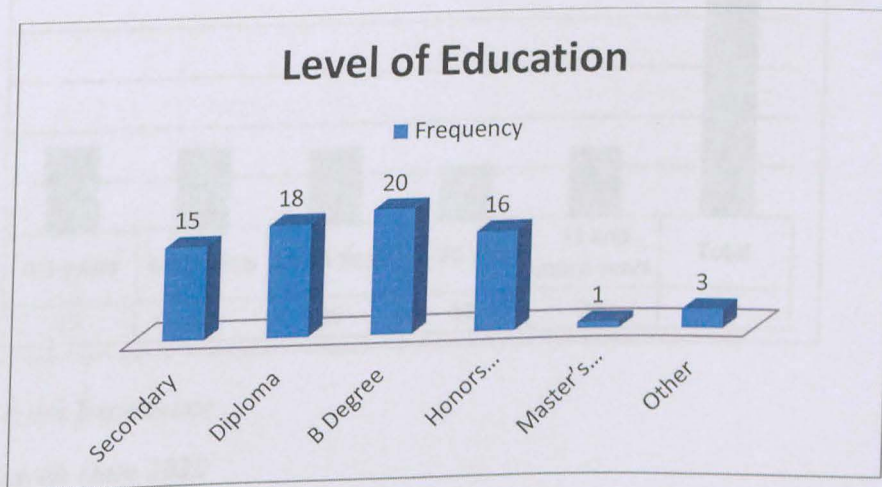


Figure 4.3: Level of Education

Source: Research data 2020

The research findings show that all the respondents had a minimum of secondary education. From the Figure 4.3 above it can be deduced that the modal group of the employees had a bachelor's degree. This is represented by 27.4% (n=20) of the employees. This is followed by 24.7% (n=18) of the employees who had diplomas. 21.9% (n=16) of the employees had honours degrees, 1.4% (n=1) had a master's degree and lastly 20.5% (n=15) had a secondary school education only. This result shows that Namibia Post Office workforce is educated and the assumption is that they are qualified for their jobs. This means that all the employees that were studied are able to understand fully well the reward practices at the Namibia Post Office.

#### 4.3.4 Work Experience

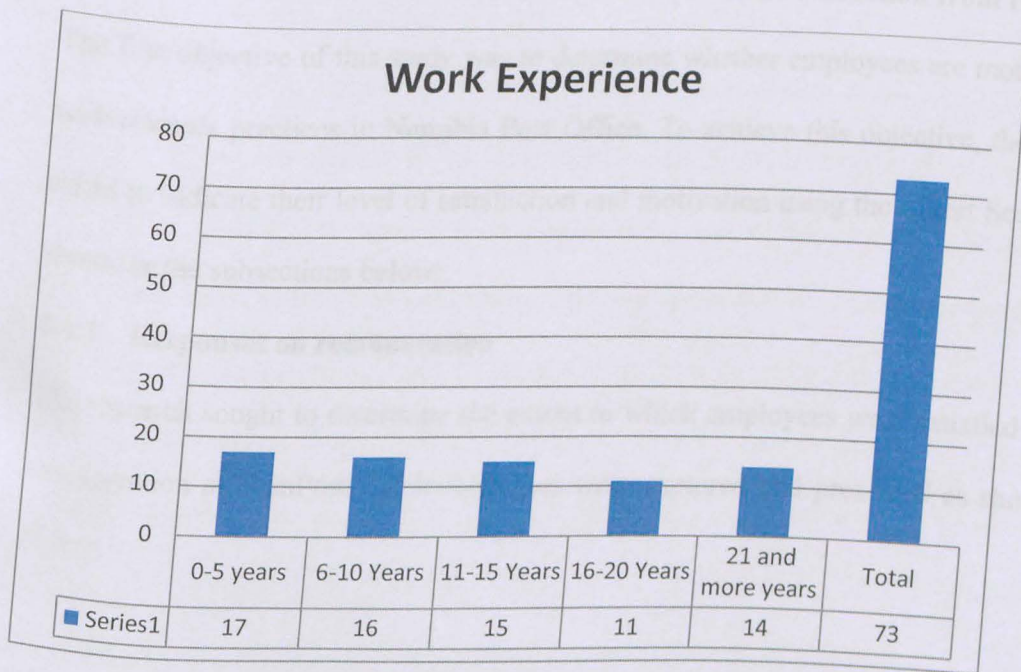


Figure 4.4: Work Experience

Source: Research Data 2020

Figure 4.4 above shows the work experience of the Namibia Post Office employees. The table shows that 23.3% (n=17) of the employees had a working experience of between 0-5 years,

20.5(n=15) had working experience of between 11 to 15 years, 15.1% (n=11) had a working experience of between 16 to 20 years, 19.2% (n=14) of the employees had a working experience of above 21 years and 21.9 % (n=16) of the respondents had a working experience of between 6 to 10 years. The results show that the majority of the employees were the ones who were least experienced; this was represented by 23.3% of the employees and followed by 21.9 % of the employees who had the experience of between 6-10 years. Work experience of the respondents was essential to this study because it facilitated the collection of reliable data, experience of the workers means that the employees have spent enough time at NamPost to understand how the reward system affect their job satisfaction.

#### **4.4 Descriptive statistics on level of motivation and satisfaction from rewards practices**

The first objective of this study was to determine whether employees are motivated and satisfied with rewards practices in Namibia Post Office. To achieve this objective, the respondents were asked to indicate their level of satisfaction and motivation using the Likert Scale. The results are shown in the subsections below:

##### **4.4.1 Responses on remuneration**

The research sought to determine the extent to which employees were satisfied with the level of remuneration at NamPost. Their responses were captured and presented as shown in figure 4.5 below.

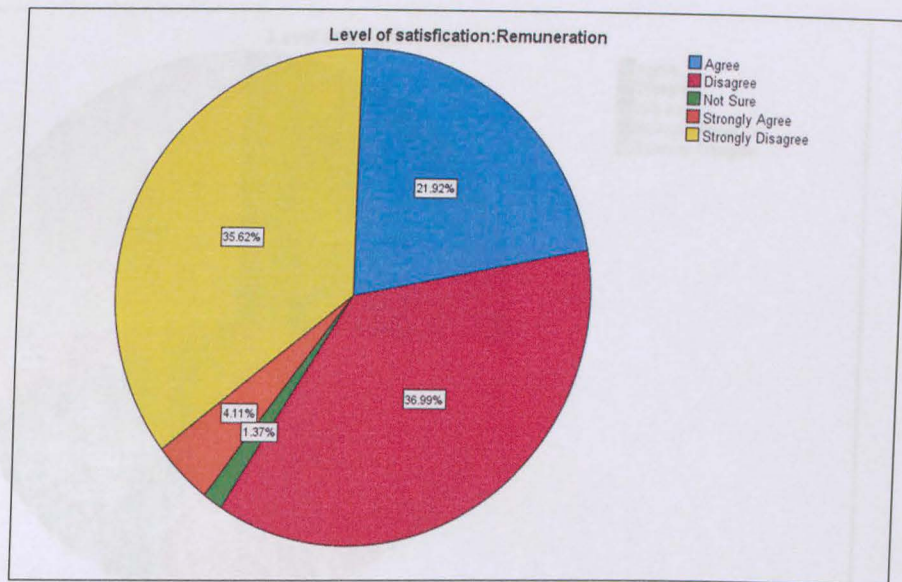


Figure 4.5: Level of satisfaction remuneration

Source: Research Data 2020

As shown in figure 4.5 the study established that the majority of the employees are not satisfied with the amount of remuneration, they receive from Namibia Post Office. This is represented by 37% (n=27) and 35.6% (n=26) of the respondents who indicated item “Disagree” and “strongly Disagree” respectively. A small number of the respondents indicated that they are satisfied with the amount of remuneration, this is represented by 21.9% (n=16) and 4.1% (n=3) of the respondents who selected items “Agree” and “Strongly” agree respectively. Only 1.4 % (n=1) of the respondents were not sure. This means that the majority (37% who selected item “Disagree” and 35.6% who selected item “Strongly Disagree”) of the Namibia Post Office employees is not satisfied with the amount of remuneration they are currently receiving

#### 4.4.2 Responses on allowances

The respondents were asked if NamPost offered attractive allowances, their responses were captured and analysed as shown below in figure 4.6.

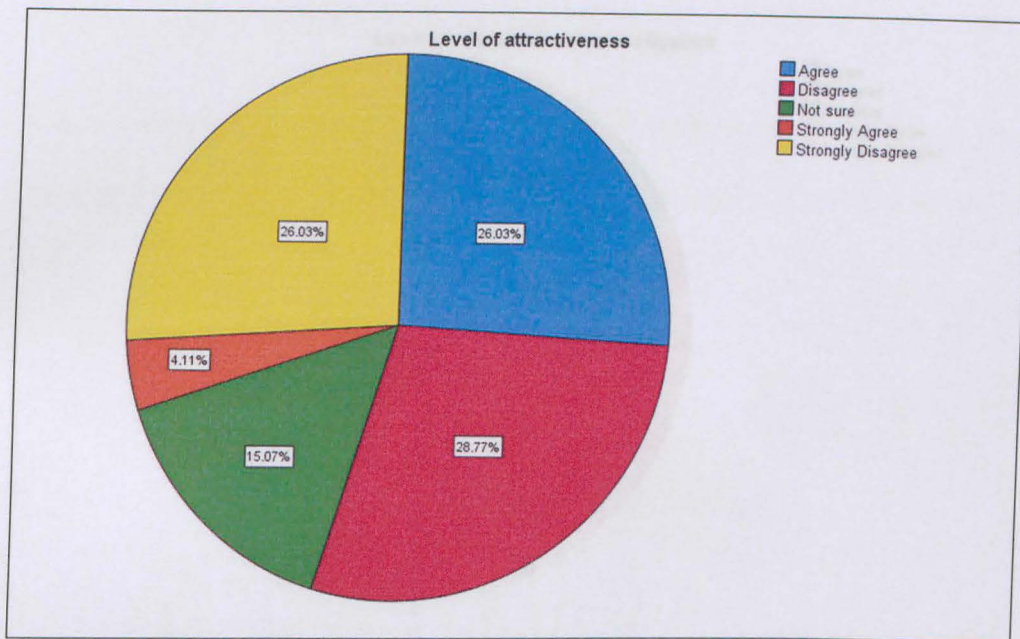


Figure 4.6: Responses on allowances

Source: Research Data 2020

Figure 4.6 shows the responses of the employees when they were asked if Namibia Post Office offers attractive allowances. From the results it can be deduced that the majority of the employees do not agree that Namibia Post Office offers attractive allowances to its employees. This is represented by 28.8% (n=21) and 26% (n=19) of the employees who selected items “Disagree” and “Strongly Disagree” respectively. 26% (n=19) and 4.1% (n=3) of the respondents “Agree” and “Strongly Agree” respectively that Namibia Post Office offered attractive allowances. The 15.1% (n=11) of the respondents indicated that they were not sure if the allowances were attractive.

#### 4.4.3 Responses on reward system

The findings shown in figure 4.7 below shows the responses of the employees when they were asked if they are impressed by the reward system at NamPost.

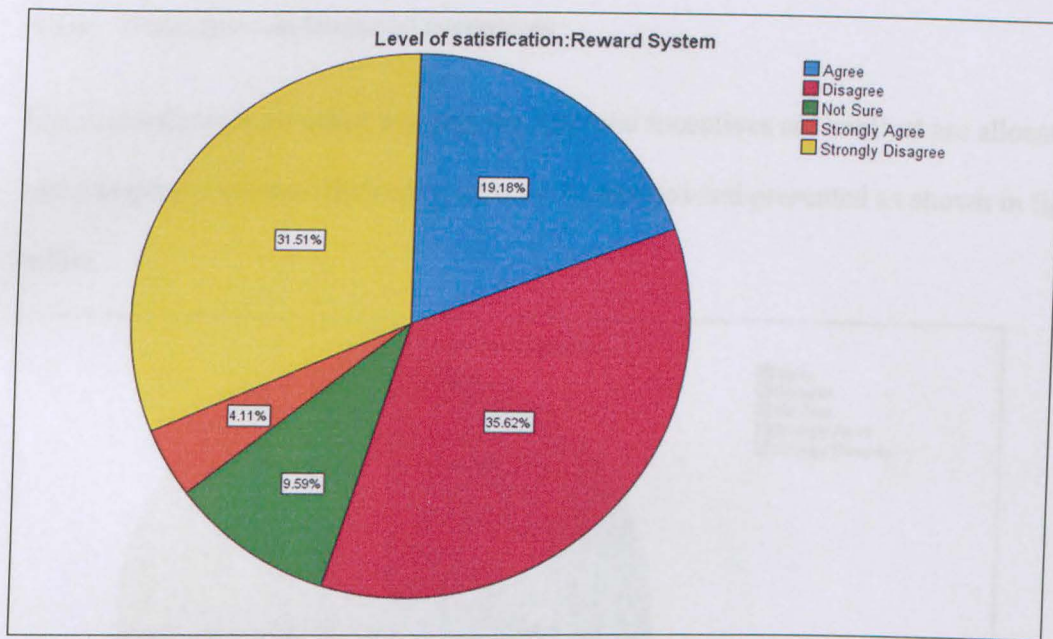


Figure 4.7: Responses on reward system

Source: Research Data 2020

A big number of respondents indicated that they were not impressed by the reward system at Namibia Post Office. This is represented by 35.6% (n=26) and 31.1% (n=23) of the respondents who selected items “Disagree” and “Strongly Disagree” respectively. 19.2% (n=14) and 4.1% (n=3) chose items “Agree” and “Strongly Agree” respectively. 9.6% (n=7) of the respondents selected item “Not Sure”. Hopper (2014) argues that unless the level of pay is reasonable, it will be hard to hire keep and hold the right number of skilled employees. If it is too much, the cost to the organisation will be too high. Most organisations usually compare its pay levels with that of its competitors.

#### 4.4.4 Responses on financial incentives

The respondents were asked whether the financial incentives at NamPost are allocated in a fair and transparent manner, their responses were captured and presented as shown in figure 4.8 below.

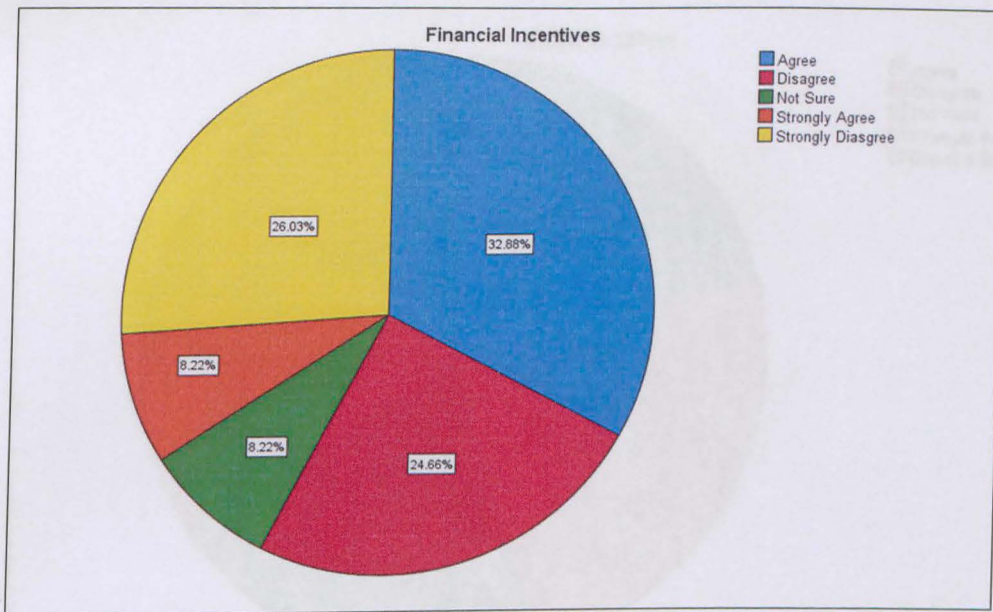


Figure 4.8 Responses on financial incentives

Source: Research Data 2020

The majority of the employees indicated that they “Agreed” with the way financial incentives were being allocated. This was represented by 32.9% (n=24) of the respondents, also 8.2% (n=6) of the respondents indicated that they “Strongly Agreed”. 26% (n=19) of the respondents “Strongly Disagreed” and 24.7% (n=18) of the respondents “Disagreed” and 8.2% (n=6) indicated that they were “Not Sure”. This shows the extent to which respondents in this organization agreed that financial incentives at NamPost are allocated in a fair and transparent manner. This implies that efforts put in by employees are rewarded fairly.

#### 4.4.5 Responses on work atmosphere

The respondents were asked if the reward system have a positive effect on the work atmosphere, their responses were captured and analysed as shown in figure 4.9 below.

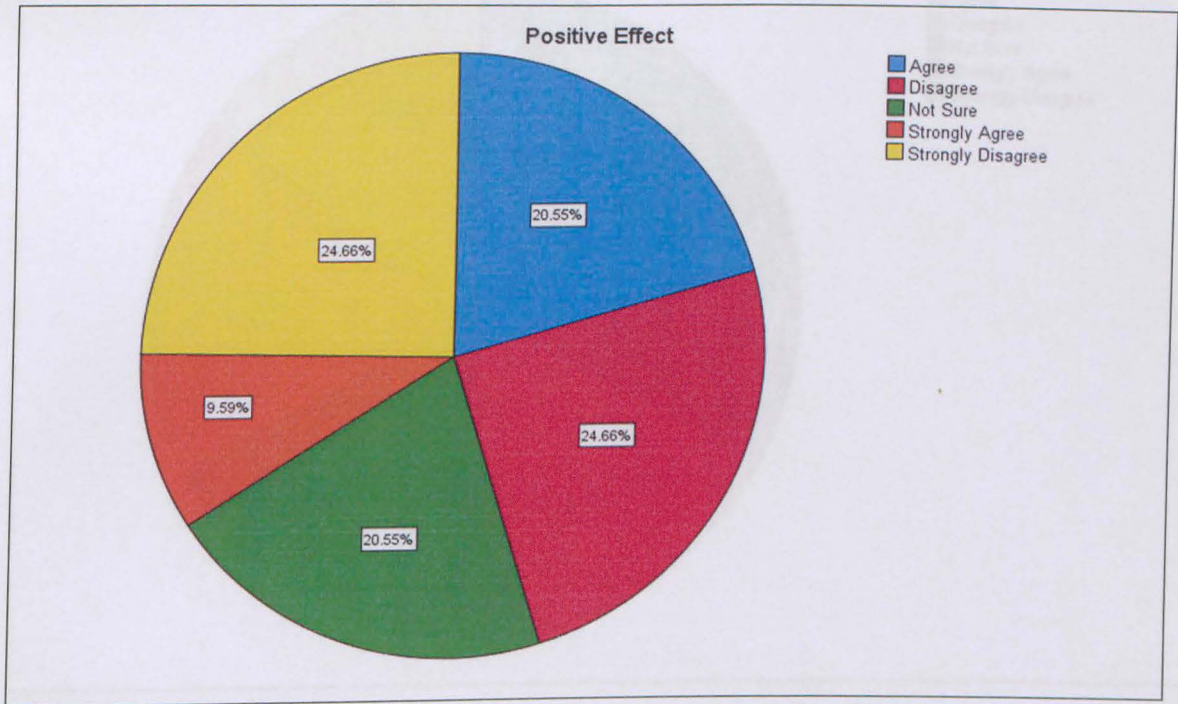


Figure 4.9: Responses on work atmosphere

Source: Research Data 2020

The response on the question the majority indicated that the reward system had no positive effect on the work atmosphere. This was represented by 24.7% (n=18) who indicated that they “Disagree” and another 24.7% (n=18) of the employees “Strongly Disagree”. 20.5% (n=15) said that they were “Not Sure” and another 20.5% (n=15) showed that they “Agree”. 9.59% (n=7) said that they “Strongly Agree” This result shows that the majority of the employees do not think that the reward system has a positive effect on the work atmosphere.

#### 4.4.6 Responses on work effort

The employees were asked if they are prepared to increase their work effort in order to gain more rewards. The responses were analysed and presented as shown in figure 4.10 below.

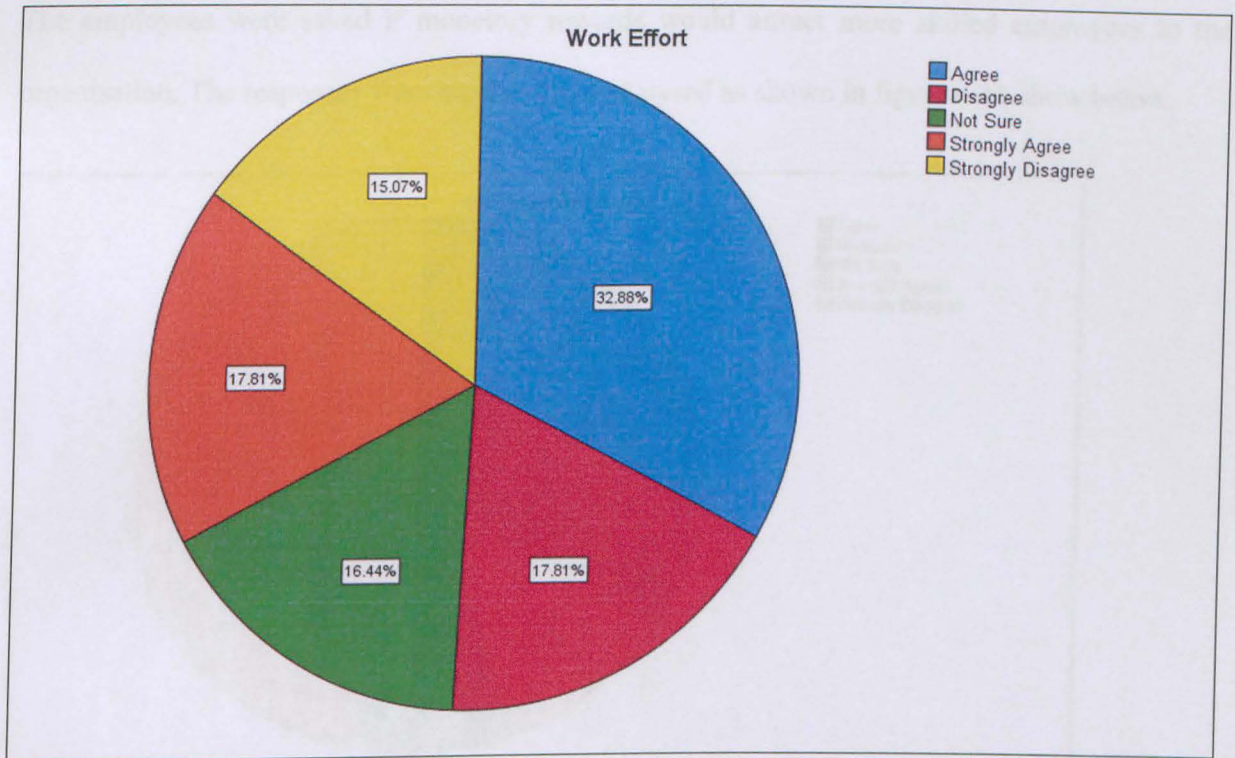


Figure 4.10: Responses on work effort

Source: Research Data 2020

The majority of the employees indicated that they wanted to increase their work effort. This is represented by 32.9% (n=24) of the respondents who selected item "Agreed". 17.8% (n=13) of the respondents indicated that they "Strongly Agree" and another 17.8% (n=13) showed that they "Disagree", 16.4% (n=12) of the respondents indicated that they were "Not Sure". Lastly 15.1% (n=11) of the respondents indicated that they "Strongly Disagreed". This implies that the employees at Namibia Post Office are motivated by reward, if they are offered more rewards they

will be more productive. There is therefore a disjuncture between rewards and the resultant motivation

#### 4.4.7 Responses on skilled employees

The employees were asked if monetary rewards would attract more skilled employees to the organisation. The responses were captured and analysed as shown in figure 4.11 show below.

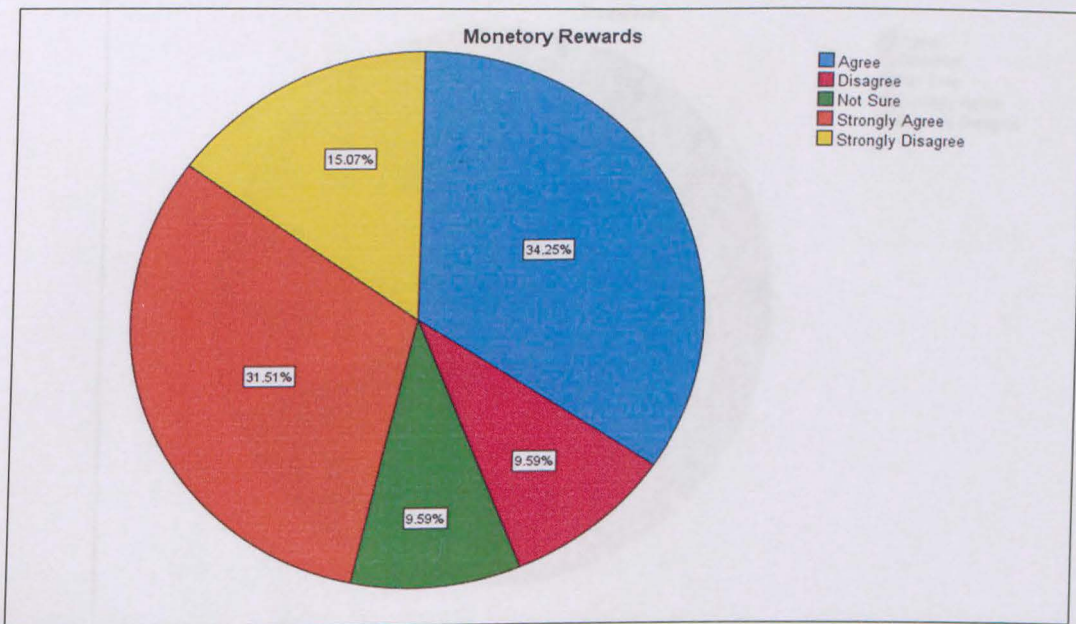


Figure 4.11: Responses on skilled employees

Source: Research Data 2020

Figure 4.11 represent the responses from employees. The majority of the respondents indicated that they “Agreed” this is represented by 34.2% (n=25) of the respondents. This was followed by 31.5% (n=23) of the respondents who indicated that they “Strongly Agreed”.15.1% (n=11) of the respondent indicated that they “Strongly Disagree”, 9.6% (n=7) of the respondents indicated that they “Disagree” and another 9.6% of the employees indicated that they were “Not Sure”. This

implies that the employees believe that rewards are the biggest motivator and employees will join the Namibia Post Office because of monetary rewards.

#### 4.4.8 Responses on reviewing of rewards

The results when employees were asked if the rewards system at NamPost are reviewed every financial year are shown below in figure 4.12.

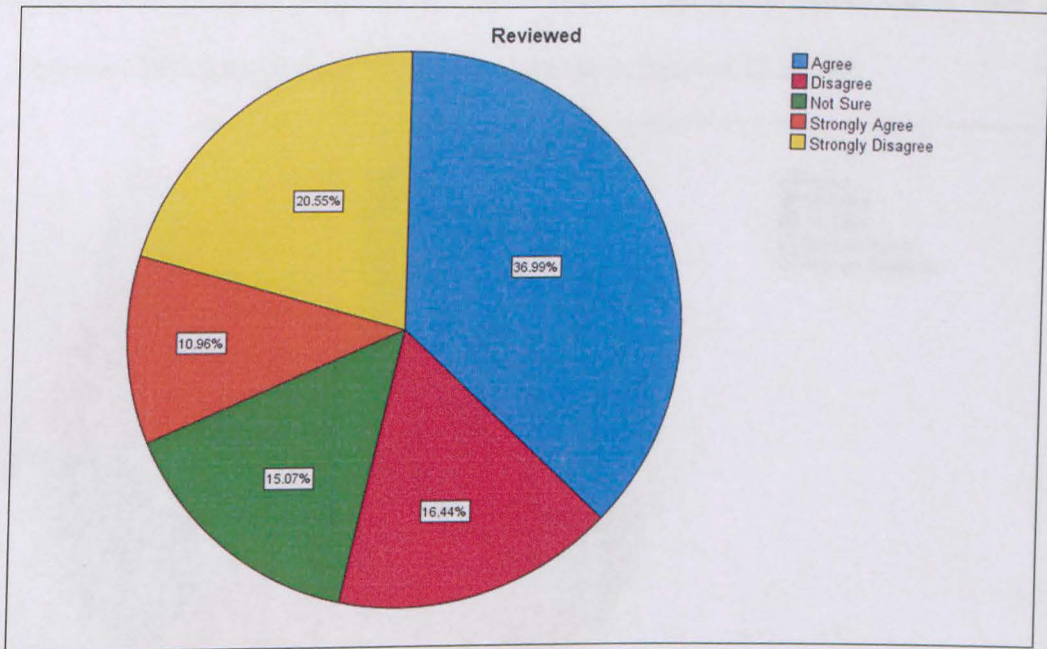


Figure 4.12: Responses on reviewing of rewards

Source: Research Data 2020

Figure 4.12 shows the responses of the employees, the majority indicated that Namibia Post Office reviewed their rewards every financial year. This was represented by 37% (n=27) of the respondents who indicated that they “Agreed” and 10.9% (n=8) “Strongly Agree”. 20.5% (n=15) of the employees indicated that “Strongly Disagree” while 15.1% (n=11) indicated that they were “Not Sure” and lastly 16.4% (n=12) of the respondents showed that they “Disagree”. This implies that the Namibia Post Office is fully aware of the need to improve their rewards systems and that it has a link to employee performance.

#### 4.5 Effects of reward practices on employee performance in Namibia Post Office

The second objective of the research study was to determine the effects of reward practices on employee's performance in Namibia Post Office. To achieve this objective data was collected from the employees and analysed as presented in the following sections:

##### 4.5.1 Responses on abilities

The employees were asked if they are provided with a chance that makes use of their abilities. Their responses were captured and analysed as shown in figure 4.13 below.

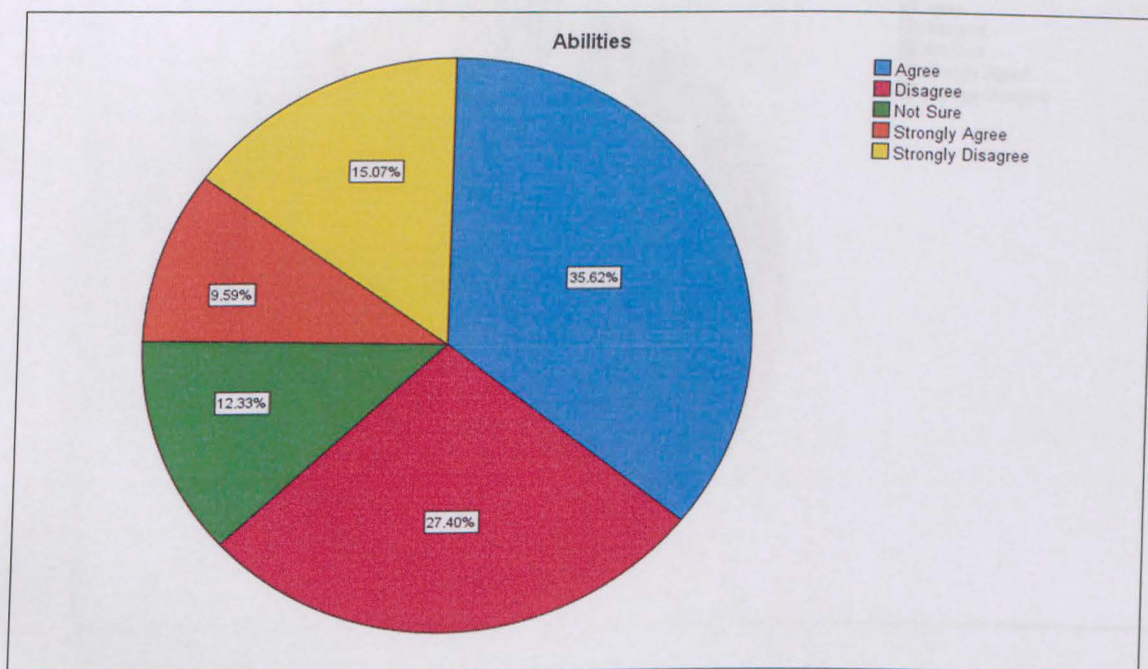


Figure 4.13: Responses on abilities

Source: Research Data 2020

Figure 4.13 shows the responses of the employees. According to the results the majority of the employees indicated that they agreed that they were provided with a chance to do something that makes use of their abilities. This was represented by 35.6% (n=26) of the respondents who selected item "Agree". 27.4 (n=20) of the respondents indicated that they "Disagree" while 12.3% (n=7)

indicated that they were “Not Sure” and lastly 15.1% (n=11) of the respondents indicated that they strongly “disagreed”.

#### 4.5.2 Responses on company polices

The employees were asked if they are happy with the way policies are put in practice. The responses were captured and analysed as shown in figure 4.14 below.

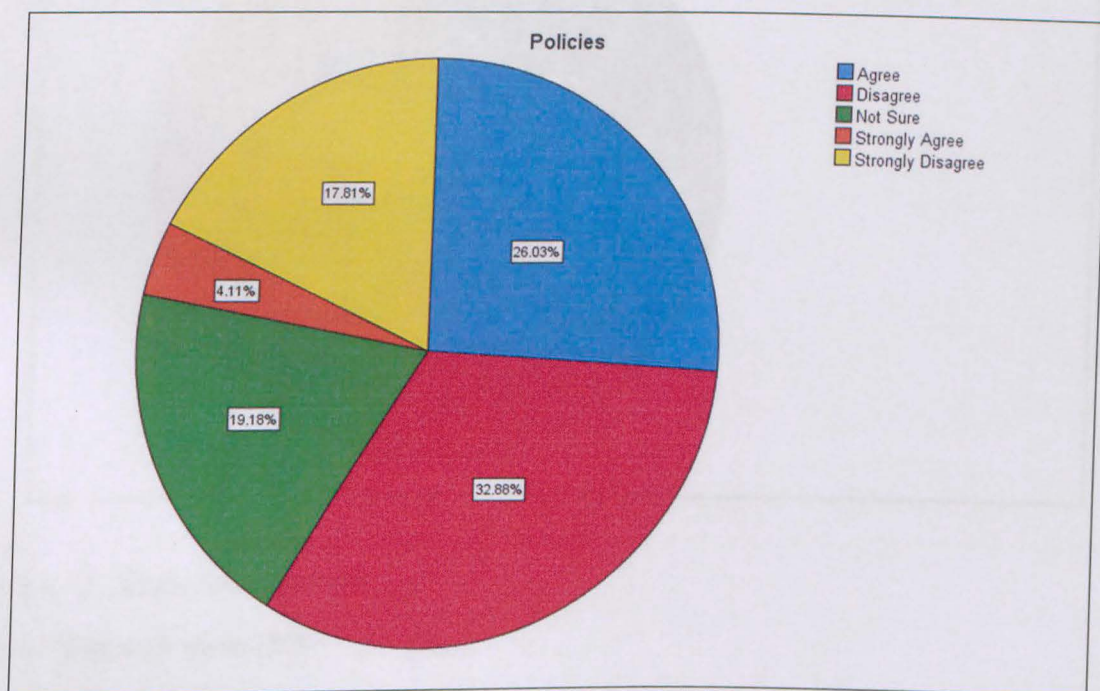


Figure 4.14: Responses on company policies

Source: Research Data 2020

The results in Figure 4.14 shows that the majority disagree, this is represented by 32.9% (n=24) of the respondents who indicated that they “Disagree”. 26% (n=19) indicated that indicated that they “Agree” while 19.2% (n=14) indicated that they were “Not Sure”. 17.8% (n=13) of the respondents indicated that they “Strongly Disagree” and lastly 4.1% (n=3) of the respondents showed that they “Strongly Agree”.

### 4.5.3 Responses on praise

Figure 4.15 below shows the responses of the employees when they were asked if the praise for doing a good job is encouraging. The responses were captured and analysed as shown below.

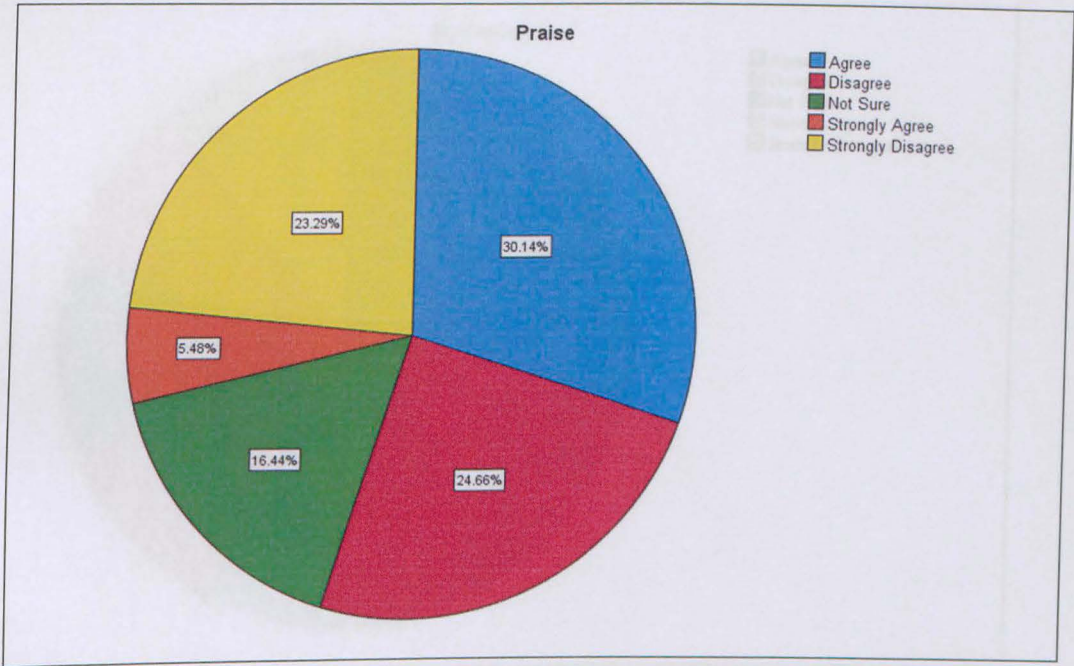


Figure 4.15: Responses on praise

Source: Research Data 2020

The majority agreed that that the praise they get is encouraging, this is represented by 30.1% (n=22) of the respondents who selected item "Agree". 24.7% (n=18) of the respondents indicated that they "Disagree" while 16.4% (n=12) of the respondents indicated that they were "Not Sure". 5.5% (n=4) of the respondents indicated that they "Strongly Agree" and lastly 23.3% (n=17) of the respondents indicated that they "Strongly Disagree".

#### 4.5.4 Responses on motivation

The employees were asked if they were motivated because the job provides them with a steady employment. The responses were captured and analysed as presented in figure 4.16 below.

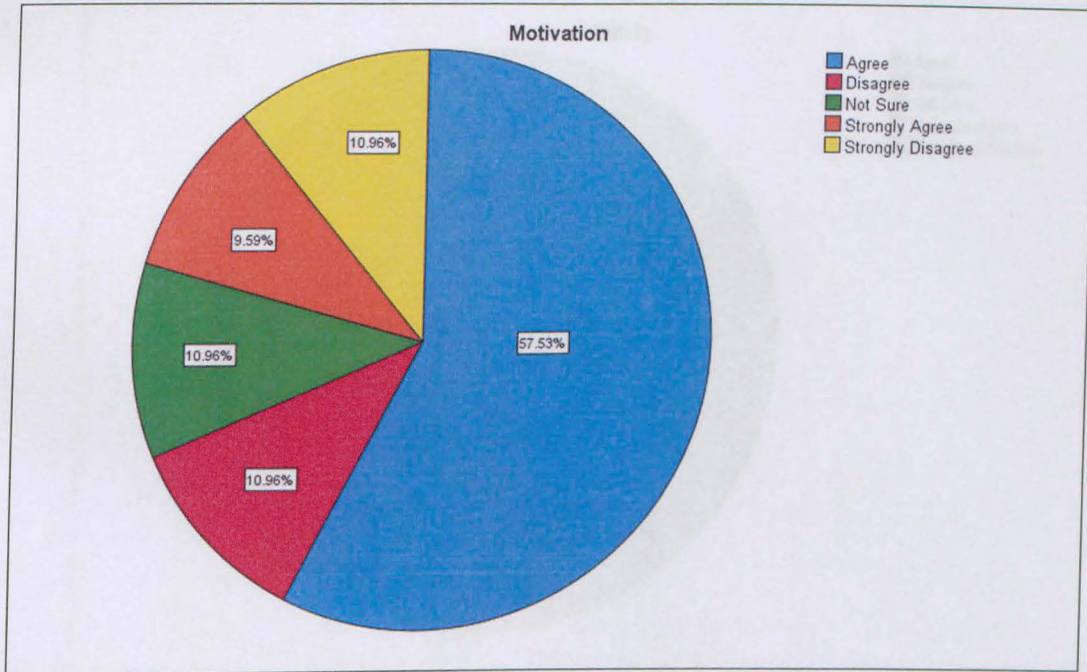


Figure 4.16: Responses on motivation

Source: Research Data 2020

Figure 4.16 shows the responses of the employees when they were asked if they were motivated because the job provides them with a steady employment. The majority of the employees indicated that they “Agree”, this was represented by 57.5% (n=42) of the employees. 9.6% (n=7) of the employees indicated that they “Strongly Agree” while 11% (n=8) of the employees indicated that they “Strongly Disagree”. Another 11% (n=8) of the employees indicated that they were “Not Sure” and lastly the same number indicated that they “Disagree”.

#### 4.5.5 Responses on salaries

The employees were asked if the increase in their salaries will lead to an increase of their performance. The responses were captured and analysed as presented in figure 4.17 below.

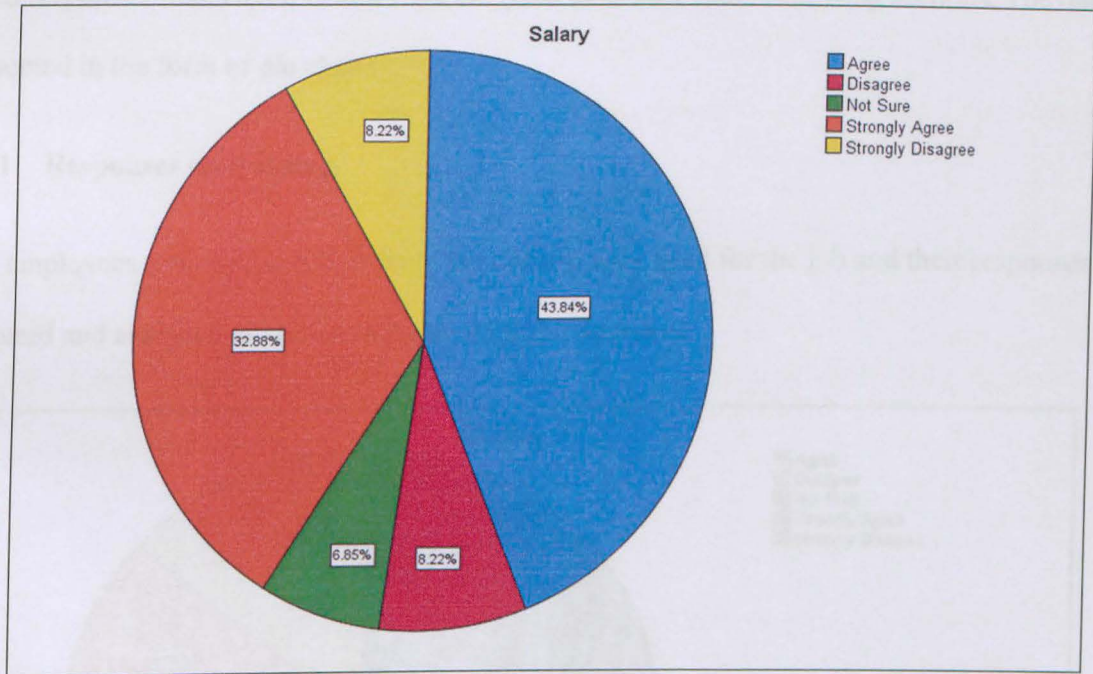


Figure 4.17: Responses on salaries

Source: Research Data 2020

The results show that the majority of the employees indicated that they can increase their effort if the salary is increased. This is represented by 43.8% (n=32) of the employees who indicated that they “Agree” while 32.9% (n=24) indicated that they “Strongly Agree”. 8.2% (n=6) of the respondents indicated that “Strongly Disagree” and the same number of employees also indicated that they “Disagree”.

#### 4.6 Effect of reward practices on employee job satisfaction in Namibia Post Office.

The third objective of the study sought to determine the effects of reward practices on employee job satisfaction in NamPost. The employees were presented with questions related to the objectives. Their responses were captured and were analysed as shown in the following sections. The data was presented in the form of pie charts.

##### 4.6.1 Responses on training

The employees were asked if they have the training they need for the job and their responses were captured and analysed as shown in figure 4.18 shown below.

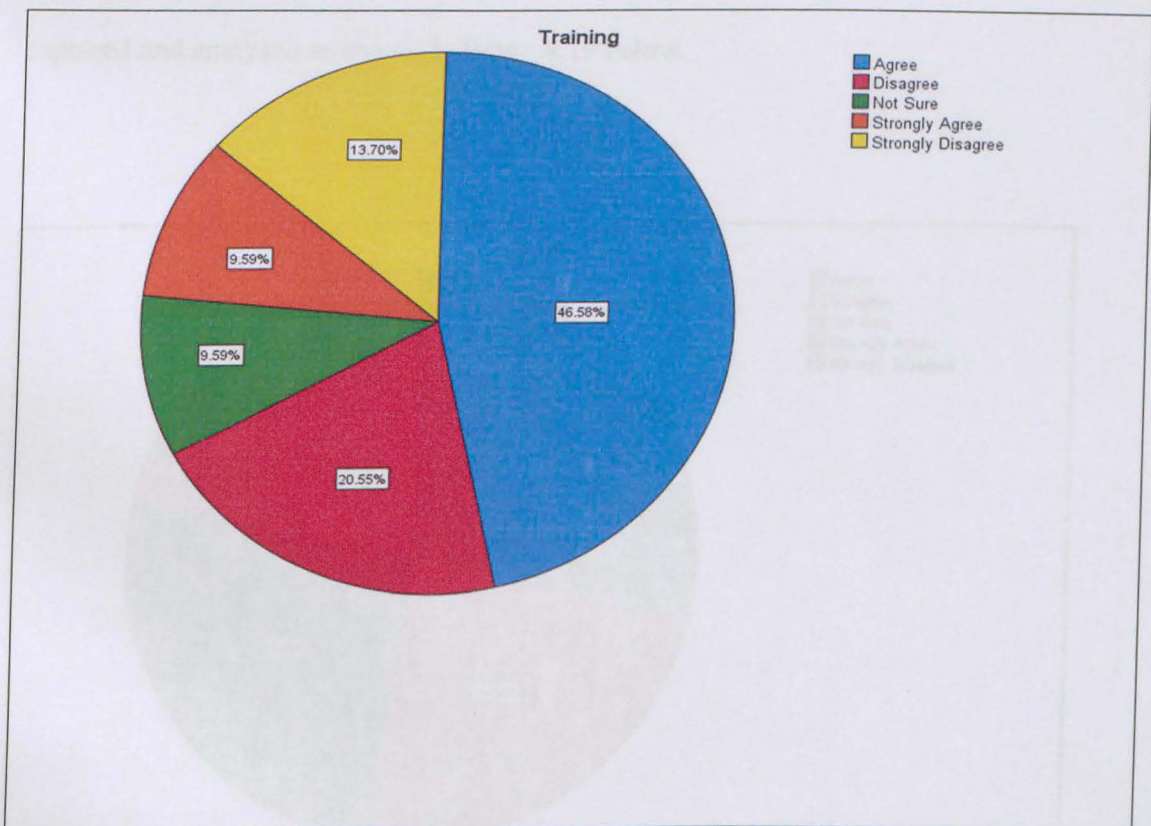


Figure 4.18: Response on Training

Source: Research Data 2020

The majority of the employees indicated that they have training for the job, this was represented by 46.6% (n=34) of the respondents who selected item “Agree”. 20.5% (n=15) of the respondents indicated that they “Disagree” while 13.7% (n=10) of the respondents indicated that they “Strongly Disagree”. 9.6% (n=7) of the respondents indicated that they were “Not Sure” and the same number of respondents also indicated that they “Strongly Agree”. This implies that Namibia Post Office trains its employees, which is important in reducing difficulty in performing their duties and increases job satisfaction as a result.

#### 4.6.2 Responses on moral

The employees were asked if there were high morals in their department, their responses were captured and analysed as shown in figure 4.19 below.

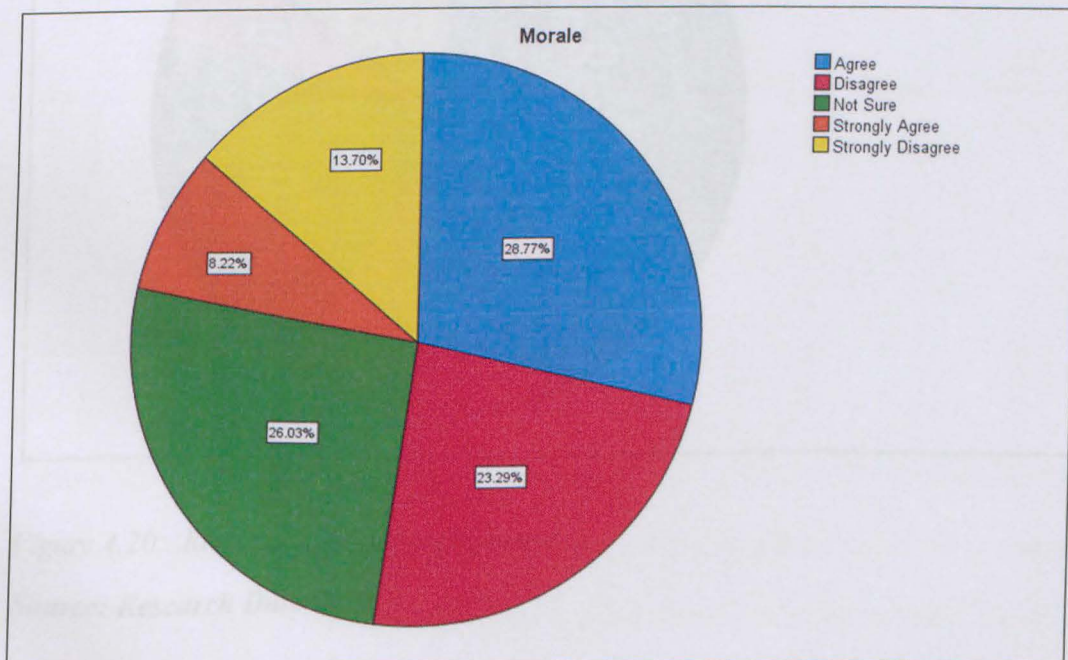


Figure 4.19: Responses on moral

Source: Research Data 2020

The majority indicated that there was high moral in their department, this was represented by 28.8% (n=21) of the employees who selected item “Agree”. 23.3% (n=17) of the respondents indicated that they “Disagree” while 26% (n=19) indicated that they were “Not Sure”. 13.7% (n=10) of the respondents indicated that “Strongly Disagree” and lastly 8.2% (n=6) of the respondents indicated that they “Strongly Agree”.

#### 4.6.3 Responses on accomplishment

The employees were asked if asked if they feel happy with the accomplishment they get from the job, their response was captured and analysed as shown in figure 4.20 show below

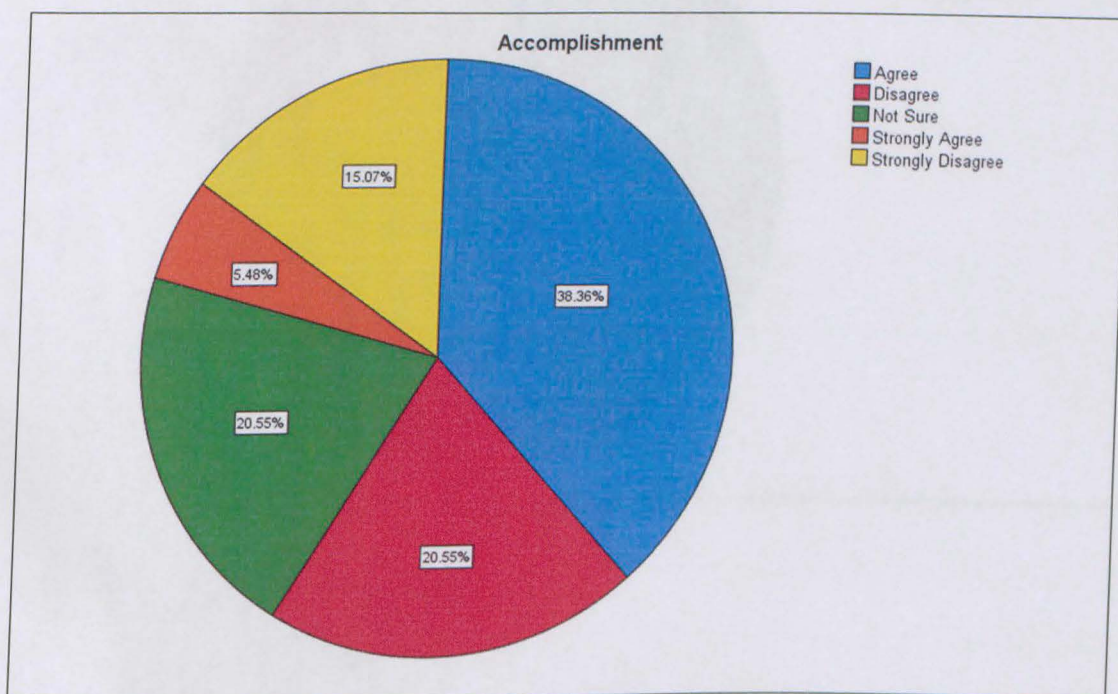


Figure 4.20: Responses on accomplishment

Source: Research Data 2020

The majority of the employees indicated they felt happy, this was represented by 38.4% (n=28) of the respondent who selected item “Agree” this was followed by 20.5% (n=15) of the employees

who indicated that they “Disagree”. Another 20.5% (n=15) of the employees indicated that they were not sure while 5.5% (n=4) of the employees indicated that they “Strongly Agree” and lastly 15.1% (n=11) of the respondents indicated that they “Strongly Disagree”.

#### 4.6.4 Responses on team work

The respondents were asked if NamPost promotes teamwork, the responses of the employees were captured and analysed as shown in figure 4.21 below.

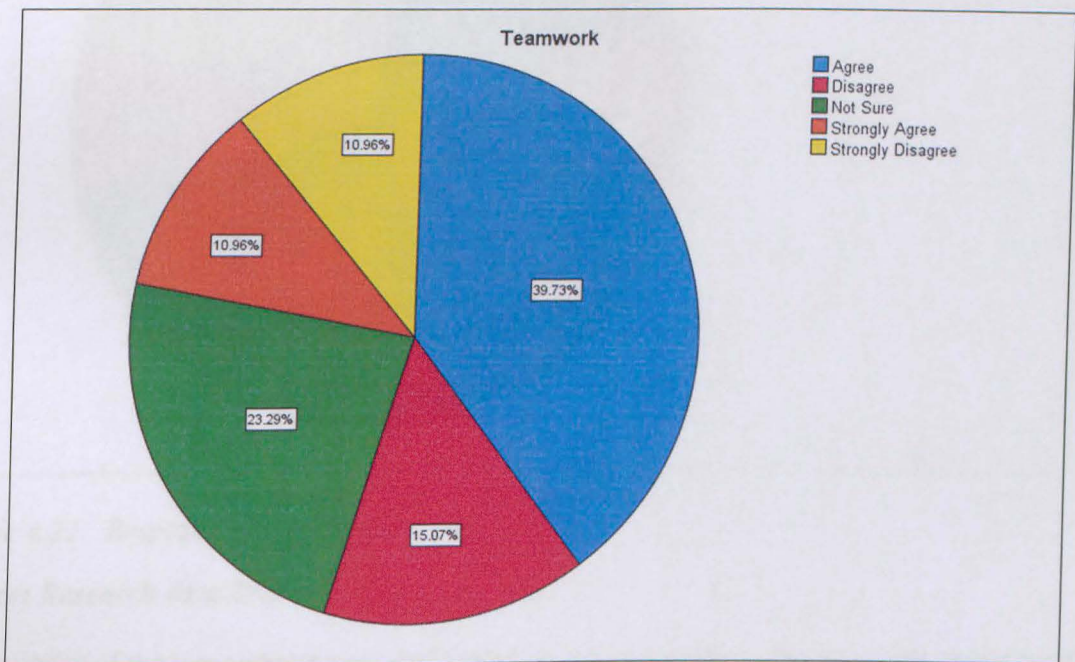


Figure 4.21: Responses on teamwork

Source: Research data 2020

Figure 4.21 above shows the responses the majority of the respondents indicated that the company promotes teamwork, this was represented by 39.7% (n=29) of the respondents who selected item “Agree”. This was followed by 23.2% (n=17) of the respondents who indicated that they were “Not Sure”. 15.1% of the respondents indicated that they “Disagree” while 11% (n=8) indicated that they “Strongly Agree” and the same number indicated that they “Strongly Disagree”.

#### 4.6.5 Responses on quitting the job

The employees were asked if they would hate to quit their job, the responses were captured and analysed as shown in figure 4.22 below.

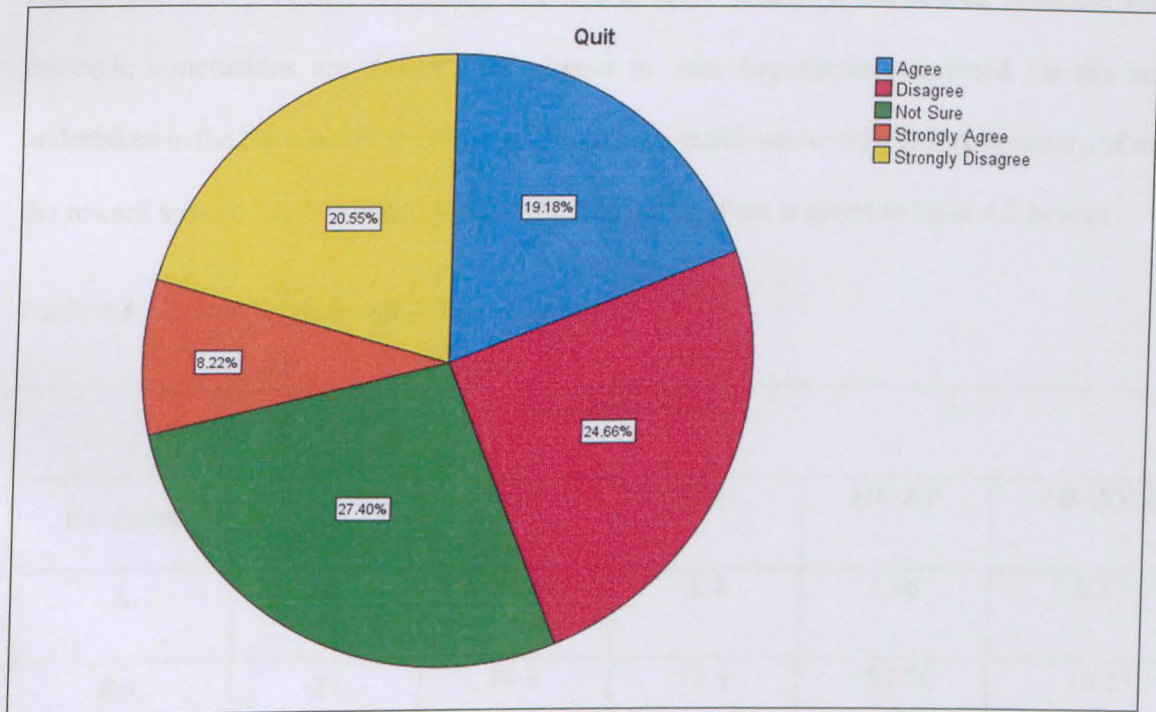


Figure 4.22: Responses on quitting the job

Source: Research data 2020

The majority of the respondents were undecided, they were not sure, this was represented by 27.4% (n=20) of the employees. This was followed by 24.7% (n=18) who indicated that they “Disagree” while 20.5% (n=15) of employees indicated that they “Strongly Disagree” and lastly 8.2% (n=6) indicated that they “Strongly Agree”. This shows that the employees are not sure whether to leave the job or not, this can be attributed to a combination of a good working environment plus unfair financial rewards at the Namibia Post Office. This makes it challenging for employees to make a decision whether to quit or stay.

#### 4.7 Inferential Statistics on Reward system and job satisfaction

In this section the results of the inferential statistical techniques used in the study are presented. In order to test the research hypotheses, the Pearson product moment correlation coefficient, Chi square test, ANOVA and regression was calculated. Based on the results obtained from the research, conclusions are drawn with respect to each hypotheses generated for the research undertaken in the Namibia Post Office at which the research was conducted. A summary of whether the reward system has facilitated job satisfaction at NamPost is given in table 4.3 below.

Table 4.3: Reward system and job satisfaction

Job Satisfaction					
Response	O	E	O-E	$(O-E)^2$	$(O-E)^2/E$
A	16	14.6	1.4	1.96	0.13
DA	27	14.6	12.4	153.76	10.53
SA	3	14.6	-11.6	134.56	9.22
SDA	26	14.6	11.4	129.96	8.90
Not Sure	1	14.6	-13.6	184.96	12.67
<b>Total</b>	<b>73</b>				<b>41.45</b>

Source: Research data 2020

Table 4.4: Test Statistics

Test Statistics	
	Satisfaction
Chi-Square	41.452 <sup>a</sup>
Df	4
Asymp. Sig.	.000
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 14.6.	

Source: Research data 2020

The researcher adopted the Chi-Square goodness-of-fit test to test whether rewards practices has an impact on job satisfaction in Namibia Post Office according to the first objectives in the study.

### Hypothesis

H<sub>0</sub> – Rewards have no significant impact on Employees job satisfaction at Namibia Post office.

H<sub>1</sub> – Rewards have a significant impact on Employees job satisfaction at Namibia Post office.

A  $\chi^2$  (Chi Square) test used to reject or accept the null hypothesis (H<sub>0</sub>).

### Reporting the analysis results

H<sub>0</sub>: rejected in favour of H<sub>1</sub>

H<sub>1</sub>: Rewards have a significant impact on Employees job satisfaction.

### Explanation:

Test statistics indicate that the calculated  $\chi^2$  statistics for 4 degrees of freedom is 41.452. The chi-square table value at  $\alpha = 0.05$  and 4 degree of freedom is 9.49. Additionally, it indicates that the significance value (0.000) is less than the acceptable threshold value of 0.05. This suggests that the null hypothesis,  $H_0$  (Rewards have no significant impact on Employees job satisfaction at Namibia Post office) can be rejected in favour of the alternative hypothesis,  $H_1$  (Rewards have a significant impact on Employees job satisfaction at Namibia Post office).

#### 4.7.1 Pearson Correlation analysis

Cohen & Swerdlink (2002) posit that, the Pearson Product Moment Correlation Coefficient is widely used as a statistical method for obtaining an index of the relationship between two variables when the relationships between the variables is linear and when the two variables correlated are continuous. To ascertain whether a statistically significant relationship exists between rewards, job satisfaction and employee performance, the Pearson Product Moment Correlation Coefficient was used. The correlation coefficients represent the relationship between two or more variables. The correlation coefficient (R) indicates degree of relationship between two variables.

Table 4.5: Correlation Rewards and Job satisfaction

Correlations			
Variables		Job satisfaction	Reward
Job satisfaction	Pearson Correlation	1	.128
	Sig. (2-tailed)		.279
	N	73	73
Reward	Pearson Correlation	.128	1
	Sig. (2-tailed)	.279	
	N	73	73

**Results:**

The Pearson's correlation analysis, ANOVA and Regression analysis were used in order to find the relationships between the test hypotheses. **Pearson's correlation coefficient** has a value between -1 (**perfect negative correlation**) and 1 (**perfect positive correlation**). Pearson's correlation coefficient can be positive or negative. From the Correlations table, it can be seen that the correlation coefficient (r) equals 0.128, indicating a weak positive relationship. The results indicate that there is a significant statistical relationship between the variables.

Table 4.6: Correlations Rewards and Employee Performance

Correlations			
Variables		Employee performance	Reward
Employee performance	Pearson Correlation	1	.108
	Sig. (2-tailed)		.189
	N	73	73
Reward	Pearson Correlation	.108	1
	Sig. (2-tailed)	.189	
	N	73	73

**Results:**

**Pearson's correlation coefficient** has a value between -1 (**perfect negative correlation**) and 1 (**perfect positive correlation**). Pearson's correlation coefficient can be positive or negative. From the Correlations table, it can be seen that the correlation coefficient (r) equals 0.108, indicating a weak positive relationship.

**Conclusion:**

It can be concluded that for employees, there is evidence that Job satisfaction and Employee Performance is related to the reward system in the organisations. In particular, it seems that the

more an employee is not rewarded the more he or she is dissatisfied ( $r = 0.128, p < 0.05$ ) and poorer their performance ( $r = 0.108, p < 0.05$ ).

Hypothesis	Result
H <sub>0</sub> : There is no relationship between Rewards and Job Satisfaction in NamPost	Reject
H <sub>1</sub> : There is a positive relationship between rewards and Job Satisfaction in NamPost	Accepted
H <sub>0</sub> : There is no relationship between rewards and employee performance in NamPost	Reject
H <sub>2</sub> : There is a positive relationship between rewards and employee performance in NamPost	Accepted

From the above there is a positive coefficient between reward and Job satisfaction ( $r = .128$ ) and a statistically significant ( $p < 0.05$ ), linear relationship between these two variables such that the high rewards system more the employee job satisfaction. So, the Null Hypothesis is rejected.

In the other variable which is the Employee performance from the above there is a positive coefficient between reward and Job satisfaction ( $r = .108$ ) and a statistically significant ( $p < 0.05$ ), linear relationship between these two variables such that the high rewards system more the employee job satisfaction. So, the Null Hypothesis is rejected.

#### 4.8 Regression analysis and Anova

Table 4.7: Coefficient of Determination of Regression Analyses

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.305 <sup>a</sup>	.093	.067	1.527

a. Predictors: (Constant), Reward, Performance

Table 4.8: ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.743	2	8.372	3.591	.033 <sup>b</sup>
	Residual	163.202	70	2.331		
	Total	179.945	72			
a. Dependent Variable: Job satisfaction						
b. Predictors: (Constant), Reward, Performance						

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.807	.549		3.290	.002
	Performance	.288	.119	.277	2.431	.018
	Reward	.143	.146	.112	.983	.329
a. Dependent Variable: Job satisfaction						

The general form of a bivariate regression equation is “ $Y = a + bX$ .” The regression formula used was as follows:  $Y = \beta_0 + \beta_1X$ ,

Where:  $Y$ = Job Satisfaction and Performance, i.e. the dependent variables

X = Rewards

With  $\beta_0$  and  $\beta_1$  = Regression coefficients to be observed.

The model summary shows that the adjusted R-squared value is 0.067 while the regression equation gives two non-standardised slopes, both of which are partial statistics. The amount by which Job satisfaction changes for each one-point increase in Reward is 0.288, and the amount by which Job satisfaction changes for each one-point increase in Performance, is 0.143. The intercept, 1,807, is just a reference point, the predicted Job satisfaction score for an employee whose reward and Performance are both zero (which are not even possible values). The "Standardized Coefficients" (usually called beta) are the slopes in standardized units -- that is, how many standard deviations does Job satisfaction change for each one standard deviation increase in the predictor, above and beyond the effect of the other predictor(s).

#### **4.10 Discussion**

##### **4.10.1 To determine whether employees are motivated and satisfied with rewards practices in the Namibia Post Office**

According to the analysis it can be deduced that NamPost employees are not motivated and satisfied by the rewards practices at NamPost. When the questionnaire was distributed to the employees, it was found that the majority of the employees are not satisfied by the reward system at NamPost. The majority of the employees also indicated that NamPost does not offer allowances. The employees were also asked if they were impressed by the reward system at NamPost and the majority of the employees indicated that they were not impressed by the reward system at NamPost. However, when the employees were asked if the financial incentives at NamPost were offered in a fair and transparent manner, the majority of the employees were in agreement. The employees were also asked if the reward system had a positive effect on the work atmosphere and the majority of

the employees disagreed that the reward system had a positive effect on the work atmosphere. The majority of respondents also indicated that they are willing to increase their work effort if their rewards are increased. The majority of respondents also believed that an attractive reward system would attract skilled workers to NamPost and the majority of the employees indicated that NamPost reviews rewards systems every financial year.

Applying Maslow's Hierarchy of needs theory to these findings, it can be concluded that the employees are motivated by more remuneration as it allows them to meet their physiological needs. Maslow's Hierarchy of needs goes on to state that as time goes on the financial rewards become less important than the other needs on the hierarchy such as the need to achieve full potential and job security. This is also supported by Herzberg's theory of motivation where he argues that financial rewards only motivate the employees temporarily and further increase in financial rewards will be needed to keep the employees motivated.

He further went on to suggest that the best way to motivate the employees is to find out what really motivates them. According to Herzberg, the best way to motivate the employees is through the inherent factors in the job such as recognition for achievement and giving employees more responsibilities (Fred, 2011).

According to Ryan (2013), a fine reward system seeks to motivate the workforce to work harder, and bring into line their goals with those of the organisation they work for. The existing trend towards performance-related reward systems is intended to lead to better rewards and motivation for those who contribute the most.

Further predicating upon the notion of whether employees are motivated and satisfied by the reward system, Ryan (2013) articulated that the connection flanked by reward system and motivation is an

intricate issue that is fervently debated in both accounting and human resource-related literature. Ryan (2013) further argues that if the organisation is offering uncompetitive rewards, it might find it difficult to recruit new staff as the employees can get better rewards from other employers. In addition, due to unattractive rewards, the organisation might lose its employees to other organisations.

Hopper (2014) agrees with this assertion when he asserted that unless the level of pay is reasonable, it will be hard to hire and keep hold of the right number of skilled employees. If it is too much, the cost to the organisation will be too high. Most organisations usually compare their pay levels with those of their competitors.

Another theory that can be applied to the findings is the Equity Theory by Adams (1963). It was found that the majority of the employees agreed that NamPost financial incentives were offered in a transparent and fair manner. The Equity Theory states that employees strive to maintain proportions of their personal rewards to contributions compared to others' proportions. This theory emphasizes more on benefits that equate to effort that is to avoid underpayments and overpayments. Adams (1963) further outlined that persons who perceive themselves as either under rewarded or over rewarded will suffer from distress, and that this distress is necessary in formulating efforts to reinstate equity. In simple terms, if an employee believes his treatment is unbalanced in relation to others, he or she will be driven to take action about it - that is, pursue justice.

#### **4.10.2 To determine the effects of reward practices on employee performance in Namibia**

##### **Post Office**

According to the research findings, it can be concluded that there is a relationship between reward practices and employee performance at NamPost. The majority (35.6%) of the respondents who participated in the study indicated that they were provided with something that makes use of their abilities. This is related to Herzberg's Two Factor Theory, where he outlined that there are several aspects of the job which lead to satisfaction and also there are aspects that lead to dissatisfaction.

The factors are divided into two categories: the hygienic and motivational factors. He pointed out that the motivational factors give the employees the desirable satisfaction. These factors are intrinsic to work. These factors inspire the workforce for a higher performance. These factors are called satisfiers. These are factors involved in performing the job. The workforce finds these factors essentially gratifying.

Motivational factors incorporate: recognition, a sense of achievement, responsibility, growth and promotional opportunities, experienced meaningfulness of work among others. Thus, as indicated by the majority of the NamPost employees that they are provided with a chance to do something that makes use of their abilities, this means this group of employees are satisfied with their job and 35.6% of these employees represent the majority of the employees. NamPost must therefore put in place intervention that will ensure that all their employees are satisfied with their jobs.

However, on the other hand, the majority of the employees (represented by 32.9%) indicated that they are not happy with the way company policies are put into practice. This should be a worry for NamPost because as indicated in Maslow's Hierarchy of Needs, employees have love and belonging needs and they are motivated if those needs are satisfied. NamPost needs to be inclusive

when putting their policies in practice. The employees must be given the chance to formulate and implement the policies themselves. Increasing their participation in the process will increase the level of job satisfaction. Furthermore, when the employees were asked if the praise they get for doing a good job is encouraging, the majority (represented by 30.1% who selected item “Agree” and 23.3% who selected item “Strongly Agree”) of the respondents indicated that they were happy with the praise they get.

Employees feel motivated if they get recognised for achieving their objectives. This is also pointed out in Maslow’s Hierarchy of needs. The theory states that employees have esteem needs, when these esteem needs are fulfilled, people feel very confident and perceive their contributions and achievements as precious and significant. The theory goes on to outline that the esteem need takes into account two factors:

The first factor encompasses to have a sense of self-assurance and self-confidence. The subsequent component involves a sense of feeling respected by others; that is, a sense of feeling that our contributions and achievements have been recognised by others. This is supported by Chamorro-Premuzic’s (2013) view, that advocated that money alone cannot enhance performance unless supported by other factors such as good working conditions, recognition and many others.

The research findings also show that NamPost offers its employees job security. The majority of the employees represented by 57.5 % selected item “Agree” and 9.6% selected the item “Strongly Agree”; indicating that they are motivated because the job provides them with steady employment.

Job security can lead to employee motivation according to the Fredrick Herzberg’s Two-Factor Theory. Herzberg stated that recognising employees for their achievement can increase their motivation. He also pointed out that giving larger responsibilities to the employees can help

improve their motivation and satisfaction towards their work. While according to Fred (2011) things have changed within today's organisations as they now understand the benefits attained by incorporating rewards, job satisfaction, performance and motivation in their business strategies. Therefore, to achieve the set organisational objectives the reward systems must be aligned with the organisational strategies.

The needs at the lowest levels of the hierarchy are physiological, describing the need to survive (e.g. eating and being housed); once these have been met, people then yearn for safety, chased by love, trailed by esteem, and ultimately at the top of the hierarchy, self-actualisation, or self-fulfillment (Bratton, 2010). The general perception is that everyone wants to be appreciated and acknowledged for the good work they do at their working environment. There is also an assumption in the environment we live in that people go to work so that they can earn a living, which is so that they can be able to pay their bills, buy basic needs and also luxurious needs. This notion can be supported by the results which showed that the majority of the employees (48.3%) indicated that an increase in their salaries can lead to an increase in their performance.

#### **4.10.3 Effects of reward practices on employee job satisfaction in Namibia Post Office.**

Employee satisfaction clearly describes employee attitude toward their work. In other terms, it explains the workers' degree of satisfaction in fulfilling their wants and needs at work. Therefore, it is the pleasurable emotions that arise from the understanding of an individual meeting the degree of happiness of the wants. Work satisfaction may be conveyed or experienced by subjective emotions, as an intrinsic aspect. In other terms, it depends on the specific employee's inner speech and disposition toward a particular work. Employee happiness, for example, is strong because the work meets the psychological or physiological needs anticipated.

However, satisfaction is said to be low if the job does not fulfil the psychological or physiological needs (Onah, 2015). The research findings show that the reward practices have a relationship with job satisfaction at the NamPost.

The research sought to understand if the employees have the training they need for the job and the majority (46.6%) of the employees indicated that they had the training they need for the job. Training provides the employees with the skills needed to perform their duties, once the employees are facing fewer difficulties in relation to their job their level of satisfaction will increase as they become more and more interested in their work. This gives them improved self-esteem and the desire to perform more challenging duties (Onah, 2015). This is supported by the findings that the majority (28.8%) of the employees who indicated that there is high morale in their department. There is a clear connection being presented here between training and morale, the majority of the employees are showing a desire to do more for their organisation. Reward system also leads to elevated and enhanced performance of workers which has an undeviating collision on the yields of the business.

Furthermore, a larger proportion (38.4%) of the employees indicated that they are happy with the accomplishment they get from the job. This shows satisfaction and motivation towards their jobs as outlined by Abraham Maslow Hierarchy of needs Theory which states that when employees achieve the feeling of accomplishment their esteem is improved which can lead to motivation (Adam, 1963). Another Theory which supports this assertion is the Vroom's expectancy theory which points out that that a worker's performance is greatly dependent on personal factors such as personality, skill, know-how, experience and aptitude. He stated that effort, performance and motivation are correlated in an individual's motivation (Vroom, 1964).

The research also showed that NamPost promotes teamwork; this was supported by 39.7% of the employees who agreed that the organisation promotes teamwork. Teamwork creates motivation and job satisfaction as indicated in the literature in relation to the need for belonging or to be loved and appreciated as stated in the Maslow Hierarchy of needs theory (Adam, 1963). It also takes into account the need to sense that we fit into a social group. Notably, this need includes both a sense of being loved as well as feeling love towards others. The research did not show whether the employees were willing to quit their job or not, the majority (27.4%) of the employees indicated that they were undecided when they were asked if they would hate to quit their job.

#### **4.11 Summary**

This chapter presented and analysed data collected through the questionnaires. The research data was captured and analysed based on a five point Likert-type scale which indicated the employees' level of agreement with the question asked. Presented at the beginning of this chapter is the demographic profile of the respondents which includes the level of education, gender, job category, work experience and respondents' ages.

This section also presented the findings of the research in relation of the research objectives. The objectives of the research study were fully addressed in this section by asking the employees the questions, analysing the data and presenting the findings in the form of tables and figures. Pearson's correlation analysis, Chi square test, ANOVA and regression analysis were used to find the relationships and test the hypothesis. A discussion of the research findings was also presented in this section. The following section will present the research conclusion, summary, recommendations and areas for further study.

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The aim of this study was to investigate the effects of reward practices on job satisfaction and employee performance in the Namibia Post Office. In order to achieve this goal, Literature related to the research topic was presented in chapter 2. The literature focused on the theories of motivation by Abraham Maslow (Hierarchy of needs), Herzberg's Two Factor Theory, Vroom's Expectancy theory, Equity Theory and the Goal Setting Theory. The theories were discussed in relation to their link to employee motivation, which is one of the variables in this study. Several literatures on reward systems and employee performance was also reviewed in chapter two. Chapter 3 of this study provided the guidelines on the research methodology that was used for this study. The research findings were presented and discussed in chapter 4. This section will focus on the summary of the research findings and the implications of the findings and study recommendations.

5.2 Objectives of the study

Specific Objectives of the study are as follows:

1. To investigate the rewards practices that are practiced by the Namibia Post Office
2. To find out the effects of reward practices on employees' performance in the Namibia Post Office
3. To examine the effects of reward practices on employee job satisfaction in the Namibia Post Office.

## **5.3 Summary of findings**

### **5.3.1 Level of motivation and satisfaction from reward practices**

When the employees were asked if they were satisfied with the level of remuneration they receive for their work, the majority (37%) of the employees indicated that they were not satisfied with the level of remuneration they are getting from the Namibia Post Office. This implies that the employees believe they are under-remunerated or that the amount of effort they are putting is not equal to the amount of rewards they are getting. This is supported by the equity model which suggests that persons who perceive themselves as either under rewarded or over rewarded will suffer from distress, and that this distress is necessary in formulating efforts to reinstate equity in simple terms if an employee believes his treatment is unbalanced, in relation to others, he or she will be driven to take action about it - that is, pursue justice. The model also outlines that if workers are treated with respect and if they are involved in decision-making, they become more effective and more productive (Adam, 1963).

Cole (2013) concluded that a well-made reward system inspires workers and assists in the construction of a positive emotional reaction towards work. According to the research findings, the majority of the employees are not impressed by the reward system at NamPost. From this result it can be inferred that the reward system at the Namibia Post Office is not working in the best interests of the employees. This shows that the organisation is not adequately showing gratitude to its employees. Cole (2013) stated that a well-structured reward system also leads to elevated and enhanced performance of workers. She went on to say that a reward is essentially an indication of gratitude, prearranged by the employer to the worker for his/her service to the entity. A well-made reward system inspires workers and assists in the construction of a positive emotional reaction towards work. The study found out that NamPost allocates its financial incentives in a fair and

transparent manner. This implies that the majority of the employees are satisfied with the way rewards are allocated.

The Equity Theory states that in instances where there is inequity, employees will try to reduce inequity by reducing inputs - that is reducing effort, or they will try to influence the manager to increase outcomes through filing of grievances. The research also found out that the reward system had no positive effect on the work atmosphere

### **5.3.2 Effects of reward practices on employee performance in the Namibia Post Office**

According to the results, the majority of the employees indicated that they agreed that they were provided with a chance to do something that makes use of their abilities. This implies that the Namibia Post Office offers its employees a chance to work up to their full potential. There is a feeling of motivation that is created once an employee achieves their objectives. This is what the Two-Factor model entails that the management have got to stress more on assuring the sufficiency of the hygiene factors to shun worker dissatisfaction as well as making sure that the work is interesting and gratifying so that the workforce is stirred to work and achieve better results. The model lays more emphasis on job-enrichment so as to encourage the employees. The job must make use of the workforce abilities and competencies to the ceiling (Monk 2012).

The employees were asked whether they are happy with the way company policies are being implemented. The results show that the majority disagree, this is represented by 32.9% (n=24) of the respondents who indicated that they "Disagree". It can be inferred here that the company does not include its employees or at least the majority of its employees in its decision-making processes. This shows that the employees are only given orders that they do not understand and that communication between the policy makers and the employees is not effective. This result in

employees feeling unimportant which contributes in them feeling demotivated. This is what the Maslow Hierarchy of needs theory entails that when esteem needs are fulfilled, people feel very confident and perceive their contributions and achievements as precious and significant. However, failing to meet these esteem needs usually causes a feeling of inferiority (Onah 2015).

The employees were asked if the praise they get for doing a good job is encouraging. The majority agreed that the praise they get is encouraging, this is represented by 30.1% (n=22) of the respondents who selected item "Agree". This shows that the Namibia Post Office appreciates good effort that their employees put into their job. According to Maslow's Hierarchy of needs, employees have esteem needs which encompass the feeling of a sense of self-assurance and self-confidence. The subsequent component involving a sense of feeling respected by others; that is, a sense of feeling that one's contributions and achievements have been recognised by others. When these esteem needs are fulfilled, people feel very confident and perceive their contributions and achievements as precious and significant. This means that the Namibia Post Office employees will feel motivated if the company continues praising them whenever they perform well.

The research established that the Namibia Post Office's employees are willing to increase their efforts if their salaries are increased. According to Ryan (2013), a fine reward system seeks to motivate the workforce to work harder, and bring into line their goals with those of the organisation they work for. The underlying principle of performance-related pay is that it motivates members of staff to work harder, and it rewards those who put together a larger contribution to the organisational goals (Agarwal 2010).

### **5.3.3 Effects of reward practices on employee job satisfaction in Namibia Post Office**

The results showed that the majority of the employees were getting the training needed to do their job. This implies that Namibia Post Office trains its employees, training will reduce difficulty in performing their duties and increases job satisfaction as a result. Motivation of the workforce is undoubtedly a significant aspect in the whole performance of an organisation. Organisations would like their workers to work extra hard, and be flexible (Ryan 2013). Ryan (2013) also mentions that the connection flanked by reward system and motivation is an intricate issue that is fervently debated in both accounting and human resource-related literature. The majority of the employees indicated that there were high morals in their department. This shows that the working environment at the Namibia Post Office motivates the employees to have a high morale; this can be attributed to the fact that Namibia Post Office offers training to its employees in respect of their job roles. Motivation of the workforce is undoubtedly a significant aspect in the whole performance of an organisation. Organisations would like their workers to work extra harder, and be flexible (Ryan 2013).

According to Monk (2012) job satisfaction is the height of contentment one feels about his or her job. It is the optimistic emotional connection to the job which plays a role of being a motivational factor Monk (2012) also pointed out that different workers have varying insights concerning their jobs, thus making causes of job fulfillment imprecise. The results further showed that the majority of the employees were happy about the accomplishment they get from the job. A feeling of accomplishment is a huge motivator and it provides employees with a feeling of satisfaction. This study supports the result of Shrivastava & Purang (2009) and Redmond & Carmona (2014) who found that employees perceive greater satisfaction with pay, social, and growth aspects of job.

## **5.4 Conclusions**

The study concludes that there is a relationship between reward system and job satisfaction at the Namibia Post Office. The analysis has revealed that the employees at the Namibia Post Office are not satisfied by the remuneration they are receiving. It has also been revealed that the allowances are not attractive. Although the financial rewards such as bonuses are allocated in a transparent manner, the monetary rewards at the Namibia Post Office do not attract employees to the organisation. It can therefore be inferred that the employees are not motivated and satisfied by the reward practices at the Namibia Post Office.

The study has also revealed that there is a relationship between reward practices on employee's performance. The analysis revealed that the employees are provided with a chance to do something that makes use of their abilities and the employees revealed that an increase in their salary will lead to an increase in their performance. This shows that the employees are motivated to perform better if their salaries are increased.

The analysis revealed that employees at Namibia Post Office have training on the job they are doing and that morale is high in their departments, this shows that although the employees are not satisfied with the reward practices at Namibia Post Office they are satisfied with their jobs. They also revealed that there is an atmosphere of teamwork which also shows a clear sign of job satisfaction.

## **5.5 Recommendations**

In view of the findings of this study, the following recommendations are proposed:

1. The Namibia Post Office needs to go back to the drawing board and do an upwards

review of the salaries and other types of rewards, by doing away with the current reward practices. The Namibia Post Office might be afforded with an opportunity to come up with new reward practices that motivate their workforce.

2. The Namibia Post Office must ensure that the financial incentives that they give their employees are aligned with the efforts that the employees put to the duties.
3. The study has revealed that the Namibia Post Office is failing in terms of taking care of their employees' physiological needs, which includes adequate salaries. The study therefore recommends that the Namibia Post Office improves the salaries they are offering to their employees.
4. NAMPOST must come up with other non-monetary incentives that they will use to encourage their employees to perform better.
5. The company must come up with employee recognition programs which will improve job satisfaction and employee performance.

### **5.6 Area for Further study**

The study revealed that the employees are not satisfied and motivated by the reward system at the Namibia Post Office and that the employees are satisfied with their jobs. The study therefore recommends that further studies be done on the influence of technology on job satisfaction. The study also recommends that further study be done on establishing the most appropriate reward practices.

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## Appendices

### Appendix 1: Request to Participate in Research

**Dear Respondent,**

My name is Faith V F Damases, I am pursuing a Master's Degree in Business Administration programme at the Namibia Business School at the University of Namibia. As part of my study, I am conducting a questionnaire survey on "an investigation into the effects of reward practices on job satisfaction and employee performance in the Namibian post office".

In order to achieve the study's objective, your support is needed by filling in the questionnaire attached. Instructions are provided under each section. Please note that, to take part in this research is voluntary and any information you give will be treated with utmost confidentiality and will be used solely for the purpose mentioned.

Thank you for your participation.



---

FVF Damases

## Appendix 2: Questionnaire

### BIO DATA INFORMATION

Please tick appropriate Box

#### 1.1 Gender

Please indicate your gender in the appropriate box

Gender	Please tick here
Male	
Female	

#### 1.2 Age

Please tick your age category in the appropriate box. Please tick only one option

Age	Please tick here
Under 20	
21 - 30	
31- 40	
41- 50	
51 - 60	

#### 1.3 Academic Qualifications

Please tick your academic qualifications in the appropriate box.

Academic Qualification	Please tick one
Secondary	
Diploma	
B Degree	
Honours Degree	
Master's Degree	
Other	

#### 1.4 Work Experience

Please tick your work experience category in the appropriate box. Please tick only one option

Years of Experience	Please tick one only
0 – 5 Years	
6 – 10 Years	
11 – 15 Years	
16 – 20 Years	
21 and more	

#### 1.5 Job category

Please tick your job category at Nampost.

Job Category	Please tick here
Clerical	
Supervisory	
Specialist	

For each of the following statements, please indicate by ticking in the cell which represents the extent to which you agree with it, where, SD stands for strongly disagree, D for disagree, Not Sure (NS), A for agree and SA for strongly agree with the statement:

#### Reward system on employees

S/N	Survey statement	SD	D	NS	A	SA
1	I am satisfied with the amount of remuneration I receive for my work					
2	Nampost offers attractive allowances to its employees					
3	I am satisfied with the reward system					
4	Financial incentives such as bonuses are allocated fairly and in a transparent manner					
5	The rewards have a positive effect on the work atmosphere					
6	I am ready to increase my work efforts in order to gain the rewards					
7	Monetary rewards attract more skilled employees to the organization					
8	Your reward are reviewed after every financial year					

### Reward system on Performance

S/N	Survey statement	SD	D	NS	A	SA
1	I am provided with the chance to do something that makes use of my abilities					
2	I am happy with the way company policies are put into practice.					
3	The praise I get for doing a good job is encouraging.					
4	I am motivated as my job provides me with steady employment					
5	An increase in my salary will lead to an increase in my performance					

### Reward system on Job satisfaction

S/N	Survey statement	SD	D	NS	A	SA
1	I have the training I need to do my job					
2	The morale in my department is high					
3	I am feeling happy with accomplishment I get from the job.					
4	Nampost promotes an atmosphere of teamwork					
5	I would hate to quit this job					

## Appendix 3: Acknowledgement of language editing



The Rev. Dr. Greenfield Mwakipesile

ThD, MBA, HBS | mwakipg@outlook.com

### CONTACT

PO Box 99539,  
UNAM,  
Namibia

### LANGUAGE & COPY-EDITING CERTIFICATE

30<sup>th</sup> May 2020

**RE: LANGUAGE, COPYEDITING AND PROOFREADING OF FAITH VIVIAN DAMASEB'S THESIS FOR THE MASTER OF BUSINESS ADMINISTRATION DEGREE OF THE NAMIBIA BUSINESS SCHOOL OF THE UNIVERSITY OF NAMIBIA**

This certificate serves to confirm that I copyedited and proofread FAITH VIVIAN DAMASEB's Thesis for the MASTER OF BUSINESS ADMINISTRATION DEGREE entitled: AN INVESTIGATION INTO THE EFFECTS OF REWARD PRACTICES ON JOB SATISFACTION AND EMPLOYEE PERFORMANCE IN THE NAMIBIA POST OFFICE

I declare that I professionally copyedited and proofread the thesis and removed mistakes and errors in spelling, grammar, and punctuation. In some cases, I improved sentence construction without changing the content provided by the student. I also removed some typographical errors from the thesis and formatted the thesis so that it complies with the University of Namibia's guidelines.

I am a trained language and copy editor and have edited many Postgraduate Diploma, Masters' Thesis, Dissertations and Doctoral Dissertations for students studying with universities in Namibia, Zimbabwe, Eswatini, South Africa and abroad. I have also copy-edited company documents for companies in the region and abroad.

Please feel free to contact me should the need arise.

Yours Sincerely,

The Rev. Dr. Greenfield Mwakipesile



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@mwakipg



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Dr. Greenfield Mwakipesile

## Appendix 4: Urkund Report

Original Message-----

From: [report@analysis.urkund.com](mailto:report@analysis.urkund.com) <[report@analysis.urkund.com](mailto:report@analysis.urkund.com)>

Sent: Tuesday, June 9, 2020 09:50

To: [mwakeupg@nbs.edu.na](mailto:mwakeupg@nbs.edu.na)

Subject: [Urkund] 5% similarity - [faithdam@gmail.com](mailto:faithdam@gmail.com)

Document sent by: [faithdam@gmail.com](mailto:faithdam@gmail.com) <<mailto:faithdam@gmail.com>>

Document received: 6/9/2020 9:48:00 AM

Report generated 6/9/2020 9:49:38 AM by Urkund's system for automatic control.

Student message:

-----  
Document : Faith Vivian Damaseb - Language Edited Thesis FINAL.docx  
[D74462673]

IMPORTANT! The analysis contains 1 warning(s).

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