

**THE ROLE OF EMPLOYEE REWARDS ON ORGANIZATIONAL
PERFORMANCE: THE CASE OF NAMIBIAN VOCATIONAL TRAINING
CENTRES**

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ABSTRACT

A well designed system for rewarding labour greatly has a direct relation on the output of employees and therefore positive impact on the performance of the organisation as a whole. The study aimed at providing an objective view of organisations reward systems and their role on organisational performance. It analysed the reward package of the selected Vocational Training Centres, and established whether their current reward systems have any bearing on organisational performance. The sample of the study was randomly selected, 100 questionnaires were distributed and 65 were received back. The research gathered data from two main sources namely secondary and primary sources. The main technique employed in gathering the primary data was a questionnaire. SPSS version 23 was used for descriptive analysis and ANOVA. It was found out from the study that, the employee rewards act as stimulators for employee and organisational performance. The majority of respondents indicated that rewards stimulate them to work harder and that they are prepared to work harder if they are given more incentives, benefits and considered for promotions. It was also revealed from the study that there were enormous reward packages in their organisations but most of them were not enjoyed by the employees therefore it was recommended that compensation packages should be linked to employee satisfaction. Finally, the study recommends further research that could enrich the understanding on the role of rewards on organisational performance.

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DEDICATION

This thesis is a dedication to my daughter, Mira and My husband Godo, my sisters, parents and friends: Lisa, Benju, Risco and Percy and the entire staff of the Namibia Training Authority.

DECLARATION

I, Ruth Inonge Sitengu, declare hereby that this study is a true reflection of my own research, and that this work, or part thereof has not been submitted for a degree in any other institution of higher education.

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Date

1. INTRODUCTION

This chapter introduces the study by providing the orientation of the study and study area, the statement of the problem, objectives of the study, significance of the study, limitations of the study, definition of terms used in the study; and the organisation of the study.

1.1. ORIENTATION OF THE STUDY

Employee's rewards policy in any organisation controls the behaviour and pattern of work hence a major driving force towards organisational development. This is because employee rewards dictate the level of motivation essential for the attainment of individual and organisational goals. This study explored the following two important variables in an organisation, Employee rewards as the independent variable with sub variables such as benefits, compensation, incentives and promotion. Organisation performance on the other hand is the dependent variable being measured by the pass rate as the indicator.

The main concern of most organisations which has also become the focus of numerous studies within the past few years is on how to improve employee performance. This is because the world is turning into a small place where competition has increased and every organisation is looking for the best employees in terms of skills. Several approaches have been developed and adopted across the world on how to improve the employee's performance including the goal setting approach, measurement and feedback approach, involvement of employees in decision making approach, organisation's culture approach,

organisation's expectation approach, job design approach as well as the rewards and the recognition approach (Blumberg, 2008).

The aim of all the above mentioned approaches is on how to effectively motivate employees to maximize their performance. One common method of motivation is to tie rewards to employee performance which was the focus of this study. The impact of rewards on employees' performance is a well-known phenomenon in the available literature in the area of human resources. Ibojo and Asabi (2014) stipulates that reward is a powerful tool to enhance employee behaviours leading to performance improvement. However, Prathepkanth (2012) highlights the negative consequences of rewards such as an environment of favouritism, sexism and racism. Rewards may not be given on merit which may lead to demoralisation of other employees.

It is crucial to note that 'reward' is a broad construct that is said to represent anything that an employee may value and that an employer is willing to offer in exchange for his or her contributions (Ekere and Amah, 2014). The lack of rewards will create an unpleasant environment, thus diminishing employees work efforts and may cause them to withdraw from their jobs. Moreover, employees tend to give their maximum effort when they have a feeling or trust that their efforts will be rewarded by the management. There are many factors that affect employee performance like working conditions, worker and employer relationship, training and development opportunities, job security, and the company's overall policies and procedures for rewarding employees (Mbogho, 2012).

The main objectives of rewards are to attract and retain employees, to motivate them in order to achieve high levels of performance needed to reach organisational goals. Organisations often use financial rewards to prevent employee dissatisfaction and to motivate employees, although it may not be the best motivator in the long term (Heneman, Fox, and Eskew, 2008). Prior to this, Johnson (2008) was of the view that “while the presence of money may not be a very good motivator, the absence of it is a strong demotivator”. Financial rewards are significant not only in terms of their instrument value as a medium of exchange used in purchasing necessities, but also as a highly tangible means of recognising an individual’s worth, improving self-esteem, and symbolising status and achievement (Quresh, Zaman and Shah, 2009).

Therefore, organisations can best utilise financial rewards in supporting organisational human resource strategy. However non-financial rewards are tangible rewards provided and controlled by a firm, these rewards do not necessarily benefit employees in monetary sense (Johnson, 2008) stated. However, they provide a sense of self-actualisation and a feeling of being part of the team. Nowadays, individuals require much more beyond monetary rewards for their effort. This means that employees seek other returns in exchange for their contribution which is of value and meaningful to them, rather than being given monetary rewards only. These rewards could be certificates, tours or even presents from management.

It is common for companies to offer employees attractive, lucrative and competitive remuneration packages. These are directly linked or inter-related to improving an individual's job competency, retaining high achievers and finally achieving the organisational performances and goals. An attractive remuneration package has been a norm of any employment contract.

This is because most employees are more interested in the salary that can sustain their livelihood as the world keeps changing. Rewards have been seen to be a vital instrument in employee performance. A well rewarded employee feels that he/she is being valued by the company that he/she is working for. They are also encouraged to work harder and better if they are aware that their well-being is taken seriously by their employers, and that their career and self-development are also being taken care of by their organisation. Employees are the engine of any organisation's vehicle while reward is the fuel (Yamoah, 2013).

An organisation cannot achieve its stated objectives without its esteemed employees. The real success of a company originates from its employees' willingness to use their creativity and abilities. It is the organisation's task to encourage and nourish these positive employee inputs by putting effective reward practices in place. The importance of motivated employees cannot be overestimated in an organisational context. Extant research has revealed that motivated employees are more productive, more efficient and more willing to work towards organizational goals than the employees who are experiencing low levels of motivation.

1.2 BACKGROUND OF STUDY AREA

On the 15th of April 2008, the Namibian government signed an Act to establish the Namibia Training Authority (hereinafter known as the NTA), the Board of the Namibia Training Authority (hereinafter known as the BNTA) and the National Training Fund (hereinafter known as the NTF) to regulate the provision of vocational education and training and to provide for the funding of vocational education and training.

The Vocational Educational Training Act of 2008 tasks the Namibia Training Authority to take over the administration of seven Vocational Training Centres (hereinafter known as the VTCs), which, before the establishment of the NTA, resorted under the Ministry of Education. There are 19 Vocational training providers in Namibia, however this study focused on seven Vocational Training Centres (VTCs) which are controlled directly by NTA, namely, (Zambezi VTC, Rundu VTC, Okakarara VTC, Valombola VTC, Windhoek VTC, Nakayale VTC and Eehnana VTC) in order to investigate the relationship between employee rewards and the performance of the organisations or centres. The centres seek to offer and facilitate a wide range of training in a variety of technical fields.

The centres are based in different parts of Namibia and they play a vital role in the society. Be that as it may, motivation of its employees is particularly necessary. The staff complement of these centres is just over 300. The researcher, therefore, sought to draw attention of management of all public organisations and all the technical and vocational training centres to the need for effective and efficient reward and compensation policies capable of improving employee's performance and enhancing organisational productivity.

1.3. STATEMENT OF THE PROBLEM

According to Human Resource Annual Report of NTA 2015, the rate at which employee turnover is increasing at VTCs has become a matter of concern. In the year 2014/2015, 39 employees had resigned for private owned VTCs. This has caused the failure rate of trainees also to increase. It is obvious that steps taken by management has not solved the problem. Competition from higher educational institutions providing vocational training has also increased hence the need for a good rewarding policy, which will help to retain the best for the best performance. There has been a constant mobility of high skilled staff to other privately owned vocational training providers. If rewards do not meet the needs of employees, it might lead to brain drain, as the centres might end up with unskilled employees which leads to under-performance, absenteeism, high failure rate, less intake and even closure.

It is very important for management to take serious steps in order to combat this problem. Vocational training has become a very crucial issue in Namibia. The minister of higher education has on several occasions called on all vocational training providers to work hard in order for the country to have their own artisans. The minister has further encouraged the centres to increase their intake of trainees, because the country lacks technically skilled people. In order to attain the required skilled workforce, there is a need to concentrate on the wellbeing of those providing the skills, and if the skill providers are not happy, they will fail to perform according to standards.

Be that as it may, one of the reasons that informed this study has to do with the unique importance of employee rewards in relation to the job performance among academics or instructors in the vocational educational institutions. This is necessary in order to identify the best ways to retain the best employees and prevent constant staff turnover known as brain drain.

Constant staff turnover from VTCs under NTA to private owned VTCs is the issue of concern for the study, this is because NTA suffer losses in hiring, training and eventually lose them, therefore, this study will enlighten the management on how to reward and keep their employees.

If an organization fails to reward employees appropriately, this will directly decrease employee performance. Apeyusi (2012) believes that most organizations view rewards as only being the monetary compensation given by organisations to employees for their performance, whereas rewards should be everything that goes into motivating the individual employee to give out their best.

1.4. OBJECTIVES OF THE STUDY

This study had the following objectives;

- To determine the rewards that employees enjoy the most;
- To determine the perceptions of employees on the effects of incentives on organisation performance;

- To establish the effects of promotion, compensation and recognition to organisation performance;
- To identify ways of improving the various reward systems to enhance corporate efficiency and effectiveness in VTCs.

1.5.SIGNIFICANCE OF THE STUDY

The study will greatly benefit managers of any organisation regarding the identification of effective reward and compensation systems. The study will also enhance the relationship between an organisation and its employees as it will help minimize industrial conflicts between employers and employees.

In addition, the study clarifies the argument on whether effective employee reward adds value to organisational performance. The study sought to identify if benefits, recognition, promotion and compensation have a positive or negative impact on the performance of an organisation. The study intended to fill a gap that exists in research especially in the Namibian context where only few if not none has been carried out at any of the local higher educational institutions. The study sought to identify which rewards could be used best in technical and vocational educational institutions since there is mix as established in the literature.

The challenging tasks of every manager at all levels is how to build a befitting reward and compensation system that incorporates both organisational goals and the individual's

needs in order to have a motivated workforce and improve productivity. Therefore, this research sought to look at a reward and compensation system and its implications on the worker's efficiency in the education industry. It also sought to determine the basis of a good reward and compensation system.

1.6.LIMITATION OF THE STUDY

Research of this nature can turn out to be unpleasant with numerous problems that may limit the researcher's ability to conduct the study. The study is limited to the teaching staff from seven (7) vocational centres only. Nevertheless, the research work was adequately covered based on the available information to the researcher although it is difficult to claim total perfection. Be that as it may, the topic is open for further research.

1.7.DEFINITION OF TERMS USED IN THE STUDY

In a study such as this, which identifies the relationship between employee rewards and organisational performance, it is important to highlight some of the most prominent terms in order to facilitate an understanding by the reader as to how the discussion developed. The following terms are defined hereunder using an Oxford Dictionary and some related articles: reward, organisational performance, benefits, incentive, promotion, engagement, compensation, brain drain, motivation, recognition and appreciation.

1.7.1. Reward

This refers to giving something to someone in recognition of their service, efforts and achievements. It is often given in the form of money or in kind.

1.7.2. Organisational performance

This refers to the actual output or result of an organisation as measured against its intended outputs.

1.7.3. Benefits

This is an advantage or profit gained from something. It is a payment made to someone entitled to receive it. It is a type of reward in a strategic system, and employees are definitely going to notice the types of benefits provided by an organisation. Companies that don't match or exceed the benefit levels of their competitors will have difficulty attracting and retaining skilled workers.

1.7.4. Incentives

According to (Sarwar and Abugre, 2013), incentives are an external persuading factor that encourages the motive which positively directs the individual into working harder, matching the required performance in the institution, so as to get the incentive. Incentives are also defined both as methods used by institutions to encourage employees to work with high spirits and also as concrete and moral methods of satisfying the individuals' moral and material desires.

1.7.4. Promotion

In this study, promotion refers to the advancement of an employee within an organisational position or job task. This may be the result of an employee's pursuit of higher ranking or as a reward by employers for good performance.

1.7.5. Engagement

This refers to the relationship between an organisation and its employees. Therefore, an engaged employee is one who is fully absorbed by and enthusiastic about their work.

1.7.6. Compensation

This is the total amount an employee can expect to receive when working for an organisation. This can simply refer to a salary or a wage.

1.7.7. Brain drain

This is a situation in which many educated or professional people leave a particular organisation and move to another one that gives them better pay or living conditions.

1.7.8. Motivation

This is an internal or external process that stimulates desire and energy in people to be continually interested and committed to a job, role or subject or to make an effort to attain a goal.

1.7.9. Recognition

Recognition refers to acknowledging someone before their peers for specific accomplishments achieved, actions taken or attitudes exemplified through their behavior.

1.7.10. Appreciation

Appreciation refers to expressing gratitude to someone for his or her actions. Showing appreciation to employees by acknowledging excellent performance and the kind of behavior an organisation wants to encourage is best done through simple expressions and statements. For example, you might send a personal note or stop by the employee's desk to convey verbal appreciation.

1.8.ORGANISATION OF THE STUDY

This study consists of five chapters. Chapter 1 gives the introduction of this study; orientation of the study and study area; statement of the problem; significance of the study; limitations of the study; and definition of terms used in the study. Chapter 2 provides the literature review and reward and performance as conceptual issues. Chapter 3 gives the research methodology employed for the study. Chapter 4, gives the analysis of results and discussion on how the study contributes to knowledge. Finally, Chapter 5 sums up the main findings and contains the conclusion and recommendations.

CHAPTER 2

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter provides an analysis of some of the literature that is available on the topic under research. It may be established that there is a vast amount of research carried out on the topic under study. It is also important to note that one would use literature review to identify gaps that may have been overlooked by previous studies. This chapter consists of two main sections namely, the conceptual framework and the empirical literature.

It is important to note that there is no study that has been carried out in this area in Namibia that uses the following variable rewards, formal recognition, promotion, incentives compensation and organisational Performance (pass rate) in the same model. In addition, no research has explored the relationship between rewards and employee performance in Technical Education Authority in Namibia. A gap therefore exists and there is a strong need to investigate this topic and make such a valuable contribution to knowledge.

2.1 CONCEPTUAL ISSUE: ORGANISATIONAL PERFORMANCE

According to Khalid, Salim and Locke (2011), many writers in human resource management suggest the following indicators for measuring employee/organisational performance, quality that can be measured by percentage of work output that must be

redone or is rejected, customer satisfaction that can be measured by the number of loyal customers and customer feedback.

Yamoah 2013; Onyango (2014) ,added timeliness which is measured in terms of how fast work is performed by the employee when given a certain task, absenteeism observed when employees absent themselves from work and achievement of objectives measured when an employee has surpassed his or her set targets. He or she is then considered to have performed well to achieve the set objectives. Every organisation has different objectives and this study looks at the pass rate as the ultimate results for the centres. With the pass rate, the centre's core business is training and for the VTC's to meet their objectives or to be regarded as the best performers, they should produce high pass rates each year.

2.2 CONCEPTUAL ISSUES: EMPLOYEE REWARD

The full impact of reward on organisational performance can better be appreciated when viewed from the angle of total rewards. "Definitions of total reward typically encompass not only traditional, quantifiable elements like salary, variable pay and benefits, but also more intangible non-cash elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by the work itself and the quality of working life provided by the organisation"(Alfandi and Alkansawneh 2014). "The reward system consists of all organisation components like people, process, rules and decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organisation" (Pratheepkanth 2011). Therefore as a system, both parties need to be

considered accordingly for the system to be smooth. Employees are rewarded for their contribution whilst putting rule and processes in total consideration.

Quresh, Zaman and Shah (2010) define rewards as “all the cash, non-cash and psychological payments provided by an organisation in return for their contribution”. They are in agreement with Pratheepkanth 2011 in his statement of rewarding employees for their contribution. Furthermore work rewards indicate the benefits workers receive from their workplace and are considered the determinants of job commitment and satisfaction (Malhotra, Budhwar and Prowse, 2007). This shows that most writers as indicated above view e that rewards should be taken as serious issue in a work environment and employees should also put in their efforts.

Gross and Friedman (2004) view rewards to include compensation (consisting of base pay, short and long term incentives), benefits (health issues, work life, and other benefits), and careers (training and development, career progression). These are very crucial reward to an employee and they creat a sence of job security.

Rewards can be broken down into two broad types namely, the intrinsic and the extrinsic (Mahaney and Lederer, 2006, and Jaghult, 2005). Intrinsic rewards are derived from “the content of the task itself and include such factors as interesting and challenging work, self-direction and responsibility, variety, creativity, opportunities to use one’s skills and abilities and sufficient feedback regarding the effectiveness of one’s efforts. On the other hand, extrinsic rewards comprise promotions, private office space and the social climate.

Other examples include competitive salaries, pay raises, merit bonuses and time-off” (Jaghult, 2005).

Research has shown that employees derive satisfaction from the work they do in terms of accomplishing set targets, taking up challenging jobs, taking responsibility and working to enhance personal and professional growth. These are regarded as intrinsic rewards because they fulfil a particular need for employees. Intrinsic rewards according to Yamoah (2013) “are psychological rewards that employees get from doing meaningful work and performing it well”. Yamoah (2013) goes further to identify four intrinsic rewards and how workers view them.

The first intrinsic reward is a ‘sense of meaningfulness’. This describes the satisfaction employees receive when they accomplish something of real value that contributes a great deal towards the realisation of the organisational goals. The second intrinsic value is a ‘sense of choice’. In the present knowledge-based workplace, this means allowing employees to use their best judgment in choosing their task and how to achieve it. Their success in these tasks gives them a level of satisfaction that will keep them doing more. The third intrinsic reward is a ‘sense of competence’. This is a situation where employees are allowed to use their initiative and they succeed in doing the job; producing quality work that meet or exceed set standards. This gives them a sense of satisfaction that they are competent on the job. The last intrinsic reward is a ‘sense of progress’. This is when employees set targets for themselves and see themselves achieve those targets. It gives

them confidence that they are moving in the right direction. The feeling that things are working out well is enough motivation for the employees.

2.2.1 Types of rewards

According to Onyango (2014), there are two basic types of rewards, namely, financial and non-financial. Both can be utilised positively to enhance performance behaviors of employees. Financial rewards entails payment-for-performance such as performance bonus, job promotion, commission, tips, gratuities and gifts. Non-financial rewards are non-monetary/non cash and it is a social recognition such as acknowledgment, certificate, and genuine appreciation. Non-financial rewards are also called non material awards (Cooper, 2006).

According to Smyth, Ritchie and Wettenhall (2008), financial rewards are not the most motivating factors and that financial results have a de-motivating effect among employees. Several studies have found that among employees surveyed, money was not the most important motivator, and in some instances managers have found money to have a demotivating or negative effect on employees of the University of Texas. On the other hand, Saunders (2009) indicates that non-monetary types of rewards can be very meaningful to employees and very motivating for the improvement of performance. Saunders continues to suggest that the creative use of personalized non-monetary rewards reinforces positive behavior and improves employee retention and performance. These types of recognition can be inexpensive to give and priceless to receive.

Intrinsic rewards are inherent in the job itself. This is so because employees enjoy them as a result of successfully completing the task or attaining their goals. Extrinsic rewards on the other hand are those rewards that are external to the task or the job, such as pay, work condition, fringe benefits, security, and promotion, contract of service, the work environment and conditions of work. Such tangible rewards are often determined at the organisational level, and may be largely outside the control of an individual manager.

2.2.2 Rewards and Employee engagement

It is every organisation's wish to successfully engage its employees and to attract and retain the best talent. Employee engagement is one of those talked about but rarely understood concepts. Every employer knows that a happy and fulfilled employee is a more productive one, therefore retaining them needs a lot of engagement.

According to Ekere and Amah (2014), employee engagement is about respect going up, down and across a business, transparency throughout and alignment of human resource policies to business culture and objectives. When employees feel that the work place is conducive, they tend to do the right thing for all the right reasons, which in turn benefits the organisation.

Employees can be engaged through rewards schemes, even though some researchers have negative experiences on bonuses and incentives. Reward schemes lead to a valuable increase in transparency between performance and rewards given. It is believed that

rewards linked to performance management schemes can enhance employee productivity as well as help encourage loyalty from workforce, as they feel that good work really does pay off. Organizations need to focus more on people than process in order to achieve their goals.

2.2.3 Ways of rewarding employees

Having an effective reward program in place can help solve many of an organisation's Human Resources (hereinafter known as HR) issues. Every company needs a strategic reward system for employees that address these four sub variables: compensation, benefits, recognition and promotion. The problem with reward systems in many businesses today is twofold: they are missing one or more of these elements usually recognition, and the elements that are addressed are not properly aligned with the company's performance needs and do not match with employee needs.

A winning system should recognize and reward employees on performance and behavior. Performance is the easiest to address because of the direct link that exists between the initial goals set for employees and the final outcomes. For example, an organisation could implement an incentive plan or recognise top achievers attaining periodic goals, for instance the instructors that produce best results for each semester.

On the other hand, rewarding specific behaviors that makes a difference to a company is more challenging than rewarding performance, but this can be bypassed by asking the questions, "What is the organisation compensating employees for?" and "What are the

behaviors the organisation wants to reward?" For example, is the organisation compensating employees for coming in as early as possible and staying late, or for coming up with new ideas on how to complete their work more efficiently and effectively? In other words, is the organisation compensating someone for innovation or for the amount of time they are sitting at a desk? There's a big difference between the two.

The first step is to identify the behaviors that are important to your company. Those activities might include enhancing customer relationships, fine-tuning critical processes or helping employees expand their skills. When business owners think of reward systems, they typically put compensation at the top of the list. There's nothing wrong with that, since few people are willing or able to work for free. But the right strategy should also include an incentive compensation plan that's directly linked to the goals of the company for that period.

However, it's not possible to diminish the importance of recognition and appreciation as integral components of a winning strategic reward system. These two elements rarely receive the attention they deserve from business owners, which is amazing because they are the low-cost/high-return ingredients. Employees like to know whether they are doing good, bad or average, so it is important that they are informed. Another approach is to combine recognition and appreciation in the form of a public statement of thanks in front of the employee's co-workers or team, citing specific examples of what they have done that has positively impacted the organisation

2.3 EMPIRICAL LITERATURE

The Human Resource Management Rewards Policy is cardinal when an organisation's performance is being reviewed. This is because rewards in any system dictates the pace and direction of performance. These statements are based on several empirical studies such as Ugwe and Cocker, (2012), Condly et al (2013), Scot, McMullen and Bowbin (2010) and Waruni (2014) , who have made remarkable studies on the effect of employee rewards on organisational performance. For instance, Kwenin (2013) emphasises that rewards enable employees to stretch themselves and to outperform others at the workplace. This is because it creates a compelling urge among employees to achieve set targets. This in turn creates high performing units in every organisation that determines the overall success and growth of the company states, Rizwan (2010).

Previous studies on employee rewards policy have consistently found out that there is a strong relationship between rewards and employee performance, Agwu, (2013). This implies that organization's productivity depends on the level of motivation or compensation schemes available. The majority of employees therefore, would wish to equate their output in terms of performance with the level of motivation generated from the incentives they get at the workplace. Katua, Makulu, and Gachunga (2014) have concluded in their research on commercial banks in Ghana that reward and compensation has a positive significance to employee performance, this has been achieved using questionnaires and most of the researchers under this study have used correlation and regression as their means of data analysis. Additionally, Pratheepkanth (2011) have done

another study on the commercial banks of Sri Lanka and discovered that there exists a low motivation among employee because of low rewards and compensation.

Scholars such as Ibojo and Asabi (2014), Wanjo (2013), and Juma (2013), have also agreed with Apeyusi (2012), that good welfare service or rewards, affect performance positively, therefore in most of research done, there is an indication that employees fail to meet their required standards because employers are not doing the same. Therefore, if the organisation rewards a certain kind of employee behaviour as being either good or bad, that is what the company will get more of, it will either encourage performance or discourage it.

According to Mbogho (2012), rewards come in two different types. They can either be in the form of incentive motivation or personal growth motivation. Rewards should catch the employee's attention and at the same time they work as a reminder for the person in charge of what results should be completed in different working areas (Munga 2012).

Studies have shown that the reward process is a major control or influence mechanism available to organisations. However, some researchers are in disagreement and state that employees tend to demand more rewards for them to perform while they are just not accountable to their tasks. They receive rewards and get greedy leading them to want more while performing less. So there is no agreement among researchers as to whether rewards enhance performance where there is a reduction of optimum performance. This study was designed to clarify this disagreement in the context of the Namibia Vocational Centres. In

the same vein, researchers do not agree on predictable influence on individual behaviour, unless the individual/group goals are taken into account. There seems to be a partial agreement that rewards should focus on achieving an organisation's goals.

A proper understanding of the effect will help draw attention to the relationship between employee rewards on organisational performance. The reward system consists of the entire organisation's components including people, process, rules and decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organisation Pratheepkanth, (2011). In the same vein, Rizwan (2010), defines the reward system as consisting of a number of interrelated processes and activities which combine to ensure that reward management is carried out effectively to the benefit of the organisation and the people who work there. Pratheepkanth (2011) goes on to identify three main components of a reward system to include; compensation, benefits and recognition. These components refer to the total rewards in an organisation which include transactional and relational rewards.

Benefits are described as forms of value other than payment that are provided to employees for their contribution to the growth of the organisation. Benefits can come in two forms, as being tangible or intangible benefits. Tangible benefits include contribution to retirement plans, life insurance, vacation pay, holiday pay, employee stock ownership plans, profit sharing and bonuses. Intangible benefits on the other hand include, appreciation from a boss, likelihood for promotion, office space, etc. Compensation is

described as base pay and or variable pay. Base pay is tied to the value of the job and to the organisation in relation to the market value and the expertise required to perform the job, while variable pay is based on the performance of the person in that role which include achieving set targets.

Extant literature has remained mostly at the conceptual level in discussing this link between rewards and people outcomes. Scholars agree that this should and must exist, but there is however disagreement on which rewards achieve best results. Apeyusi (2012) believe that the dichotomy of intrinsic and extrinsic rewards was initiated by Herzberg et al. (1957). Apeyusi indicates that Herzberg and associates identified factors which are related to the content of the job as motivators to include achievement, recognition, promotion, and growth. These are referred to as intrinsic rewards. They also identified factors such as company policies, supervision, and interpersonal relations with supervisors, peers, subordinates, status and salary as external to the work itself. These they called dissatisfiers.

In relation to Herzberg and associates, Vroom's expectancy theory emphasizes the need for organisations to relate rewards directly to performance and to ensure that rewards provided are those rewards deserved and wanted by the recipients. This theory assumes that an employee's performance is based on individual factors such as personality, skill, knowledge, experience and abilities but not on rewards. This is a very crucial statement and shows that not all writers believe rewards can enhance performance but effort as well.

According to Apeyusi (2012), Herzberg and associates concluded that intrinsic rewards motivate employees more than extrinsic rewards which form a foundation for them. They contended that ‘once a state of no satisfaction exists, trying to further improve motivation through the hygiene factors is a waste of time’ (Ugwu, 2012). An organisation can achieve its goal only when employees in the organisation put their best effort and this can only be achieved if the employers put the interests of their employees first. Apeyusi (2012) defines organisational performance as the organisation’s ability to attain its goals by using resources in an efficient and effective manner.

2.3.1 EMPLOYEES PERFORMANCE AND ORGANISATIONAL PERFORMANCE

Good remuneration packages have proven over the years to be one of the policies that organisations adopt to increase their workers “performance and thereby increasing the organisation’s” productivity. Considering the present global economic trends, most employers have realised the fact that for their organisation to compete favourably, the performance of their employees goes a long way in determining the performance of the organisation. On the other hand, performance of employees in any organisation is vital, not only for the growth of the organisation, but also for the growth of the employee’s career. An organisation must fully understand its worker’s job capability by identifying those who are considered as outstanding, with those that need additional training or those who do not contribute towards the efficiency and welfare of the company.

2.4 RESEARCH FRAMEWORK

This study has been conducted at an individual level rather than corporate level since rewards are concerned with individual employees. Organisational performance is taken as the dependent variable with indicators like pass rate and financial performance. Employee rewards on the other hand is the independent variable with sub-variables like compensation, promotion, recognition and incentives. The framework of this study is given in figure 1. Most of extant research related to this particular one have concentrated more on reward and performance of employees and not on organisational performance. Therefore, this part of research considers prior research as providing the variables of this study.

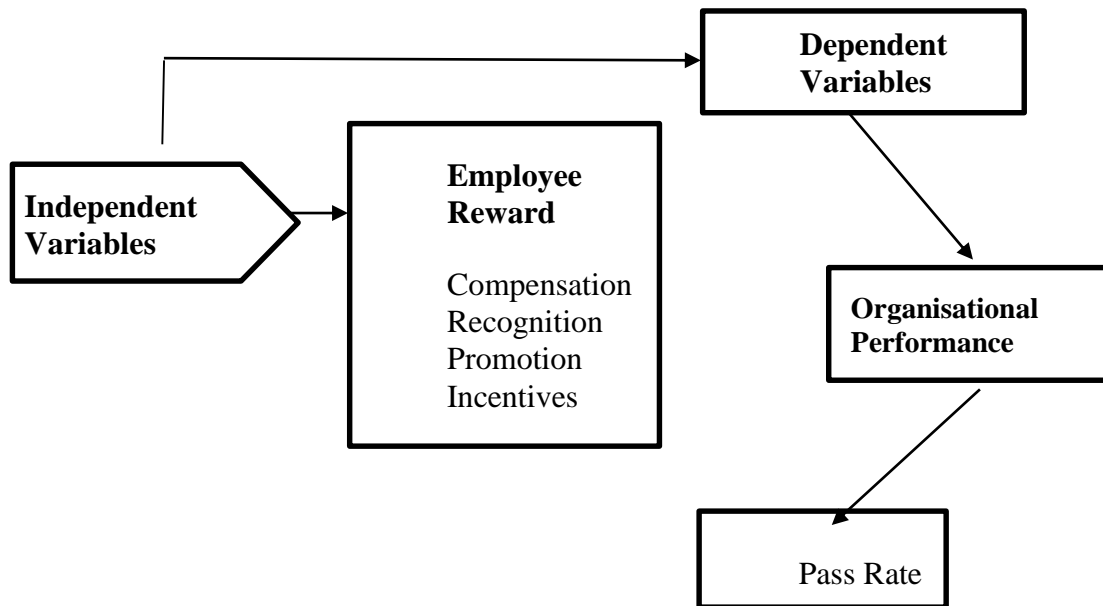


Figure 2.1. Research Framework

2.4.1 Compensation and Performance

In considering the deployment of a reward system, the employer has to consider several options ranging from decisions on whether the reward would be periodic or instantaneous, cost savings or profit based, individual or group based. All these ingredients are very vital in designing a good reward system. Johnson (2008), notes that “managers agree that tying incentives to job performance is essential. However, the actual implementation of programs designed to bring about such a relationship is often quite difficult” Johnson (2008), further identifies four reward systems in high-performance work settings to include gain-sharing/profit sharing, flexibility benefits, banking time-off and skill based pay.

All these systems involve payment of cash to employees at various times for increasing productivity, reducing cost, or improving quality, depending on the goal of the organisation at the time. Gain-sharing involves regular cash bonuses to employees usually tied to plant, division, or departments’ improvements. Profit sharing on the other hand, involves cash payment of a percentage of the company’s profits to all employees. Under the flexible benefit plans, employees are allowed to choose the particular benefit plan that suites their interest without the management forcing it on them. Banking time-off to employees with pay.

According to Condly (2013), pay is something given in exchange for service rendered in an organisation. It has an important role in retaining and rewarding high quality employees but at the expense of overall labour cost for any organisation. Pay has a strong determination to performance. Generally, the employee’s job description and job

specification determines rewards to maintain fairness among employees within an organisation, (Manahey and Lenderer, 2006)

Compensation is a vital factor which affects employees even though it doesn't matter how much compensation enhances productivity (Johnson 2008). It determines the future events. Furthermore, skill based pay involves paying employees based on the number and level of job related skills which they have acquired. This reward system recognized the market value of each employee with talent and ensures that they are rewarded accordingly. Johnson (2008) also proposed an idea that workers may be fully motivated by pay as shown by the study done on those workers who were paid according to their produce based on piece-rate pay. He concludes that workers may produce more in order to gain more pay. However, his conclusion was not well received from certain quarters of workers as they tended to get bored with the task required to be carried out, repetitively.

2.4.2 Recognition and Performance

Psychological or intangible rewards such as recognition and appreciation play an important role in the performance of employees. When employees perform to expected standards, it leads to an excellent organisational performance. Employees' commitment is based on their recognition and appreciation as observed by Malhotran, Budwar and Prowse (2015).

The relationship between the employer and the employee should be established based on trust so that employees will know that their leader keeps their best interest at heart. In

most cases employees will discover or seek issues when they have developed a feeling of security. In this regard, employees with good performance will predict that their significant contributions will be realised and valued by the top managers (Kwenani, 2013). The reward can be in the form of cash or recognition. Kwenani (2013), continues to say that rewarding employees for achieving an agreed target enhances company performance by aligning the interests of employees with financial performance of their organisations. He sees reward as a system that contributes to performance. However, Muhammad and Owais, (2015) are in disagreement and believe that performance is the result of ability, commitment and hard work. Rizwan (2010) is of the view that when effective recognition is implemented within an organisation, favourable working conditions are produced which enhances employee motivation to excel in their performance. Employees take recognition as their feeling of value and appreciation and as a result it boosts the morale of the employee and increases the productivity of organisations.

2.4.3 Incentives and Performance

A study was conducted by Alfandi and Alkansawneh (2014) entitled ‘The Incentives and Reward System in Enhancing Employee’s Performance’. The study showed a poor participation by the employees in decision making with the majority of employees complaining about a lack of concrete incentives. They further stipulate that, even though employees are not happy with incentives given to them, they still perform because they are passionate about their jobs. The idea of incentives triggers much consideration especially from the initial stages of looking for qualified employees who are efficiently

able to achieve the goals of the organisation. Incentives originate from the need for the employee to be recognised and appreciated for his or her own efforts. Alfandi and Alkansawneh continue to say that an individual's own skills are not enough to let them work with high productivity unless there is an incentive system that encourages their internal motives. Therefore there is a strong need for rewarding good work.

Rewards are given to motivate employees in ensuring full commitment to their work. But the a few questions remain, 'how much rewards enhance productivity?' do employees perform poorly when not rewarded? And which type of rewards induce performance since rewards can either be intrinsic or extrinsic? Individual rewards are very much a part of the understanding of motivation. It is however believed that employees who received individual incentives have been known to perform better than those who did not receive any or received less. This is one of the objectives of this study to establish if this conclusion is true.

2.4.4 Promotion and Performance

It has been suggested that the way an employee view the opportunity for advancement is important to they perform. Earlier researchers like Apeyusi (2012), found considerable evidence to suggest that promotional opportunities are important to an employee. They have concluded that employees who perceive few opportunities for advancement have negative attitudes towards their work and their organisations. Most organisations use pay, bonuses and promotion to encourage high levels of performance and they acknowledge

that lack of promotion significantly contribute to the employee's intention to leave an organisation.

Even though most researchers state that rewards are the best tools for recognising performance, Assava (2012) states that unreliable reward systems can bring compensatory damage that has hugely detrimental effects to the financial performance of the organisation. It results in significantly reduced human productivity, increased human conflict within the organisation, and perceptions of internal unfairness. The reward program in any organisation should be done properly otherwise it can be questioned on its value and fairness or equity level in its dissemination among employees. Therefore, rewards can either promote or reduce performance.

The performance of employees can thus be assessed at several levels of employment, such as personal decision, relating to promotion, job rotation and job enrichment. Such assessment is based on objective and systematic criteria in some way which includes factors relevant to the person's ability to perform the job. Careful evaluation of an employee's performance can uncover weaknesses in a specific job skill, lack of knowledge or areas lacking in motivation.

2.5. CONCLUSION

It is clear from most previous studies that organisations that participate in good reward programs have satisfied employees who perform to the best of their abilities. These employees possess a desire to learn and further their skills within the organisation. The more rewarded an employee feels the better performance they portray. What this means is that people that remain satisfied are less likely to change jobs and less likely to be the ones calling upon unions to assist them for better working conditions. Organisations are better off when they provide people with a reward level that leads them to feel at least moderately satisfied (Lawler, 2003).

However, a worrying issue which is evident within extant literature is that most organisations are not aware that reward systems are crucial in order to maintain their staff and to gain value for their organisations. Many employees within some organisations find it hard to get the right rewards due to them, therefore this study sought to discover whether the organisation under study gives its employees the support they require through rewards. It is not all about the financial reward that gives employees the desire to perform but also the way in which they are treated by their employers.

It is still evident that Vroom, (1964) does not believe in reward equals to performance but believes in effort leads to performance then to rewards, however it is clear that rewards and performance still moving together regardless of which one comes first.

CHAPTER 3

METHODOLOGY

3.0 INTRODUCTION

This chapter describes the research design utilized. Specifically, the chapter describes the sample of the study by reflecting on the biographical data of the respondents, the measuring instruments used. Additionally, the chapter looks at the procedures followed to gather data and the statistical techniques used to analyse the data.

3.1 RESEARCH DESIGN

The study was a descriptive research set out to ascertain the role of reward systems on organisational performance at VTCs. According to Pilot and Hurgler (1995), descriptive survey aims predominantly at observing, describing and documenting aspects of a situation as it naturally occurs rather than explaining them. The design has an advantage of producing good amount of responses from a wide range of people. At the same time, it provides a more accurate picture of events at a point in time. Gay (1992) opined that, descriptive design describes and provides understanding of a phenomenon usually with simple descriptive statistics. Gay (1992) further explained that, the descriptive survey method is useful for investigating a variety of social problems including assessment of attitudes, opinions, demographic information, conditions and procedures; and that descriptive data are usually collected through questionnaire, interview or observation. Furthermore the study adopted a quantitative method approach in collecting both primary

and secondary data. A survey was also adopted in a form of a self-designed questionnaire which was distributed randomly to the selected sample.

3.2 POPULATION

Sekaran (2012) defines population as “the entire group of people, events or things of interest that the researcher wishes to investigate. It is the target of the study and must be clearly defined and identified. The target group of the study was the selected seven (7) Vocational Training Centres (VTCs) that are under the authority of NTA in Namibia. The VTCs are as follows, Zambezi VTC, Eehnana VTC, Valombola VTC, Rundu VTC, Windhoek VTC, Okakarara VTC and Nakayale VTC. From the 19 VTCs in the whole country, the above seven were purposely targeted as they are funded and controlled by the Namibian Training Authority. These centres have a staff compliment of 335 employees both contractual and permanent. In order to access the staff to participate in this study, the researcher relied on the assistance and cooperation of the Centre Managers.

3.3 SAMPLE

It should be noted that to study the target population with a specific intention to arrive at a generalisation would be impracticable due to reasons such as the change in characteristics of the population to be measured as well as cost and time. It is noted that analyses are best when conducted on samples that are still fresh (O’Leary (2004). Sekaran (2012), defines sampling as “the process by which a researcher selects a sample of participants for a study from the population of interest”. The methods/techniques selected for the study was based on both probability and non-probability sampling. The two main

methods that were employed in selecting both population and sample were purposive and simple random sampling techniques. Purposive non-random sampling technique was used in selecting seven (7) VTCs out of the 19 due to the fact that they are the only VTCs directly controlled by NTA.

Simple random sampling technique was employed in selecting 100 out of the total of 335 employees of the VTCs. Therefore a total of 100 questionnaires were sent out to respondents and 15 questionnaires to all centres except for Nakayale VTC, where only 10 questionnaires were sent due to the fact that it's a small centre. A total of 65 employees completed and returned the questionnaires. According to Sekaran, a response rate of thirty percent is acceptable for most studies. The response rate for this study was 65 %.

A random sample was used, which according to O'Leary (2004) refers to a sampling method in which all members of a group (population or universe) have an equal and independent chance of being selected. With the distances between the vocational centres, this sampling technique seemed appropriate to use as it was easier to obtain the information and at the same time gather relevant information from the employees. Therefore, the findings of this study is generalised even though information was gathered from all centres and all levels or positions from both permanent and contract employees.

3.4 RESEARCH INSTRUMENTS

The measuring instrument used for this study was a questionnaire which follows the quantitative methodology. O' Leary (2004) suggests that this is a positive way of gathering

data as questionnaires can be distributed to groups simultaneously. Questionnaire items were adopted from a case study on Ghana Commercial Bank: The Impact of reward system on corporate performance by Patrick Apeyusi (2012) and from Alfandi and Alkawsaneh (2004) : The role of Incentives and reward system in enhancing employee's performance.. The major advantage of choosing this method is that it is less costly and also less time consuming while adequate data is collected. The questionnaire is broken in three separate parts. The first part is a biographical section, followed by the rewards part and lastly the performance part.

Some questions required respondents to provide a rating on their perceptions using a 5 point Likert scale measurement ranging from strongly disagree to strongly agree. This was to encourage those who do not have the ability to express themselves verbally give their honestly answer to the questions without struggling. The questionnaires were distributed in person and electronically to the respondents in a period of one week after permission was granted from the top management. However, some data was collected or derived from the website, journals and articles related to the topic.

3.5 DATA COLLECTION PROCEDURES

In an attempt to collect data, the following steps were taken. First of all, a letter was written to the general Manager of the NTA, seeking permission to carry out the study on the seven (7) Vocational Centres. The letter was submitted and permission was granted via email. The researcher was asked to contact the Centre Managers of the selected Vocational Centres in order to put in place the necessary logistical arrangements.

Ethical issues that were followed throughout the study include the following: firstly, clarity on the aim and objectives of the study as well as the procedures to be followed was made up front to everybody taking part in the research. Secondly, it was made clear to the respondents that participating in the study was voluntary and that should they, for any reason, want to withdraw from it, they had the right to do so voluntarily at any time. Thirdly, everybody participating in the study completed a form for informed consent and lastly, that their completed forms were protected at all times and that everything they shared was to be treated as confidential.

The data collected was not to be stored for secondary use due to the sensitive nature of it, but was used for its primary purpose and destroyed immediately. During the time of use, it was securely kept and protected with all precautions observed. Paper records were shredded in a manner that left no possibility for reconstruction of information and this included burning and cross shredding.

3.6 RELIABILITY AND VALIDITY OF CHOSEN DATA

“Reliability refers to the consistence or dependability of the measuring instrument. Validity on the other hand refers to the extent to which a measurement procedure actually measures what it is intended to measure rather than measuring something else, or nothing at all” (O’Leary, 2004). Therefore, in this regard the questionnaire was test- run in a pilot study at Zambezi VTC because of its proximity. The aim was to examine its validity in order to rectify any anomalies detected. A total of 15 employees volunteered themselves as respondents in this pilot study. Furthermore

Reliability was measured again by Cronbach's alpha which is 0.569. This indicates an acceptable level of internal consistency for the scale however future research could improve on internal validity. Table 4.1 below shows the results of cronbach's alpha reliability test.

Reliability Statistics		
	Cronbach's Alpha Based on Standardized Items	N of Items
	.569	16

Table 4.1 Cronbach's alpha

3.7 DATA ANALYSIS

The data collected was coded and processed using Microsoft Excel. Since the study was quantitative in nature, the findings were presented in simple descriptive statistics involving tables, pie, multiple and bar charts. The variables of interest to the researcher were employee rewards and organisational performance. These were analysed after analysing the demographic description of the respondents using descriptives and ANOVA.

CHAPTER 4

PRESENTATION, DISCUSSION OF THE RESULTS AND SUMMARY

4.0 INTRODUCTION

In this chapter, the data that was collected from questionnaires is presented, discussed and interpreted according to the findings of the main objectives that guided the study as stated in chapter 1. The previous chapters of this study addressed the contextual and descriptive aspects of the study. The focus of this present chapter is to analyse the data collected from the field and examine the findings in the light of the objectives of the study. The quantitative data collected under the survey was coded using Microsoft excel. Analyses of the field data and the discussion of the findings are now presented in the rest of this chapter. The researcher was able to retrieve 65 questionnaires out of 100 constituting a 65% response rate. This is arguably a good responsive rate considering the busy schedules respondents had and the distance travelled by other employees.

4.1 BIOGRAPHICAL INFORMATION OF THE PARTICIPANTS

O'Leary (2004), contends that, personal attributes like gender, education, family life status and age have a significant effect on motivation at the workplace. This section deals with the biographical information of the respondents as provided in the questionnaires. The demographic profile seeks to show whether staff from different backgrounds and characteristics view rewards and performance differently.

Table 4.2 below illustrates findings from demographic questions 1, 3,5,6,7 &8.

Variable	Frequency	Percentage (%)
Sex		
Female	30	46
Male	35	54
Job type		
Permanent	44	68
Contract	21	32
Department		
Administration	27	41.54
Training	31	47.69
Workshop	7	10.77
Position		
Management	5	7.69
VET	8	12.31
Office officials	26	40
General worker	15	23.08
Workshop	11	16.92
Qualification		
Grade 10	7	10.77
Grade 12	23	35.38
Certificate	17	26.15
Diploma	8	12.31
Degree	4	6.15
Postgraduate degree	6	9.23
Marital status		
Never Married	30	46.15
Living with partner	7	10.77
Married	24	36.92
Divorced	4	6.15
Widowed	0	0

Table.4.2 Bibliography

In an attempt to collect data, a total number of (30) female and (35) male employees from seven (7) selected Vocational Training Centres participated in the study. The first row on the table above illustrates the number of participants by sex. The sex of the respondents

was male (54%) and female (46%). The whole idea was to make sure that the respondents are represented by sex as one of the identified variables.

The ages of the respondents ranged from 23 years to 56 years old. Figure 4.1 below illustrates the age groups of the respondents. The respondents between the ages of 20 to 30 were 23 which constitutes 35%. Those between the ages of 31 to 40 were 27 which constitutes 42%. Those who were between 41 to 50 years old were 10 and that constitutes 15 % and those who were 51 and above were only 5, constituting 8%.

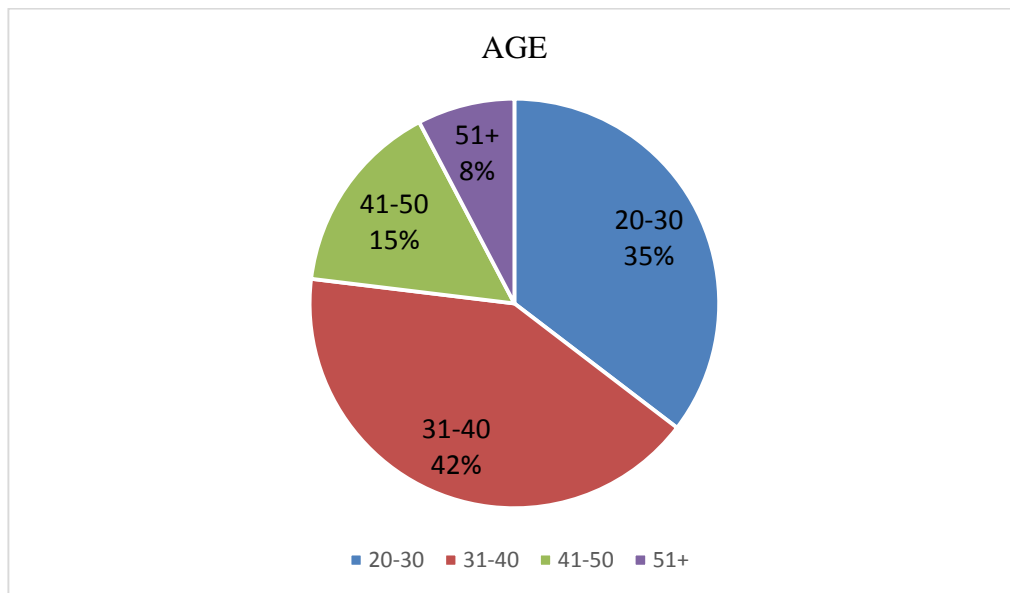


Figure 4.1 Age Group

Table 4.2 below illustrates the mean and standard deviation for the age groups, the mean of the age groups is 35.9 and the deviation between them is 8.35.

Mean	95% confidence Interval Upper	95% confidence Interval Lower	Standard deviation	Minimum	Maximum
34.9385	32.8682	37.0088	8.35516	23	56

Table 4.2 Age Mean and standard Deviation

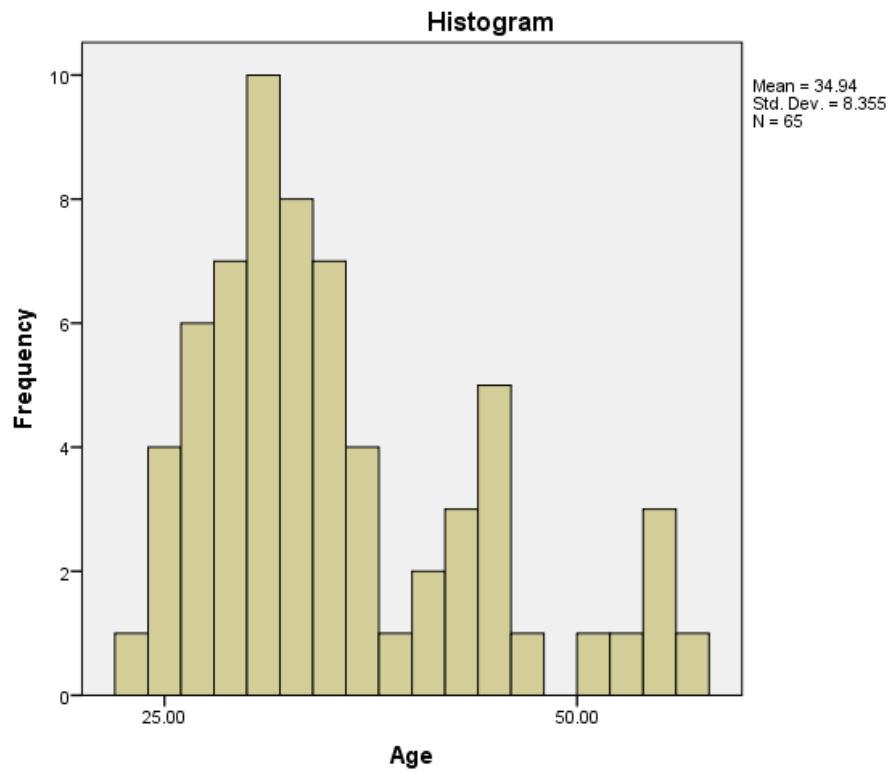


Figure 4.3 Age Histogram

The majority of the employees' ages were in the range of 35 as stipulated in figure 4.2 above. Moreover, with a huge number of employees in the range of 34-39, it is best if they are rewarded appropriately because they can bring the required skills and stay for long in their Centres.

The respondents were asked to indicate their jobs. Job type was one of the variables that would influence the individual's perception on rewards and performance. Table 4.1 above shows the frequency and percentages of the job type for respondents. From this table a total of 44 (68%) of respondents are permanently employed while 21 (32%) are on contract. The researcher is of the opinion that a total of 32% of employees who are on contract is not impressive because contract employees do not get benefits or rewards as compared to those who are on permanently employed.

The number of years served by the respondents is one of the variables that influence the rewards and performance issue. Figure 4.3 below illustrates the number of years respondents have spent at their Centres. Only (2) Respondents have worked for less than a year which constitutes 3%. Those who have worked for a period between 1 to 5 years are 47 and that constitutes 72%. Those who worked for a period between 11 to 15 and 16 years and above constitutes 5% each and the frequency is 3. A total of 10 respondents had worked for a period between 6 to 10 years and that constitutes 15%.

Figures 4.3, 4.4 and Table 4.4 below summarizes the number of years employees have spent at the VTCs.

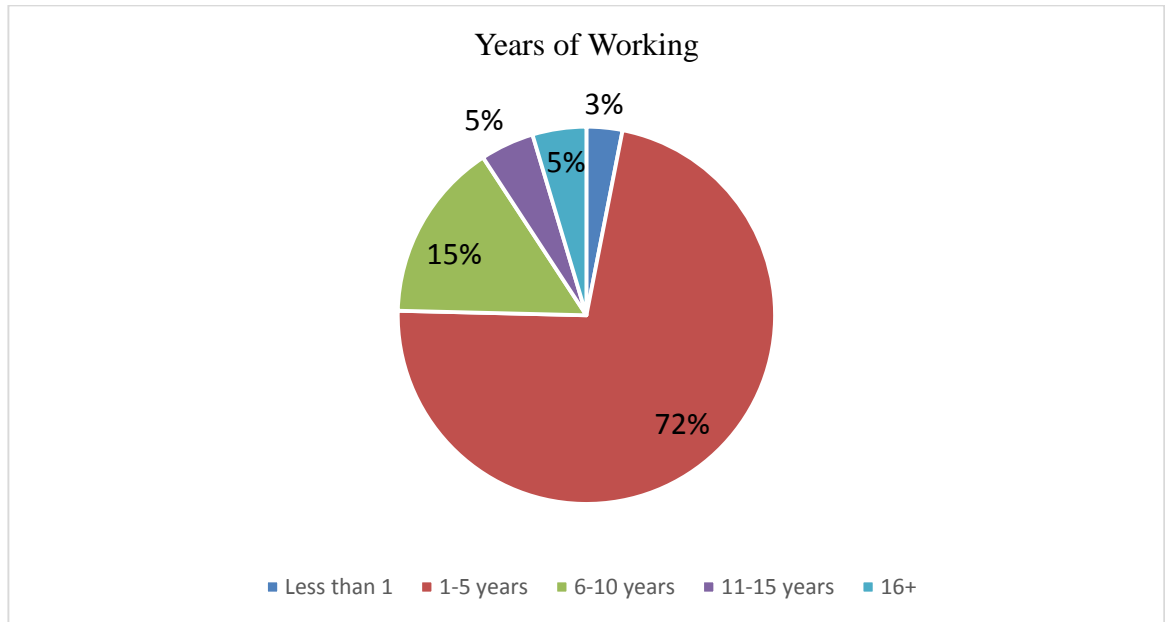


Figure 4.3 Years of working

Mean	95% confidence Interval Upper	95% confidence Interval Lower	Standard deviation	Mini4.3mum	Maximum
4.6846	6.1236	3.2457	5.80717	0.50	32

Table 4.4 years of working mean and standard deviation

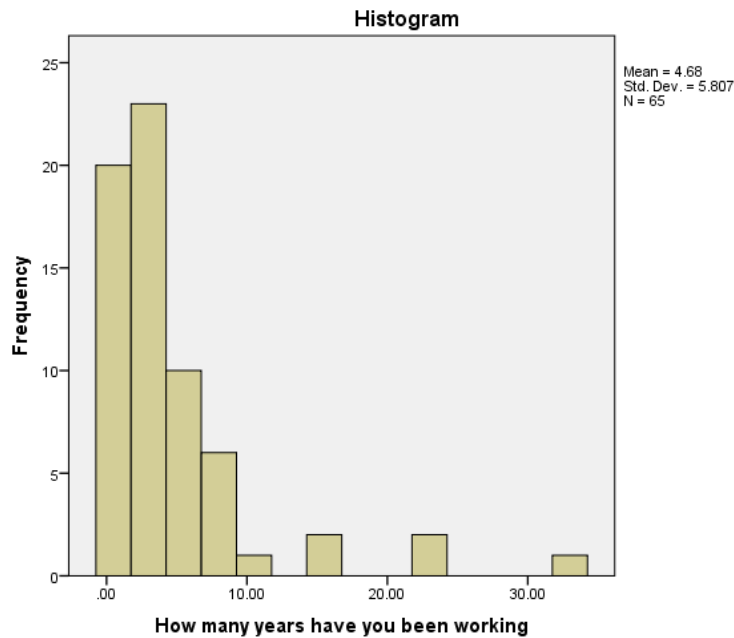


Figure 4.4 Years of working histogram

Figure 4.3, Table 4.3 and Figure 4.4 above show the years that employees have worked at their specific centres, the mean and standard deviation. The interesting fact from the analysis of all the VTCs reveal that the majority of the employees have only worked at their centres for a period between 1-5 years. The histogram above, shows that the high columns are only on the left side of the graph which clearly states that there is a high staff turnover in these Centres which shows that most of the employees are new. Be that as it may, the mean of the number of years stands at 4.7 and that is not impressive.

The respondents were asked to indicate the departments where they work. Table 1, row three (3), illustrates the frequency and percentages of respondents in their respective departments. A total of 41.54 % (27) represents respondents in Administration, (47.69%)

(31 respondents) represents those in Training and 10.77% of the respondents represents those in Workshops with the frequency of 7.

The position of the respondents was identified as a variable. The 4th row of Table 1 indicates that 16.92% of the respondents are in management. It was also noted that 23.08 % are VET trainers, whereas 40% are office officials with 12.31% being general workers and only 7.69% working in workshops.

Respondents were asked to indicate their highest qualifications. The majority of the respondents have very low qualifications, as illustrated in row 5, of Table 1. A total of 10.77% of the respondents have studied up to grade 10 and the majority represented by 35.38% hold a grade 12 qualification. It is however noted that those with a certificate constitutes 26.15%. Those who hold a diploma, degree or postgraduate degree are only 18 which constitutes 27.69 %, where 12.31 % hold diplomas, 6.15% hold degrees and only 9.23 % hold postgraduate qualifications.

Marital status is one of the influential variable in terms of which rewards are to be given. It was noted that 46.15% of the respondents were not yet married and had never been married. Only 10.77 % were living with their partners and 36.92% were married. Those that were divorced constituted 4% and there were no respondents who was widowed.

4.2. ASPECTS OF REWARD USED BY THE CENTERS

The respondents were asked to indicate the rewards which they had received from their employers.

Figure 4.5 below shows rewards available in the Centres.

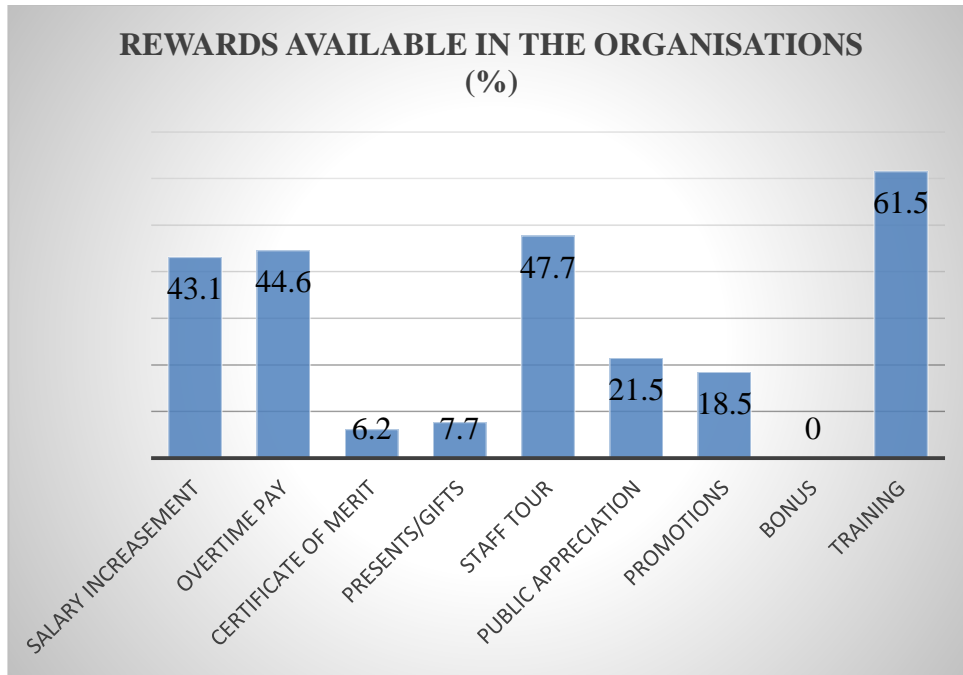


Figure 4.5 Reward available in the organisation

It is observed that from the nine (9) mentioned rewards, only eight (8) are received by the respondents except bonus. There is no bonus received by all the respondents in this study. The highest rewards received by respondents is training with 61.5 %. This shows that the Centres are providing more training to their employees as compared to overtime pay. and staff tours which are received by 44.6 % and 47.7 % respectively. Salary increment is received by 43.1 % of the respondents. Only 18.5 % of the respondents were being praised in public and 18.5% had so far been considered for promotions.

Figure 4.6 summarizes the importance of rewards received by the Centres.

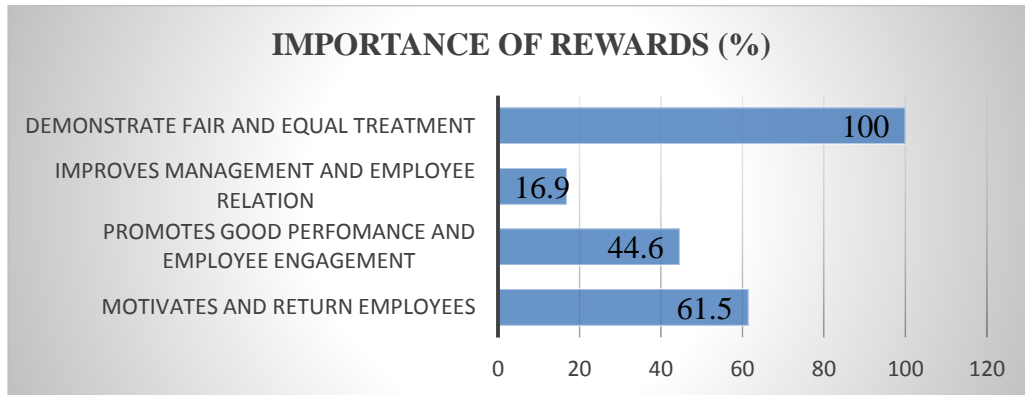


Figure 4.6 Importance of rewards

The respondents were asked to indicate the importance of rewards provided by the Centres and Figure 4.6 above show the findings. It is shown that 61.5 % of the respondents felt that given the rewards above, the employees were to be motivated and retained at the Centres. However, 44.6% believed that rewards would promote good performance and employee engagement would solve the issue of movements. The smallest percentage of the respondents (16.9%) believed that rewards would improve management and employee relations. However, 100% of the respondents were in agreement that the rewards mentioned above would demonstrate fair and equal treatment.

Figure 4.7 below shows the rewards enjoyed most by the respondents in the Centre.

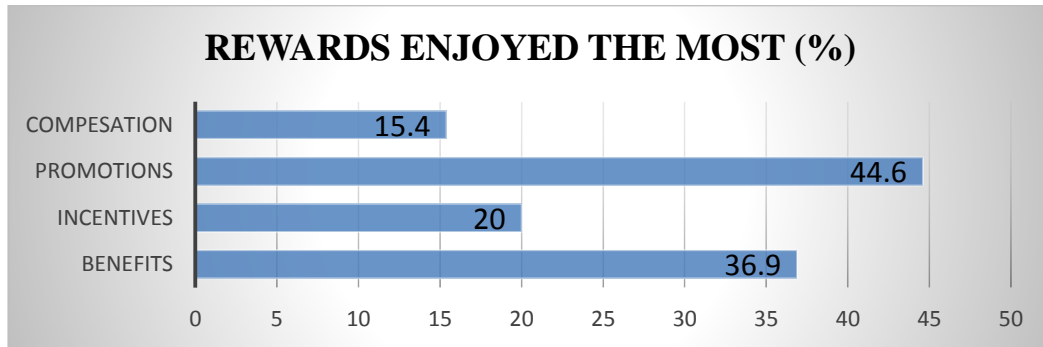


Figure 4.7 Rewards enjoyed the most

The respondents were asked to indicate the rewards that they enjoy the most from the four options of benefits, incentives, promotions and compensation. The respondents indicated that the reward they enjoy most is promotion as shown by a total of 44.6 %. This was followed by benefits with 36.9%. It would appear respondents value incentives and compensations less with as shown by a total of 20 and 15.4 % respectively.

Figure 4.8 summarizes the rewards influencing personal and organisation performance

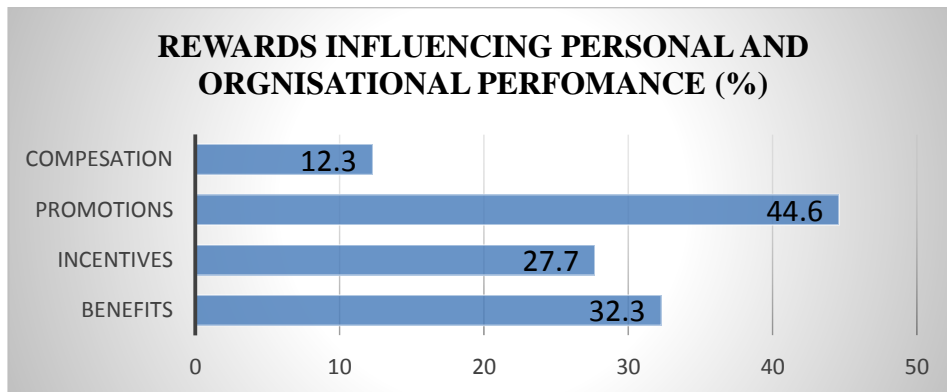


Figure 4.8 Rewards influencing personal and organizational performance

The rewards given to respondents have different effects on personal performance. Figure 4.8 above shows how different rewards play a role when it comes to performance. It is observed that promotion has a huge impact on the performance of both the individual and the organisation. A total of 44.6% of respondents indicated that promotion promotes performance more, followed by benefits with 32.3%. However, 27.7% of the respondents believed that incentives promote performance and only 12.3% indicated compensation as a promoter of performance.

Figure 4.9 below shows how satisfied the respondents are with the current reward system

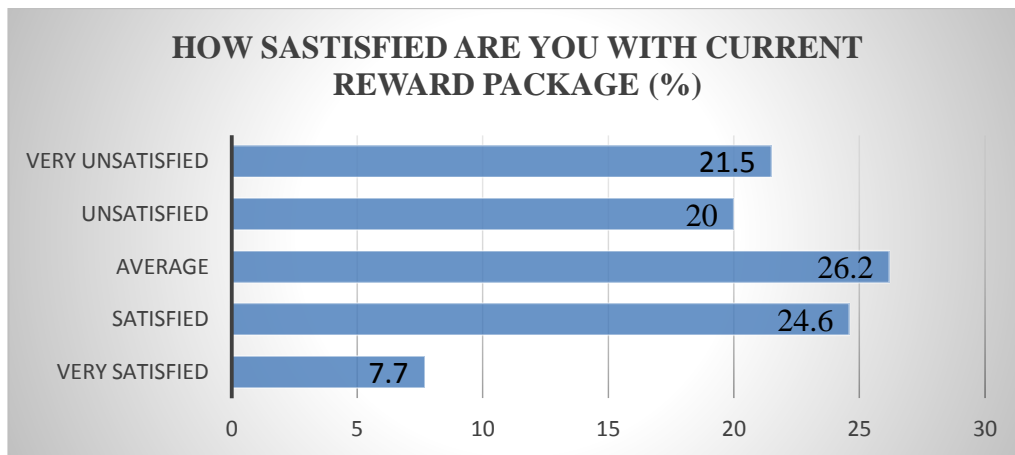


Figure 4.9 Level of satisfaction with current reward package

The respondents were asked to indicate their level of satisfaction with regards to the current reward package. Figure 4.9 above shows that 7.7 % of the respondents were very satisfied with the package, whereas 24.6% were only satisfied to a certain level. The respondents who are either satisfied or unsatisfied made up 26.2%. The respondents who were unsatisfied and very unsatisfied made up 20% and 21.5% respectively. This shows

that only a few of the respondents were satisfied and more than 60% were either undecided or not satisfied.

Figure 4.10 below show the effects the present reward package has on the respondents.

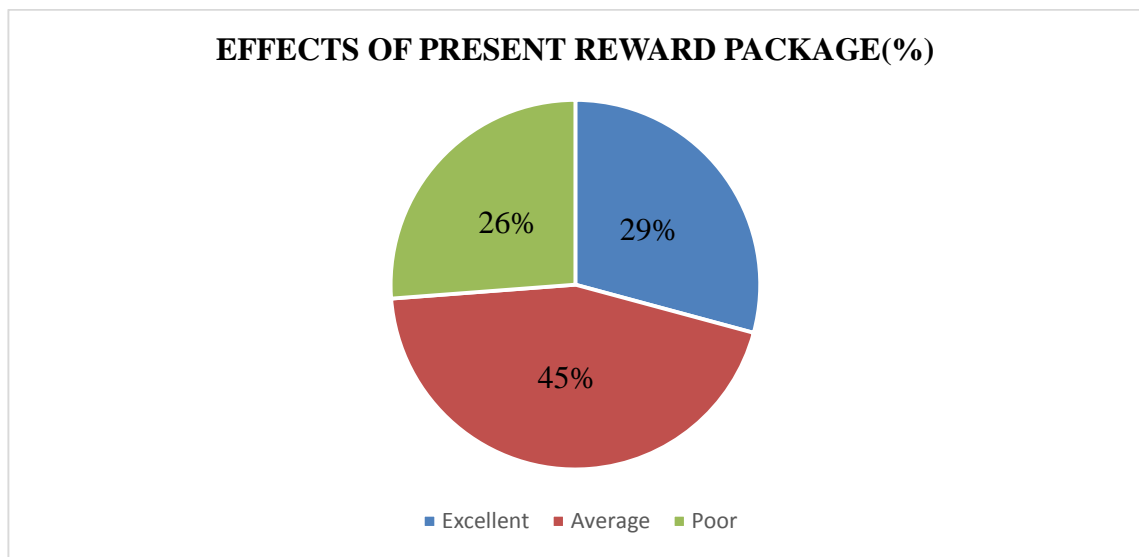


Figure 4.10 Effects of present reward package

The effects of the current rewards system differ from one respondent to the other. The respondents whose performance was excellently affected by the rewards were only 29.2% and those who were poorly affected were 26.2%. The respondents who were either on the side of excellency or poor constituted the highest percentage of 44.6%.

Figure 4.11 below shows how respondents felt about whether incentives given to them were enough or not.

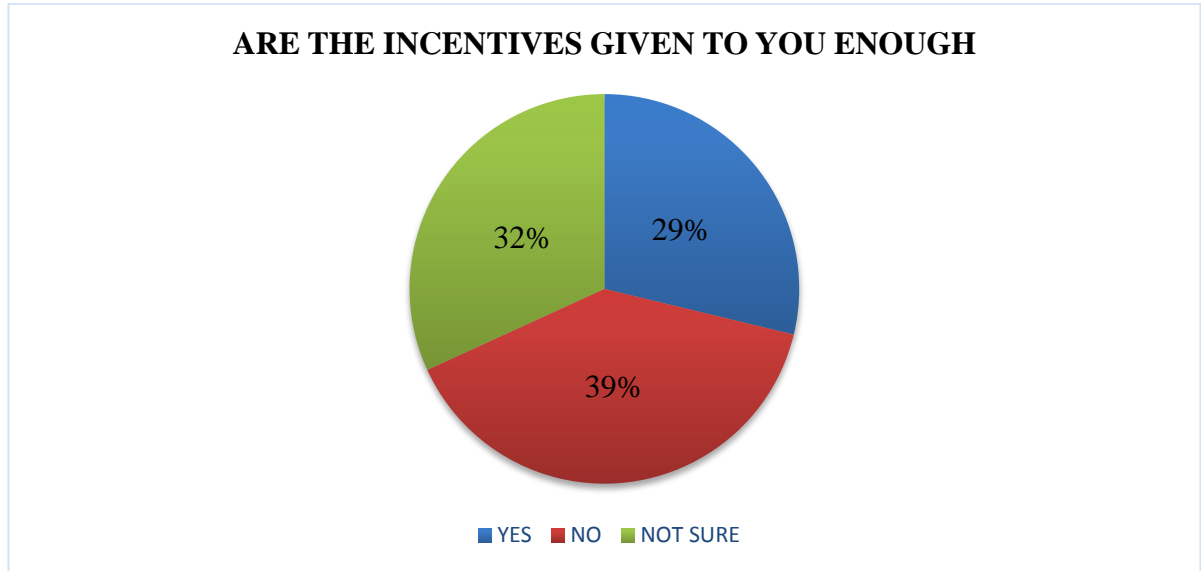


Figure 4.11 Are incentives given to you enough

Incentives were also chosen to be part of the independent variable under rewards. Respondents were given a few questions on incentives. Figure 4.11 above show the differences in how the respondents felt about incentives given to them. A total of 27.7% of the respondents were happy with the incentives. However, 40% of the respondents felt that the incentives were not enough and 26.2% were not sure if they were getting enough of what they deserve. This shows that 66.2% of the overall respondents were not happy with the incentives they received.

Figure 4.12 summarizes the incentives received by the respondents

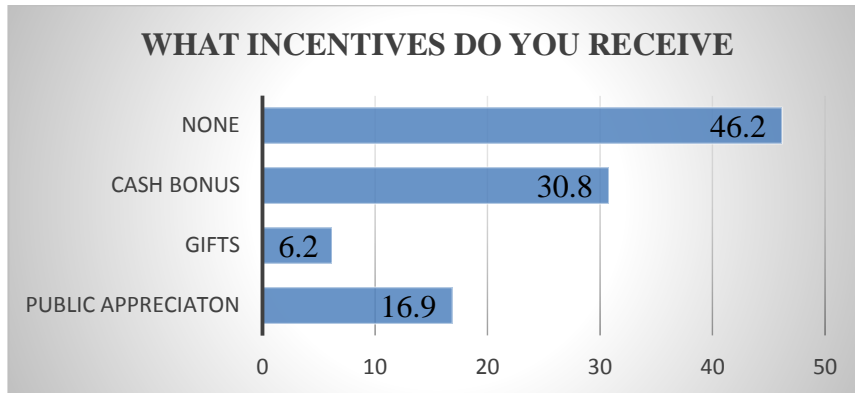


Figure 4.12 Incentives Received

The respondents were asked to indicate the incentives they received and the findings are shown in Figure 4.12 above. Only 16.9% indicated that they had been appreciated publicly. A total of 6.2% of the respondents indicated that they had received gifts as incentives and 30.8% indicated that they had received cash incentives. The majority of the respondents, which is 46.2% indicated that they had not received any incentives.

Figure 4.13 below shows the effects of incentives on performance

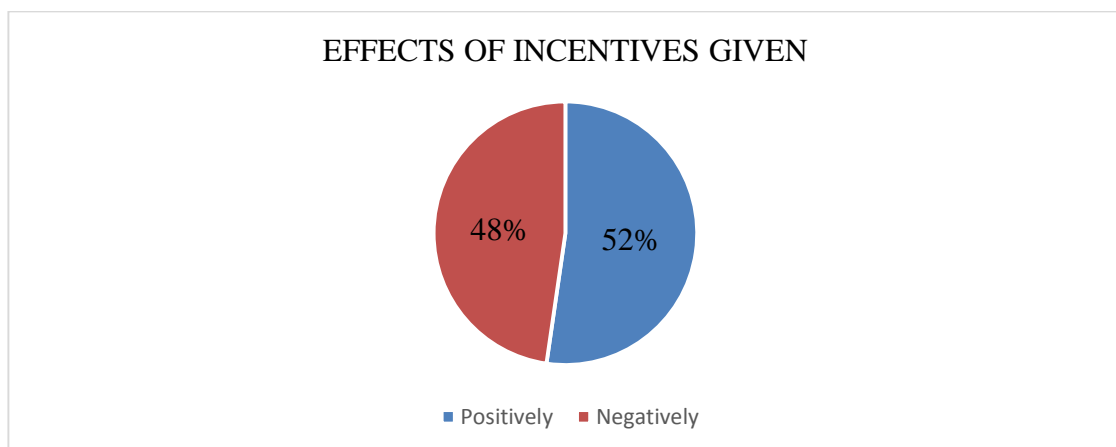


Figure 4.13 Effects of incentives given

Just like other rewards, incentives also have effects on the performance of an organisation. Respondents were asked to indicate how their individual performance is affected by the incentives they receive. Since others received and others did not, most respondents felt that the incentives were not enough. A total of 52.3% of the respondents felt that incentives play a positive role on performance. However, 47.7% felt that the incentives affected them negatively because they were either not receiving enough or none.

Figure 4.14 below indicates how many of the respondents had been promoted and those who had not been promoted.

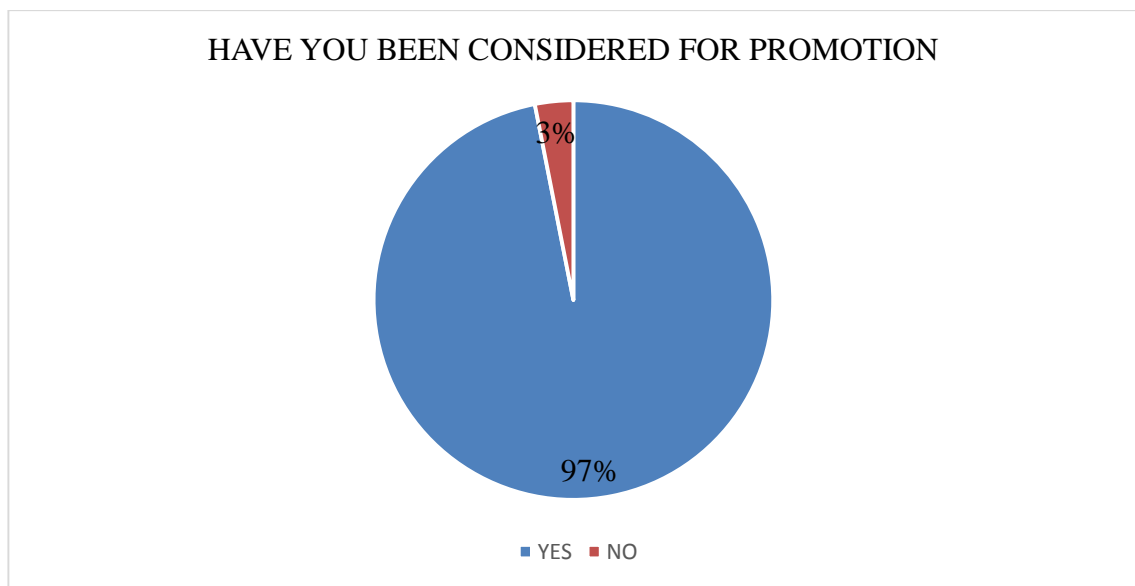


Figure 4.14 Have you been considered for promotions

Promotion is also a variable chosen to determine the effects of rewards to performance. It is observed from the above questions that from the enjoyed rewards, the respondents felt that promotion took the lead and that it had a positive influence on their performance and

that of the organisation. When asked if they had been considered for promotion, 12.3% indicated that they had been promoted before and 87.7% had never been promoted. This shows a huge proportion of dissatisfaction among the respondents

Figure 4.15 shows the perception of respondents on whether promotion improves personal performance or not.

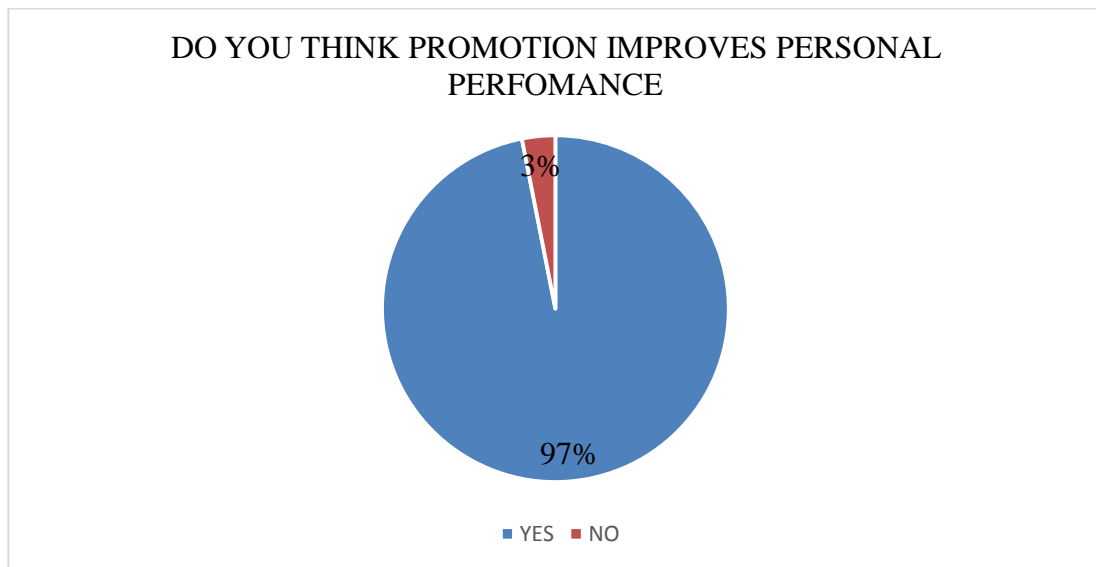


Figure 4.15 Do you think promotion improves performance

The respondents were asked whether promotion improves personal performance and the findings are presented in Figure 4.15 above. A total of 96.9% of the respondents believed that given opportunities for promotion will increase performance and only 3.1% felt that promotion doesn't have an impact on performance.

Figure 4.16 shows whether respondents would want to increase performance and be rewarded or get rewarded for them to perform better.

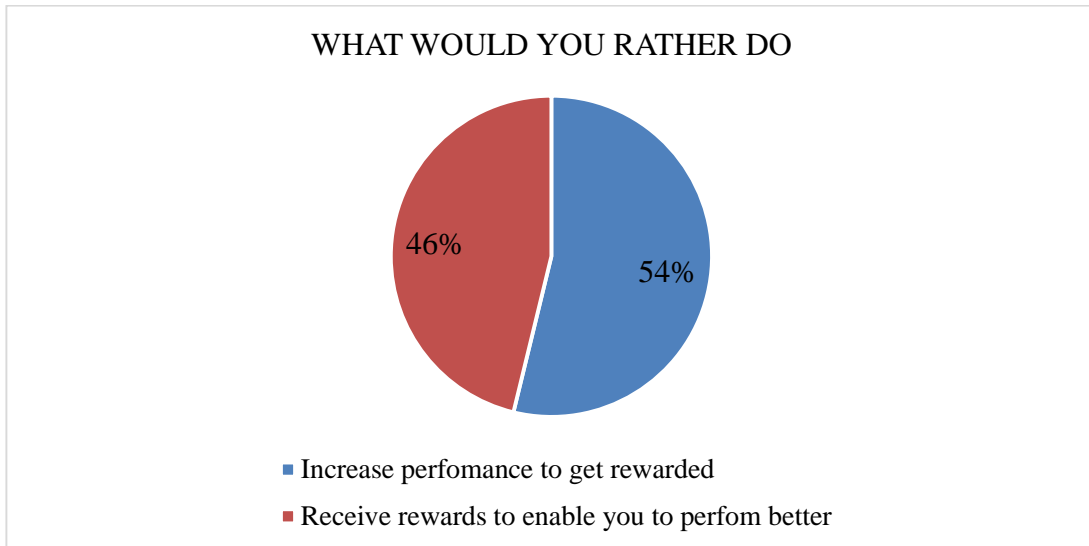


Figure 4.16 what would you rather do

Rewards and performance are the main variables in the study, the respondents were asked to indicate whether they would increase performance in order to get rewarded or they would rather receive rewards in order to perform better. A total of 53.8% said they wanted to increase performance so that they could get rewarded and 46.2% said they would rather receive rewards in order for them to perform better. Therefore, a small number of the respondents believed that rewards enhance performance, as shown by the majority of respondents who wanted to perform first and then be rewarded for their performance. However problems arise when performance is not recognized.

4.3. EMPLOYEE REWARD AND ORGANISATIONAL PERFORMANCE (%)

Figure 4.17 below summarizes issues pertaining to the performance of the organisation

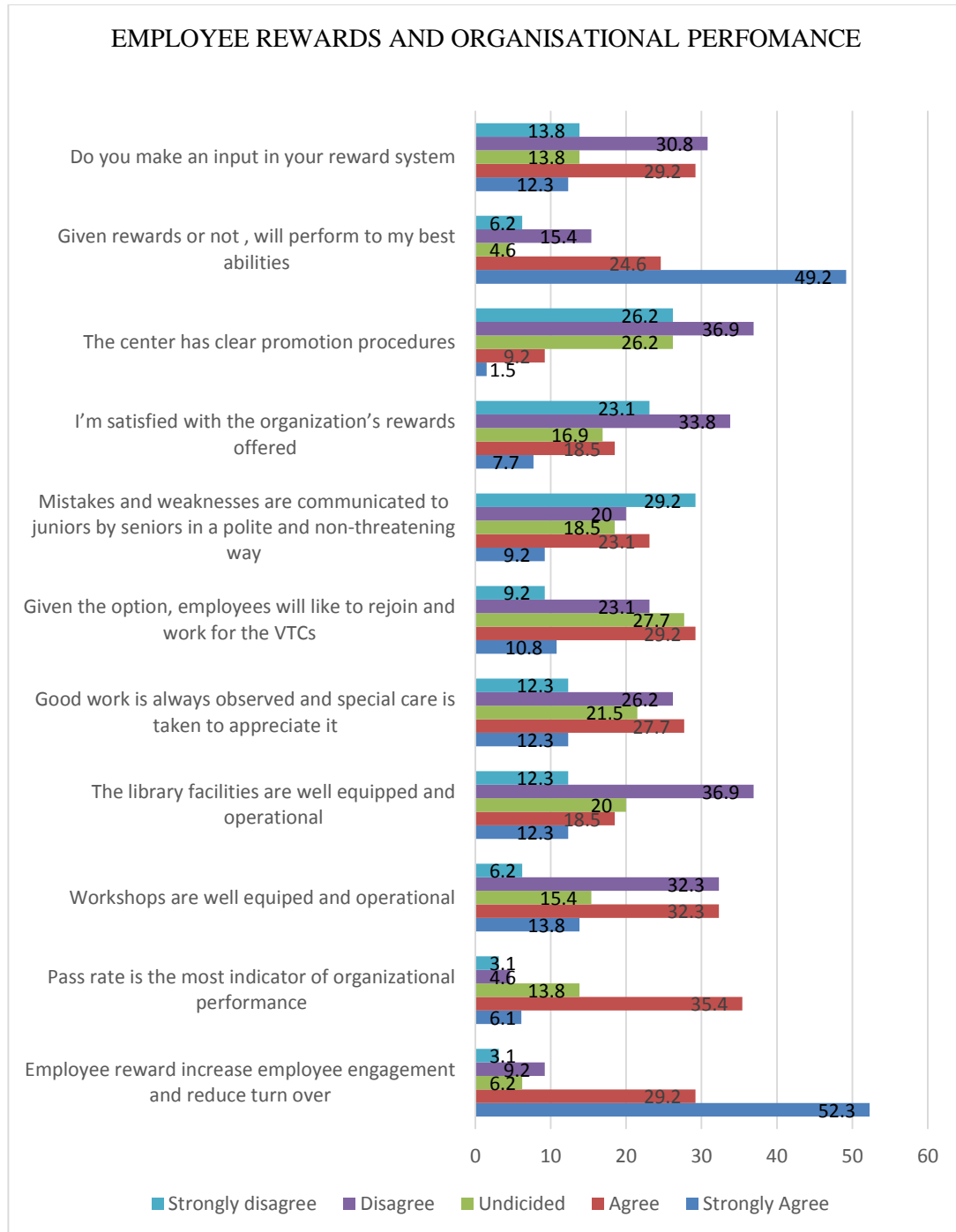


Figure 4.17 Employee rewards and organizational performance

Figure 4.17 above shows a detailed report on the role of rewards on performance. Respondents were asked to indicate their perception on whether employee rewards increase employee engagement and reduce staff turnover? A total of 52.3 % strongly agreed with this statement, whereas 29.2% are in agreement as well. Only 6.2% are undecided. A total of 12.3% strongly disagreed.

The findings indicate that a total of 38.5% agreed with the statement whereas 13.8% were undecided, 4.6% disagreed and 3.1% strongly disagreed. The majority agree that pass rate indicates performance.

This statement was found to be important for this study because pass rate as the indicator of performance can only be achieved if the workshops have enough and are operational. Therefore, as indicated in the figure above 13.8% strongly agreed with the statement, 32.3% agreed, whilst 15.4% were undecided and a total of 38.5% disagreed.

Just like the availability of workshops, in order to achieve the desired performance, library facilities are supposed to meet the demands of the employees and the trainees. Therefore, the respondents indicated that 12.3% strongly agreed that the facilities were operational, and 18.5% stated that they were in agreement, however 20% were undecided and a total of 21.3% strongly disagreed.

Recognition is very important in the study as it is one of the independent sub-variables chosen. Respondents indicated that 12.3% strongly agreed with the statement, 27.7% also agreed and 21.5% were undecided. Those who disagreed constitute 26.2% and 12.3%

strongly disagreed. It would appear good work was not being appreciated because the majority disagreed with the statement constituting 60 % compared to those who agree.

The problem statement of this study demands that one uncovers how VTCs loose employees to greener pastures. It is therefore observed that only 10.8% of the respondents strongly agreed that they could still re-join the VTCs, and 29.2% agreed with the statement. However, 27.7% were undecided with 23.1% disagreeing and 9.2% strongly disagreeing. This shows that most of the employees were not engaged and could leave their employment anytime.

In order to make employees feel valued and appreciated, communication of mistakes was found to be an important statement in the study and Figure 4.17 indicate that 9.2% strongly agreed and 23.1% agreed with 18.5% being undecided and a total of 49.2% disagreeing with the statement. The employees expressed that they were not treated in a respectful and polite manner. The majority indicated that mistakes were not corrected in a polite way.

This statement determines if employees are happy with what they are given and the findings indicate that only 7.7% strongly agree with what they received and 18.5% were happy to a certain point whereas 16.9% were not sure whether they were happy or not. However, a majority with 33.8% indicated that they disagreed and 23.1% totally disagreed. This shows that 26.2% respondents agreed and 61.9% were not happy.

Promotion is very important to employees and the respondents were asked to indicate whether their institution has clear procedures when it comes to promotion, as indicated in

the Figure 4.17 above. A total of 26.2% strongly disagreed with the statement, 36.9% disagreed, 26.2% were undecided, 9.2 % agreed and 1.5% strongly agreed. This clearly indicates that as far as promotions are concerned, more than 80% of the respondents were not satisfied with the procedures,

The researcher inquired if the respondents could perform to their best abilities even if they are not rewarded in advance or that they could only perform if rewards were put on the table. A total of 49.2% strongly believed that they would perform regardless of whether they got rewarded or not, 24.6 agreed with the statement. However, 4.6 % were undecided, 15.4% agreed and 6.2% strongly agreed. This shows that the respondents were determined to perform even if they were not rewarded and it's a good sign that the Centres had passionate employees who were willing to work without rewards. However, as employees perform, they will still need to be recognised and rewarded accordingly in order to motivate them.

It is very crucial for an employee to have a say in the reward package before it's finalised by the employers. This will help employers know the needs of their employees. The respondents were asked to indicate whether they have a say in their rewards package, and 13.8 % strongly disagreed, 30.8% disagreed, 13.8 % were undecided whereas 29.2 agreed that they had an input in deciding their reward package and 12.3 % strongly agreed with statement. Therefore, looking at the responses, the majority were either undecided or disagreed and those in total agreement constitutes 41.6 %.

4.4 ORGANISATIONAL PERFORMANCE

The respondents were asked to give their opinions on what could enhance organisational performance apart from what was asked in the questions in the questionnaire. Below is what Ulande said:

“Employing the right people for the jobs and creating happy working environment for all. In addition to that, salary increments should be done without fights with the unions in order to avoid mistrust. Good management in terms of reviewing performance on a monthly basis and motivating employees through promotions, caring for their health and security is also encouraged”.

As indicated in the current reward package, the respondents still suggested more training and development opportunities.

The respondents were then asked to indicate if there were any other comments they wanted to make about employee rewards and organisational performance which were not covered in the questions. The general workers expressed that they felt discriminated against and that they did not get rewarded in any way. Others felt that recognition works well for them. It was also suggested that qualified personnel should be employed to achieve the desired performance. The other suggestion was that employees should be offered food and a 4-month maternity and paternity leave. Moreover, others stated that rewards might make other people jealousy so it should be done properly.

4.5 PASS RATE

The descriptive summary statistics for the seven (7) VTCs are illustrated in Table 4.4 below.

	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
				Lower Bound	Upper Bound		
Zambezi	50.3571	8.19794	3.09853	42.7753	57.9390	40.00	65.00
Nakayale	48.3111	3.01183	1.00394	45.9960	50.6262	43.00	52.00
Eenhana	54.3875	2.96669	1.04888	51.9073	56.8677	50.00	60.00
Valombola	54.0938	5.32852	1.88392	49.6390	58.5485	46.75	61.20
Windhoek	55.8063	5.36739	1.89766	51.3190	60.2935	48.90	60.25
Rundu	49.4663	1.93434	.68389	47.8491	51.0834	47.00	53.03
Okakarara	52.3750	7.15237	2.52875	46.3955	58.3545	45.00	66.00
Total	52.0773	5.57951	.74559	50.5831	53.5715	40.00	66.00

Table 4.5 Descriptive Analysis

The descriptive table above indicates that the mean for the seven Centres for a pass rate ranges from 48% to 55%, with Windhoek having the highest average and Nakayale having the lowest average.

ANOVA

The Analysis of variance (ANOVA) is defined as a collection of statistical model used to analyse the difference among group mean and their associated procedures (Elsevier, 2015). He further states that one-way ANOVA is used is to determine whether there are any statistically significant differences between the mean of three or more independent groups. It compares the mean between the groups one is interested in and determines whether any of those means are statistically different from each other. Specifically, it tests the null hypothesis:

$$H_0: \mu_1 = \mu_2 = \mu_3 \dots = \mu_k$$

Where μ = group mean and k = number of groups. If, however, the one-way ANOVA returns a statistically significant result, we accept the alternative hypothesis (H_A), which is that there are at least two group means that are statistically different from each other. Additionally, (Elsevier,2015) states that ANOVA provides a statistical test of whether or not the means of several groups are equal, and therefore generalize the t-test to more than two groups.

Table 4.5 below illustrates the ANOVA results for the seven Centres. The results indicated that the P value for mean pass rate is less than 0.05. Therefore, there is a significant difference between the mean pass rates in the VTCs,Where ($f=2.41$, $P=0.04$).

ANOVA					
Passrate					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	390.085	6	65.014	2.410	.040
Within Groups	1322.116	49	26.982		
Total	1712.201	55			

Table 4.6 ANOVA

Since the null hypothesis of equal mean pass rates was rejected, post hoc test were conducted to establish which specific VTCs has mean pass rates were different for the other **Post Hoc Tests**. The post hoc test results based on Least Significant Difference (LSD) are presented in Table 4.6 below.

Multiple Comparisons						
(I) VTC	(J) VTC	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Zambezi	Nakayale	2.04603	2.61774	.438	-3.2145	7.3066
	Eenhana	-4.03036	2.68837	.140	-9.4328	1.3721
	Valombola	-3.73661	2.68837	.171	-9.1391	1.6659
	Windhoek	-5.44911*	2.68837	.048	-10.8516	-.0466
	Rundu	.89089	2.68837	.742	-4.5116	6.2934
	Okakarara	-2.01786	2.68837	.456	-7.4203	3.3846

Nakayale	Zambezi	-2.04603	2.61774	.438	-7.3066	3.2145
	Eenhana	-6.07639*	2.52403	.020	-11.1486	-1.0042
	Valombola	-5.78264*	2.52403	.026	-10.8549	-.7104
	Windhoek	-7.49514*	2.52403	.005	-12.5674	-2.4229
	Rundu	-1.15514	2.52403	.649	-6.2274	3.9171
	Okakarara	-4.06389	2.52403	.114	-9.1361	1.0083
Eenhana	Zambezi	4.03036	2.68837	.140	-1.3721	9.4328
	Nakayale	6.07639*	2.52403	.020	1.0042	11.1486
	Valombola	.29375	2.59721	.910	-4.9255	5.5130
	Windhoek	-1.41875	2.59721	.587	-6.6380	3.8005
	Rundu	4.92125	2.59721	.064	-.2980	10.1405
	Okakarara	2.01250	2.59721	.442	-3.2068	7.2318
Valombola	Zambezi	3.73661	2.68837	.171	-1.6659	9.1391
	Nakayale	5.78264*	2.52403	.026	.7104	10.8549
	Eenhana	-.29375	2.59721	.910	-5.5130	4.9255
	Windhoek	-1.71250	2.59721	.513	-6.9318	3.5068
	Rundu	4.62750	2.59721	.081	-.5918	9.8468
	Okakarara	1.71875	2.59721	.511	-3.5005	6.9380
Windhoek	Zambezi	5.44911*	2.68837	.048	.0466	10.8516
	Nakayale	7.49514*	2.52403	.005	2.4229	12.5674
	Eenhana	1.41875	2.59721	.587	-3.8005	6.6380

	Valombola	1.71250	2.59721	.513	-3.5068	6.9318
	Rundu	6.34000*	2.59721	.018	1.1207	11.5593
	Okakarara	3.43125	2.59721	.193	-1.7880	8.6505
Rundu	Zambezi	-.89089	2.68837	.742	-6.2934	4.5116
	Nakayale	1.15514	2.52403	.649	-3.9171	6.2274
	Eenhana	-4.92125	2.59721	.064	-10.1405	.2980
	Valombola	-4.62750	2.59721	.081	-9.8468	.5918
	Windhoek	-6.34000*	2.59721	.018	-11.5593	-1.1207
	Okakarara	-2.90875	2.59721	.268	-8.1280	2.3105
Okakarara	Zambezi	2.01786	2.68837	.456	-3.3846	7.4203
	Nakayale	4.06389	2.52403	.114	-1.0083	9.1361
	Eenhana	-2.01250	2.59721	.442	-7.2318	3.2068
	Valombola	-1.71875	2.59721	.511	-6.9380	3.5005
	Windhoek	-3.43125	2.59721	.193	-8.6505	1.7880
	Rundu	2.90875	2.59721	.268	-2.3105	8.1280
*. The mean difference is significant at the 0.05 level.						

Table 4.7 LSD post hoc test

The post hoc test determines which specific groups differed from each other, Table 4.6 above illustrates the VTCs with significant differences in mean pass rates and they are highlighted in yellow. Furthermore, table 4.7 below shows a summary of specific VTCs that differed from each other as extracted from Table 4.6.

(I) VTC	(J)VTC	Sig.
Zambezi	Windhoek	0.048
Nakayale	Eehnana	0.020
	Valombola	0.026
	Windhoek	0.005
Valombola	Windhoek	0.026
Windhoek	Rundu	0.018

Table 4.8 VTCs which differed from each other

We can observe that the only VTCs that did not show any significant difference from the others is Okakarara.

Means Plots

Figure 4.18 below shows the mean plots, this figure supports the post hoc test, as we can observe the differences in the mean of the VTC's. There is a big difference between Nakayale and Eenhana and again another big difference between the Windhoek and Rundu VTC.

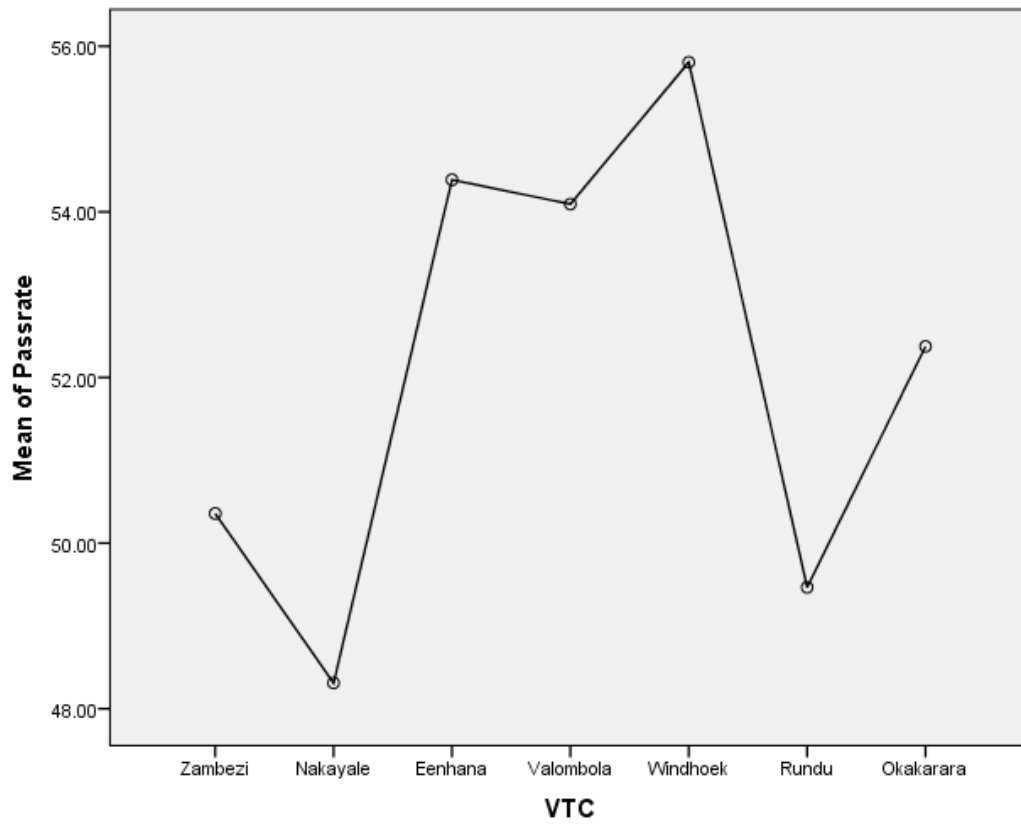


Figure 4.18 Pass rate Means plot

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION

This chapter includes summary of findings, conclusions and recommendations in view of the objectives of the study. As indicated in chapter one, the aims and objectives of the study included to:

- Determine the rewards that employees enjoy the most
- To find out the perceptions of employees on the effects of incentives on organisation performance
- To establish the effects of promotion, recognition and compensation.
- Identify ways of improving the various reward systems to enhance corporate efficiency and effectiveness in VTCs.

5.1 FINDINGS

5.1.1. Crucial biographical Findings

- Age plays a vital role in determining which rewards to offer to employees, the dominant age range is of those within 31 and 40 years old. This age group requires a lot of motivation as the world moves towards globalization. It is crucial for an organisation to pay attention to their needs as they will move to where they find greener pastures.

- The number of years taken by respondents working at their Centres, play a very crucial role in this study as has been proven by the problem statement. Very interestingly, the majority (72%) of the respondents have worked for their Centres for a period ranging between 1- 5 years only. This shows that there is a problem that needs quick intervention. It would appear the employees are on a constant move. They only work for a year or two then move to other institutions. The reward system could play a vital role in returning the employees if implemented correctly, by way of responding to the needs of employees. In order to avoid brain drain, the centers need to motivate their employees and keep them engaged. The Centres have a limited number of skilled and experienced staff due to movements.
- Job type indicated that 68% of the workforce is on permanent basis and 32% are on temporary basis. This clearly shows that the organisation does not want to reward skills accordingly. As a result, those who are on contract basis do not enjoy the same benefits as those on permanent.
- There exists a balanced number of staff in administration (41.54%) and training department (47.69%), however only 10.77% work in workshops.
- Qualification wise, 9.23 % hold post graduate qualifications, 6.15 % hold first degrees, 12.31% hold diplomas, 26.15% hold academic certificates and the majority with 35.38% only hold a grade 12 certificate and 10.8% hold a grade 10 certificate.

- Marital status, the majority of the staff have never married before, which is 46%.

Those that are married constitute 36.9% and 10.77% are just living with their partners and 4% are divorced.

5.1.2. Analysis of Basic Components of the reward package and most preferred rewards

The VTCs in this study have numerous rewards in place. Apart from the basic salary, other instituted ways of rewarding employees were training, staff tours, overtime pay, salary increments, promotions and public appreciations. The respondents were not asked to mention other rewards that existed in their institutions apart from the given ones.

It is observed that 100% of the respondents believe that rewards demonstrate fair and equal treatment and 60% felt that it motivated and retained employees. When employees feel that they are treated equally and motivated, they will always perform their duties with passion and the roles of reward on performance is leaves a positive effect. Even though less than 50% of the respondents felt that rewards promote good performance which is crucial for this study, it can still be concluded that rewards have a positive outcome on the performance of an organisation.

The respondents indicated that promotions and benefits are the majority's choice and preferred ways of being rewarded. However, these rewards are not fully available in the centers, as only the 12.7% respondents who indicated that they had been considered for promotions and 87.7% had not yet been considered. This shows that management have

not done a proper needs analysis with regards to what motivates the employees. This can be surmised when one considers that despite the rewards being received by some employees, others are still resigning and moving from their centers. This shows that their needs are not being met.

Moreover, the respondents' satisfaction level was tested and 67.7% indicated that they were not satisfied with the current reward package and only 32.3% indicated satisfaction. The researcher believes that the satisfied group could only be that of the managers even though it was not proven to be the case. The effects of the current reward package on employees is negative with 71% of the respondents being either not motivated or still unsure of the reward package. It would appear the reward package was not meeting the needs of the employees hence the high staff turnover.

5.1.2. The perceptions of employees on the effects of incentives on organisation performance

The respondents stated in no uncertain terms that they are not satisfied with the incentives received. The majority of the respondents felt that they could still get more rewards or that they deserved more than they were getting. Only 29% felt that the incentives were enough. From a research perspective, this figure is not enough to generalize the results, hence we use the majority figure that states that the incentives are not enough. The respondents were asked for the types of incentives received and 46.2% indicated that they had never received

incentives before and 31% indicated that they had received cash bonuses and less than 20% and 10% respectively had received gifts and been appreciated in public.

The effects of incentives should promote good performance, however findings of this study indicates the opposite as the majority of the respondents felt that if the incentives given were not enough. However if they were enough, it would impact positively on their performance and that of the organisation.

5.1.3. To establish the effects of promotion, recognition and compensation

Employees indicated that from the rewards given, the most preferred one is promotion. However looking at the number of promotions done, it shows that the needs of the employees were not met. We can conclude that the employees felt that their opportunities to grow professionally were very limited and the only option was to move to other institutions. The results indicated that 12.3% of the respondents had been promoted up to the time of the research and 87.7 % had been on their same positions. The respondents felt that promotion improves personal performance and this automatically leads to improved organisational performance. With reference to Figure 4.15, the respondents stated that the Centres do not have clear promotional procedures. The lack of personal /career growth in work places affects performance negatively.

Most employees would be happy if they are recognised and compensated accordingly, recognition in the study is presented as public appreciation and award of certificates of

merit, only above 30% of the employees have enjoyed this whereas no performance bonuses have been received, however 15.4% of employees says they would enjoy this type of compensation. Apart from promotion, recognition and compensation do not really have a role in the performance of the organisation as employees don't value them much.

5.1.4. Ways of improving the reward packages

Some of the ways of improving the reward packages includes that of giving employees what is due to them. It is good for the Centres to factor into their existing reward packages what the employees aspire to have. In this regard, a need analysis needs to be done to save the Centres from complete brain drain. In addition to that, the Centres need to do benchmarking in order to be on the same page with other institutions and to give their employees opportunities to have a say in the reward packages. Furthermore, there is need for greater education for all workers on the available reward systems and how one can benefit from them.

5.1.5. Organisational performance – Pass rate

From the pass rate point of view, the Centres are not doing very well. The pass rate average ranges from 48-55% for the years 2008-2015. This shows that the Centres are indeed not performing well and there is a need to motivate employees by rewarding good work. Pass rate as a crucial indicator of employee performance in this study, it can be concluded that, the centres are not performing well due to the following findings:

- The staff turnover is too high, as we can observe from the number of years employees had been at their Centres. If Centres received new skills frequently, it would be impossible to meet up with the desired pass rate.
- The aspect of qualifications is also a hindering factor to performance as the majority of staff are not well qualified. This could be the reason why the Centres are not rewarding the employees as most of them are underqualified. However, employers can encourage their employees to upgrade themselves and retain their skilled employees with rewards.
- The rewards desired by the employees are not the rewards that are being offered by their employers, for instance, there are no performance bonuses given to employees and promotions are very low.
- The other reason that could be the cause of low pass rates for other Centres could be location. Looking at the post hoc test, one can observe that, Windhoek VTC has the highest average pass as compared to Nakayale VTC with the lowest. This may imply that the staff in the city are more satisfied and committed than the staff in the outside regions. Therefore, these areas could be the more affected ones in terms of brain drain because most people want to work in big towns. However, when there are good incentives provided, those in small towns may as well perform and produce good results.

5.2 CONCLUSION

We conclude that, the concept of total rewards is not fully understood in the various Centres in this study. What most employees consider as rewards include the basic salary

which is enjoyed by everyone in the organisation, and they do not speak to specific individuals and performance areas. Research done by Waruni, (2012) found that employee's performance depends on the way employees are treated in the organisation despite receiving a high salary. It is a fact that all employees would wish also to be appreciated and feel valued at their workplace.

Therefore, employee rewards play a crucial role as a motivating and satisfaction factor in the performance of the organisation. We can therefore safely conclude that the role of rewards on performance is positive although we noticed with mixed feelings that Centres did not reward performance and this could be the reason why most employees were moving because they did not feel recognised for their hard work.

5.3 RECOMMENDATIONS

The world is changing at a very fast pace and it is only prudent that employers respond to this rapid change. Organisations should be seen to be responding to the ever changing and sophisticated state of the modern employee, as the majority of the employees at the centers were in the middle ages. It would be necessary to do this in order to attract and retain the best employees for the organisation.

It is important however to note that this should not be done at the total expense of the employer. The fact that the company is prepared to satisfy the needs of the individual employee does not mean that it is responsible for the entire life of the individual. Rather the individual employee should be responsible for his own life and must work hard in

order to be rewarded. This means that the individual must be motivated intrinsically and the organization will motivate extrinsically. As we found out from the study, employees should not ask for the unimaginable from employers.

The following recommendations are made:

- Communication is the wheel on which relations and good organisational relations thrive. To instill trust and create a good working atmosphere, rewards should be communicated, consensus sought and a compromise reached when instituting the rewards package in various Organisations so that satisfaction is achieved.
- After recruitment and selection, employees should be made aware of the reward components in their employment contracts. This will ensure that rewards are not taken for granted but are seen as a component worth working for.
- Compensation packages should be linked to employee satisfaction. Be that as it may, employee opinion surveys should be undertaken in designing a good reward package for the various job positions in the organisation.
- The total reward package should be comprised of more of a non-monetary and less of monetary rewards. By this intrinsic value, motivation will be increased and workers will have the feeling that the employer is taking care of their entire needs. Dissatisfaction will be greatly reduced because these rewards speak to the emotions of the employees.

- Compensation packages should be tied to performance, in other words there should be some level of viable pay input in the package composition like performance based bonuses. This will challenge employees to perform better.
- Incentives should be designed and administered with the full participation of employees or their representatives. Consideration must be given to the different needs of employees.
- An employee's total reward package which includes both financial rewards and benefits should aim at improving employee work satisfaction, meet health and safety requirements of the employee, attract and motivate employees and reduce turnover. As much as these factors depend on the Centres ability to pay, we suggest that compensation should be strategic enough to meet the goals of the organisation as well as the needs of the employees.
- Reward packages should be updated regularly as a response to the changing needs of the employees and the globe.
- In the words of Patrick Apeyusi (2012), organisations' reward or compensation packages should at all times be internally equitable and externally competitive. These rewards should provide value for money, in other words more should be derived from the reward in terms of productivity so as to increase the pass rate to at least a minimum of 70%.

- Respect among management and their subordinates should be encouraged, in other words, mistakes should be corrected in a polite and none threatening manner so that employees feel safe and protected.

5.4 RECOMMENDATION FOR FURTHER RESEARCH

Based on the limitations of this study, we recommend that a broader study be undertaken encompassing more organisations and more indicators that will help unearth the role of rewards on organisational performance in the Namibian context. We further suggest that a comparative study of companies with reward systems and those without should be undertaken.

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APPENDIX 1

QUESTIONNAIRE

THE ROLE OF EMPLOYEE REWARDS ON ORGANIZATIONAL PERFORMANCE: THE CASE OF NAMIBIAN VOCATIONAL TRAINING CENTRES

Dear respondents

My name is Ruth Inonge Sitengu, I'm working as a procurement officer at Zambezi VTC. I'm a final year student, studying towards my Master Degree in Business Administration majoring in Management Strategy at Namibia Business School. I have completed the course work part of the program and I am working on the research project in order to obtain my MBA degree.

Thank you in advance for your time and willingness to share your views on the relationship between employee rewards and organizational performance. Please know that your anonymity is guaranteed. No one will be able to view your responses and the results will not include data that could identify individuals. The demographic profile seeks to learn whether staffs from different backgrounds and characteristics view rewards and performance differently.

Part 1

Centre Name:

Demographic Information

1. **Sex** Male [☐] Female [☐]
 2. **Age** []
 3. **Job type** Permanent [☐] Contract [☐]
 4. **How many years have you been working** []
 5. **Please indicate your department**
- Administration [☐] Training [☐] Workshop [☐]

6. Please indicate your position

Management

Vocational education Trainer

Office officials

General worker

Workshop

7. What is the highest educational qualification you holdGrade 10 certificate ☐ Diploma ☐Grade 12 certificate ☐ Degree ☐Certificate ☐ Postgraduate degree ☐**8. Which of the following describes your status**Never Married ☐Living with partner ☐Married ☐Divorced/ separated ☐Widowed ☐**Part 2**

The following statements describes an aspect of rewards used by organizations to compensate employees for service provided in order to increase performance.

9. Please indicate by ticking the rewards that are available in your organisationSalary incensement ☐Overtime pay ☐Certificate of Merit ☐

Presents/ Gifts	[]
Staff tours	[]
Public appreciation	[]
Promotions	[]
Bonus	[]
Training	[]

10. Why do you think it's important to have the above performance rewards at your center

(Please tick any that describes your opinion)

Motivates and retains employees	[]
Promotes good performance and employee engagement	[]
Improves management and employee relation	[]
Demonstrate fair and equal treatment	[]

11. What kind of rewards do you enjoy the most

Benefits [] Incentives [] Promotions [] Compensation []

12. Which of the reward influence personal and organizational performance most?

Benefits [] Incentives [] Promotions [] Compensation []

13. How satisfied are you with your current reward package

Very satisfied [] satisfied [] average [] Unsatisfied [] Very unsatisfied []

14. How does the present reward package affect your performance

Excellent [] Average [] Poor []

15. Do you feel that the incentives given to you are fair enough

Yes [] No [] Not sure []

16. What incentives do you personally receive

17. Public appreciation [] gifts [] cash bonus [] none []

18. How do these incentives affect your overall performance

Positively [] Negatively []

19. Have been you been considered for promotion in your department

Yes [] No []

20. Do you think promotion improves personal performance

Yes [] No []

21. What would you rather do

Increase performance to get rewarded []

Receive rewards to enable you to perform better []

Part 3

22. Please respond to each of the items in this section by ticking the column that clearly represent your opinion.

Strongly agree -1 Agree -2 undecided -3 Disagree -4 Strongly disagree-5

Employee reward and organizational performance	1	2	3	4	5
Employee reward increase employee engagement and reduce turn over					
Pass rate is the most indicator of organizational performance					
Workshops are well equipped and operational					
The library facilities are well equipped and operational					
Good work is always observed and special care is taken to appreciate it					
Given the option, employees will like to rejoin and work for the VTC					
Mistakes and weaknesses are communicated to juniors by seniors in a polite and non-threatening way					
I'm satisfied with the organization's rewards offered					
The center has clear promotion procedures					
Given rewards or not, I will perform to my best ability					

Computer facilities are updated regularly					
---	--	--	--	--	--

23. Organizational performance in this regard is referring to the pass rate. In your opinion what do you think can enhance the performance of the organisation?.....

24. Are there any other comments you would like to make about employee rewards and organizational performance which are not covered in the questions above.....

For Office Use only (**Organizational Performance**)

25. **Pass rate (Year**
- | | | |
|------|---|---|
| 2005 | [|] |
| 2006 | [|] |
| 2007 | [|] |
| 2008 | [|] |
| 2009 | [|] |
| 2010 | [|] |
| 2011 | [|] |
| 2012 | [|] |
| 2013 | [|] |
| 2014 | [|] |
| 2015 | [|] |

Note! Please make sure you have answered all the parts. Your input is greatly appreciated

APPENDIX II- PERMISSION LETTER

Mrs Ruth I. Sitengu
P.O. BOX 1215
Ngweze
0817338318

The general Manager
NTA
P.O. Box 70407
Windhoek

Through:
The Centre Managers
Vocational Training Centre

Re: Request to do a study on NVTC

My name is Ruth Inonge Sitengu, an employee at Zambezi Vocational Training Centre. I'm studying towards a Master of administration degree at the University of Namibia through Namibia Business School. I have completed my course work and intend to proceed with the research as it is a requirement to obtain a degree.

With reference to the subject above, I hereby request permission to do my study on ZVTC. The study is titled: **THE ROLE OF EMPLOYEE REWARDS ON ORGANIZATIONAL PERFORMANCE: THE CASE OF NAMIBIAN VOCATIONAL TRAINING CENTRES**

Purpose of study

The study will seek to interview management and employees both permanent and contractual. It seeks to ensure continuous existence and survival of organisation and will greatly benefit managers regarding the identification of effective reward and compensation systems. Moreover it will enhance the relationships between organization and their employees. It will as well help minimize industrial conflicts and clarifies the argument on whether effective reward and compensation system adds value to organizational activities, which will enable organizations take profitable side on whether to compensate employees or not.

I have attached a permission letter from the school.

Consideration of this request will be highly appreciated.

Yours Faithful
Ruth I. Sitengu



20 April 2016

To whom it may concern

Ms Ruth I Mwala of student number: 200505980 is registered for a Master in Business Administration at the University of Namibia through the Namibia Business School.

This letter serves to inform you that her research proposal was reviewed and successfully met the University of Namibia requirements.

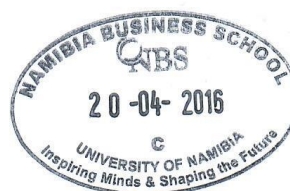
The student has been granted permission to carry out postgraduate studies research. The University of Namibia has approved the research to be carried out by the student for purposes of fulfilling the requirements of the degree being pursued.

If you have any queries please do not hesitate to contact the Business School at the University of Namibia.

Thank you so much in advance and many regards.

Yours sincerely

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