The Effect of Reward Programmes on Employees’ Performance in Ghana: Evidence from Kpone-Katamanso Municipal Assembly

Abdul-Jalil Mahama Alhassan Iddrisu Zaapayim
Department of Management Science, Nobel International Business School (NiBS), Accra, Ghana

Abstract

The research investigated the influence of reward programs on employee performance in the context of the Kpone-Katamanso Municipal Assembly. Supported by Maslow's Hierarchy of Needs theory, Expectancy Theory, Herzberg's Two Factor Theory and the Goal Setting Theory as philosophical views on which the study is grounded, 10 employees from the Kpone-Katamanso Municipal Assembly made up the study population, and were chosen using standard random sampling procedures as the study mainly followed the qualitative paradigm besides demographics of respondents that were determined quantitatively using Statistical Package for Service Solutions (SPSS). This was used to calculate the ages, educational background, and number of years in the Assembly appropriately. However, 8 respondents were finally selected from among the 10, to make up the population for the study. Empirical outcomes of the study reveal that the primary means of rewarding employees is compensation. Word-of-mouth accolades, meeting allowances, gift packages, cash, and external training were also considered. The study also revealed that positive attitudes regarding employment are boosted by rewards. The Practical implications encountered by the KKMA in compensating its employees according to the investigation were also deliberated on.

Keywords: Compensation, Extrinsic Rewards, Employee Performance, Intrinsic rewards, Rewards,

1 Introduction

Since it ensures long-term competitive advantage, keeping good human resources and talent has long been seen as an important part of managing an organization (Armstrong & Taylor,
In this climate, businesses can gain an advantage by boosting employee productivity, which leads to a rise in organizational productivity due to fair compensation (Donald & Gail, 2001). Rewards have therefore been emphasized as a crucial element in enhancing staff productivity (Armstrong, 2007). In this case, a reward program in a company is intended to encourage employees to increase production while expressing gratitude for the best scorers. According to Griffin and Moorhead (2013), the goal of rewards is to attract, keep, and motivate people to give their all in achieving the goals and objectives of the firm. The incentive is typically based on what the management of the company expects from its employees and what rewards they are prepared to offer to people who achieve or surpass these objectives. As a result, the pay can affect how employees act toward their employers and their jobs. This approach can be used by businesses to change employee behavior. Furthermore, according to Kuranchie-Mensah and Amponsah-Tawiah (2015), rewards in particular are seen as stepping stones to motivating employees. Finding efficient ways to acknowledge employees' accomplishments, dedication, commitment, and efforts can help maintain attention to and support them because the knowledge, skills, and abilities of employees are the most important things that make an organization successful.

Torrington et al. (2007) contend that only when rewards meet employees' needs and expectations can they have a positive impact on staff productivity. In general, rewards can be divided into extrinsic and intrinsic categories. Promotions, commissions, bonuses, and prizes are extrinsic rewards, whereas performance reviews, social recognition, better working conditions, job diversification, and increased responsibility are intrinsic rewards. Intrinsic motivations are those that come from within the person. This kind of compensation is generally connected to the happiness workers have after finishing their jobs or, in some circumstances, even while they are doing them. A person's level of satisfaction on the job can be affected by factors such as the opportunities they are given to use and expand their existing set of abilities, as well as the potential for professional growth. These incentives are designed to last since they focus on the person rather than the immediate setting (Armstrong & Taylor, 2014). On the other side, non-intrinsic motivation is produced through actions intended to inspire others. This is influenced by outside forces like money, grades, criticism, or penalties. Extrinsically compensated employees could work on a task they are not particularly interested in, knowing that after it is over, they will feel content and joyful since they were rewarded. Extrinsic incentives have a limited impact on workers, thus new incentives should be offered in combination with the new task to be accomplished (Armstrong, 2007). It is important to note that a balanced combination of extrinsic and intrinsic rewards aids a company in raising employees' motivation, dedication, and job satisfaction, which improves the performance of the staff, in terms of productive output (Kiruja & Mukuru, 2018).
Organizations are now aware of the substantial advantages brought forth by matching rewards with corporate strategies. When an employee performed very well in the past, prizes were typically given in response to a manager's assessment (Murphy, 2015). Employees anticipate that compensation structures will be just and equitable in a similar way. Rewards should be proportional to market rate, qualifications, and talents, and reward rules should be made plain to employees. For the local assembly to achieve its aims and objectives, management must set up efficient methods for administering this incentive structure.

1.1 Statement of the Problem

The level of motivation and performance of employees strongly affects productivity at work and overall business success. An effective incentive system increases the likelihood that employees will perform better. Managers must have an appreciation for their employees' motivations within the context of their work to be effective. Although numerous studies, including those by Zabouji (2015), Kuranchie-Mensah and Amponsah-Tawiah (2015), Murphy (2015), and others have acknowledged the importance of incentives and their effect on employee performance, much more research is needed, especially in Ghana's public sector.

Furthermore, there is disagreement among academics and practitioners as to what rewards are and how employee performance is impacted by them. Depending on their personalities and particular preferences, employees' motivation differs. While some employees are more motivated by financial incentives, others are more motivated by non-financial incentives. When establishing an employee's salary, career and professional development are also taken into account. If they are sufficiently rewarded, employees feel that their efforts are meaningful and that their employers value and appreciate them. Another argument stated by Apeyusi (2012) was that rewards can be utilized to motivate employees by satisfying their needs in a world where people are growing more particular about what they want from life and their surroundings.

Although there is a lack of knowledge regarding how to inspire all of those "high-demanding individuals," which leads to the majority of rewards being ineffective (Apeyusi, 2012). One must first get a deeper grasp of what motivates individuals and what does not, to the best possible incentive of a kind. According to these perspectives, several problems can occur when businesses, particularly those in the public sector, administer incentives. Most businesses do not give out rewards based on performance, and the public sector is especially guilty of this. As a result, they have nothing to do with the organizational culture of the company or with employee satisfaction, performance, and motivation. The recipients of these incentives typically do not contribute to the design or implementation of the rewards program in their own companies.
The management of the many ways that businesses pay their employees is also riddled with irregularities. Additionally, most companies believe that incentives are only financial compensation given to employees as payment for their accomplishments even though awards should include everything that encourages the specific person to perform at their maximum level. The researcher hopes to determine how much incentive type affects performance among workers in the public sector from the Kpone-Katamanso Municipal Assembly based on these findings.

1.2 Objectives
1. Investigate the methods Kpone-Katamanso Municipal Assembly uses to reward its staff.
2. Examine how rewards affect employee performance at Kpone-Katamanso Municipal Assembly
3. Assess the challenges the Assembly confronts in rewarding its employees, as well as the impact on employee performance.

2 Literature Review
2.1 Theoretical Framework

To try to explain the link between employee performance and the rewards system, many different theories have been put forward. These theories include Maslow's Hierarchy of Needs, Fifty-Fifty, Expectancy Theory, Herzberg's Two Factor Theory, and Goal Setting Theory. For this study, the Goal Setting Theory and the Expectancy Theory were both chosen. This is because they were more closely related to incentive systems than the other theories, particularly the intrinsic and extrinsic components and the effects these parts had on employee performance.

The goal-setting theory put forward by Locke and Latham (1990) may explain the relationship between rewards and productivity. According to this theory, employees are more likely to be motivated to improve their performance if the goals they set for themselves are specific, relevant, and attainable. According to the research of Locke and Latham (1990), motivating employees to strive toward achieving their performance goals by tying them to a reward system. As long as workers believe the benefits, they are receiving will have a significant impact on their commitment to achieving performance targets, they will not view the goals as challenging.

How dedicated an employee is to doing their assigned responsibilities successfully determines the extent to which they believe their labor will be rewarded. As a result, awards can be used as a tool to encourage staff to embrace and commit to performance goals, which are crucial for
improving staff performance at work (Botshabelo, 2009). An expectancy-based reward and compensation system is more likely to motivate employees to perform, according to Adeyemi et al. (2013), when they perceive a clear link between their actions and the potential rewards. Additionally, According to Vroom (1964), the link between effort and performance, as well as between performance and rewards, is what gets people going (Nghi & Yecenia, 2009). The theory states that if people know that they will receive substantial benefits for their efforts and contributions, they will be more motivated to put out those efforts and contributions. It's clear from this that people are more likely to be motivated when they can see a clear connection between their actions and a desirable outcome. Since they expect to be paid for their efforts, employees typically give the better performance a higher priority (Aarts, Bijleveld, Chiew, Custer, Veling & Zedelius, 2014).

Maitue's Goal Setting Theory (2007) also says that people do things that are likely to help them reach their important goals. So, people are not only motivated by the results of their actions but also by the desire to reach their own goals.

The goal of a reward system, according to Jacobsen and Thorstfkkvik (2002), is to push workers to perform at a higher level when alluring awards are offered. Because of this, the authors claim that a reward system's main goal is to inspire workers. The organization would see an improvement in performance if the recipient of the award felt it was worthy. Vroom's Theory, according to Nitin (2012), may be summed up as the belief that employee efforts will eventually lead to performance, and that performance will inevitably lead to incentives.

3 Methodology

The research methodology chosen for this study was chosen by the objectives that were sought to be achieved. Based on qualitative data, the study used a descriptive research design and exploratory experiments. Employees of the Kpone-Katamanso Municipal Assembly make up the study's population. To eliminate bias and provide all senior staff members an equal chance of being chosen for the study, ten (10) respondents were chosen using simple random sampling techniques (Etikan et al., 2016). Data were acquired using an open-ended semi-structured interview guide. The data was transcribed manually and categorized into codes.

4 Results and discussion

4.1 Response Analysis and Demographic Profile Respondents

The intended sample size was ten (10) respondents, however, only eight (8) of them were available for the interview due to the target respondents' hectic schedules, yielding a response rate of 100%. Age, position, number of years on the job, educational attainment, and gender
of respondents are among the demographic factors that were considered in the study. The respondents held a variety of positions, including administrative officers and supervisors. The respondents are holders of WASSCE, diplomas, bachelor's degrees, and master's degree holders. Each of the ten (10) contestants was a woman. Each of the respondents had maintained their current position for at least two years, and overall, they had been with the organization for at least two years. Participants were provided with pseudonyms to protect the privacy of the study and prevent them from revealing their true identities. P1 = Participant 1 through P8 = Participant 8 were the fictitious names given to the participants.

Table 1: Age of Respondents

<table>
<thead>
<tr>
<th>Age range</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-26</td>
<td>2</td>
<td>28.6</td>
<td>28.6</td>
<td>28.6</td>
</tr>
<tr>
<td>30-36</td>
<td>4</td>
<td>57.1</td>
<td>57.1</td>
<td>85.7</td>
</tr>
<tr>
<td>40-46</td>
<td>1</td>
<td>14.3</td>
<td>14.3</td>
<td>100.0</td>
</tr>
<tr>
<td>50-56</td>
<td>1</td>
<td>14.3</td>
<td>14.3</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field survey (2022)

Table 1 above represents the age distribution of respondents in the study. The table shows that respondents whose ages range between 20-26 years occupy 28.6% of the distribution and those between the age ranges of 30-36 take 57.1%. Those whose ages range between 40-46 occupy only 14.3% while those between 50-56 are represented by 14.3 % as well. The implication of the age distribution of the municipal assembly of Kpone Katamanso is that, since those whose ages range between 30-36 and 40-46 combined are in majority, there is hope for a vibrant youth worker in the present and the future. This could transfer into high productivity of the Assembly which may need motivation.

Table 2: Education of Respondents

<table>
<thead>
<tr>
<th>Educational Level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>WASSCE</td>
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<td>28.7</td>
<td>28.6</td>
<td>28.6</td>
</tr>
<tr>
<td>Diploma</td>
<td>1</td>
<td>14.3</td>
<td>14.3</td>
<td>42.9</td>
</tr>
<tr>
<td>Bachelors</td>
<td>3</td>
<td>42.9</td>
<td>42.9</td>
<td>85.7</td>
</tr>
<tr>
<td>Masters</td>
<td>1</td>
<td>14.3</td>
<td>14.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field survey (2022)

Table 2 above is an outcome of the educational qualification of respondents. The majority of respondents, represented by 42.9 % are Bachelor’s degree holders while 2 respondents
represented by 28.7% are West African Senior High School Certificate (WASSCE) holders. Only one respondent is a Master’s Degree holder, represented by 14.3% with diploma holders occupying 14.3 percent. The academic qualification of respondents clearly shows how their understanding of the general objective of the research. That: to explore the nexus between reward systems and the performance of employees at the Kpone-Katamanso Municipal Assembly.

Table 3: Number of Years at Assembly

<table>
<thead>
<tr>
<th>No. of Years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>3</td>
<td>42.9</td>
<td>42.9</td>
<td>42.9</td>
</tr>
<tr>
<td>6-10</td>
<td>3</td>
<td>42.9</td>
<td>42.9</td>
<td>85.7</td>
</tr>
<tr>
<td>11-15</td>
<td>2</td>
<td>14.3</td>
<td>14.3</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field survey (2022)

In enquiring about the number of years each respondent had stayed at the Kpone-Katamanso Municipal Assembly as a worker, table 4.2.3 above manifests that 03 respondents represented 42.9% had stayed between 1-5 years while 3 other respondents had also stayed and worked at the Assembly between 6-10 years. Only two (2) respondents represented by 14.3% have according to the outcome of the field study been a staff of the study area for between 11-15 years. Apparently, with the number of respondents 3 and 3 represented by 42.9% respectively staying between 1-5 years and 6-10 years, it is worthy to agree that, really if nothing at all, long service awards could be given to workers of the assembly which forms an aspect of extrinsic rewards.

4.2 Approaches used by Kpone-Katamanso Municipal Assembly in rewarding its employees

The study's initial goal was to determine the methods the KKMA employed to reward its staff. According to survey results, salaries are the primary method for rewarding employees. Other strategies examined included verbal acknowledgment, meeting allowances, gift baskets, cash, and outside training. The participants recounted:

“We have the physical or monetary aspects. Sometimes employees are rewarded for working overtime and at the end of the day, employees are also rewarded with gift packages” (P1)

An Employee being rewarded with a citation

“Apart from salaries, there are other rewards in terms of allowances which we receive called sitting allowances as per the meeting you attend” (P3)
"Some of the approaches that my organization uses in rewarding people are praises, acknowledgment, and monetary. So sometimes when somebody does something that is emulating, we acknowledge the person in a meeting" (P5)

After establishing the methods to reward systems, the study continued to investigate how these reward systems would be put into practice. That is how possible candidates are found and how the selection criteria are applied. It was discovered that there was no established or documented process for identifying reward candidates. Instead, the supervisor and department head had complete control over who received what incentive (HOD). Some participants claim that this system generates bias and partiality. The participants corroborated:

“For the criteria, the head of the department decides. For instance, when it comes to the sharing of Christmas package, the HR determines who gets what” (P1)

“Rewards implementation depends on the supervisor. So, the supervisor makes recommendations to the HOD and the HOD to the HR and it goes from there. So, it looks like if you are not on good terms with your supervisor, it is likely you will not be rewarded. It raises the issue of pretense, where everybody pretense to be good just because they want to be rewarded” (P3)

One participant, however, had a divergent view and opined that the criteria for selection were based on appraisals. She had this to say:

“People are identified through appraisals and then through observation. Sometimes when you are given an assignment, your supervisor observes how you carry it out and by comparing to others, they can tell if you have done better” (P5)

Again, the study investigated to find out, if the reward approach used in KKMA was sufficient. All participants agreed that the rewards were not sufficient and encouraged the assembly to do more. The participants recounted:

“The praises aspect is okay, but the monetary aspects count a lot. In this dispensation, you realize that the cost of living is higher, so when the reward is monetary, it encourages people to do more” (P5)

Other participants indicated:

“It is not sufficient at all, because a year of motivation is quite too long. You work from January to December and you are just given a food package. At least every three to six months, employees should be rewarded, so they become more productive” (P4).

“No, they are not sufficient. Human needs are insatiable, so I don’t think it is sufficient. If you give employees more, they will be happy about it. So, I think it is not sufficient since it is once in a while” (P1).

“In my opinion, rewards are insufficient and do not foster employee motivation. Even a laborer’s pay is frustrating and it is insufficient” (P3).
4.3 The Effects of Rewards on employee performance at Kpone-Katamanso Municipal Assembly

The second objective of the study was to examine the effects of rewards on employee performance at KKMA. The results show that rewards increase positive attitudes toward work. This was corroborated by the participants:

“When there is a meeting, everyone is present because they know at the end of the meeting, there will be an allowance. Meeting without allowance just attracts a few people” (P4)

“In a way rewards influence employee performance especially with the heads of departments. Because there are times when they are faced with situations where they are expected to work overtime and on weekends. Bearing in mind that, they are going to get a reward afterward when it gets to that time, they put in their all and deliver” (P1).

Other participants also indicated:

“It increases positive attitude at work. Should you reward me for coming early, I will always come earlier than I have been doing, so that you give me more. Other people will also be encouraged to come early when they hear that someone was rewarded for coming early” (P3)

“It puts everybody on their toes. For instance, people want to go back to school but because of the hardship in the country, they are not able. However, because they know the assembly could help sponsor your education if you are working well, it improves people’s performance by the day” (P2).

The responses above explain how rewards both extrinsic and intrinsic have the potential to impact performance outcomes.

4.4 Challenges the Assembly faces in rewarding its employees and how it affects employee performance.

Finding out the difficulties the assembly has in rewarding its personnel and how this affects employee performance was the third and last goal of the investigation. According to the research, the assembly's main problem was a lack of funding. The absence of any established protocol for implementing prize packages was one of the other difficulties mentioned. Regarding the topic of financial limitations, participants recalled:

“The major challenge is financial constraint. The staff are many and rewarding every employee affects the financial status of the assembly” (P4)

“The challenges are many. For instance, aside from the Government of Ghana (GoG) staff, we have IGF staff who are even more than the GOG staff. So, having a reward
system that is inclusive demands a lot of costs. So, to cut cost, the reward system does not benefit everyone” (P1).

About the lack of written procedure for implementing reward packages. One participant indicated:

“……there is no proper structure put in place to identify those who need to be rewarded. Everything depends on the supervisor and that person becomes like a small god whom everyone wants to be close to because they want to be rewarded” (P2).

Another challenge identified was the late payment of the salaries of employees. One participant recounted:

“Salaries of some employees come very late. In private companies, there is no way HR can miss validating you for salary, but here it happens all the time, and seeking redress becomes another challenge on its own” (P5).

The study went further to investigate how these challenges are affecting employee performance and it was identified that these challenges reduce employee job satisfaction which may eventually affect performance and productivity. The participants narrated:

“In as much as the work is done, the zeal and energy are not there. The kind of happiness and energy you have to apply to the work is not there. But if you are given something small, you will be happy doing the work from your heart” (P5).

“Because the IGF staff feel they are not recognized and do not receive some of the benefits, they are not punctual or not regular at their post and this is a loss to the assembly because the reason why the person was employed is not being achieved” (P1).

Another participant indicated that challenges in the reward system end up making some employees lazy. This is what she had to say:

“One of the ways it affects performance is laziness work. Employees don’t feel like coming to work in the first place. Also, implementation of decisions is slow, so we don’t see the output of the input” (P3).

4.5 Discussion

The study's results are covered in this section. The study's results are analyzed in light of theory and findings from related research. The practical implications for developing policies are also covered. The study's conclusions revealed some of the methods used by KKMA to reward its staff. This includes monetary rewards, accolades, and outside instruction. Employees preferred monetary benefits over any other kind of compensation, though. According to Locke and Latham (2010), the main inducement is money, and no other reward comes close in terms of influence value. Giancola (2011) asserts that people work primarily to get money, hence it is a great way to motivate employees.
According to the study's findings, KKMA personnel were dissatisfied with the existing level of the incentive systems in part because they were only carried out once a year rather than more frequently. According to Rampton and Thomson (2003), businesses ought to give their staff members rewards more regularly. When opposed to only giving out rewards occasionally, like once a year, this leads to a huge gain in performance. This is because it is simple to associate frequent rewards with better performance.

The study's results also demonstrated that incentives encourage employee success. This finding is in line with that of Ngwa et al. (2019), who concluded that reward programs and employee performance have a favorable association. Due to this connection, organizations can use incentive systems as a motivator to shape employee behavior in the direction of effectiveness and efficiency. However, the study runs counter to that of Egbunike and Nnaji-Ihedinmah (2015) who found that intrinsic rewards have a greater positive impact on employee performance than extrinsic rewards. In this study, workers favored extrinsic benefits over intrinsic rewards because of the financial hardships they are currently experiencing.

Employee job satisfaction decreases when they are not properly rewarded, the study's findings show. Employees who are happy in their positions, however, are more likely to achieve and feel a sense of accomplishment at work. Non-monetary rewards and evaluations have an impact on employee productivity as well as their degree of job satisfaction. Employees that are content and delighted with their jobs are much more likely than unhappy or unsatisfied employees to approach the tasks at hand with enthusiasm and commitment. Employee motivation and, more importantly, overall performance is directly impacted by employee job satisfaction.

5 Conclusion
The study's findings revealed that KKMA staff members were not appropriately rewarded, which had a cascading effect on work performance and, ultimately, employee productivity. This is in contrast to the widely held belief that compensation is an essential component of worker performance. Additionally, unmotivated workers tend to miss work and arrive late. The assembly team acknowledges that when motivated, they consistently outperform expectations. Increased remuneration, allowances, and bonuses were the preferred forms of extrinsic benefits for workers. Therefore, it is more sensible for the HR department of KKMA to compensate employees by satisfying their specific needs rather than motivating them with awards they do not need. The study concludes that incentive programs are essential to employee productivity because, without them, employees would not be in the best possible state of mind or position to fully commit to organizational or corporate goals.
6 Recommendations

Based on the findings of the study, the following recommendations have been proposed:

➢ It was discovered that there are no provisions for personnel, particularly for IGF staff. It is suggested that management consider providing IGF workers with extra duty hour allowances to supplement their compensation. The addition of allowances to their compensation will strengthen their dedication to work and productivity.

➢ The study found that the assembly did not have any written or documented procedure by which employees are rewarded. It is therefore recommended that; the HR department is trained to develop a proper structure or procedure by which employees are rewarded. This will eliminate the issues where people are rewarded based on their relationship with their supervisors and not on merit.

➢ Another recommendation is that management incorporates motivation into their human resource initiatives for the organization's growth. It is well known that motivation has a significant impact on organizational productivity.

6.1 Suggestions for Further Studies

The focus of this investigation was mostly on the KKMA and its employees. As a result, it is impossible to extrapolate significant inferences from the findings, and as a result, they do not give a true picture of the public sector as a whole. The current study should be strengthened by more research to develop knowledge and understanding of employee motivation and to address the many intricate concerns that surround the subject of employee reward but were not included in this investigation. This is because none of these problems have been addressed in this study.

References


