

Association between Remuneration and Employee Performance: The Case of Teachers in Private Secondary Schools in Buikwe District, Uganda

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Abstract: - Based on Victor Vroom's Expectancy theory, the current study was carried in private secondary schools in Buikwe district of Uganda to examine the influence of remuneration on teachers' performance. A total of 900 respondents participated in the study. Of these, 650 were students who assessed their teachers' performance, while 250 were teachers, who gave responses on their own remuneration. In addition to filling questionnaires, 50 teachers were subjected to oral interviews. The respondents were got from 13 schools out of the 27 private secondary schools in the district. Whereas teachers' remuneration was measured basing on the financial and non-financial benefits given to teachers by their respective employers, their performance was measured basing on the core roles of a teacher, namely teaching, guiding and counselling learners; assessing/marking learners' work; as well as engaging learners in extra-curricular activities. The findings were that there is a significant influence of remuneration on teachers' performance in private secondary schools in Buikwe district, Uganda. It was concluded that since remuneration significantly influences performance, there is need for school founders to appreciate more the efforts of their teachers by attaching more allowances to what their teachers do. This recommendation was directed towards school founders because in private schools the founders are in most cases the ones who determine how to remunerate employees; managers such as head teachers usually dance on the tunes of the institutional founders.

Key Words: Remuneration; Employee performance; Private secondary schools

I. INTRODUCTION

Remuneration, in form of financial and non-financial means of paying workers for the services they render in organization is very vital. Employees desire to be paid fairly, equitably and consistently in order to further the achievement of the organization's strategic goals (Mullins, 2002; Storey, 2012). In the education field, available records at education headquarters indicate that schools especially in rural areas continue to perform poorly in both local and national examinations. Apart from this, some schools are known to take very few students to universities while others from the same locality flood university admissions (Bunjo, 2016). In situations where students fail national examinations, the implication is that teachers' performance is low. Some children end their formal education at secondary school level. This is usually caused by unserious schools where teachers report late at work, leave early, dodge lessons and don't guide

students. This is usually caused by recruiting frustrated people, very young inexperienced teachers, as well as teachers being poorly remunerated (Bunjo, 2016). Low performance in some secondary schools has generated confrontation and counter-accusations between teachers and the parents. Teachers are accused of unwillingness to put their best and laxity. Buikwe district is one of the areas where a great deal of resources has been devoted both human and financial, yet academic performance in some secondary schools has not been encouraging. Annual list of ranking released by the District education board attest to this. This is interpreted as teachers' poor performance.

Thus, a study was carried out in between January-April, 2019 to examine the influence of remuneration and the performance of teachers in private secondary schools in Buikwe district of Uganda. In the study, the financial rewards considered were the salary and allowances such as transport allowance, allowance for marking scripts, as well as allowance for extra work done. The non-financial rewards considered were the ways employed by headteachers and school founders to motivate workers, not in form of money, such as giving workers and probably their immediate relatives free treatment when they fall sick, giving them food and breakfast at the places of work, giving them evening tea at work, giving them raw foods like rice, matooke, flour, sugar or meat, to take at home and consume them with their family members. Teachers' performance was measured basing on their basic roles, namely, teaching, guiding students, as well as engaging learners in extra-curricular activities.

Statement of The Problem

The National Resistance Movement (NRM) Government, did from 1986 liberalize the economy and the Education sector. As a result of this, education has come to be perceived by some businessmen and women as an investment which can bring quick profits to those who invest in it. Thus, many semi-illiterate business people have built schools, and their major interest is to get money. This factor, accompanied with the high level of unemployment in Uganda, causes a challenge in teachers' remuneration. Teachers in private schools are usually paid little money which is not even paid promptly. Teachers' performance is alleged to be poor as some of them teach in several schools, others "cook" students' marks, others reach

late at school and leave early, some have sexual relations with teachers, and others do not properly guide the students (Bunjo, 2016). Whereas teachers' performance can be attributed to various factors, remuneration can be one of them. The current study was therefore carried out to assess the influence of remuneration on teachers' performance in private secondary schools in Buikwe district of Uganda.

II. LITERATURE REVIEW

Remuneration is one of the key aspects at work. Musaazi (2005) observes that when employees are rewarded adequately through pay, their motivation and achievement can be stimulated. A well designed, and managed "pay for performance" policy can help to offer: a powerful mechanism to reinforce successful behavior; a clear focus on what is really important to the organization; a key vehicle to the organization for cultural change; and a mechanism for managing costs. The organization's pay systems are also very important to serve several principal purposes such as to: get sufficient and suitable employees; retain employees who are performing well; reward employees for effort, loyalty, experience and achievement; recognize the value of jobs in relation to each other; and optimum productivity and ensure a high quality level of output.

All these views are in line with Mullins (2002) who opined that pay constitutes an important means of motivating higher performance. Carl Marx (1944) as cited in Murthy (1996), locates the workers' dissatisfaction in capitalism. Marx argues that when the bourgeoisie own the means of production and encourage the proletariat to work harder and become productive, but as the proletariat work harder and longer, the bourgeoisie accumulate more wealth from their exploitation of the workers, dissatisfaction is hence inevitable. Dissatisfaction can lead to decreased productivity. However, though decreased productivity can partly be attributed to inadequate pay, it does not necessarily follow that if pay becomes adequate, productivity will increase. Guillebaud, a Cambridge economist while commenting on sisal plantation workers in Tanzania as cited in Livingstone and Ord (1991) stated thus,

" It still appears to be the case with a great majority of African workers that they prefer leisure to money earnings and that they are in that primitive condition ("primitive" from the point of view of a modern monetary economy based on the division of labour) that, at least in the first instance, an increase in money earnings is more likely to lead to a decrease in the amount of work done than an increase in, or even maintenance of, their supply or effort, p.456".

The author however seemingly had an oversight of the possibility of the sisal plantation workers to have been target workers, who could have reduced effort because they had attained their targets. Other scholars contradict this and maintain that an increase in wage rate usually satisfies employees, at least in the short run (Murthy (1996).

To Mullins (2002), remuneration and benefits to staff are

strong tools in managing human resources as it can contribute to their commitment, flexibility and quality of work in the organization. Pay can contribute to job satisfaction especially if it is related to performance. For example, profit related pay schemes could be a source of job satisfaction for employees. Profit related pay implies that if the company makes profits, the employees' salary or wage also increases. This arrangement is related to performance related pay, whereby increased or improved performance in higher pay and lowered performance leads to low pay. Financial rewards salary or wage, bonus, Profit sharing schemes, payment by results, pay honorarium, overtime pay, and other profit related payment (Maicibi, 2003). Since the performance of teachers is at times not immediately evaluated (as many times its proper evaluation is made after the release of the national examinations), the relevance of this claim among teachers in secondary schools is two-fold, and thus this study was not accidental.

Several studies have been done on the impact of reward system on organization performance in different parts of the world. For example:

Quresh, Zaman and Shah (2010) in their study in Pakistan in cement industry (cited in Kikoiko, 2014) found that there is a direct relationship between extrinsic rewards, intrinsic rewards and the employees' performance. The study also found that recognition techniques (approaches) used in cement factories are good for the maximum performance of employees. This study is relevant but different from the current study as the latter is dealing with target population of white collar jobs, while the former examined factory workers. Relatedly, Aktar, Sachu & Ali (2012) examined the impact of intrinsic rewards (recognition, Learning opportunities, challenging work and career advancement, and extrinsic rewards (basic salary and performance bonus) on employee performance in twelve commercial banks of Bangladesh. The study found that each factor within both extrinsic and intrinsic reward was a highly significant factor which affects employees' performance. In contrast, the study conducted by Yasmeen, Farooq and Asghar (2013) on the impact of rewards on organizational performance in Pakistan revealed that there exists insignificant and weak relationship between salary, bonus and organization performance. However, it found that there existed moderate to strong relationship between promotion and organization performance. Although these two studies are similar to the current study, they were conducted outside Uganda and because of cultural difference and psycho-social factors, the impact of rewards on organisational performance could yield different outcomes in Uganda.

Another study conducted by Ong and Teh (2012) on reward system and performance within Malaysian commercial banks found that most of the commercial banks provide both monetary and non-monetary rewards; adoption of reward system is not influenced by age and size of the organization. The study however, found a negative relationship to exist between extrinsic rewards and financial performance of

organizations and intrinsic rewards are positively related to financial performance of organizations (cited in Kikoiko, 2014). Kikoiko (2014) carried out a study on the impact of reward systems on the organizations performance in Tanzanian banking industry: a case of commercial banks in Mwanza city, Tanzania. The study surveyed 65 employees from three commercial banks (CRDB, NBC and NMB) in Mwanza City, using self-administered questionnaire. It also interviewed selected employees. The finding was that there was a significant correlation between reward systems on the organizations performance in Tanzanian banking industry: a case of commercial banks in Mwanza city, Tanzania. This study was however not carried out in Uganda, hence a justification of the current study.

RibaunKorm (2011) carried out a study on the relationship between pay and performance in the Cambodian civil service (CCS). He held interviews with a range of stakeholders in the Cambodian government, including central government personnel, educational administrators, and school teachers and principals revealed that pay was either the most important, or at least a highly significant factor influencing performance, and it either adversely affected job performance or led to dissatisfaction with civil service jobs. However, pay played little or no role in motivating people to seek civil service jobs nor did it encourage good performance for those employed. Rather, interviewees pointed to such factors as job security or lifelong employment, social status and prestige, future personal growth and other opportunities, and professionalism as performance motivating factors. Pay was the most important demotivational factor, discouraging civil servants from performing their jobs well. This link between pay and performance was also investigated through the application of motivation theories which, with the exception of expectancy theory, provided relatively poor fit with the Cambodian case. Performance was also investigated in terms of organisational culture and politics in the CCS and both were found to be significant influences on behaviour.

Related findings have been got in the studies carried out in Uganda. For instance, in the survey conducted by Maicibi (2003) on the teaching staff in universities and schools from the districts of Kampala, Mukono, Mubende, Mpigi, Kiboga, Masaka, Jinja, Mbarara, Wakiso and Luwero, the findings indicated that external incentives like yearly salary increments and allowances (PTA) induced workers to improve on performance. Therefore, motivation is an aspect of every management as it produces desirable behaviors and good performances in the organization. This does not differ from Turinawe (2011) who studied reward systems, job satisfaction, organizational commitment and employee performance in public higher institutions of learning in Uganda. The study investigated the relationship between reward systems, job satisfaction, organizational commitment and employee performance among academic and administrative staff of public higher institutions of learning in Uganda. The study involved 300 respondents selected from two institutions in

Uganda that is Kyambogo University and Makerere University Business School. The results of Pearson correlation showed a significant positive relationship between the variables (reward systems, job satisfaction, organizational commitment and employee performance). The regression analysis showed that almost 38% of the variance in employee performance can be accounted for by reward systems, job satisfaction and organizational commitment with reward systems as the significant predictor of employee performance.

Relatedly, Nairuba(2011) studied motivational practices and teachers' performance in Jinja municipality secondary schools, Jinja district, Uganda. Specifically, the study was carried out to establish the effect of provision of fringe benefits and the nature of working conditions under motivational practices on teachers' performance in secondary schools. Pearson Correlation Coefficient was used to establish the relationship between motivational practices and teachers' performance in secondary schools. The findings from the study showed that the payment of salaries and wages have no direct bearing on teachers' performance. The study findings indicated that 70.9% of respondents with a high mean of 3.56 reported that fringe benefits like allowances, recognition, promotion and praises still depends on availability of funds and management's perception. These benefits had an effect on teachers' performance when paid after completion of the task. The nature of working conditions was still favourable in some institutions and this affected the actual performances in schools. Good working conditions were therefore, pertinent for all employees' performance in any institutions. The study findings also indicated a weak correlation between motivational practices and teachers' performance as Pearson correlation was -.106 and the coefficient of determination was 0.0112, which is 1.12% level of determination; and this implies that there are other many factors that contribute to teachers' performance. A recent study carried out in 2017 by Asiimwe in Kampala district private primary schools, found out that teachers' performance, as measured by the national Primary Leaving Examination results for four consecutive years, 2013, 2014, 2015 and 2016 was high. The cause was attributed to good teachers' remuneration, as well as other factors like school management, physical resources and school culture (Asiimwe, 2017). In conclusion, the influence of remuneration on employee performance cannot be underestimated.

III. METHODOLOGY

The study employed a cross-sectional survey design using quantitative and qualitative approaches. It was cross sectional in the sense that the data was collected once at a time. The qualitative approach was used to collect detailed responses from the oral informants so as to supplement quantitative data collected from the questionnaires, specifically from the closed items of the questionnaires. A sample size of 900 respondents (250 teachers and 650 students) was taken from 13 schools out of the 27 registered private schools in the district. Teachers gave responses on their remuneration. The

justification for including students was to use them to assess their teachers' performance, otherwise using teachers to assess themselves would lead to biased results. To get detailed information, some other 50 teachers, in addition to filling questionnaires, were subjected to oral interviews.

IV. FINDINGS

This study sought to establish whether or not a relationship exists between remuneration and teachers' performance in private secondary schools in Buikwe district. The results as shown in table 1 reveal that a significant relationship exists between remuneration and teachers' performance in secondary schools in Buikwe district, as shown by the Sig. value of 0.002 in table 1.

Table 1. Showing the relationship between remuneration and teachers performance in private secondary schools in Buikwe district

Variables	r.value	Sig
Remuneration vs Performance	0.228	0.002

The results presented in table 4.4 indicate that remuneration predicts teachers' performance. The positive r-value indicate that the more the remuneration, the higher the performance of teachers. This is corroborated with qualitative data from 50 oral informants, all of whom were teachers. Asked how remuneration can affect their performance of work, their responses are summarized in table 2.

Table 2 showing summary of oral responses on how remuneration impacts on teachers' performance in private secondary schools, Buikwe district

Responses	No. of those who raised it as a factor	% of those who raised it as a factor
i) High remuneration causes teachers to feel happy	30	60
ii) High remuneration causes teachers to take their children to school	38	76
iii) High remuneration causes teachers to feel that their services are appropriated	35	70
iv) High remuneration causes teachers to feel that they are valued	30	60
v) Teachers as human beings have domestic challenges which require money, so being poorly paid at work causes such challenges not to be solved which negatively affects one's performance at work.	38	76

From table 2 it is clear from the oral informants, all of whom were teachers that if remuneration is good or high, it motivates them to feel happy, to be able to take their children to school, to feel that their efforts are appreciated and that they are valued, and the end result is good performance of their work. On this, one male teacher in a private secondary with students under Universal Secondary Education (USE) said, "*we are teaching many students but on average, we do not feel the pain because we are paid on time and our payment is assured, so*

we do our work with peace of mind". Therefore, the impact of pay in motivating employees to work cannot be under estimated.

V. DISCUSSION, CONCLUSION AND RECOMMENDATIONS

The finding indicated that there is a significant relationship between remuneration and teachers' performance in Buikwe district.

However, though the positive r-value as per the study findings indicated that the higher the remuneration, the higher the performance and vice versa, some previous researches reject this view. For example, Guillebaud, a Cambridge Economist while commenting about Sisal plantation workers in Tanzania said claimed that an increases in money earnings is more likely to lead to a decreases in the amount of work done than an increase in, or even maintenance of their supply of effort" (Livingstone and Ord, 1991).

The findings of the study indicated that teachers in Buikwe district are well remunerated in terms of non-financial remuneration, as well as financial remuneration. Based on quantitative data, such good remuneration was attributed to the schools having many students who pay tuition which is above 300,000 per term. Teachers through oral interviews argued that many schools collect a lot of money from students as school fees so since money is there, they do not find difficulties in remunerating teachers. This finding contradicts Bunjo (2016) who reiterated that teachers in private schools are poorly remunerated. The difference could be attributed to who perceives the payment to be low or high. The fact is that two different people can perceive the same payment differently, whereby one can perceive it to be low, yet another one can perceive it to be high. This rhymes well with the Makerere University academic staff frequent strikes over what they usually call low pay. Their salary is over Uganda shillings three million but they call it little, yet the secondary school teachers in Buikwe district who earn less than one million Uganda shillings consider theirs good/ high. Academic qualifications can be, among other things, a determining factor in the perception of the adequacy or inadequacy of the salary.

Surprisingly, in some schools like Nyenga Seminary the students are few. One teacher, a priest, said that the total number of students from S.1 to S.6 is about 270. Despite this, teachers are paid salary promptly though the salary is not high. He attributed this to the school culture as well as the Catholic Church's desire to protect its image, plus the church not being materialistic.

The finding revealed that secondary school teachers in Buikwe district perform their duties well (high), especially teaching and guiding students. Based on qualitative data from the oral informants, good performance of their work was not only attributed to salary, but also other factors, such as being qualified, that teaching is their bread earner, and that they are motivated well. This is collaborated with the assertion of

teachers from Cardinal Nsubuga Secondary school, Nyenga who said, *“Teaching is a vocation, a call from God, you do it poorly and face God’s wrath on the Day of Judgment, or do it well and get God’s blessings... whatever we do we shall answer on that day”*. This shows that though remuneration predicts performance, other factors, such as intrinsic factors, are also determining; a finding related to the earlier findings of the studies of Ssekabira (2006), Ouma (2007) and Sangaire, (2007).

The findings of the current study are also in line with those of Mwebuge (2015) who carried out a research on primary school teachers in Masaka district and found out that they were working hard and that they loved their job. Though the current study was carried out in secondary schools moreover in a different district (Buikwe) yet the previous study was carried out in Masaka, similar results were got, an indicator that teaching is loved by many of those who are in that very field (of teaching). Buikwe and Masaka districts are found in central Uganda (Buganda region) where people’s standards of living are generally good (Nairuba, 2011). This can account for the similarity in the findings.

Conclusion and Recommendation

From the findings of the study it is realized that the influence of teachers’ remuneration on their performance was significant. Therefore, since performance is a function of remuneration, there is need for the school founders to appreciate more the efforts of their teachers by attaching more allowances to what their teachers do.

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