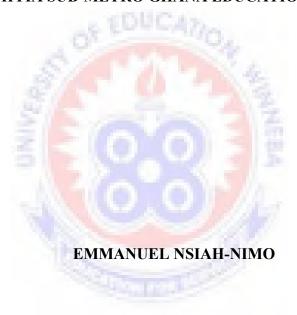
## UNIVERSITY OF EDUCATION, WINNEBA

# EXAMINING THE IMPACT OF COMPENSATION AND REWARDS ON EMPLOYEES PERFORMANCE: A SURVEY OF TEACHERS WITHIN THE MANHYIA SUB-METRO GHANA EDUCATION SERVICE



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A Dissertation in the Department of Management Studies, Faculty of Business

Education, submitted to the School of Graduate Studies, University of

Education, Winneba in partial fulfilment of the requirements for award of the

Master of Business Administration (Human Resource and Organizational

Behaviour) degree.

## **DECLARATION**

## STUDENT'S DECLARATION

I, Emmanuel Nsiah-Nimo, declare that this dissertation with the exception of quotations and references contained in published works which have all been identified and duly acknowledged, is entirely my own original work, and it has not been submitted, either in part or whole, for another degree elsewhere.

SIGNATURE	 •••••	 •••••
DATE	 	 

## SUPERVISOR'S DECLARATION

I hereby declared that the preparation and presentation of this work was supervised by me in accordance with the guidelines for supervision of dissertation as laid down by the University of Education, Winneba.

NAME OF SUPERVISOR: Rev. Dr John Poku
Signature
Date

#### **ACKNOWLEDGEMENTS**

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Finally, I will like to thank all teachers within the Manhyia Sub Metro of the Ghana Education Service who took part of their busy schedule to respond to the questionnaires without them this study would have been possible.

# **DEDICATION**

This work is dedicated to my dearest mother of blessed memory Obaapanin Yaa Adu.



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#### **ABSTRACT**

The study measured the impact of rewards and compensation on employees' performance within the Ghana Education Service. Specifically, the objectives of the study were to identify the rewards and compensation practices implemented within the Ghana Education Service, to assess the impact of intrinsic rewards on employees' performance and finally to investigate the impact of extrinsic rewards on employees' performance. This study was positioned within the positivism worldview hence quantitative methodology was adopted. The study employed probability sampling specifically simple random sampling to select the study participants. Afterwards, the study used the Krejcie and Morgan (1970) sampling table to determine the sample size for the 150 population size. Based on the table, the sample size for this study was 108 with a 95% confidence interval and 5% error of margin. Since the study was guided on the principles of quantitative methodology, this study used questionnaires to solicit data from the respondents. The study distributed 108 questionnaires to teachers working in the Manhyia Sub Metro of the Ghana Education Service. From the questionnaires distributed, a total of 66 completed questionnaires were returned to the researcher. However, out of the retrieved questionnaires, 51 were usable for the analysis, giving an effective response rate of 54.8%. Data was subsequently analyzed using descriptive statistics such as Mean and Standard deviation. Inferential statistics thus, Pearson correlation and multiple regression were used for the relationship analysis. Findings from this study showed that intrinsic reward packages which in effect were given to employees to supplement their salary were not provided by GES. On this score it is recommended that fringe benefits such as headmaster duty allowance, class teacher allowance, teacher on duty allowance ought to be provided by GES to supplement teachers' pay since it was established that the pay and salary GES provided was not adequate for its employees.

## **CHAPTER ONE**

#### INTRODUCTION

## 1.1 Background of the Study

Employees are organization's key resource and the success or failure of an organization lies mostly on their ability to attract, retain, and reward appropriately its talented and competent employees (Osibanjo, Adeniji, Olubusayo, Falola & Heirsmac, 2014). Therefore, the willingness of organization valuable resources to stay on the job largely depends on the compensation packages the organization provide to its workforce (Armstrong, 2003). According to Falola, Ibidunni and Olokundun (2014) for businesses to ensure employees optimal performance and retention, organizations need to consider a variety of appropriate ways to reward the employees to get the desired results. It has equally been argued that the degree to which employees are satisfied with their job and their readiness to remain in an organization is a function of compensation and reward packages of the organisation (Osibanjo, Abiodun & Fadugba, 2000).

More so, until recently many organizations have realized the tremendous effect of employees' performance within organizational setup hence, many have begun to find and explore the possible factors that can trigger positive employees' outcomes because employee performance is seen as one of the most critical factors that predict the overall performance of organization (Saeed, Nayyab & Lodhi, 2013). Nonetheless, out of these various expeditions, rewards and compensation have appeared to be one of the main tenets that have the most significant impact on employees' performance (Saeed et al., 2013).

Premalatha (2013) equally shared similar views when the author argued that compensation and reward system within organizations has direct impact on employee performance yet the author was quick to add that providing appropriate reward and compensation packages with the objective of ensuring reinforcement of employees' behaviours has proven to be one of the human resource functions that have become very difficult to implement within organizational setting.

According to Aktar, Sachu and Ali (2012), employee will give their maximum when they have a feeling or trust that their efforts will be fairly rewarded or appreciated by management. Equally the authors added that there are many factors that affect employee performance like working conditions, worker and employer relationship, training and development opportunities, job security, and company's overall policies and procedures for rewarding employees, etc. Nonetheless, of all these factors which affect employee performance, motivation that comes from rewards and compensation is the one with the utmost impact.

For instance, studies of Deeprose (1994), Pratheepkanth (2011) Qureshi, Zaman and Shah (2010) and Zaman (2011) have postulated that reward and compensation system causes satisfaction of employee, which directly influence the performance of employees'. Ajila and Abiola (2004) held similar view when they underscored that reward and compensation package do influence employee performance. Based on their findings they concluded that rewards and compensation systems help to increase employees' performance by enhancing employee skills, knowledge and abilities in order to achieve organizational objectives. According to the Allen and Kilmann

(2001), reward practices play a vital role in improving employee performance and achieving organizational goals.

As mentioned earlier, many researchers have identified that organizational rewards and compensation system have the most significant impacts on employee performance. Likewise, recent studies by the likes of Eisenberger (2011) and Heng (2012) made a fascinating point about the impact of rewards and compensation on employees' performance when they held that, if an organization fails to reward its employees adequately, the end result is that it affects its workforce performance negatively and for that reason every entity should strive to have in place efficient reward system that can be a good motivator. Again their work warned that an inefficient reward and compensation system will eventually demotivates employees by degenerating into issues such as lower productivity, internal conflicts, absenteeism, high turnover, lack of commitment and loyalty, lateness and felling grievances. Therefore, organization needs to develop strategic reward system that will be able to retain competent employees which will at the end enable the organization to obtain sustainable competitive advantage among its peers (Edirisooriya, 2014).

Interestingly the scope of this study is the Ghana Education Service which is one of the public sector organizations with large number of employees' tasked with the responsibility to oversee the running of basic and secondary education throughout the country. Moreover, the GES plays a vital role in the society and therefore having a well-compensated workforce will mean that the country's human resource component will be well prepared and trained to spearhead the country's developmental needs since they are the main facilitators. Additionally, from the competitive advantage

perspective, organizations' need to identify and understand the link between rewards and compensation and employee performance with the intention of achieving competitive advantage. However, when the reward and compensation system of public sector institutions are compared to private sector organizations the disparities are widely visible since at a private institution their reward policy is more strategic oriented and largely linked to their organization vision. Therefore, it came as no surprise when Sourthen (2013) opines that private sector organizations always try to align their reward strategy with its human resource strategy which finally leads to the creation of integration between its reward strategy and organization's business strategy.

However, since same cannot be said about the synergy and connection between public sector rewards and compensation system, findings from this study will provide empirical results to ascertain if indeed the rewards and compensation packages of GES are in-line with its strategic focus. Therefore, this study intends to explore the role of public sector reward and compensation system in its strategic perspective by measuring the extent to which the reward and compensation systems do impact on employee performance at the GES with particular reference with staffs within the Manhyia Sub- metro.

#### 1.2 Statement of Problem

Among issues such as the financial, economic and human resources component of an organization, human resources are the most valuable resource that can provide a company competitive edge as compared to others (Danish & Usman, 2010). According to Andrew (2004) for an organization to have well committed employees,

it depends largely on its rewards and compensation packages. Lawler (2003) held similar preposition when he argued that prosperity and survival of an organization are determined by the way and manner through which its human resources are been treated. For instance, employees who are competent, motivated and well compensated bring out their best to achieve their organizations' goals (Pfeffer, 1994; Baron & Kreps, 1999; Caligiuri, Lepak, & Bonache, 2010).

Similarly, it has been largely established that well compensated employees are more likely to be committed to their organizations and exhibit higher levels of performance and productivity than those who are less compensated by their organization (e.g., Cranny, Smith, & Stone, 1992; Steinhaus & Perry, 1996; Weiss, 2002).

Admittedly considerable research has been conducted to assess the impact of different types of rewards and compensation packages on employees' performance (DeCenzo & Robbins, 2010). Yet in the views of Tessema, Ready and Embaye (2013) most of these previous researches have given little attention to both the intrinsic and extrinsic rewards as factors that affects employee performance.

Also Tessema et al. (2013) further added that majority of the reward and compensation impact studies have been conducted across different occupations in one organization or across multiple organizations in various countries, mostly in the advanced economies, with researchers pointing to the need for further research to examine rewards and compensation impact on employees performance across different cultural contexts especially in developing economies with particular reference to the public sector which plays a key role in the development of any economy.

Equally the likes of Heng (2012), Mikander (2010), Taljaard (2003) and Agwu (2013) held similar views when they posited that despite the vast research on the impact of reward and compensation on employees' performance, only a small number of researchers have investigated its impact in the context of public sector organizations. Therefore, this study seeks to fill the gap with regards to impact of reward and compensation on public sector employees' performance by investigating its effect on teachers' performance in a Ghanaian setting and also to identify what kind of rewards and compensation have greater impact on the performance of employees within the public sector. Accordingly, the main problem of this study is to measure the effect of rewards and compensation on employees' performance within the Ghana Education Service which has been touted as the public sector with the higher number of employees.

#### 1.3 Aim/Objectives of the Study

The main aim of the study is to measure the impact of rewards and compensation on employees' performance within the Ghana Education Service.

The following are the research objectives:

- To identify the rewards and compensation practices implemented within the Ghana Education Service.
- 2. To assess the impact of intrinsic rewards on employees' performance.
- 3. To investigate the impact of extrinsic rewards on employees' performance.

## 1.4 Research Questions

To accomplish the said study objectives, the following research questions are put forward:

- 1. What is the nature and structure of compensation strategy within the Ghana Education Service?
- 2. How does intrinsic rewards influence employees' performance?
- 3. What is the impact of extrinsic rewards on employees' performance?

## 1.5 Significance of the Study

Most businesses now recognize the fact that their employees are their most important asset (Yasmeen, Farooq & Asghar, 2013). Hence, organizations need to take care of their most valuable assets thus employees. However, taking care of their employees means that satisfying their needs, both financially and non-financially. Nonetheless, if organization fails to do so, employees will be tempted to leave the organization or seek employment elsewhere (Yasmeen et al., 2013). Many large companies today spend large amounts of money trying to make their employees more productive. However, investing money in your entity rewards and compensation packages will become fruitless if the organization does not understand how these reward and compensation packages impact on its employee's performance (Yasmeen et al., 2013).

More so, an interesting finding that came on notice was the works of Barton (2002) which established that the key factor in "Fortune best 100 companies" that distinguishes them from other companies all boils down to the way and manner they developed and implemented their reward and compensation packages.

Therefore, findings from this study would provide insightful information on how the rewards and compensation packages of the GES impact on its employee's performance. This will indeed help to ascertain whether the compensation and reward packages of GES are well adequate to meet the needs of its workforce.

Moreover, findings from this study will fill the gap on the reward and compensation impact on employees within a public sector setting where most of the earlier studies failed to consider.

## 1.6 Limitation of the Study

Although precautionary measures were put in place in ensuring that this research was void of shortcomings in order to make it an ideal study. Nonetheless, there were other activities or aspects of the study that the researcher had little or no control over and likely affected the outcome of the study.

For instance, since the study relied on questionnaire items as its data collection instrument, the respondents in their attempt to answer the questionnaire might have consciously or unconsciously slanted their responses to a certain direction which might affect the objectivity of the study findings.

Also as a result of the time and resource constraints imposed on the study, the research adopted a case study approach as the research design. Hence, its findings could not be generalized to other industries and other public sectors since the study was context specific and also only aimed at describing how rewards and compensation impacted on workers' performance at GES. A final limitation was that participation in this study was voluntary and some participants chose not to participate.

## 1.7 Delimitation of the Study

The study area for this thesis involved teachers employed by the Ghana Education office within the Manhyia Sub-metro in the Ashanti region of Ghana. Therefore, the study's population was sourced from employees within the Manhyia Sub-metro of GES.

## 1.8 Organisation of the Study

This study is structured into five chapters. Chapter One, gives background information of the work and sets the topic of the study in context. It presents the aims and objectives of the study and explains the structure of the dissertation. Chapter Two contains the literature review. This chapter captures a review of related literature conducted in the field of rewards and compensation taking into accounts its relevance to the research topic in question, whilst pointing out gaps in previous research which this study intends to fill. Chapter Three discusses the research methodology. It focuses on the methodology to be used to arrive at the conclusions in the last chapter. Explanation and justification for the selection of methods used in analysis were discussed focusing on their reliability, validity and effectiveness in realising the goals of the study. Chapter four contains the results/findings and discussions. The outcome of the research was presented, explained and discussed in this chapter. Also significant and new results of the research and the inferences were made from them in line with findings from related previous studies. The last chapter thus, Chapter Five involves the summary of findings, conclusions and recommendations. This chapter itemizes the major research findings and indicates how this research work contributes to knowledge. This chapter also includes suggestions for future research work.

## **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Introduction

The chapter reviews the relevant literature on the impact of compensation and rewards on employees' performance. This chapter discusses the theoretical framework and consists of the definition of concepts, determinants of compensation and rewards systems, employees' performance, and empirical review on the impact of compensation and rewards on employees' performance and finally the conceptual framework of the study.

#### 2.2 Definition of Concepts

Ivancevich (2004) views compensation as the human resource management function that deals with every facet of reward that an employee receives in return for performing organizational task. The author further adds that compensation is the main reason why most people seek employment. Malkovich and Newman (2005) on their part define compensation as an exchange of relationship between the employer and employee. The authors hold that this relationship enables the employee to trade off his labour and loyalty for financial and non-financial gains such as pay, benefits, services, recognition and other forms of reward whereas the employer on the other hand trades his financial and non-financial rewards for employees' performance and organizational success. This suggests that compensation plays a key role in employment relationship since both parties rely on it to persuade the other to act in accordance with its goals and desire. Therefore, without it, it becomes very difficult for any of the parties to achieve their needs.

The American Compensation Association's [ACA] (1995) on their part view compensation as the cash and non-cash remuneration provided by an employer for services rendered. Adeniji and Osibanjo (2012) hold similar views as that of the ACA. For the authors compensation can be described as both the direct and indirect rewards and benefits received by employees in an organization that are used to achieve employee satisfaction and retention as well as improve performance. Direct compensation in this scope includes practices such as wages, salaries, bonuses or commission. Indirect compensation on the other hand, includes practices such as incentives, medical benefits, housing allowance, annual leave allowances and training opportunities.

However, a critical look at the definitions provided by the various authors suggest that most of the authors view the concept of reward and compensation as one activity or practice. For instance, Ivancevich (2004) explains compensation as the type of reward that an employee receives in return for performing organizational function. Likewise, Malkovich and Newman (2005) also view compensation as the financial and non-financial rewards used in exchange for employees' skills and labour. Accordingly, the concept compensation and rewards are analogous to each other and for that matter can be used to express the same thing hence, the researcher agrees with the position taken by the scholars in this regard.

Also, the researcher agrees with the definition provided by Malkovich and Newman (2005) and Adeniji and Osibanjo (2012) as they incorporated in their definitions concepts of both non-financial and financial rewards, the study will adopt the definition provided by the two authors as the working definition for the study.

#### 2.3 Theoretical Reviews

#### **Reinforcement Theory**

Reinforcement theory states that a response or activity followed by a reward is more likely to recur in the future (i.e. Thorndike's Law of Effect). The implication for compensation management is that high employee performance followed by a monetary reward will make future high performance more likely. By the same analogy, high performance not followed by a reward will make it less likely to recur in the future. The theory emphasizes the importance of a person actually experiencing the reward.

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The reinforcement theory originated from the work of behaviour psychologist Burrhus Frederic Skinner, who believed in operant conditioning (Kohn, 1993; Hitchcock & Willard, 1995). Skinner concept was that if you reward an organism for certain behaviour, that organism will be more likely to repeat that behaviour. Translated into organizational terms, if you reward an employee for exhibiting behaviours of producing results, that employee will be more likely to repeat those same actions. In spite of its theoretical implication thus, reward and compensation in principle is expected to have a significant impact on employees' behaviour thus performance. Some scholars have raised doubt about its wholesome effect on employees' performance (Kohn, 1993). The researchers posit that human behaviour is much more complex to be controlled and therefore cannot be manipulated through reward programmes. Their argument emphasizes the real need to fully comprehend the role of compensation as a tool for improving employees' performance. Despite these minor criticisms, the theory has affirmed the significant effect an organization reward and compensation systems can have on employee's behaviour if well thought out and implemented.

## **Equity Theory**

Another theory used in explaining how compensation and rewards impact on workforce performance is the Equity theory. Equity theory suggests that employee perceptions of what they contribute to the organization, what they get in return, and how their return contribution ratio compares to others inside and outside the organization, determine how fair they perceive their employment relationship to be (Adams, 1963). Perceptions of inequity are expected to cause employees to take actions to restore equity. Unfortunately, some of such actions would be the quitting of job or lack of cooperation which at the end may not be helpful to the organization. The equity theory gets its impact from the perception of the receiver. Thus, in this study context if the employee perceives his or her compensation and rewards to be disproportionate to his efforts then the recurrent effect will be that the said employee will choose to reduce his effort in order to ensure equilibrium between his efforts and that of the organization compensation and rewards system. A clear example of this theory effect was confirmed in the study of Cowherd and Levine (1992). In their study they used a sample of 102 business units in 41 corporations to examine whether the size of the pay differential between lower-level employees and top management had any impact on product quality. Cowherd and Levine suggest that individuals often compare their pay to that of people higher in the organization structure. If lower-level employees feel inequitably treated, they may seek to reduce their effort to achieve equity. Quality, in their study, was defined as customer perceptions of the quality of goods and services. The authors hypothesized that extra role, or citizenship behaviours, such as freely offering to help others, following the spirit rather than letter of rules, and correcting errors that would ordinarily escape notice, would be less likely when pay differentials between hourly and top managerial employees were

large. The research results supported this hypothesis, suggesting that organizations need to take care that they do not forget the potential adverse of rewards and compensation consequences of executive pay on other employees' performance. Accordingly, the present study will be interested in investigating how the two compensation theories thus, reinforcement and equity theory impact on employees' performance at the Ghana Education Service.

## 2.4 Determinants of Compensation and Reward Systems

Robbins and Judge (2011) argue that the process of setting compensation and rewards packages within any organization entails balancing between the internal equity (i.e. the worth of jobs to the organisation through job evaluation) and external equity (i.e. external competitiveness of an organisation's pay compared to other competitors). Hence, the internal and external equity measures guide the organization on how best to develop and deploy a compensation plan that will be capable in addressing the needs of the organization and that of the employee. According to Ivancevich (2004), external factors that impact on compensation levels are; the labour market, economic conditions, government interventions and labour unions. Accordingly, these external factors will be explored in the preceding subsections.

#### 2.4.1 External Factors

#### 2.4.1.1 Labour Market

How diverse a country or industry labour market is play a key role in determining what compensation packages to employ in order to attract the skilled workforce and likewise retain and motivate them as well (Rosen, 1996 cited in Schuler, 1998). Some industries such as the technology and the automobile space are very competitive and

will demand highly skilled employee who will be able to play a definitive role in maintaining the entity business competitiveness. This suggests that employers within such space will have to deploy compensation packages that will attract the best personnel and also motivate the employees to put up their best. For instance, Ivancevich (2004) assert that workers with higher levels of education working in a much intense industry expect to be provided with compensation packages that match the demands of their changing lifestyles. Also the demand and supply dynamism within a particular sector likewise affect how an organization will deploy and implement its compensation plan.

## 2.4.1.2 Economic Conditions

The economic conditions within an industry (the extent of competition, political economy, etc.) determine organisations compensation and rewards packages (Ami, Boaten & Yamoah, 2015). The more competitive the environment, the more difficult it is for organisations to pay higher financial compensation. Also, productivity of organisations, industry or sector influence the amount of monetary rewards that organisations can pay to employees (Ami et al., 2015). The authors further add that economic condition of an industry always affect businesses' rewards and compensation but packages.

## 2.4.1.3 Government Interventions

Governments all over the world directly or indirectly influence their country's compensation plan by setting the minimum wage to a certain minimum (Ami et al., 2015). These wage control mechanisms are put in place to regulate what is paid to employees across board. For example, the Wage Stabilisation Act (1942) in the USA

was used as a wage freeze to slow inflation during the Second World War (Ami et al., 2015). This Act set 'going rates' of pay for key occupations. The Fair Labour Act Standard (FLSA) of 1938 is a basic pay regulation Act in the USA which was enacted to counteract the abuses faced by line workers in the manufacturing sector who were working long hours for low pay (Holley & Jennings, 1997). FLSA covers businesses with two or more employees engaged in interstate commerce, in the production of goods and materials that have been moved in or produced for interstate commerce. The minimum wage in 1938 established by the FLSA was \$0.25 and has increased over the years and stood at \$5.15 between 1997 and 2002 (Department of Labour, 2002). Governments also influence the amount of financial rewards employees are paid by requiring employers to deduct funds such as income tax, social security, health insurance, etc. (Ami et al., 2015). In Ghana, the National Tripartite Committee, made up of representatives of Government, Employers Association and Organised Labour is the statutory body mandated to set the national daily minimum wage (Act 651, 2003).

#### 2.4.1.4 Labour Unions

Labour unions are formal association of workers that promote the needs and interests of its members (Ami et al., 2015). They are organisations that represent workers and seek to protect their interests through collective bargaining agreement (Coulter & Robbins, 2010). Collective bargaining is a mechanism through which organised groups of workers and their employers use in resolving conflicting issues and pursues agreement over common interests (Katz & Kochan, 2004). Unions impact positively on the rewards and compensation received by their members (Katz & Kochan, 2004), and even have an effect on whether or not employees in organisations are unionised

(Ivancevich, 2004). If unions are unable to raise the financial rewards of their members, they will be unable to attract and retain members (Katz & Kochan, 2004). This suggests that union organizations play a key role in an organization rewards and compensation plan.

#### 2.4.2 Internal Factors

## 2.4.2.1 Membership and Seniority

According to McShane and Von Glinow (2005) an employee length of tenure or service at the organization determines the kinds of rewards and compensation the employee is likely to receive. However, to Mathis and Jackson (2004) this portrays an entitlement orientation to compensation, where employees receive same or similar increases each year. Organisations and employers that have entitlement orientation believe that individuals who have worked for years within an organization are entitled to a raise in their basic pay and other benefits. When membership or seniority is used in determining rewards, it improves continuance commitment, reduces stress, attracts applicants with job security needs and sometimes improves loyalty.

However, there is no evidence that it has a positive influence on performance (McShane & Von Glinow, 2005). Nevertheless, evaluation of studies suggests that the relationship between compensation and performance was stronger for new employees but significantly weaker for more experienced workers (Robbins & Judge, 2011).

#### **2.4.2.2 Job Status**

Job status or the worth of jobs is an important factor which determines the compensation packages of employees in firms. Organisational strategy will determine

tasks, duties, and responsibilities a firm considers most valuable in achieving its goals and will indicate which jobs are valuable to the organization (Lepak & Gowan, 2009). The worth of a job is dependent on the extent to which that job contributes to organisational effectiveness (Ivancevich, 2004; Mathis & Jackson, 2004). That is to say, how the job contributes to the achievement of organisational goals and objectives. It provides the foundation for attaining equitable pay and is indispensable as a means for dealing with equal pay for equal value issues (Armstrong, 2006). Also, compensation based on job evaluation systems motivates employees to increase their pay rate by exaggerating job duties and hoarding resources (McShane & Von Glinow, 2005).

## 2.4.2.3 Competency-based Factors

Competencies are certain characteristics of a person, including knowledge, skills, and behaviours, that enable an individual to perform his or her job effectively and efficiently (Dessler, 2011; Mathis & Jackson, 2004). Compensating employees for competencies encourages them to develop the competencies their organisations require to achieve their strategic aims. Rewards based on measurable and influenceable competencies provide a focal point for the employer's performance management process (Dessler, 2011). Greater variety of tasks requiring different skills, knowledge, greater physical effort and other competencies implies that the employee will be rewarded more if the organisation compensates on the basis of competence (McShane & Von Glinow, 2005). Thus, the employees' reward package depends on the number of skills that employee has mastered but not on the specific job performed. Competency-based rewards improve workforce diversity since it places emphasis on training employees and supervisors and tends to improve quality.

Equally Gehart and Milkovich (1992) held similar views when they argued that employees' compensation does not depend solely on the jobs they hold but equally depend on issues such as the worker educational level, skills and knowledge all affect their compensation package

#### 2.5 Employee Performance

Premalatha (2013) defines performance as the achieved results of operations with the capabilities of the employee who acts in certain situations. It is the combined result of effort, ability, and perception of tasks. High performance is a step towards the achievement of organizational goals. Therefore, efforts are needed to improve employee performance.

Premalatha (2013) argues that organizations had to rely on its performance appraisal systems to ascertain how their workforce performance fed as against the organizations goals and objectives. Nonetheless, the author was quick to add that the performance appraisal process at most often times has proven to be one of the difficult functions of HRM. Premalatha (2013) attributes the difficulties of PA to issues such as its subjective positioning of its raters and the inability to have accurate and fairer measuring scales. Nonetheless, Premalatha (2013) maintains that measuring the performance of employees enables the employer to verify the main tasks completed and the accomplishments of an employee in a given time period in comparison with the goals set at the beginning of the period. Accordingly, employees' performance encompasses one of the subjective issues in modern organizations nevertheless it aids management to know who to compensate and whose employment contract has to be terminated.

## 2.6 Rewards and Compensation Practices

As defined earlier rewards and compensation constitute both the financial and non-financial incentives given to employees in exchange for their labour and skills. There are a range of reward and compensation practices that can be used to improve employees' performance. However, few rewards and compensation techniques are explored in following sections.

## **Training and Development**

Lazazzara and Bombelli (2011) define training and development as the systematic accretion of skills, command, concepts or mind-set which leads to improve performance. Commeiras, Loubes and Bories (2013) contend that training and development is one of the key non-financial incentives that aim to build employees skill set in order to make them relevant for the present duties. In business, training and development basically refers to action of teaching employees and providing proper knowledge and skills to make themselves job fit as well as organization fit. Training teaches employees how to work and enhance their skills, hence motivate them to achieve the common goal of organization as well as that of the employee. This means that having training programmes aimed at instilling positive attitude among employees has a significant impact on employees' performance.

For instance, Daniel (2001) establishes in his study that when organization's training programmes are aimed at showing employees how to deconstruct tasks and challenges, and how to feel less intimidated by their job roles it significantly affects their overall performance. Similarly, Lockley (2012) affirms Daniel's view when his study established that offering training and development programmes that effectively

contribute to personal and professional growth of individuals have greater impact on employees' performance since their obsolete skills will now be replaced with new competencies which will make them effective and efficient at their job duties.

## Recognition

Recognition is one of the most powerful methods of rewarding people. The staff need to know not only how well they have achieved their objectives or carried out their work, but also to show them that their achievements are appreciated. Recognition needs are linked to the esteem needs in Maslow's (1943) hierarchy of needs. Recognition needs are defined by Maslow as the need to have a stable, firmly based, high evaluation of oneself (self-esteem) and to have the respect of others (prestige). These needs are classified into two subsidiary sets: first, 'the desire for achievement, for adequacy, for confidence in the face of the world, and for independence and freedom' and, second, 'the desire for reputation or status defined as respect or esteem from other people and manifested by attention, importance or appreciation'.

It meets an intrinsic psychological need for appreciation of one's efforts and can support business strategy by reinforcing certain behaviours (e.g., extraordinary accomplishments) that contribute to organizational success. Whether formal or informal, recognition programmes acknowledge employee contributions immediately after the fact, usually without predetermined goals or performance levels that the employee is expected to achieve. Recognition can take the form of awards either in cash or noncash (e.g., verbal recognition, trophies, certificates, plaques, dinners, tickets, etc.).

## **Monetary incentives**

According to Park (2010) monetary incentive acts as a stimulus for greater action and inculcates zeal and enthusiasm toward work; it helps an employee in recognition of achievement. Likewise, Beretti et al. (2013) hold that monetary incentives are used to build a positive environment and maintain a job interest, which is consistent among the employee and offer a spur or zeal in the employees for better performance. Arguably monetary incentives provide a strong source of motivation for employees to put up good performance nonetheless, its actual impact on employees will only by realize when employees perceive that its process of distribution thus, procedural and distributive justice are equally fair (see for example, Leventhal, 1980; koontz & Weihrich, 1990; Edwin, 1993). Hence, monetary incentives effect on employees' performance will actually be realize when employees see the system for its distribution to be fair and in line with their effort.

## Quality of working life programmes

Quality working life programmes are described by Koontz and Weihrich (1990) and Bateman and Snell (2004) as activities aimed at creating a workplace that enhances employees well-being and satisfaction. The general goal of quality working life programmes is to satisfy a full range of employee's needs. People's needs are divided into eight categories: adequate and fair compensations, safe and healthy environments, jobs that develop human capacities, chance for personal growth and security, social environment that fosters personal identity, freedom from prejudice, sense of community, and upward mobility, constitutionalism, or rights of personal privacy, dissent and due process, work role that minimises infringement on personal leisure and family needs and socially responsible organisational actions. Quality working life programmes mean much more than each person's quantity of work

output. It equally has a significant impact on employee turnover, absenteeism, accidents, theft, sabotage, creativity, innovation and especially the quality of work. Jung and Kim (2012) underscore that good work environment and good work conditions can increase employee productivity and commitment levels concurrently. The authors studies add that employees tend to exhibit positive citizen behaviours when their working conditions meet their expectations and individual needs. Hence, having poor working conditions will only provoke negative performance, since their jobs are mentally and physically demanding, they need good working conditions to feel motivated to put up their best.

## 2.7 Compensation and Rewards Impact on Employee Performance

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Appelbaum et al. (2011) and Datta (2012) establish in their studies that organization extrinsic rewards drive workers' morale to increase their productivity levels. Accordingly, they established a significant relationship between extrinsic rewards and employees' performance.

Similarly, a study by Chandan (2005) underscores that organization rewards system has a direct relationship on employee performance. The author adds a fascinating insight to this effect that the established performance by participants was not informed by the inner thoughts, feelings, perceptions and emotions but was largely attributed to the nature of outcome they anticipated to receive after an increased output.

Moreover, Ibojo and Asabi (2014) report that there is a significant relationship between good welfare service and employees' performance. More so, their study established a significant relationship between organization compensation and rewards and improved employees' performance.

Furthermore, a study conducted by Erbasi and Arat (2012) investigated the relationship between rewards and employee performance on employees working in the central bank of Nigeria, Abuja. The authors used random sampling technique to select sample; collected data through questionnaire and analyzed data by Pearson's coefficient of correlation. It was established that there exists strong relationship between extrinsic rewards and employees' performance whereas the relationship between intrinsic rewards and employee performance was insignificant. The authors suggest that employees of Nigerian central bank were more motivated to perform by extrinsic financial rewards than intrinsic factors.

In addition, Aktar, Sachu and Ali (2012) seek to measure the relationship between rewards and employees' performance among employees within Banks of Bangladesh. It became evident in the study that employees' performance was significantly influenced by extrinsic rewards than intrinsic rewards.

Again, in the study of Qureshi, Zaman and Shah (2010) the dependent variable investigated was employee performance and the independent variables were intrinsic and extrinsic rewards. Both primary and secondary data sources were used to collect data and sample was selected through stratified technique. For the data analysis, the study applied descriptive statistics, Pearson's correlation analysis, ANOVA and t-test. The study revealed that an increase in intrinsic and extrinsic rewards will result in increase in employees' performance concurrently. It was confirmed that to enhance the motivation and performance of employees a combination of both intrinsic and extrinsic rewards must be provided.

A research conducted by Misra and Dixit (2013) reported that the relationship between extrinsic rewards and employee performance is strong and positive whereas the relation between intrinsic rewards and employee performance was weak and insignificant. The authors further argued that since most of the workforce was more concerned with financial rewards than nonfinancial, organizations ought to deploy adequate financial rewards that have the capability to motivate employees to increase their work output.

Another study by Saeed, Nayyab and Lodhi (2013) investigated the relationship between rewards and employee performance in Technical Education Authority of Pakistan. The extrinsic rewards measured were formal recognition, promotion and compensation whereas the intrinsic rewards were appreciation, challenging work and freedom. A sample of 300 employees of the Technical Education Authority was selected by using random sampling approach. Data was collected through questionnaires and response rate of questionnaires was 80 percent. Concurrently the data were analyzed using descriptive statistics, Pearson's coefficient of correlation and linear regression. The study made interesting revelations; it established that that intrinsic and extrinsic reward has different influences on performance of employee. However, their work posited that intrinsic rewards had the higher impact on employees' performance than extrinsic rewards.

Saeed and colleagues (2013) attribute the strong significant relationship between intrinsic and employees' performance to factors such as the appreciation employees received from their superiors for a job well done, how challenging their jobs were and finally the freedom they had to perform their duties without interferences from the superiors.

Finally, Njoroge and Kwasira (2015) examine the relationship between compensation and reward on performance of employees at Nakuru county government assembly. A survey was carried out within 11 sub counties in Nakuru County Government with the study adapting a descriptive research design. Stratified random sampling technique was employed on a target population of 6,400 respondents from the same geographical area of study. Simple random sampling was used to select the respondents that formed a sample size of 98 respondents. Primary data was collected using questionnaires and interview schedules with a combination of open and closed questions. The findings indicated that there was a strong relationship between compensation and reward and employee performance.

## 2.8 Empirical Review

No resource component has been seen as more critical to an organization's success than its human resources component (DeNisi & Griffin, 2008). It on this note that DeCenzo and Robbins (2010) argue that people are the only strategic weapon a company has that cannot be copied by its competitors easily. Employees who are competent, well rewarded and compensated are more satisfied and likewise motivated to improve upon their performance (Pfeffer, 1994; Baron & Kreps, 1999; Caligiuri, Lepak, & Bonache, 2010). Good reward and compensation system has strong positive relationship with employees' performance hence compensation and rewards must be able to meet the needs and aspirations of high performer's (Carraher, Gibson, & Buckley, 2006). Accordingly, this section seeks to provide the empirical review of other related works that explored the impact of compensation and rewards on employees' performance.

First, Premalatha (2013) seek to examine the impact between compensation and employees' performances within the service sector firms in India. The study used descriptive survey design as the research methodology and Chi square-test was employed to test the significance of the coefficient of correlation of the independent variables. The study results show that compensation management has a direct impact on employee performance. The author further underscores that the preferences of employees on compensation packages may change from position to position in the organisation irrespective of its size and nature.

Admittedly, Premalatha study objective is quite similar to the present study purpose nonetheless, it is apparent that that its context was in the private sector which is clearly different from the present study context thus public sector. Hence, the present study focus is different from that of Premalatha (2013) making the two studies different from each other. Therefore, findings from this study will add to the literature on how compensation and rewards impact on employees' performance within the public sector.

Again, a study by Njoroge and Kwasira (2015) investigated the relationship between compensation and reward on performance of employees at Nakuru county government assembly. The findings indicated that there was a strong relationship compensation and reward and employee performance in the county government of Nakuru.

Although the study of Njoroge and Kwasira was undertaken within a public sector setting however, it is fair to add that the country where the study was undertaken is

different from the present study scope. This study seeks to measure the impact from the context of Ghana thus teachers working with the GES. Therefore, the present study context is different from the study of Njoroge and Kwasira making the two studies different from each other.

Also Kehinde (2012) seek to ascertain the link between compensation and corporate performance using selected firms in Nigeria as the case study. Specifically, Kehinde research covered three conglomerates in Nigeria which were among the largest employers of labour in the manufacturing industry in Nigeria. The study used the cross-sectional data analysis. The study found that compensation had a significant impact on organizational performance.

Admittedly, the study made interesting findings with regards to how a firm compensation package can impact on its organization performance nonetheless; the emphasis was not on employee's performance but solely on the organization ROA and ROE. Hence, the present study which seeks to measure the impact of rewards and compensation on employee's performance is very different from the scope upon which Kehinde's work was carried out.

Finally, the study which provided inspiration for the researcher to carry out this work was the study by Ibojo and Asabi (2014) which sought to examine the effect of compensation management on employees' performance in the manufacturing sector, a case study of a reputable food and beverage industry.

The authors used both primary and secondary sources as their main data collection methods. The study likewise used questionnaire to gather necessary and relevant data

from the respondents. The data was analyzed using inferential and descriptive statistics. The descriptive statistics used include frequency table, likert scale while the hypotheses were tested using analysis of variance (ANOVA). The results of the study showed that there is a significant relationship between good welfare service and employees' performance. Also the study reported that there is a significant relationship between compensation management and improved productivity. Finally, findings from the research showed that there is a significant relationship between compensation management and employees performance.

Arguably, the study of Ibojo and Asabi (2014) objective is somehow similar to the present study; however, it is equally clear to note that the context upon which their study was carried out is different from the researcher's study focus. Accordingly, findings from their study could not be used to be an exact representation to the present study scope.

Admittedly, a clear review of the aforementioned studies shows that most of the studies were conducted out of the context of Ghana and likewise none of the studies used the educational setting as their study context of which the current study seeks to measure the compensation and reward impact from. Therefore, this work seeks to ascertain whether similar results established in the enumerated works can be realized within the Ghana Education Service which has been touted as one of the public services with the largest number of workforce.

#### 2.9 Conceptual Framework

Miles and Huberman (1994) view a conceptual framework as a visual or written product, one that "explains, either graphically or in narrative form, the main things to be studied, the key factors, concepts, or variables and the presumed relationships among them". Hence a conceptual framework shows the relationship between the independent and dependent variables. The conceptual framework of this study is based on the study variables thus compensation and rewards being the independent variable, employees' performance being the dependent variable respectively. A conceptualization of the relationship between the independent variables and the dependent variable is illustrated in Figure 2.1 below.

# Conceptual framework for the Study **Extrinsic compensation Employee Performance** Pay and salary Promotion Effectiveness Fringe benefits Efficiency Job security **Intrinsic compensation** Working environment Training and development Recognition Participation and autonomy

Figure 2.1 Framework for analyzing compensation and rewards impact on employees' performance

Source: Author's construct, 2017.

# 2.10 Chapter Summary

This chapter reviewed all the relevant literature in the area of rewards and compensation and employees' performance and likewise presented the study's theoretical framework and finally ended with the conceptual framework that guided the study to achieve its study objectives.



#### **CHAPTER THREE**

#### **METHODOLOGY**

#### 3.1 Introduction

This chapter presented the research design used in this study. The chapter explains the basic research approaches available, which include quantitative, qualitative and mixed methods approach. Thereafter the chapter discussed the method opted for in this study and its justification. The research design is examined followed by a discussion of population, sampling methods and data collection procedures. The chapter ends with a discussion of the ethical issues and how the data gathered were analyzed.

## 3.2 Research Design

Bryman (2012) posits that the relationship between theory and research guides the researcher in adopting the appropriate epistemological and ontological stance. This predisposition guides a researcher to know the appropriate research namely 'quantitative', 'qualitative' and 'mixed method' to adopt. According to Creswell (2013) research design is the intersection of philosophies, strategies of inquiry and specific methods that permit in answering the research problem in the best way possible within the constraints put on the researcher such as time and budget. One of the philosophical approaches of research thus, phenomenological approach is generally classified as a qualitative style of research and is often employed for conducting social research, which generally tends to be based on observations (Neuman, 2011). Denzin and Lincoln (2011) argue that qualitative research is fast replacing positivist approaches especially in the field of social research. For example, the implementation of compensation and rewards system within any organization is dependent on several factors such as the supply and demand side of labour, labour

laws, competitors pay system, firm's strategic position (i.e. based on price or value innovation), state minimum wage policy and the like. These variables differ from organization to organization or from state to state and most importantly from person to person. Hence, it becomes imperative to investigate the reward and compensation effect taking into account the various factors that informs an organization pay system. Accordingly, phenomenological philosophy implicitly admits that operational level manager's perspective regarding rewards and compensation is shaped by their experiences and beliefs rather than explicit, objective reality outside of these perceptions (Fellows & Liu, 2009).

In contrast, the positivism philosophical assumption posits that phenomenon or situation that is studied from the perspective of the respondents outside its environment is bias and for that matter will end up in less objective findings. On this score studies done through our senses (i.e. sight, hearing, touching, taste, etc.) really produce knowledge. According to this view, the real world can only be studied from the utilization of these senses through experimentation, theory testing and theory creation. Hence, it argued that research ought to be objective rather than subjective statement for that matter objectivity is the only proper domain of science.

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Moreover, looking at the current study it seeks to investigate the extent to which the reward and compensation systems implemented by the Ghana Education Service have impacted on its employees' performance. Hence, this study relied on the positivists' worldview since it provides the best medium for the study to achieve its study objective. Accordingly, this study employed a quantitative research design to investigate the impact of reward and compensation packages on employees'

performance. Bryman (2008) posited that quantitative research deals with the collection of data and ascertaining a relationship between theory and research findings. Positivists further assert that quantitative method ensures objectivity, due to the distance maintained between the interviewer and the interviewee (McGovern, 2009). Accordingly, as this study seeks to assess the relationship that exist between rewards and compensation practices and employees' performance, quantitative methodology provides the researcher the best avenue to achieve its study objectives. Also, in reviewing previous studies that has been carried out in the area of rewards and compensation impact on employees' performance, most of the studies used quantitative method as their study research design (see for example, Erbasi & Arat, 2012; Misra & Dixit, 2013; Ibojo & Asabi, 2014; Njoroge & Kwasira, 2015).

# 3.3 Population of the Study

According to Malhorta and Birks (2007), the population of a study is the group of individuals that possess the information required by the researcher and about which inferences are to be made. Therefore, the most important thing in defining the target population is the exact requirement of who should and who should not be included in the sample (Churchill & Iacobucci, 2002; Malhorta & Birks, 2007). The study population came from teachers working within the Manhyia Sub metro of the Ghana Education Service thus the Kumasi metropolis. Based on the researcher's initial field visit to the metro office, it was established that the total number of workers within the Manhyia Sub metro stood at 150. Therefore, the population size for this study was 150.

#### 3.4 Sample and Sampling Techniques

A sample is a portion serving as a basis for estimates of the attributes of the whole (Concise Oxford English Dictionary, 11<sup>th</sup> Edition). The purpose of sampling is to secure a representative group which will permit the researcher to gain information about a population (Ng'ethe, 2013).

Since every teacher or headmaster working within the Manhyia sub-metro of the Ghana Education Service has an equal chance of being part of the study sample, a simple random sampling was employed to make the outcome fairly representative. Therefore, in order to make the sample size representative of the entire population the study used the Krejcie and Morgan (1970) sampling table to determine the sample size for the 150 participants for the population size. Based on the table, the sample size for this study employed was 108 with 95% confidence interval.

#### 3.5 Research Instrument

According to Pope (2000), as cited in Musah and Nkuah (2013), research instrument are the tools namely; questionnaire, interview schedule, observation and other forms of guides the researcher employs to obtain information from elements under investigation. Since the study adopted a mixed methodology, this study used both closed-ended and open ended questions as the questionnaire items.

The researcher felt that it was best suited to the research plans as the research has to gather the same data from the same respondents. McColl (1993) view affirms the researcher's position when McColl asserts that a questionnaire is a highly structured data collection technique whereby each respondent is asked the same questions.

This method of data collection was also chosen as the researcher needed to ensure that the responses from respondents would be fair and objective as this approach does not permit the researcher to have any influence on respondents' response. It is important that valid opinions and attitudes were given, and surveys are known for not influencing or manipulating answers given.

Additionally, questionnaires have numerous advantages for instance Polit and Hungler (1999) argued that questionnaire is less expensive than other data collection methods and results are achieved quickly and more so, questionnaires can be completed at the discretion of the interviewee. Besides, the authors added that questionnaires reduce biases or faults which could be caused by the researcher's attitude.

Nonetheless, questionnaires have some deficiencies as well for example, Bryman (2008) maintain that questionnaires do not have an opportunity for probing or exploring questions asked and for the answers that are given and also can be linked with a poor response rate because of a lack of respondent motivation in completing them. Accordingly, in order to address these deficiencies associated with questionnaires the study will likewise employ open ended questions to allow the respondents give vivid opinion on some of the issues that was understudied.

#### 3.5.1 Sources of Data

The researcher employed both the primary and secondary data for the study. The primary source of data was chosen because there was the need to obtain primary information from the respondents using questionnaires. Moreover, a number of

secondary data were also captured from various related articles and publications in journals. Other information from books and thesis by other authors were equally relied upon. This was to enable the researcher to acquire a broader knowledge on compensation and rewards impact in the literature and likewise identify the possible gaps that this study seeks to fill.

#### 3.6 Data Collection Procedures

The questionnaires were sent out to teachers working within the Manhyia sub-metro of the Ghana Education Service to enable the researcher have adequate insight into the problem under investigation. Similarly, permission was sought from the head teachers before the questionnaires were administered to the teachers. Also a cover letter was attached to each questionnaire. The letter outlined the purpose of the study and provided assurance of confidentiality. It also included the researcher's name and contact details. Churchill and Iacobucci (2002) add that cover letters are very important in convincing respondents to cooperate in a study. The questionnaire administration was done by the researcher and since the researcher is a teacher working within the sub-metro therefore there was not much difficulty in the administration exercise.

#### 3.6.1 Pre-Testing

To confirm the reliability and content validity of instrument, a pilot test was conducted to check and ensure that no irrelevant question was present. Any indications of ambiguities realized were quickly modified to make them straight forward and more meaningful. The pre-test was carried out at the MBA Human resource class. Additionally, the study supervisor read through the questionnaire items

thoroughly to determine whether it matches the research questions the study seeks to address.

#### 3.7 Ethical Considerations

Ethical consideration places a responsibility on the researcher to assess carefully the possibility of any harm that could affect the study participants, and to provide appropriate measures to control these effects (Bryman, 2008). When carrying out a research it is important that participants are aware of why it is being carried out, and what will be done with the information they provide. If this is not made clear, the information given may not be entirely truthful or may be slant towards a certain direction. It is important to inform respondents that their identities will not be shared and that there is full confidentiality. It is also important that in empirical research, investigators must be completely objective and try not to influence a study with their own values and perceptions (Burns & Grove, 1993). In order to address these issues firstly, permission was sought from the respondents before the researcher distributed the questionnaires to the participants to complete. However, it is equally required that respondents' consent have to be sought before administering questionnaires to them, hence the researcher equally sought consent from the study respondents before the questionnaires were finally administered.

Every questionnaire that was sent out had a cover letter included in it which clearly espoused the purpose of the survey. The questionnaire did not require the names of the respondents; this was to protect their identity and remain anonymous. As a result, the employees were aware from the beginning what the researcher was doing, why and where the information was going and why it was being gathered.

#### 3.8 Data Analysis

Kumar (2005) contends that raw data obtained from a research is meaningless unless it is changed for the purpose of decision-making. Data analysis usually involves reducing the raw data into a manageable size, developing summaries and applying statistical inferences.

The empirical analysis for the present study aims at measuring the impact of rewards and compensation on employees' performance within the Ghana Education Service. The data collected were keyed into the Statistical Package for Social Scientist (SPSS) version 20.0 and the result of the study was analyzed on the basis of descriptive statistics and Pearson correlations analyses.

## 3.9 Summary

This chapter has provided a detailed explanation of the methodological approach to be used in the study. The study is positioned within the mixed research paradigm and accordingly, research strategies related to qualitative and quantitative research have been discussed. The study is a descriptive study based on a mixed methodology approach. The questionnaire survey was used as the main data collection method, and its development followed the rigorous procedures recommended by Churchill and Iacobucci (2002) and Su and Parham (2002), respectively. The next chapter which is chapter four contains the presentation and analysis of data.

#### **CHAPTER FOUR**

#### PRESENTATION AND ANALYSIS OF DATA

#### 4.1 Introduction

This chapter discusses the descriptive analysis of the final data collected from the survey and summarizes the basic statistics related to the respondents' demographic profile and the other study constructs. The IBM Statistical Package for Social Sciences (SPSS) version 20.0 was used for the study data analysis. The chapter is structured into three sections. The first section presents the demographic profile of the respondents. The second section deals with the specific rewards and compensation practices that are being implemented by the Ghana Education Service for its employees. The final section looks at the other measurement constructs of study and discuss the findings in reference to the research objectives.

#### 4.2 Response Rate and Response Bias

The study distributed 108 questionnaires to the selected teachers and head teachers working in the Manhyia sub-metro of the Ghana Education Service. From the questionnaires distributed, a total of 66 completed questionnaires were returned to the researcher. However, out of the retrieved questionnaires, 51 were usable for the study analysis, giving an effective response rate of 54.8%. According to Mugenda and Mugenda (2003), a response rate of 50% is adequate for the study, 60% is good and above 70% is excellent response for data analysis. Hence, a response rate of over 50 percent is sufficient for the study's data analysis.

### 4.3 Demographic Profile of Sample

Table 1 below shows the respondents age, gender, educational qualification and their positions.

**Table 1: Demographic Profile of the Respondents** 

Demographic variable	Category	Frequency	Percentage
Gender	Male	14	27.5%
		37	
	Female		72.5%
Age	21-30 years	20	39.2%
	31-40 years	23	45.1%
	41-50 years	2	3.9%
	Above 50 years	6	11.8%
8	Diploma	12	27.5%
Education qualification	Bachelor's degree	36	70.6%
25	Post-graduate degree	1 2	2.0%
Position	Head Teacher	14	27.5%
51	Teacher	37	72.5%

Source: Field study, 2017.

The demographic profile of the survey respondents in Table 1 above shows that 14 of the respondents representing 27.5% were males whereas 37 constituting 72.5% were females. This suggests that large segment of the study respondents were females. As for the age of the respondents, more than half of the respondents 43(84.3%) were between the ages of 21-40 years and the remaining were between the age categories of 41-50 years as well as those above the 50 years' mark. For the educational qualification of the respondents, results from Table 1 above shows that 27.5% of the respondents had diploma as their academic qualification and 70.6% of the participants likewise had Degree as their academic qualification with a small segment of the participants thus, 2.0% having post-degree as their academic qualification. Finally, the last item under the demographic characteristics was the job positions of the

respondents. On this item it became evident that a large segment of the participants 72.5%, were teachers whereas 27.5% of the respondents were head teachers/headmasters at the understudied educational institutions.

## 4.4 Reward and Compensation Practices Implemented by GES

The objective behind this study construct was to identify the various reward and compensation practices that were being implemented by the Ghana Education Service (GES). Accordingly, the participants were asked to identify their level of agreement on whether the following reward and compensation practices were being provided by their employer, thus GES. The study equally employed the 5 point likert scale to elicit respondents level of agreement on the various measuring items (i.e. SD stands for strongly agree, D stands for disagree, N stands for neutral, A stands for agree and SA stands for strongly agree).

#### 4.4.1 Pay and Salary

Table 2 below shows the ratings of employees on the things that constituted the pay and compensation practices provided by GES to its employees.

Table 2: Pay and Salary

Pay and Salary	SD	D	N	A	SA
	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)
My organization has in place adequate salary packages for	14 (27.5%)	14(27.5%)	11(21.6%)	11(21.6%)	1(2.0%)
its employees GES has in place comprehensive compensation	21(42.0%)	24(48.0%)	4(8.0%)	1(2.0%)	-
packages for all its employees GES provides annual bonus	24(49.0%)	25(51.0%)	_	-	_
packages for its employees at the end of the year	, ,				

Source: Field study, 2017.

With regards to the structure of the pay and salary packages provided by GES to its workforce, results from Table 2 above shows that most of the respondents strongly disagreed as well as disagreed when asked to indicate their level of agreement as to whether their organization in this context GES has in place adequate salary packages for its employees. On this item, 27.5% of the respondents rating fell within the strongly disagreed as well as disagreed ratings respectively. This suggests that most of the respondents were of the view that GES did not have in place sufficient salary packages for its employees.

In contrast, 11 of the respondents representing 21.6% disagreed with the views expressed by earlier respondents on this same issue. To them they agreed that GES has in place adequate salary packages for its employees. Interestingly, only a small segment of the respondents was definite in their responses. To them they strongly agreed that GES has in place adequate salary packages for its employees. Notwithstanding the two opposing views shared by earlier and the latter respondents, 21.6% of the participants were not able to take a stand as to whether GES had in place adequate salary packages for its employees. On their part their rating fell within the neutral score. That is, they neither agreed nor disagreed as to whether their organization has in place sufficient salary packages for its employees.

Also on whether GES had in place comprehensive compensation packages for all its employees, it became apparent that nearly half of the respondents thus, 24(48.0%) disagreed on this score. This means to them GES did not have comprehensive compensation packages for all its employees. On this same item 21(42.0%) of the respondents were even more explicit in their ratings when compared to the views of

the former respondents. To them they strongly disagreed that GES has comprehensive compensation packages for all its employees.

On the contrary only small segment of the respondents were able to confirm the availability of this reward and compensation practices at their organization. Thus, 2.0% agreed that GES has comprehensive compensation packages for all its employees. More so, 8.0% were not able to tell whether GES has comprehensive compensation packages for all its employees. Hence, 8.0% of the respondents' ratings on this item fell within the neutral scoring.

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The last item under this measuring construct was to establish from the respondents as to whether GES provided annual bonus packages for its employees at the end of the year. Shockingly, on this particular item there was no a single instant where a respondent agreed to the provision of this reward and compensation practice by their employer. Thus, more than half of the respondents disagreed on this issue (see Table 2). Likewise, 49.0% of the respondents strongly disagreed to the implementation of this reward and compensation practice by their employer. This was quite strange since in most corporate and government entities' employees are usually given annual bonuses or some form of token at the end of the year. Hence, it was anticipated that this practice would equally have been implemented by GES but the evidence available suggested otherwise.

## 4.4.2 Fringe Benefits

The ratings of the teachers within the Manhyia Sub-Metro on whether GES has fringe benefits as part of its rewards and compensation practices have been presented in Table 3 below.

**Table 3: Fringe Benefits** 

Fringe Benefits	SD	D	N	A	SA
	Freq. (%)				
GES has a car loan for its employees	21(41.2%)	13(25.5%)	8(15.7%)	7(13.7%)	2(3.9%)
GES has responsibility allowances for its workforce (i.e. headmaster duty allowance, class teacher allowance, teacher on duty allowance, etc.)	15(29.4%)	21(41.2%)	8(15.7%)	6(11.8%)	1(2.0%)
GES provides rent subsidy/allowance for its workforce	36(70.6%)	7(13.7%)	4(7.8%)	4(7.8%)	-
GES top up employees' pension and provident fund contributions	36(70.6%)	7(13.7%)	4(7.8%)	4(7.8%)	-

Source: Field study, 2017.

Fringe benefit is the additional benefit, especially a benefit given to an employee as a top up of their salary which is normally not taxable (Concise Oxford English Dictionary (11<sup>th</sup> Edition). Hence, fringe benefit is given to employees as a top up to complement the employees living expenses. Therefore, the research sought to identify whether such benefits existed for employees working as teachers or head teachers with GES.

Results from Table 3 above show that when the respondents were asked to indicate whether their employer has a car loan package or arrangement for its employees, it became evident that most of the respondents thus 41.2% strongly disagreed to the provision of this fringe benefit by their employer. This equally suggests that the respondents were very definitive in their ratings when asked to indicate their level of agreement to the provision of this peculiar fringe benefit package. Likewise, 25.5% held similar view but were not very emphatic when compared to the responses provided by earlier respondents. That is to them they disagreed to the provision of this fringe benefit by their organization.

In the reverse a little over 13% of the respondents held a different opinion to the availability of this fringe benefit package at their schools. To them they agreed that this fringe benefit is being provided by GES. Interestingly, only 3.9% of the respondents were very definitive in their responses with regards to the availability of this fringe benefit package. Thus, on their part they strongly agreed that GES had car loan package for its employees.

Equally on this same measuring item, 15.7% of the respondents could neither agree nor disagree as to whether this fringe benefit package was provided by their employer thus GES. That is to them their ratings on this item fell within the neutral score.

Furthermore, on whether GES has responsibility allowances for its workforce (i.e. headmaster duty allowance, class teacher allowance, teacher on duty allowance and others) as part of its fringe benefit packages, it became evident that most of the respondents' ratings on this item fell within the disagree rating. Thus, 21(41.2%) of the respondents disagreed. This suggests that the respondents did not agree that responsibility allowances such as headmaster duty allowance, class teacher allowance, and teacher on duty allowance were provided by GES to their employees. This was quite shocking since other workers within the public entities such as the police service and the armed forces all enjoy some form of responsibility allowances for any assigned duties they perform. Equally, 29.4% of the respondents were very explicit in their responses on this item. To them they strongly disagreed on the provision of these fringe benefits by GES.

In contrast, only small segment of the respondents agreed to the provision of this responsibility allowance by GES (11.8%). Again, only 2.0% could be definite in their

ratings for they strongly agreed to the provision of these fringe benefits by their employer.

Notwithstanding, these views expressed by the initial respondents, (15.7%) of the respondents could neither agree nor disagree to the provision of this fringe benefit packages (thus, their responses on this item fell within the neutral rating).

Last but not the least, when the respondents were asked to indicate their level of agreement on whether GES provided rent subsidy or allowance for its workforce, it became evident that most of the respondents' ratings on this item fell within the strongly disagree rating. This suggests that the respondents were greatly explicit when asked to indicate whether they are provided with rent subsidy or allowance. On this particular item (70.6%) strongly disagree to the provision of this package by GES. Likewise, (13.7%) disagreed when asked to indicate whether this benefit was provided by their employer.

On the other hand, 4 of the respondents representing 7.8% held a varied view on this same item when asked to indicate their level of agreement. To them they agreed that GES provided its employees with rent allowance or subsidy. Interestingly, this same percentage (7.8%) could neither agree nor disagree as to whether GES provided tis employees with rent allowances (thus, this cross section of the respondents' rating5 fell within the neutral rating).

The last item under this construct sought to establish from the respondents whether GES topped up employees' pension and provident fund contribution. With this item, more than half of the respondents thus, 36(70.6%) strongly disagree to this fringe

benefit availability. Equally 7(13.7%) of the respondents held similar view but were not very explicit in their responses when compared to the views shared by 70.6% of the respondents. To them they disagreed to the availability of this fringe benefit package.

However, a small segment of the respondents held a different opinion when asked to indicate their level of agreement on this same issue. Thus, 4(7.8%) of the respondents agreed that GES topped up employees' pension and provident fund contribution. Interestingly, their response is at variance to the views expressed by the large segment of the respondents who strongly disagreed to the provision of this fringe benefit package by their employer.

Again the same percentage (7.8%) of the respondents could neither agree nor disagree to the provision of this particular fringe benefit package by their employer.

# 4.4.3 Job Security

According to Zhang and Wu (2004) when there is job security, employees get confidence with their future career and they put their most effort to achieve the objectives of the organization. Table 4 below provides the ratings of employees on job security as to how they are being facilitated by GES.

**Table 4: Job Security** 

<b>Job security</b>	SD	D	N	A	SA
	Freq. (%)				
GES ensures employment security for its workforce	20(39.2%)	7(13.7%)	11(21.6%)	10(19.6%)	3(5.9%)
GES does not terminate employees contract anyhow in this organization	3(5.9%)	2(3.9%)	5(9.8%)	19(37.3%)	22(43.1%)

Source: Field study, 2017.

Under the job security construct, results from Table 4 above indicate that generally it appears that the only reward and compensation practice which was somehow largely practised or provided by GES to its employee's. Accordingly, when the respondents were asked to indicate as to whether GES ensures employment security for its workforce, it became evident that majority of the respondents' ratings fell under the strongly disagreed rating. Thus, 20(39.2%) of the respondents held that GES did not ensure employment security for its workforce. Similarly, 7(13.7%) disagreed to the provision of this package by GES. Interestingly, the argument likely to arise from this revelation will be that, GES is a public entity and with public entities employment security appears to be well guaranteed however the reverse was observed from the findings.

Nonetheless, a recent debate within the public circles spearheaded by the government often argues that the public sector is currently overstaffed hence the need for human resource rationalization. This has often times led to the situation where trained teachers after their studies even find it difficult to get appointment from the GES due to this claim. Hence, the respondents strong level of disagreement of this issue could be somehow be attributed to the recent happenings within the public sector.

On the contrary only a small section of the respondents (19.6%) were able to agree that GES ensured employment security for its workforce. Also 5.9% strongly agreed that GES ensures employment security for its workforce. Shockingly, 11(21.6%) could not confirm or disapprove as to whether GES ensures employment security for its employees (i.e. were neutral in their ratings).

Additionally, as to whether GES did not terminate employees' contract anyhow in their organization, results from Table 4 above indicate that most of the participants rating on this item fell within the strongly agree rating. Thus, to them they were very definite in their responses that to them GES did not terminate employees' contract anyhow. Accordingly, 22(43.1%) strongly agreed this practice was ensured by their employer. Likewise, 19(37.3%) held similar view when they agreed that their employer does not terminate employees contract anyhow.

On the other hand, only 5.9% strongly disagreed to this practice at their organization. Also nearly 4% of the respondents held similar views. However, 5(9.8%) of the respondents could not be conclusive in their rating. This means that they could neither agree nor disagree (i.e. neutral) as to whether GES did ensure that its employees contract will not be terminated anyhow.

Importantly, the high level of agreement on this reward and compensation practice could be attributed to the sector the employees find themselves. For instance, within public sector organizations, it is well known that employee's contract is not easily terminated or cancelled even if the said public sector is operating at a loss.

#### **4.4.4 Working Environment**

The views of the participants on how their organization working conditions look like have been presented in Table 5 below. Good and adequate working environment is described by Koontz and Weihrich (1990) and Bateman and Snell (2004) as activities aimed at creating a workplace that enhances employees' wellbeing and satisfaction. The general goal of good working environment is to satisfy a full range of employee's

needs. Hence, it was anticipated that the understudied respondents would have experienced good working environment from their employer.

**Table 5: Working Environment** 

Working environment	SD	D	N	A	SA
	Freq. (%)				
GES has flexible working hours and alternative work schedules for its workforce	3(6.0%)	2(4.0%)	15(30.0%)	24(48.0%)	6(12.0%)
The health and safety conditions at our institution is in good state	16(31.4%)	23(45.1%)	8(15.7%)	4(7.8%)	-
Social and welfare facilities at this organization are generally good	18(36.0%)	23(46.0%)	7(14.0%)	2(4.0%)	-

Source: Field study, 2017.

Results from Table 5 above show that when the respondents were asked to indicate their level of agreement as to whether their employer has flexible working hours and alternative work schedules for its workforce, it became apparent that most of the respondents rating on this item fell within the agree score. That is 48.0% agreed that GES had flexible working hours and alternative work schedules for its workforce. On the same item 12.0% of the respondents strongly agreed that their employer has flexible working hours and alternative work schedules for its workforce.

In contrast, only a small segment of the respondents held contrary views to what the earlier participants shared. Thus, 4.0% of the respondents were of the view that GES did not have flexible working hours and alternative work schedules for its workforce. Also 6.0% were even more conclusive in their responses on this item for they strongly disagreed. This means that to them their employer does not provide them with flexible working hours and alternative work schedules.

Interestingly, 30% of the respondents were not able to tell whether GES had flexible working hours and alternative work schedules for its workforce or not. This suggests that this cross section of the respondents' ratings fell within the neutral score. Moreover, as to whether the health and safety conditions at their schools were in good state, it became evident that most of the respondents disagreed on this item. Thus, 45.1% of the respondents held that the health and safety conditions at their institutions were not in good state. Equally 31.4% were very definitive in their ratings to them they strongly disagreed on this item.

In the reverse only a small segment of the respondents held a different view. Thus, 7.8% of the participants agreed that the health and safety conditions at their schools were in good state. Moreover, 15.7% did not neither agreed nor disagreed when asked to indicate their level of agreement as to whether the health and safety conditions at their schools were in good state. This segment of the respondents' ratings fell within the neutral score.

Finally, on the issue as to whether the understudied respondents' schools' social and welfare facilities were generally good, it became evident that majority of the respondents disagreed on this item. 46.0% of the respondents said this. Equally 36.0% of the respondents strongly disagreed when asked to indicate as to whether their school's social and welfare facilities were generally good.

On the contrary only 4.0% of the respondents agreed when asked to indicate whether their school's social and welfare facilities were generally good. Again on this same item 14.0% were neutral in their rating when asked to indicate their level of

agreement on this issue. That is to them they could neither agree nor disagree as to whether the social and welfare facilities at their respective schools were generally good or not.

## 4.4.5 Training and Development

Table 6 below presents respondents ratings with regards to the structure and composition of GES training and development programmes.

**Table 6: Training and Development Programmes** 

Training and development	SD	D	N	A	SA	
	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	
GES provides training programs						
for its employees aimed at	1(2.0%)	13(25.5%)	8(15.7%)	27(52.9%)	2(3.9%)	
improving their teaching skills						
When my job involves new	4(8.3%)	13(27.1%)	11(22.9%)	16(33.3%)	4(8.3%)	
tasks, I am properly trained	4(8.3%)	13(27.170)	11(22.9%)	10(33.3%)	4(8.3%)	
GES provides excellent						
opportunities for personal skills	3(5.9%)	20(39.2%)	26(51.0%)	2(3.9%)	-	
development						
GES provides free tuition to						
teachers who would want to	27(52.9%)	12(23.5%)	5(9.8%)	4(7.8%)	3(5.9%)	
seek further studies which are i	n 27(32.970)	12(23.370)	3(9.870)	4(7.870)	3(3.970)	
line with GES programs						
GES reimburse teachers who						
took course studies that are in	9(20.5%)	10(22.7%)	2(4.5%)	7(15.9%)	16(36.4%)	
line with GES programs						

Source: Field study, 2017.

According to Loubes and Bories (2013), training and development is one of the key intrinsic reward practices used by employers to build its workforce skill set in order to make them relevant for the present duties. Hence, the study sought to establish from the respondents the kinds of training and development programmes implemented by their employer. Results from Table 6 above show that when the respondents were asked to indicate their level of agreement as to whether GES provided training programmes for its employees aimed at improving their teaching skills, it became

evident that most of the respondents rating on this item fell within the agreed rating. Thus, 52.9% of the respondents agreed that their employer provides training programmes for its employees aimed at improving their teaching skills. Also 3.9% strongly agreed that their employer provided them with training programmes aimed at improving their teaching skills.

In contrast, 25.5% of the participants held a contrary view when asked to indicate their level of agreement on this item. This segment of the respondents disagreed when asked to indicate whether GES provided training programmes for its employees. Similarly, 2% of the respondents strongly disagreed when asked to indicate whether GES provided its workforce with training programmes aimed at improving their teaching competencies. Also on this same measuring item 15.7% could not tell whether GES provided its employees with training programmes aimed at improving their teaching skills. Thus, their ratings on this item fell within the neutral score.

The second measuring item under this construct sought to establish from the respondents as to whether when their job involved new tasks, they were properly trained. On this item it became apparent that majority (33.3%) of the respondents rating was within the agreed rating. More so, 8.3% strongly agreed that when their job involved new tasks, they were properly trained. On the other hand, 27.1% disagree to them they were not properly trained when their job involved new tasks. Again 8.3% of the respondents strongly disagreed to the availability to this practice. Interestingly, 23% per cent of the respondents could not tell whether this practice was available at their school or not (i.e. were neutral in their ratings).

The third measuring item sought to establish whether GES provided excellent opportunities for personal skills development. On this item, it became evident that

51% of the respondents rating was within the neutral rating. This was quite strange looking at the sector and the roles teachers play in national development hence it was expected that the respondents could have confirmed this as part of GES training and development practice. Interestingly, only 3.9% agreed that GES provided excellent opportunities for personal skills development. In contrast, 39.2% of the respondents disagreed when asked to indicate whether GES provided excellent opportunities for personal skills development. Similarly, 5.9% of the sample strongly disagreed to the availability of this training and development practice. On the contrary only 3.9% agreed that GES provided its employees excellent opportunities for personal skills development.

The fourth item was to ascertain whether GES provided free tuition to teachers who wanted to seek further studies which was in line with GES programs, it became evident that this practice was largely not provided by GES to its employees (i.e. 52.9% strongly disagreed). Again 23.5% of the sample disagreed to the provision of this practice by their employer. However, 9.8% of the respondents were neutral in their responses thus, could neither agree nor disagree as to whether GES provided free tuition to teachers who wanted to seek further studies which was in line with GES programmes.

In contrast, 7.8% of the respondents agreed that GES provided free tuition to teachers who wanted to seek further studies which was in line with GES programs. Also, 5.9% of the sample strongly agreed to the provision of this training and development practice by their employer.

The last item under this construct sought to establish from the respondents as to whether GES reimbursed teachers who took courses that were in line with GES programmes. On this item evidence from Table 6 above show that majority (36.4%) of the respondents strongly agreed that GES reimbursed teachers who took courses that were in line with GES programmes. Again 15.9% agreed that GES reimbursed teachers who took course studies that were in line with GES programs.

Interestingly, this view seems to contradict the earlier views espoused by the respondents when most of them held that GES did not provide free tuition to teachers who would want to seek further studies which are in line with GES programmes.

On the other hand, 22.7% of the respondents disagreed and likewise 20.5% of the respondents strongly disagree when asked to indicate whether GES reimbursed teachers who took course studies that were in line with GES programmes. However, 4.5% of the total respondents were neutral as to whether GES reimburse teachers who take courses or studies that are in line with GES programmes. Findings from the study suggest that majority of the respondents assert that GES reimburse teachers who take courses that are in line with GES programmes though 43.2% disagreed with the same statement.

Findings from the study suggests with the exception of provision of training programmes for teachers aimed at improving their teaching skills as well as the reimbursement of funds to teachers who took courses that were in line with GES programmes the other training and development programmes such as the situation where employees were properly trained when their job involved new tasks, or situations where workers were provided with excellent opportunities for their personal skills development were not provided by GES.

Daniel (2001) established in his study that organizations use training programmes as a reward and compensation practice aimed at helping employees to deconstruct new tasks and challenges, and how to feel less intimidated by new job roles. However, findings from this study could not confirm this view of the author. In this study findings from it suggested that when teachers' jobs involved new tasks they were not properly trained on how to go about it.

#### 4.4.6 Promotion

Table 7 below presents employees' responses as to how promotion as an extrinsic reward practice was being practised at the Ghana Education Service.

Table 7: Promotion at Ghana Education Service

Promotion	SD	D	N	A	SA
	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)
GES has in place transparent					
processes which ensure that	6(11.8%)	13(25.5%)	_	22(43.1%)	10(19.6%)
teachers due for promotion are duly	0(11.070)	13(23.370)	_	22(43.170)	10(17.070)
promoted					
When teachers are due for					
promotion they are well	2(6,00/)	10(29.00/)	7(14,00/)	7(14,00/)	14(29.00/)
communicated on what is expected	3(6.0%)	19(38.0%)	/(14.0%)	7(14.0%)	14(28.0%)
of them at their new roles					
Promotion at GES is not done in					
any acts of favouritism and	7(15.9%)	5(11.4%)	13(29.5%)	13(29.5%)	8(18.2%)
nepotism					

Source: Field study, 2017.

Evidently, results from Table 7 above show that majority (43.1%) of the respondents agreed that GES has in place transparent processes which ensure that teachers due for promotion are duly promoted. Similarly, 19.6% said they strongly agreed that their employer has in place transparent processes which ensured that teachers due for promotion were duly promoted.

Conversely 25.5% of the respondents held a contrary view. On their part they said GES did not have in place any transparent processes which ensured that teachers due for promotion were duly promoted. Also, 11.8% of the survey respondents were somehow more definite in their response. To them they strongly disagreed that GES has in place transparent processes which ensured that teachers due for promotion were duly promoted.

After establishing that GES promotion practices to some extent were transparent, the study went further to ascertain from the respondents whether when teachers were due for promotion they were well informed about what is expected of them at the new position they are about to occupy. On this item it became evident that most of the respondents rating fell within the disagreed rating. Thus, 38.0% of the respondents held the view that when teachers are due for promotion they were not well briefed about what is expected of them at their new roles. Equally 6% of the respondents confirmed this view when they likewise strongly disagreed when asked to indicate their level of disagreement on this issue.

However, 28.0% of the respondents rejected the views shared by the earlier respondents and strongly agreed that in their opinion when teachers are due for promotion they are well communicated to on what is expected of them at their new positions. Similarly, 14.0% corroborated the earlier respondents' view when they agreed that teachers due for promotion are well informed about what is expected of them at their new position. Nonetheless, 14% were neutral in their rating. That is to them they could neither agree nor disagree as to whether teachers due for promotion are well informed on what is expected of them at their new roles.

Finally, on whether promotion at GES was void of any acts of favouritism and nepotism, results from the study revealed that nearly 30% of the respondents agreed on this issue. Equally, a little over 18% of the respondents affirm this view when on their part they strongly agreed that promotion at GES was not done in any acts of favoritism and nepotism. Thus, this segment of the respondents was very definitive in their responses.

On another breadth 15.9% held a different view. To them they strongly disagreed on this issue. That is in their opinion promotion at GES was done with acts of favoritism and nepotism. Again 11.4% of the respondents held a similar view when they equally disagreed to the absence of acts of favoritism and nepotism in GES promotions. Interestingly, nearly 30% could not be conclusive when asked to indicate their level of agreement on this issue. To this segment of the respondents their rating fell within the neutral rating.

#### 4.4.7 Recognition

Table 8 below presents employees response as to how recognition as an intrinsic reward practice is being practised at the Ghana Education Service.

**Table 8: Recognition as an Intrinsic Reward Practice** 

Recognition	SD	D	N	A	SA
	Freq. (%)				
GES at most often times					
show their gratitude to	6(11.8%)	13(25.5%)		22(43.1%)	10(19.6%)
employees who perform well	0(11.670)	13(23.370)	-	22(43.170)	10(19.070)
during the annual reviews					
Good performers are publicly					
recognized for their good	5(9.8%)	6(11.8%)	7(13.7%)	26(51.0%)	7(13.7%)
work done					
When an employee does a					
good job, his colleagues	11(22.0%)	12(24 0%)	11(22.0%)	16(32.0%)	_
regularly show him their	11(22.070)	12(24.070)	11(22.070)	10(32.070)	_
appreciation					
GES makes it a point to send					
written recognition/letters to					
workers who achieve	11(21.6%)	15(29.4%)	14(27.5%)	11(21.6%)	-
outstanding performance in					
their schools					

Source: Field study, 2017.

Recognition is one of the most powerful methods of rewarding people efforts. Generally, it has been established in the literature that employees need to know not only how well they have achieved their objectives or carried out their work, but also to show them that their achievements are appreciated by top management. Hence, with this construct the study sought to establish how this intrinsic reward practice was being practised by GES.

The first measuring item under this construct sought to establish from the respondents whether GES at most often times showed their gratitude to employees who performed well during the annual reviews. On this practice it became evident that GES did practice this form of recognition function. Hence, 43.1% agreed that GES at most

often times showed their gratitude to employees who performed well during the annual reviews. In addition, 19.6% of the respondents strongly agreed GES practice this recognition function. The high level of agreement on this item can be somehow be attributed to the annual best teacher awards that has been spearheaded by both the Ministry of Education and Ghana Education Service where best teachers within the various districts and regions across Ghana are recognized for their exceptional roles they have played in their teaching career.

Notwithstanding the high level of agreement by most of the respondents on this item, a cross section of the respondents held varied views when asked to indicate their level of agreement on the same issue. Thus, 25.5% disagreed to the practice of this exercise by GES. Similarly, 11.8% of the participants strongly disagreed when asked to indicate their level of agreement on this item.

On whether good performers were publicly recognized for their good work done, it became evident that majority of the participants' rating on this item was positioned within the agreed scoring. Thus a little over 50 per cent of the respondents agreed to this practice. Additionally, 19.6% of the strongly agreed when asked to indicate their level of agreement on the item. The respondents' ratings on this item is consistent with the earlier view the respondents shared on 'item 1' thus agreed to the fact that GES at most often times show their gratitude to employees who performed well in their annual reviews.

Conversely, only a small segment (11.8%) of the respondents thus held diverse view on this item. That is on their part they disagreed that GES at most often times showed

their gratitude to employees who perform well during the annual reviews. Similarly, 9.8% of the respondents strongly disagreed to the existence of this practice. Interestingly, the argument then is will this disparity in opinions by the respondents be attributed to employees who may not have been selected to be part of the regional or district best teachers' award ceremonies? Evidently, it can be so since in practice the annual best teachers' award only recognized the best teacher in public but do not give much attention to other teachers whose efforts may equally demand some recognition or celebration.

However, 13.7% of the respondents neither agreed nor disagreed as to whether good performers were publicly recognized for their good work done or not. The last but not the least measuring item under this construct sought to examine whether when an employee does a good job, his colleagues regularly show him their appreciation. On this item, only 32.0% of the respondents could agree to the existence of this recognition practice.

In contrast, 24.0% as well as 22.0% of the respondents disagree and strongly disagreed respectively to the practice of this recognition function by their colleagues. Thus, to them they held that when an employee does a good job, his colleagues do not regularly show him their appreciation. Interestingly, findings from the study suggest that at the institutional level top performers were being recognized by GES however, when it comes to the individual level thus employees do not recognize themselves. However, 22.0% of the respondents were not able to be definite in their ratings on this item as they were neutral.

The final item sought to establish whether GES made it a point to send written recognition letters to workers who achieved outstanding performance in their schools. On this item it became evident that majority of the respondents rating fell within the disagreed and strongly disagreed rating. Results from the study revealed that 29.4% of the respondents disagreed to the existence of this practice whereas 21.6% strongly disagreed to the availability of this practice.

Surprisingly, only 21.6% of the respondents agreed that GES made it a point to send written recognition letters to workers who achieved outstanding performance in their schools. This was quite surprising since on the face value sending written recognition or letters to workers who achieved outstanding performance in their schools are not in any way a difficult task to perform or in other words expensive to do. Hence, it was expected that this recognition practice should have largely been practiced by GES but the evidence available suggested otherwise. More so, 27.5% of the respondents could neither agree nor disagree to the existence of this practice.

Findings from this study corroborate the views of Graham, a professor at Wichita State University, who posits that the "top five incentives that employees mention to be free were: (1) 'a personal thank-you' from the boss, (2) a 'written thank-you' from the same, and (3) 'public praise'" (Baldoni, 2012:149). However, to Graham it appeared that these free recognition packages are not practised by most institutions. This assertion is true for in this study all these ''free incentives'" were tested and yet the claims of Graham still hold.

#### 4.4.8 Participation and Autonomy

The views of the respondents as to how they are being allowed to participate in their organization activities as well as how they are permitted to perform their job roles without any interference from their employer have been presented in Table 9 below.

**Table 9: Participation and Autonomy** 

Participation and Autonomy	SD	D	N	A	SA
•	Freq. (%)				
Teachers suggestions are taken up seriously by GES	23(45.1%)	27(52.9%)	-	1(2.0%)	-
Employees' suggestions concerning ways to improve their work unit's performance are received with the utmost importance	8(15.7%)	18(35.3%)	15(29.4%)	6(11.8%)	4(7.8%)
At GES teachers are allowed to perform their roles independently without any interference from their superiors	10(19.6%)	10(19.6%)	16(31.4%)	12(23.5%)	3(5.9%)
Teachers are always consulted by the GES before policy is developed for the sector to adopt for its operations	20(39.2%)	25(49.0%)	4(7.8%)	2(3.9%)	-

Source: Field study, 2017.

Results from Table 9 above show that when the respondents were asked to indicate their level of agreement on whether teachers' suggestions were taken up seriously by their employer, it became evident that most of the participants rating on this item fell within the disagree rating. Thus 52.9% of the respondents said no to the existence of this practice at their organization. Again 45.1% of the respondents shared similar view when they also strongly disagreed on this issue. Shockingly, only small segment of the respondents thus, 2% agreed to the practice of this by their employer.

Similarly, as to whether employees' suggestions concerning ways to improve their work unit's performance were received with utmost importance, it became evident

that majority of the respondents disagreed on this item. In fact, 35.3% of the respondents said no this practice at their schools. Likewise, 15.7% held similar view when they disagreed when asked to indicate their level of agreement as to whether employees' suggestions concerning ways to improve their work unit's performance were received with the utmost importance.

Conversely, only 11.8% and 7.8% of the respondents agreed and strongly agreed respectively to the occurrence of this phenomenon at their schools. Moreover, 29.4% of the respondents whom appear to be more than the respondents who agreed to this practice were not able to tell whether this practice was available at their respective schools or not. Thus, to them their rating fell within the neutral rating.

Moreover, when the respondents were asked to indicate their level of agreement on whether at GES teachers were allowed to perform their roles independently without any interference from their superiors, it became evident that most of the respondents rating on this item fell within the neutral rating. On this item 31.4% of the respondents held this view. This suggests that most of the respondents neither agreed nor disagreed to this issue.

Furthermore, 23.5% as well as 5.9% of the respondents were the ones who agreed on this practice when asked to indicate their level of agreement. That is 23.5% and 5.9% of the respondents respectively agreed and strongly agreed to provision of this participation and autonomy practice by GES.

In contrast, 19.6% of the respondents held a different view. To them they disagreed to this practice. Again the same percentage (19.6%) of the respondents held similar view

however, their rating was more definitive. That is their level of agreement fell within the strongly disagree rating.

Finally, as to whether, teachers were always consulted by GES before educational policies were developed in that sector, it became apparent that most of the participants' rating on this item fell within the disagree rating. Thus, 49.0% of the respondents said no to this practice. Equally 39.2 held similar position when asked to indicate their level of agreement as to whether GES consulted the respondents before educational policies were developed to be implemented within their schools. To them they explicitly said no to this practice. Thus, their rating fell within the strongly disagree score.

On the contrary, only a small segment of the respondents had different view on this item. Thus, 3.9% of the respondents agreed that GES consulted teachers before educational policies were developed and implemented within their schools. Lastly, 7.8% were neutral in their rating on this item. That is, they neither agree nor disagree as to whether GES consulted teachers before educational policies were developed and implemented within their schools.

Importantly, Society for Human Resources Management (2009) found out that employees see sense of autonomy and participation as a great source of intrinsic reward. Hence, it was equally anticipated that it would have been implemented fully by GES as one of its core reward and compensation practices. However, findings from this study revealed that teachers did not receive much autonomy as to how they are allowed to perform their roles or communicated with what is likely to happen within their sector.

#### 4.5 Descriptive Analysis of the Impact of Rewards and Compensation on

#### **Employees' Performance**

This section focuses on how the various rewards and compensation practices (i.e. pay and salary, fringe benefits, job security, working environment, training and development, promotion, recognition and participation and autonomy) did impact on the respondents' performance. Accordingly, Table 10 below presents employees ratings as to how the reward and compensation practices did impact on their performance. This section employed a 5 point likert (i.e. to a very little extent, to a little extent, not sure, to a large extent and to a very large extent) to elicit employees' responses on various measuring items).

Table 10: Impact of Rewards and Compensation on Employees Performance

Table 10. Impact of Rewards and Compensati	ion o	in Employed	cs i ci iui ilia	ince	
Responses	N	Minimum	Maximum	Mean	Std. Deviation
My present salary incentivized me to put up my	51	1	5	2.39	1.343
best in my job duties?	31	1	3	2.33	1.545
The fringe benefits provided by GES motivate	51	1	4	1.82	1.072
me to perform better at my work duty?					
The job security provided by GES gives me the					
free mindset to perform my job functions with	51	1	5	2.35	1.278
much zeal?					
The present working environment at my					
institution gives the morale to perform my	51	2	5	2.35	1.278
work roles with much enthusiasm?					
The training and development programmes					
provided by GES have given me the needed	51	1	5	3.08	1.294
skill set to perform my job roles more	31	1	3	3.00	1.274
efficiently?					
GES promotional packages motivate me to put	50	1	5	2.50	1.542
up my best in my work roles?	30	1	3	2.30	1.342
The recognition programmes of GES give me					
the needed morale to perform my work roles	51	1	5	2.67	1.143
with my head held high?					
GES ability to ensure teachers participation in					
all their dealings motivates me to give my all in	48	1	5	2.44	1.236
my work roles?					
Valid N (list wise)	46				

Source: Field study, 2017.

Results from Table 10 above show that with the first item which sought to establish whether the respondents' present salary have incentivized them to put up their best in their job duties, it became evident that most of the respondents agreed that to a little extent rating their salary have incentivized them to put up their best in their job duties. It had a Mean value of 2.39 and a SD of 1.343. This suggests that the salary the respondents were receiving from their employer were not able to encourage them to put up their best in their job duties. This results affirm the earlier views shared by the respondents when most of them said that GES did not have in place adequate salary packages for its employees as well as compensation packages for all its employees. This suggests that the salary was not adequate to incentivise the workers to put up their best.

Results from this study affirm the views of Park (2010) when they argued that monetary incentive acts as a stimulus for greater action and inculcates zeal and enthusiasm toward work. This presupposes that when the employees view their salary as inadequate it is likely to have a consequential effect on their work outcomes. Likewise, Beretti et al. (2013) argued that monetary incentives are used to build a positive environment and maintain a job interest, which is consistent among the employee and offer a spur or zeal in the employees for better performance. Hence, the inability of the pay and salary construct to incentivize the respondents to put up their best at their job roles could be attributed to its inadequacy in meeting the respondents' needs.

Also as to whether the fringe benefits provided by GES motivated the respondents to perform better at their work duty, it became evident that most of the respondents' to a

little extent agreed that the fringe benefits provided by GES have motivated them to perform better at their work duty. It had a *M* value of 1.82 and *SD* of 1.072. This suggests that most of the respondents did not see the fringe benefits provided by their employer as adequate to incentivize them to perform better at their job roles. This results affirm the positions expressed by the respondents under the fringe benefit construct where it became evident that GES did not have packages such as: responsibility allowance, rent subsidy or allowance, etc. as part of its fringe benefits for its employees. Therefore, absence of some of these fringe benefits in a way could affect their performance since these roles are extra roles which have to be equally compensated for.

Again as to whether the job security provided by GES gave the respondents the free mindset to perform their job functions with much zeal, it became evident that majority of the respondents to a little extent agreed to this issue. It had a Mean value of 2.35 and SD of 1.278. This suggests that the respondents were not very definitive as to whether the job security provided by GES gave them the free mindset to perform their job functions with much zeal.

Moreover, under the fourth item, the same Mean value and SD obtained for item 3 was equally recorded for 'item 4'. Hence, it suggests that most of the respondents were not very conclusive in their rating when asked to indicate their level of agreement as to whether the present working environment at their schools gave them morale to perform their work roles with much enthusiasm. Thus, to them the present working environment at their schools to a little extent gave them morale to perform their work roles with much enthusiasm.

Additionally, on the issue as to whether the training and development programs provided by GES have given the respondents the needed skill set to perform their job roles more efficiently, it was revealed that most of the respondents rating on this item fell within the neutral score. It had a Mean value of 3.08 and *SD* of 1.294. It suggests that most of the participants could not be conclusive as to whether the training and development programs provided by GES have given them the needed skill set to perform their job roles more efficiently.

Equally as to whether GES promotional packages motivated the respondents to put up their best in their work roles, it became evident that majority of the respondents rating on this item fell within the neutral score. It had a Mean value of 2.50 and SD value of 1.542. This means that the respondents could not tell whether GES promotional packages motivated the respondents to put up their best in their work roles or not. In addition, with 'item 7' it sought to establish from the respondents whether the recognition programmes of GES gave them the needed morale to perform their work roles with their heads high. On this item results from Table 10 above show that most of the respondents' answers were positioned within the neutral score. It had a Mean value of 2.67 and SD of 1.143. This results came as no surprise since earlier results revealed that practices such as: 'personal thank-you' as well as 'written thank-you' from GES were not accorded to the respondents.

Finally, the last measuring item under this construct sought to ask the respondents to indicate their level of agreement as to whether GES ability to ensure teachers participation in all their dealings motivated the respondents to give their all in their work roles, it became evident that most of the respondents to a little extent agreed that

GES ability in ensuring their participation in all its dealings have motivated them to give their all in their work roles. It had a Mean value of 2.44 and SD of 1.236. This suggests that in effect the participation and autonomy reward practice of GES were not able to have a greater effect on the respondents' performance. This confirms the results established under the participatory and autonomy construct where most of the respondents said employees' suggestions concerning ways to improve their work unit's performance were not received with the utmost importance. Equally as to whether employees were always consulted by GES before educational policies were developed, it became evident that this participatory practice was not practice by GES. Hence, the inability of this construct to have a greater impact on the respondents' performance could be attributed to the fact that the respondents were not given the opportunity to provide their concerns to their employer in terms of how the educational sector has to be run.

#### 4.6 Influence of Intrinsic Rewards on Employees Performance

This section sought to examine the impact of intrinsic rewards (i.e. working environment, training and development, recognition and participation and autonomy) on employees' performance. Accordingly, the regression analyses have been presented in Table 11 below.

The model is presented algebraically as follows:

Employees performance =  $\beta 0+\beta X_1$  (Working environment) + $\beta X_2$  (Training and development) +  $\beta X_3$  (Recognition) +  $\beta X_4$  (Participation and autonomy) + E (Error of margin)

**Table 11: Model Summary** 

Model	R	R Square	Adjusted R	Std. Error of the
			Square	Estimate
1	.370ª	.137	.026	6.69230

a. Predictors: (Constant), Participatory and Autonomy, Training and development, Recognition, Working environment

Table 11: ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	220.187	4	55.047	1.229	.319 <sup>b</sup>
1	Residual	1388.391	31	44.787		
	Total	1608.578	35			

a. Dependent Variable: Employee Performance

Multiple linear regression analysis was carried out and it was established that there is no significant impact between the independent variables and the dependent variable (i.e. intrinsic rewards and employees' performance) F(31, 35) = 1.229, p > 0.05, the correlation coefficient for all the predictor variables was at (R=0.370). This suggests that there is a modest correlation between the intrinsic rewards and employees' performance. Also the *Adjusted R square* was 0.026 meaning only 2.6% of the variability in the dependent variable could be predicted by the independent variables. Evidently, this statistically weaker relationship between the understudied intrinsic reward practices and employees' performance came as no surprise since earlier evidence from the study revealed that GES did not provide its employees with most of the intrinsic reward packages. Hence, the conclusion is if there are no or little intrinsic rewards packages then how will the expected relationship be achieved that is its ability to predict the respondents' performance.

b. Predictors: (Constant), Participatory and Autonomy, Training and development, Recognition, Working environment

**Table 12: Coefficient** 

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Remarks
		В	Std. Error	Beta			
	(Constant)	22.388	9.236		2.424	.021	S
	Working environment	.325	.860	.074	.379	.708	NS
1	Training and development	687	.615	210	-1.118	.272	NS
	Recognition	.945	.475	.371	1.990	.056	NS
	Participatory and Autonomy	552	.655	167	843	.406	NS

a. Dependent Variable: Employee Performance Use Note (S= significant, NS= not significant)

Model summary: Employee performance=22.388+0.325X<sub>1</sub>-0.687X<sub>2</sub>+0.945X<sub>3</sub>-0.552X<sub>4</sub>

It became evident that there is no significant impact between all the four intrinsic reward constructs; working environment, training and development and recognition and participatory and autonomy and employees' performance P>0.05.

Findings from this study is inconsistent with the works of Ibojo and Asabi (2014) which reported that there is a significant relationship between good welfare service and employees' performance. In this case the reverse was established. Likewise results from this study could not confirm the works of Saeed, Nayyab and Lodhi (2013) which established a significant relationship between intrinsic reward and employees' performance.

However, findings from this study corroborate the studies of Erbasi and Arat (2012) which reported an insignificant relationship between intrinsic reward and employees' performance among employees of the central bank of Nigeria, Abuja. Similarly, findings from this study is consistent with the studies of Aktar, Sachu and Ali (2012)

which likewise reported an insignificant relationship between intrinsic reward and employees' performance.

Interestingly, intrinsic rewards constitute the intangible aspects of rewards and compensation hence, it was expected to have a significant impact on the understudied participants' performance nonetheless the evidence established in this studies suggested otherwise. Partly, this relationship could be attributed to the fact the understudied organization did not in practice provided its employees with any form of intangible rewards that were likely to motivate them to put their best.

### 4.7 Influence of Extrinsic Rewards on Employees Performance

This section sought to examine the impact of extrinsic rewards (i.e. Pay and compensation, promotion, fringe benefit and job security) on employees' performance. Accordingly, the regression analyses have been presented in Table 12.

The model is presented algebraically as follows:

Employees performance =  $\beta 0+\beta X_1$  (Pay and compensation, promotion)  $+\beta X_2$  (promotion)  $+\beta X_3$  (Recognition)  $+\beta X_4$  (fringe benefit) + E (error of margin)

**Table 13: Model Summary** 

Model	R	R Square	Adjusted R	Std. Error of the Estimate
			Square	
1	.580ª	.336	.245	5.93655

a. Predictors: (Constant), Promotion, Job security, Pay and salary, Fringe benefit

Table 13: ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	517.843	4	129.461	3.673	.015 <sup>b</sup>
1	Residual	1022.035	29	35.243		
	Total	1539.879	33			

a. Dependent Variable: Employee Performance

Multiple linear regression analysis was carried out and it was established that there is a significant impact between the independent variables and the dependent variable F (29, 33) = 3.673, p<0.5, the correlation coefficient for all the predictor variables was at (R=0. 580). This suggests that there is a good correlation between the extrinsic rewards and employees' performance. Also the *Adjusted R square* was 0.245 meaning 24% of the variability in the dependent variable could be predicted by the independent variables.

Table 14: Coefficient

Mod	el	Unstandardized		Standardized	t	Sig.	Remarks
		Coef	ficients	Coefficients			
		В	Std. Error	Beta			
	(Constant)	8.624	10.138		.851	.402	NS
	Pay and salary	-1.718	.691	438	-2.486	.019	S
1	Fringe and benefit	2.116	.667	.572	3.175	.004	S
	Job and security	142	.935	024	152	.880	NS
	Promotion	584	.439	211	-1.330	.194	NS

a. Dependent Variable: Employee Performance Use Note (S= significant, NS= not significant)

Model summary: Employee performance= $8.624-1.718X_1+2.116X_2-.142X_3-.584X_4$  It became evident that pay and salary had a significant negative impact on respondents' performance p<0.05. This means as salary and pay increases respondents' performance will decrease by a percentage points of 1.718 concurrently.

b. Predictors: (Constant), Promotion, Job security, Pay and salary, Fringe benefit

Also it became evident that there is a significant positive relationship between fringe benefits and employees' performance p<0.05. This also means that as the respondents' fringe benefits increases their performance will increase in the same direction by 2.116. However, it became evident that there is no significant relationship between job security, promotion and employees' performance since p>0.05.

Findings from this study affirm the works of Misra and Dixit (2013) which reported a significant relationship between extrinsic rewards and employee performance. Equally findings from this study concur with the works of Erbasi and Arat (2012) which reveal that there exists significant relationship between extrinsic rewards and employees' performance.

Also findings from this study affirm the works of Aktar, Sachu and Ali (2012), Qureshi, Zaman and Shah (2010), Appelbaum et al. (2011) and Datta (2012) that there is a significant relationship between extrinsic rewards and employees' performance in their respective studies.

#### **CHAPTER FIVE**

#### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

This chapter presents the summary of the main findings of the study as guided by the research objectives and research questions. The chapter also provides conclusion reached based on the findings as well as recommendations for additional research studies.

#### 5.2 Summary of Main Findings

The first specific objective the study sought to measure was to identify the structure of the rewards and compensation practices provided by the Ghana Education Service to its employees. With this research objectives, it became evident that GES did not have in place adequate pay and salary packages for its workforce. Equally under the same research objectives, it was revealed that GES did not have comprehensive compensation packages for all its employees. Also under the fringe benefits, it became evident that GES did not provide its employees with responsibility allowances such as; headmaster duty allowance, class teacher allowance and teacher on duty allowance. However, with job security it became apparent that GES did not terminate employees' contract anyhow. Equally under the working conditions, it became evident that GES had flexible working hours and alternative work schedules for its workforce. Also with regards to GES training and development it became evident that GES provided its employees training programmes aimed at improving their teaching skills. This suggests that GES had in place some rewards and compensation practices however, within respect to its comprehensiveness it became

evident that some of its rewards and compensation practices were not sufficient to meet the needs of its employees.

The next objective the study sought to measure was to assess the impact of intrinsic rewards on employees' performance. With this research objective it became evident that there was no significant impact between the understudied intrinsic rewards practices and employees' performance. This suggests that the intrinsic rewards practices provided by GES were not able to have any impact on the performances of its employees.

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The third objective which was the final objective was to measure the impact of extrinsic rewards on employees' performance. With this research objective it became evident that there is a significant impact between extrinsic rewards and employees' performance. Also on the same research objective it was revealed that the extrinsic reward practices that had the most significant impact on the respondents' performance were pay and salary and fringe benefits. However, promotion and job security were not found to have any significant relationship with the respondents' performance under the extrinsic reward construct.

#### 5.3 Conclusions

The main aim of this study was to measure the effect of rewards and compensation on employees' performance within the Ghana Education Service. The study drew its theoretical foundations from the reinforcement theory as well as the equity theory to measure how rewards and compensation (i.e. both intrinsic and extrinsic rewards) packages implemented by an organization do affect its workforces' performance.

The study found out that generally, the rewards and compensation practices that were somehow provided by GES to its employees were; job security, good work environment, training and development and recognition. However, on fringe benefits it became evident that GES does not provide its employees with fringe benefits. Also with the second research question the study established that there is no statistical relationship between intrinsic rewards and employees' performance.

Moreover, the study found out there is a significant impact between extrinsic rewards and employees' performance. Again with the extrinsic rewards the variables that appeared to have the significant impact on employees' performance were; pay and salary and fringe benefits. In contrast variables such as promotion and job security did not have any significant impact on employees' performance.

#### 5.4 Recommendations

The recommendations from this study will be given according to the following thematic areas; its contribution to literature, academia and recommendations to management.

First and foremost, with regards to the literature earlier reviews indicated that there were gap on studies measuring the impact of rewards and compensation on employees within developing countries specifically public sector entities. Hence, findings from this study have in a way attempted to make a modest contribution in this regard. However, since, it was established that intrinsic rewards did not have any significant impact on employees' performance, it will be equally noteworthy for other studies to undertake similar investigation within other public entities in Ghana to ascertain

whether the context upon which this study was conducted played that moderating role.

Second, on the part of management it became evident that intrinsic reward packages which in effect were given to employees to supplement their salary were not provided by GES. On this score it is recommended that fringe benefits such as headmaster duty allowance, class teacher allowance, teacher on duty allowance ought to be provided by GES to supplement teachers' pay since it was established that the pay and salary GES provided was not adequate for its employees.

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Finally, it was established that the "free gifts" of recognition thus, 'a personal thank-you' from the boss, a 'written thank-you' from the same, and 'public praise'' were not being practiced at the Ghana Education Service, hence it is recommended that management of GES should as a matter of urgency incorporate these recognition practices into its management principles since it is cheaper than most of the extrinsic rewards packages and have equally been found to be very effective in incentivising employees to put up their best.

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#### **APPENDIX**

# UNIVERSITY OF EDUCATION WINNEBA-KUMASI CAMPUS DEPARTMENT OF MANAGEMENT STUDIES

## MBA Human Resource and Organisational Behaviour

#### Dear Sir/Madam,

I am an MBA student of the University of Education Winneba, Kumasi campus writing a thesis on the topic the impact of rewards and compensation on employees' performance within the public sector. The aim of this study is to investigate how rewards and compensation at the Ghana Education Service affect the performance of teachers. The results of the study would provide a better understanding of how your institution (GES) can support you at work. Your responses, though voluntary, are greatly appreciated and would be treated with utmost confidentiality. Thank you.

#### GENERAL INSTRUCTIONS

**Boxes** are provided for responses. Please, tick ( $\sqrt{}$ ) in the appropriate boxes or write in the fill-in spaces provided as applicable to your circumstances.

#### SECTION A: BIOGRAPHICAL INFORMATION

1. Age [Please tick one]	
I. Under 20 II. 21-30 III. 31-40 IV. 41-50 II	V.
above 50	
2. Gender [Please tick one]	
I. Male II. Female	
3. Educational qualification [Please tick one]	
I. S.S.S II. Diploma III. Degree IV. Post-Degree	
4. What is your position in the organization?	
I Head Teacher/Headmaster II Teacher	

#### **SECTION B: REWARDS AND COMPENSATION**

Below is a list of rewards and compensation packages that might be implemented in your organization. With reference to the particular organization for which you find yourself, please indicate the extent to which the following criterion matches your organization rewards and compensation practices by using the following scale; (1 –

Strongly Agree, 2 – Agree, 3 – Neutral, 4 – Disagree, 5 – Strongly Disagree)

	Pay and salary	1	2	3	4	5
5.	My organization has in place adequate salary packages for its employees					
6.	GES has in place comprehensive compensation packages for all its employees					
7.	GES provides annual bonus packages for its employees at the end of every year					
	Fringe benefits	1	2	3	4	5
8.	GES has car loans packages for its employees					
9.	GES has responsibility allowances for its workforce (i.e. headmaster duty allowance, class teacher allowance, teacher on duty allowance, etc.)					
10.	GES provides rent subsidy/allowance for its workforce					
11.	GES top up employees' pension and provident fund contributions					
	Job security	1	2	3	4	5
12.	GES ensures employment security for its workforce					
13.	GES does not terminate employees contract anyhow in this organization					
	Working environment	1	2	3	4	5
14.	GES has in place flexible working hours and alternative work schedules for its workforce					
15.	The health and safety conditions at our institution is in good state					
16.	Social and welfare facilities at this organization are generally good.					

	Training and Development	1	2	3	4	5
17.	GES provides training programmes for its employees aimed at improving their teaching skills					
18.	When my job involves new tasks, I am properly trained					
19.	GES provides excellent opportunities for personal skills development					
20.	GES provides free tuition to teachers who would want to					
	seek further studies which are in line with GES programmes					
21.	GES reimburse teachers who took course studies that are in					
	line with GES programmes					
	Promotion	1	2	3	4	5
22.	GES has in place transparent processes which ensures that teachers due for promotion are duly promoted					
23.	When teachers are due for promotion they are well communicated on what is expected of them at their new roles					
24.	Promotion at GES is not done in any acts of favouritism and nepotism					
	Recognition	1	2	3	4	5
25.	GES at most often times show their gratitude to employees who perform well during the annual reviews					
26.	Good performers are publicly recognized for their good work done					
27.	When an employee does a good job, his colleagues regularly show him their appreciation					
28.	GES makes it a point to send written recognition/letters to					
	workers who achieve outstanding performance in their schools					
	Participation and Autonomy	1	2	3	4	5
29.	Teachers suggestions are taken up seriously up seriously by GES					
30.	Employees' suggestions concerning ways to improve their work unit's performance are received with the utmost importance					
31.	At GES teachers are allowed to perform their roles independently without any interference from their superiors					
32.	Teachers are always consulted by the GES before policy is developed for the sector to adopt for its operations					

# SECTION C: IMPACT OF REWARDS AND COMPENSATION ON EMPLOYEES PERFORMANCE

This section seeks to measure how pay and compensation packages provided by GES have influenced employees' performance. With respect to your experience please indicate the degree of your level of agreement or disagreement with each statement by using the scale (1 – To a very little extent, 2 – To a little extent, 3 – Neutral, 4 – To a large extent, 5 – To a very large extent).

a large extent, 5 – 10 a very large extent).
33. My present salary incentivized me to put up my best in my job duties?
[ ] To a very little extent [ ] To a little extent [ ] Not sure [ ] To a large extent [ ] To
a very large extent
34. The fringe benefits provided by GES motivate me to perform better at my work
duty?
[ ] To a very little extent [ ] To a little extent [ ] Not sure [ ] To a large extent [ ] To
a very large extent
35. The job security provided by GES gives me the free mindset to perform my job
functions with much zeal?
[ ] To a very little exte <mark>nt [ ]</mark> To a little extent [ ] Not sure [ ] To a large extent [ ] To
a very large extent
36. The present working environment at my institution gives the morale to perform
my work roles with much enthusiasm?
[ ] To a very little extent [ ] To a little extent [ ] Not sure [ ] To a large extent [ ] To
a very large extent
37. The training and development programmes provided by GES have given me the
needed skill set to perform my job roles more efficiently?
[ ] To a very little extent [ ] To a little extent [ ] Not sure [ ] To a large extent [ ] To
a very large extent
38. GES promotional packages motivate me to put up my best in my work roles?
[ ] To a very little extent [ ] To a little extent [ ] Not sure [ ] To a large extent [ ] To
a very large extent
39. The recognition programmes of GES give me the needed morale to perform my
work roles with my head high?
[ ] To a very little extent [ ] To a little extent [ ] Not sure [ ] To a large extent [ ] To
a very large extent

THANK YOU FOR TAKING TIME TO COMPLETE THIS QUESTIONNAIRE!!!