

UNIVERSITY OF CAPE COAST

**THE IMPACT OF EXTRINSIC REWARDS ON WORK PERFORMANCE IN
GHANA: A CASE STUDY OF THE CENTRAL UNIVERSITY COLLEGE**

REBECCA LOVE QUAGRINE

2012

UNIVERSITY OF CAPE COAST

THE IMPACT OF EXTRINSIC REWARDS ON WORK PERFORMANCE IN GHANA: A
CASE STUDY OF THE CENTRAL UNIVERSITY COLLEGE

BY

REBECCA LOVE QUAGRAINE

DISSERTATION SUBMITTED TO THE INSTITUTE FOR DEVELOPMENT STUDIES OF
THE FACULTY OF SOCIAL SCIENCES, UNIVERSITY OF CAPE COAST IN PARTIAL
FULFILMENT OF THE REQUIREMENTS FOR AWARD OF MASTER OF ARTS DEGREE
IN HUMAN RESOURCE MANAGEMENT

NOVEMBER, 2012

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this University or elsewhere.

Candidate Signature Date

Name: REBECCA LOVE QUAGRINE

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature Date

Name: MR. KWADWO TUFFUOR

ABSTRACT

The study sought to find out the impact of extrinsic rewards on work performance at the Central University College (CUC), Accra. Personal and group interviews were conducted on a sample of one hundred and three Staff, comprising four management board members, eleven senior members in administration, thirty-five Academic Staff, twenty-nine Senior Staff and twenty-four Junior Staff. The purposive sampling method was used to select the management board members while the stratified random sampling method was used for the other categories of Staff. The data collected were analysed by the use of the Statistical Product and Service Solutions (SPSS) software.

The study revealed that Staff members were aware of the existence of extrinsic rewards though it had no impact on work performance because Staff desired more.

This study concluded that being motivated intrinsically played a major role in increasing work performance. It was recommended that management should organise training and development programmes, increase incentive packages, grant opportunities to express views and these should be incorporated into the policy making decisions of the Central University College.

ACKNOWLEDGEMENTS

I am thankful to my Supervisor Mr. Kwadwo Tuffuor, who devoted valuable time to guide, advice and place at my disposal his splendid academic judgment, firmness and thoroughness which were of enormous assistance in bringing this study to a final conclusion. My sincere appreciation goes to Prof. Albert Addo-Quaye of UCC, Prof. Clement Dorm-Adzobu, Mr. Paragon Pomeyie, Mr. Kelvin Andersen-Mensah and Ms. Olivia Frempong all of CUC for their assistance, criticisms, guidance and counsel throughout this study.

I also wish to thank Mr. Anthony Amoah and Mr. Daniel Offei of the Department of Economics for their assistance. I am very grateful to Dr. John Anum Sackey and Mr. Worlanyo Afenyo for all the time spent in editing this work.

I thank all Staff of Central University College for their support.

DEDICATION

Dedicated to Mr. & Mrs. Quagraine, Mr. Adolphus Lokko, Ms. Ocloo, my children Adom and Baaba and my siblings - Josephine, Peter, Freida and Gideon.

TABLE OF CONTENTS

Content	Page
DECLARATION	i
ABSTRACT	ii
ACKNOWLEDGEMENTS	iii
DEDICATION	iv
TABLE OF CONTENTS	v
LIST OF TABLES	x
LIST OF ACROYNMS	xi
CHAPTER ONE INTRODUCTION	1
Background to the Study	1
Statement of the Problem	5
Objectives of the Study	7
Research Questions	7
Significance of the Study	8
Scope of the Study	9
Limitations of the Study	9
Organization of the study	10
CHAPTER TWO LITERATURE REVIEW	11
Introduction	11
Extrinsic Rewards and Performance	11
Theories on Rewards and Performance	18

Extrinsic Rewards and Motivation	28
Rewards and Organizational Development	32
CHAPTER THREE METHODOLOGY	34
Introduction	34
Research Design	34
Population	36
Sample and Sampling Procedure	37
Research Instruments	41
Data Collection Procedure	42
Data Analysis	43
CHAPTER FOUR RESULTS AND DISCUSSION	44
Introduction	44
Socio-economic characteristics of respondents	44
Existence of Extrinsic Rewards to Motivate Workforce	49
Impact of Extrinsic Rewards on Work Performance	55
Lessons Similar Institutions Could Use	67
CHAPTER FIVE SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	69
Introduction	69
Summary of Findings	69
Conclusions	71

Recommendations	72
REFERENCES	75
APPENDICES	
A Interview guide	81
B Sample size calculation for Table 2	90
C Calculation of Mean and Standard Deviation for Table 5	91

LIST OF TABLES

Table	Pages
1 Management board members interviewed	40
2 Distribution of other staff	41
3 Gender distribution of respondents	45
4 Cross tabulation of age and highest level of education	45
5 Length of service with CUC	47
6 Respondents' mention of CUC as their first place of work	48
7 Why respondents (some) left their previous place of work	48
8 Existence of extrinsic rewards in CUC	50
9 Extrinsic reward which motivate employees	51
10 Perception of employee's satisfaction on extrinsic rewards in CUC	53
11 Perception of a reward system to complement work input	56
12 Management's view on extrinsic rewards based on performance	57
13 Employee's ranking on extrinsic rewards on work performance	58
14 Management's view on salary as a major motivator to employees	59
15 Change in attitude towards work if granted more extrinsic rewards	60
16 Cross tabulation of extrinsic rewards that will enhance employees' work performance with attitude change	61
17 Intrinsic rewards that motivate employees at CUC	63
18 Employees perception on being motivated intrinsically even without being granted extrinsic rewards	64
19 Addition of more extrinsic rewards in CUC's policy	65

LIST OF ACROYNMS

CUC - Central University College

Freq - Frequency

H.S - Highly satisfied

ICGC - International Central Gospel Church

J.S - Junior Staff

N.S - Not satisfied

NAGRAT - National Association of Graduate Teachers

Per - Percentage

PhD - Doctor of Philosophy

POTAG - Polytechnic Teachers Association

S - Satisfied

S.M (Aca) - Senior Members in Academia

S.M (Adm) - Senior Members in Administration

S.S - Senior Staff

UTAG - University Teachers Association of Ghana

CHAPTER ONE

INTRODUCTION

Background to the Study

Employee performance in any institution is vital not only for the growth of the institution, but also for the development of the employee's career. As a result of this, most institutions are concerned with what steps to take to achieve a sustained high level of performance. This calls for a close attention to how employees can best be encouraged to improve upon their performance through means such as incentives, rewards, and more importantly the work they do and the context within which it is carried out.

Thus employers have to look for the best form of reward to improve employees' performance. Designing and implementing a viable reward system however, is a challenging task for many institutions. This is so because of the dynamic nature of human behaviour, coupled with the fact that there is no single formula for a reward strategy that comprehensively explains all aspects of human behaviour (Brown, 2005).

Reward, according to Pilbeam and Corbridge (2006), encompass pay, remuneration and compensation. It represents a portfolio of managerial practices, where financial and non-financial elements are flexibly directed at enabling and

rewarding employees who add value to the institution in the interest of competitive advantage. According to Pilbeam and Corbridge (2006), a good remuneration, pay and compensation which constitute extrinsic rewards are some strategies an institution can adopt to increase workers' performance and thereby increase institutional productivity.

Rewards can however be classified into two; intrinsic and extrinsic. Intrinsic rewards, according to Mullins (1996), stem from rewards that are inherent in the job itself and which the individual enjoy as a result of successfully completing the task or attaining set goals. Extrinsic rewards, on the other hand, are those that are external to the task or the job, such as pay, fringe benefits, security, promotion, company policy, contract of service, the work environment and conditions of work. These extrinsic rewards are often determined at the institutional level, and are largely outside the control of individual employees.

For an institution to reward its employees, the employees must put into their work their best effort to the benefit of the institution. An institution must therefore know its outstanding employees, those in need of additional training and those not contributing to its efficiency and welfare. In order to achieve this, performance on the job must be assessed at all levels of employment by using certain indicators. These indicators include personnel decision relating to promotion, job rotation, job enrichment, among others. Such assessments are normally based on an objective and systematic criteria which include factors relevant to the person's ability to perform on the job. Ajila and Abiola (2004) have stated that, the overall purpose of performance evaluation is to provide an

accurate measure of how well an employee is performing the task or job assigned to him or her. Based on the overall purpose of performance evaluation as stated by Ajila and Abiola (2004), decisions will be made affecting the future of the employee. Therefore, a careful evaluation of an employee's performance can uncover weaknesses or deficiencies in a specific job skill, knowledge, or areas where motivation is lacking.

The view that granting of specific rewards will encourage increase in employee performance has not always been substantiated. In spite of this, managements have often attempted to enhance performance by offering incentives to employees and have often attributed performance increase to them. In line with this, all effort must be geared towards developing employee's interest in their job so as to make them happy in giving off their best to their work, as it contributes significantly to industrial harmony. All these issues call for research in order to bring to focus how an appropriate reward package can improve or influence employees to develop positive attitude towards their job and thereby increase their productivity.

In Ghana, for example, most workers go on strike due to low wages. Workers of the Metro Mass Transport Company were reported to have gone on a nation-wide strike for this same reason (Bonney, 2009). Darfah (2009), also reported that "workers of the same company in Kumasi embarked on a peaceful demonstration to draw public attention to their conditions of service". Also, members of the National Association of Graduate Teachers (NAGRAT) in March, 2010 embarked on an indefinite strike action over delays in payment of their car

maintenance and responsibility allowances (Gadugah, 2010). A radio station, Joy FM, based in Accra, reported in October 2010, that the University Teachers Association of Ghana (UTAG) embarked on a strike action to demand increased salaries and the payment of salary arrears. The same radio station reported that the Polytechnic Teachers Association (POTAG) was on a five-week strike to protest delays in negotiations for better service conditions. All these strikes by the various associations, emphasis the need for the provision of more extrinsic rewards. In view of these problems faced by management of institutions and the nation as a whole, the study attempts to find out what impact extrinsic rewards have on workers' performance. The result will address problems arising from motivational issues in institutional settings.

Brief on Central University College

Central University College which is an educational initiative of the International Central Gospel Church (ICGC). It has its origins in a short-term pastoral training institute, which was started in October 1998 by ICGC. It was incorporated in June 1991 under the name, Central Bible College. In 1993, the name was changed again to Central Christian College. The College later upgraded its programmes to the baccalaureate level and in line with national aspirations, expanded its programmes to include an integrated and practice-oriented business school, named Central Business School. The National Accreditation Board has since accredited it as a tertiary institution. It is co-educational with equal access

for male and female enrolment. CUC now boasts of three schools and one faculty. These are the School of Theology and Missions, the Central Business School, the School of Applied Sciences and the Faculty of Arts and Social Sciences. (CUC, Congregation brochure, 2011)

CUC's Vision and Mission

The CUC's vision is to raise virtuous and transformational leaders for our world. The mission statement of the University on the other hand, is to nurture a vibrant academic community conducive for the study, creation and dissemination of knowledge through research, training and service. (CUC, Undergraduate Students' Hand Book, 2011)

Statement of the Problem

All effort must be geared towards promoting workers' interest in giving off their best. Vroom (1964), supports the assumption that workers tend to perform more effectively if their wages are related to performance which is not based on personal bias or prejudice, but on an objective evaluation of the employee's merit. Rewarding employees appropriately as Vroom suggests, can be a really difficult task. Ghana's laws, including the Constitution and the Labour Act, (Act 651, 2003), highlight the issue of "equal pay for equal work done". This explicitly means that workers must receive pay that is commensurate with their work without distinctions of any kind. However, employees at Central University College exhibit tendencies which reflect the non-adherence to these national and

labour laws by management due to the following reasons. These reasons were given by the employees when some were engaged in an informal interview.

Central University College (CUC) runs a four-session schedule, namely morning, afternoon, evening and weekend. It also operates from four campuses situated at Miotso near Prampram, Ridge, Mateheko and Dansoman, with employees having to shuttle between and among these campuses. Though some monies are paid as overtime for extra hours work', these monies are also taxed, and therefore do not provide enough incentive for employees. Again, some employees sit for long hours and are prone to strained eyes and backaches which pose as threats to their health and safety. Some employees said they sometimes leave their offices as late as 10:00pm in order to meet deadlines and to attend to students. (Some employees, personal communication, July 30, 2009).

Coupled with the above, is the lack of in-house training. Even where there is training, employees are quite often transferred to other units after a training exercise, rendering the knowledge acquired wasted. The workers often complain of the inability on the part of management of CUC to adequately reward hard work. Thus, CUC is experiencing the phenomenon of employees engaging in other economic activities with other institutions. There has therefore been a high labour turnover over the past few years, with about fifteen (15) members of staff resigning as at July 2009 of the 2008/2009 academic year. (V. Quist, personal communication, August 4, 2009)

The low rate of performance of these workers can be blamed on several factors, which were raised by some employees during an interaction session.

Some of these factors relate to management's failure to provide adequate compensation for hard work. Lack of facilities, such as classrooms for faculty members to execute their required jobs is another. For example, with a total student population of about "7000" (CUC, 2008), at the Dansoman and Mataheko campuses, the institution does not have a corresponding number of classrooms to accommodate these students. The problem therefore is that there is a poor working environment and a lack of appropriate compensation. These have led to low morale and high employee turnover.

Objectives of the Study

The broad aim of the study was to find out the relationship between extrinsic rewards and work performance of employees of Central University College (CUC).

The specific objectives were to:

1. Find out the extrinsic rewards that exist at CUC to motivate its workforce.
2. Determine the impact of extrinsic rewards on work performance at CUC.
3. Draw lessons that similar institutions in Ghana and the international community can use to create sustainable reward systems.
4. Provide recommendation to stakeholders.

Research Questions

The research questions that were put forward to answer the objectives were:

1. What are the extrinsic rewards which motivate staff in CUC?

2. What has been the impact of extrinsic rewards on work performance at the CUC?
3. What lessons can be drawn from the study to be used as a guide for similar institutions in Ghana and the international community?

Significance of the Study

Central University College (CUC) is one of the foremost private tertiary institutions. It is founded on Christian principles which seek to ensure that the best service is offered to its clientele. The only way to attract and retain more customers that is students in a sustainable manner is by ensuring that employees are well rewarded for best performance, efficiency and effectiveness. To ensure that the University continues to produce graduates who are adequately prepared for the job market, there is the need to create a good working environment for its employees in order for them to deliver the best services they can.

The study therefore seeks to identify those measures that will help the management of CUC to put more emphasis on extrinsic rewards in order to increase work performance. Thus, this study is significant by way of identifying the extrinsic rewards needed to keep employees at the university motivated and productive. The study will also contribute to existing literature on rewards and employee performance in tertiary institutions in Ghana as a whole by providing a ready reference for further academic research.

Scope of the Study

The Central University College has a total of four hundred and one (401) teaching and non-teaching staff strength (CUC, 2010). This is made up of the following: five (5) management board members who make the strategic policy decisions for the University. One hundred and forty-one (141) senior members who are academic and professional staff and are members of convocation. Forty-four (44) senior members who are administrative staff and who upon appointment become members of convocation and have second degrees. One hundred and fifteen (115) senior staff which comprise those persons in the employment of the University and are of a rank not lower than that of an Administrative Assistant or its equivalent. These categories of employees have first degrees and Higher National Diplomas or their equivalents. Ninety-six (96) junior staff who are persons in the employment of the University of the rank below that of an Administrative Assistant or its equivalent.

Limitations of the Study

The study is limited mainly on the impact of extrinsic rewards and not both intrinsic and extrinsic which would have given a holistic view on how rewards in general influence employees' work performance. Furthermore, the data collected was from one source (CUC), thus generalising the findings may not be suitable to some other employees in other institutions. Finally, since the research design for the study is the survey type and as stated by Creswell (2003), results of observational studies are not repeatable and thus cannot be replicated.

The researcher however, ensured that there was no bias by the use of an interview guide which was arrived at after a pre-test through a pilot study; thus making the type of research design used very reliable.

Organisation of the Study

The study is organised into five chapters. Chapter one provides the background to the issue of rewards, with emphasis on extrinsic rewards and work performance. It also provides the statement of the problem, objectives of the study, justification of the study, scope and limitations of the study. Chapter two contains a discussion of available literature on extrinsic rewards and performance. It also comprises the theories on rewards, extrinsic rewards and motivation and finally, rewards and organisational development. The methodology used for conducting the study is presented in chapter three. Chapter four covers the results and discussion of the field study. Finally, chapter five comprises the summary, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

Introduction

Stemming from chapter one which focused on the general background to the study, this chapter provides an extensive review of the literature and empirical research related to the study. It also looks at certain preconditions that have been identified and generally accepted for implementing extrinsic reward programmes. The chapter is divided into the following sections. Extrinsic rewards and performance, theories on rewards and performance, extrinsic rewards and motivation and finally rewards and organisational development

Extrinsic Rewards and Performance

Extrinsic rewards, according to Mullins (1996), are salaries, fringe benefits, security, promotion, contract of service, the work environment and conditions of work. These rewards are often determined at the institutional level and may be largely outside the control of the individual employees. Byars and Rue (1997), define extrinsic reward as directly controlled and distributed by the institution and are more tangible in nature. Examples by Byars and Rue (1997),

are formal recognition, fringe benefits, incentive payments, pay, promotion, social relationships and work environment.

To gain a better understanding of what extrinsic rewards are, there is the need to define “rewards” and “organisational rewards”. Webster's Revised Unabridged Dictionary (1996) defines a reward as compensation or remuneration for services rendered or a sum of money paid or taken for doing, or forbearing to do some act. According to Leopold (2002), rewards are defined as the desired outcome of the task. The Collins English Dictionary (2005) also defines reward as something given in return for a deed or service rendered especially to show gratitude. Thus, a reward is all the monetary, non-monetary and psychological payment that an organisation provides for its employees in exchange for the work they perform. It must, however, be noted that the mixture of both intrinsic and extrinsic rewards provided by an institution is termed the reward system, while the monetary element is the pay system. However, before a reward can be given to an employee, there must be some kind of exchange which will ultimately lead to a contractual agreement between the two parties.

In linking extrinsic rewards to performance, one must also define performance. According to Byars and Rue (1997), performance refers to accomplishment of the tasks that make up an employee's job. Performance by an employee of Central University College in a given situation for example, can be viewed as resulting from the interrelationships among effort, ability and role perceptions. Performance of employees can include quality of output, timeliness of output and presence at work. Borman and Motowidlo (1993), also view the

characteristics of performance as both multi-dimensional and dynamic in nature. Although there may be exceptions, high performers get promoted more easily within an organisation and generally have better career opportunities than low performers, as explained by Motowidlo and Van Scotter, (1994). However, relatively little effort has been spent on clarifying the performance concept. Authors like Campbell (1990), and Campbell, Mccloy et al. (1993) agree that when conceptualising performance, one has to differentiate between an action which is the behavioural aspect and an outcome aspect of performance,

In the CUC situation, “behavioural aspect” refers to what an employee does in the work situation. It encompasses behaviour such as attending to students’ complaints, teaching/lecturing for understanding and learning to take place, preparing academic calendars and preparing examinations time-table among others. The outcome aspect, on the other hand, refers to the consequence or result of the individual employee’s behaviour. In CUC, the outcome aspect would be the institutions ability to ensure students graduate at the stipulated time according to the institutions policy. Performance is thus not defined by the action itself but by judgemental and evaluative processes, as viewed by (Ilgen & Schneider 1991, Motowidlo et. al., 1997). Campbell et al. (1993), buttress this point by stating that performance is what the organisation hires one to do, and do well”

Performance management, on the other hand, is defined by Dessler (2005), as the act of managing all elements of the institutional process that affect how well employees perform to achieve institutional goals. All these views call

for research in order to bring into focus, how an appropriate reward package can influence employees to develop positive attitude towards their job and thereby increase their performance.

In the endeavour to design appropriate reward packages, findings of studies conducted must be considered. A case in point is the research work that Ajila and Abiola (2004), undertook. Their study on the influence of rewards on workers' performance in an organisation showed that workers' reward package matters a lot. The first hypothesis they stated was, "there exist a significant relationship between extrinsic rewards and workers performance". Subjects for the study consisted of one hundred (100) workers of Central Bank of Nigeria, Abuja. Data for the study were gathered through the administration of a self-designed questionnaire. The data collected were subjected to appropriate statistical analysis using Pearson Product Moment Correlation Coefficient, and all the findings were tested at 0.05 level of significance.

The results obtained from the first hypothesis showed that workers place great value on the different rewards given them by their employers. That is when there is an increase in extrinsic reward like salary, allowances etc. given to workers, there will also be a corresponding increase in workers performance. Hence, when these rewards are not given, workers tend to express their displeasure through poor performance and non-commitment to their jobs. Ajila and Abiola (2004), again state that their research proves that there is a positive connection between employee satisfaction and other extrinsic incentives. They again state that there is the need to create a working environment that emphasises

reward. Manolopoulos (2008) also notes that pay choices available to employees have a positive effect on a firm's performance. The researches conducted by Ajila and Abiola (2004), and Manolopoulos (2008), point to the terms and conditions under which employees work.

Thus the terms and conditions under which work is undertaken are of central importance. These terms and conditions relate to the "market exchange", which is the economic side of the job contract and the "managerial relations". Thus, to use the economic side of the contract, the rewards will have to be based on performance, giving rise to the performance-related pay structure. Performance-related pay structure can be defined as a system in which an individual's increase in salary is solely dependent on his or her performance.

At CUC, the performance-related pay structure is partially applicable. Salary increments are done yearly across the board. That is if a (10%) increment is approved it affects all and sundry. In addition to this however, there is also the "jump system" where each employee upon the assessment of the immediate supervisor is given incremental jumps within a salary scale for a position. Assessment for such incremental jumps is to some extent flawed because supervisors tend to score all their subordinates irrespective of their performance within the same rate to avoid being tagged "bad" or "wicked" bosses. Additionally, employees do not seem to appreciate these incremental jumps because the amount given for each jump is regarded as being too small.

Relating extrinsic rewards to performance requires that performance be accurately measured, as stated earlier, which is often not easily accomplished. It

requires discipline to actually relate extrinsic rewards to performance. It is observed that the relationship between extrinsic rewards and work performance is however of a parallel nature. Thus, they move concurrently, so an increase in the provision of extrinsic rewards will lead to an increase in work performance. This parallel nature of extrinsic rewards and work performance is buttressed by the rational economic need approach, which is a viewpoint held by Taylor (1911) who is regarded as the father of the Scientific Management Theory. Taylor (1911), stated that labour can tolerate work if pay is decent and all it takes to motivate to lead to increased performance is higher wages.

However, Elton Mayo, who conducted the “Hawthorne experiments” from 1927 to 1932, is of a contrary view. From his experiment the “Relay Assembly Test Room Study” conducted from 1927-1929, two small groups of six female telephone relay assemblers were selected. Each group was kept in separate rooms. From time to time, changes were made in working hours, rest periods, lunch breaks, etc. They were allowed to choose their own rest periods and to give suggestions. Output increased in both the control rooms. It was concluded that social relationship among workers and participation in decision-making, had a greater effect on productivity than working conditions. He realised that employees were motivated not only by wages as Taylor (1911) states, but were motivated if their need for recognition and sense of belonging were met. He also noted that attitudes of employees were greatly influenced strongly by group work. This view point expressed by Elton Mayo is a truism in relation to what pertains at CUC. This is because whiles collecting the data, employees of CUC expressed in

explicit terms their need for recognition. Some of the respondents said the only such time awards totalling about five (5) were given to some few selected employees was during the tenth anniversary of the institution. Employees said that on that particular occasion were infinitesimal compared to the size of the institution. Other respondents said they feel alien to the institution and have no sense of belongingness. They justified this by saying that huge gifts are constantly given to only top management and key officers like the Deans and Heads of departments while the rest who are in the majority receive nothing of such nature even in small quantity.

Another contrary opinion is held by Owen (1949), a paternalist who at his textile mill at New Lanark in Scotland compared humans to machines. He believed that if a machine is looked after well, it would perform efficiently, reliably and lastingly. Thus, employees were likely to be more efficient if they were taken care of. He therefore considered the total wellbeing of employees as what would motivate them and not just the granting of higher wages, as postulated by (Taylor, 1911). Finally, Skinner (1953), the advocate of the “reinforcement theory” believes that the only way to motivate employees is by Management constantly making positive changes to improve the external environment of the organisation or institution. All these varied viewpoints indicate that extrinsic reward is not inherently good or bad by nature, but it can enhance work performance of employees if it is managed well.

Theories on Rewards and Performance

There are various theories on rewards, but it is difficult to select one that embraces the entire range of extrinsic rewards suitable for employees because of institutional and personal circumstances. An extrinsic reward that propels an employee today may be of no relevance tomorrow, yet may become viable again the day after. This, perhaps, may be because human beings are the most varied of all variables. Equally, every individual employee is different and will respond differently to particular reward processes. This need of humans to respond differently is referred to as “The law of individual differences” by Tyler (1965). This means that individuals differ in personality, abilities, values and needs. These differences manifest themselves in different desires and in different reactions. The convention is, therefore, to classify the theories into content and process.

Content theories, as defined by Mullins (1996), concentrate on identifying the motives that produce behaviour. These theories attempt to explain those specific things which actually drive the employee at work to perform. The theories are concerned with identifying people’s needs and their relative strengths and the goals they pursue in order to satisfy these needs.

Process theories on the other hand, emphasise those mechanisms that encourage (or reward) behaviour in the dynamic context. They are concerned with how behaviour is initiated, directed and sustained. For the purpose of this study, which is limited to extrinsic rewards, emphasis will be placed on the theories which actually deal with the process of motivation. These include the

expectancy theory, the goal theory, the equity theory, Porter-Lawler motivational model, Deci's motivational model and Herzberg's two-factor theory.

Expectancy Theory

The Expectancy theory of Vroom (1964) assumes that behaviour results from conscious choices among alternatives whose purpose is to maximise pleasure and minimise pain. Together with Porter and Lawler (1968), they suggested that the relationship between individuals' behaviour at work and their goals is not as simple as was first imagined by other scientists. The expectancy theory states that individuals have different sets of goals and can be induced to work if they believe there is a positive correlation between effort and performance.

The basis of the expectancy theory is that employees are influenced by the expected results of their actions. Therefore, what will induce employees of CUC, for example, will be as a result of the relationship between the effort used, the perceived level of performance and the expectation that the desired outcome or reward will be related to the performance. Vroom (1964), suggest that an employee's belief about Expectancy, Instrumentality and Valence interact psychologically to create a driving force, such that the employee acts in ways that bring pleasure and avoid pain. This force can be calculated via the following formula: $\text{Motivation} = \text{Valence} \times \text{Expectancy (Instrumentality)}$. This formula can be used to indicate and predict things such as job satisfaction, one's occupational choice, the likelihood of staying in a job, and the effort one might expend at work.

Thus for anyone implementing Vroom's expectancy theory in Central University College (CUC), according to Dessler (2005), the following principles must be adhered to, since they can lead to increased performance or vice versa. Employees must value the rewards offered by the institution, employees must put in more effort if they believe that good performance will lead to the achievement of the desired rewards. In addition, employees of CUC must have the opportunities, ability, resources and effective management skills to carry out assigned tasks. They must also believe that the quality of their work and expected rewards are directly related to and reflect the effort they put into the job. Finally, management of CUC must communicate their expectations and objectives clearly, in order to ensure that employees understand which behaviours are required of them. In order to increase expectations, management must make sure that rewards are clearly and visibly linked to performance. Management must also recognise the important role played by the comparisons in determining employee satisfaction, and the consequent levels of efforts they will put into a task.

The above principles by Dessler (2005), shows that the level of effort that an employee of CUC puts into his or her work shows how hard he or she works to perform a chosen task in consonance with the institutions' goals and objectives. This fact is buttressed by Porter and Lawler's (1968) motivational model, in which managers are able to control employee behaviour by linking the occurrence of the desired behaviour to some form of reward, thereby ensuring predictability of behaviour. This presupposes that employees can perceive that effort, abilities,

barring all external constraints and role perception, will eventually lead to performance which will attract the rewards they desire.

Goal Setting Theory

Locke (1976) puts forward a theory based on goal setting. This theory suggests that it is the goal that an employee is aiming for which inspires, rather than just the satisfaction of attaining set goals. Locke's view is that what a staff values or desires, determines the goal set, but that what actually drive the employee are the goals themselves. According to Locke (1976), goals influence the employee's intentions, which are defined as the "cognitive representations of goals to which an employee is committed". This commitment will continue to direct employee behaviour until the goal is achieved, or until a decision is made to change or reject the goal.

Goal – setting theory, as articulated by Locke (1976), also states that performance goals play a key role in inspiring employees. The theory proposes that the presence of performance goals can mobilise employees' effort, direct their attention, increase their persistence, and affect the strategy they will use to accomplish a task. A research by Katzell and Thompson (1990) also shows that goals that are specific, difficult, accepted or achievable by employees lead to higher levels of performance than easy, vague or no goals at all. Another study conducted by Erez and Zidon (1984), emphasises the need for acceptance of and commitment to goals. They state that demanding goals lead to better performance than easy ones.

Equity Theory

Another theory which is related to the study is the Equity Theory. The Equity Theory by Adams (1963) is concerned with the equitable nature of reward and the significance it has on employee's perception. Thus, the equity theory becomes significant when an employee perceives that the relationship between effort and rewards are of equitable value. The variables that Adams (1963), considers are 'inputs and outputs'. Relating them to CUC, education, skill, experience and effort would be considered as inputs, while salary, fringe benefits, career advancement, among others, which are considered extrinsic rewards, will be viewed as outputs.

In applying it to CUC, the output of a staff must equal the output of another staff that is on the same rank. This model, therefore, extends beyond the individual self and incorporates influences and comparisons of other people's situations. The actual sense of equity or fairness (or inequity or unfairness) within the Equity Theory is arrived at only after incorporating a comparison between one's own input and output ratios. It is with the input and output ratios that we see or believe to be experienced or enjoyed by others in akin situations that influence performance. This comparative aspect of the Equity Theory provides a far more dynamic view on employee motivation and performance. This is because it is not based on individual circumstance alone. For example, the Equity Theory explains why staff can be happy and inspired to work hard one day. However, with no change in their terms and working conditions, employees can be very unhappy the next day if they learn, for example, that a colleague is enjoying a better reward-to-

effort ratio. It also explains why giving one employee promotion or pay-rise can have a de-motivating effect on others.

To better understand Adam's Equity theory, however, what should be of significance is the 'ratio', not the amount of effort or reward per se. This explains for example why and how full-time employees at CUC will compare their situations and input-to-output ratios with employees of other tertiary institutions. However, it is the ratio of input-to-output and reward-to-effort, which counts, and if the part-timer is perceived to enjoy a more advantageous ratio, then this will have a negative effect on the full-timer's sense of equity, and with it, his or her personal stimulus to work. It is observed that the Adams' Equity Theory can be applied when striving to improve an employee's reward level and what can be done to promote higher levels of work performance. To be able to do this, however, it is essential to consider the balance or imbalance that currently exists between employee's inputs and outputs.

According to the theory, employees should be content when they receive output which is in balance with their input. If the balance lies too far in favor of the employer, some employees may work to bring balance between inputs and outputs on their own, by asking for more compensation or recognition. Others will be de-motivated, and still others will seek additional employment which is the case happening in CUC.

Gibbs (1980) notes that the Adam's equity theory, which is based on the effects of various payment conditions on job inputs, has been used extensively. An example is to determine the specific effects of over-and-underpayment on

employees job productivity (quantitatively and qualitatively), and job satisfaction. According to Gibbs (1980), the most common inequity situation in organisations is that of underpayment, the perception that one is receiving less compensation than others for the same quantity and quality of job inputs.

Porter-Lawler Motivational Model

A theoretical model relating work, effort, work performance and job satisfaction was developed by Porter and Lawler (1967). They presumed that job satisfaction resulted from work performance. According to Porter and Lawler (1967), an employee estimates the probability of effort leading to a certain level of performance and the probability of the outcomes linked to that performance. Once that chain of behaviour has been set in motion and the employee receives rewards for his performance, he makes adjustments based on the comparison of his expectations to the perceived value of the reward and the contingency of the reward on the effort and resulting performance.

In the case of extrinsic rewards, two important factors are considered. The “perceived valence of the reward and the contingency relationship among effort, performance and the reward”. If an employee receives valued rewards for performing well, then linkage between performance and outcomes will be strengthened and enthusiasm of the employee will increase for the next chain of behaviours. Schuster et al. (1971) buttress the view of Porter and Lawler (1967) and they state that, in the event that the reward has no value for the employee or if

an employee does not perceive the contingency relationship between reward and performance, then the result will be a decrease in motivation.

Porter and Lawler (1967) again, state that the greater the rewards, on the basis that they meet the assumptions of contingency, equity and valence, the greater will be the level of satisfaction, motivation and subsequent performance. Results from a research conducted by Hamner and Foster (1975), support the fact that an increase in task performance is achieved as a result of the additive effects of rewards. Whether or not the reward is perceived as fair may have a direct effect on the worker's satisfaction and indirectly upon work effort and performance. Therefore an increase in reward size would enhance motivation and performance, with the opposite effect taking place for diminished rewards in CUC. However, the relationship between motivation, work performance and job satisfaction is a complex one with each factor influencing and being influenced by the other. The status of the relationship depends upon where the employee is functioning in the chain of behaviours. Basically, the relationship between an extrinsic reward and satisfaction is that, as pay increases, so does satisfaction, and consequently work performance.

However, since extrinsic rewards are administered by the management of CUC and not by the employee receiving them, the perceived link between performance and reward is very important. With this in mind, it can be seen that if the association between extrinsic reward and performance is strong, there will be a positive relationship between performance and satisfaction; if it is not strong,

the relationship will be negative or zero as postulated by Porter and Lawler (1967).

Deci's Motivational Model

Unlike Porter and Lawler (1967), Deci (1975), notes that extrinsic rewards have a negative effect on intrinsic motivation, instead of extrinsic and intrinsic rewards acting together to affect performance. He proposed some factors which account for changes in intrinsic motivation. The first proposition is that extrinsic rewards can diminish intrinsic motivation. Thus, once an employee begins to receive extrinsic rewards such as pay for performing a job, the origin of the reward is perceived of as shifting to an external source. Control therefore moves from internal to external with the result being a loss of intrinsic motivation for performing the task. Deci (1975) points out that the first proposition implies two important things. Firstly, extrinsic rewards are somehow more salient and have a greater effect on motivation than intrinsic rewards. Extrinsic rewards can and do pre-empt the motivating effects of intrinsic rewards. Secondly, if the person believes the locus of causality is external (outside of his control), he will behave in accordance with that perception. Deci's work shows that extrinsic rewards have an effect on work performance and his work is supported by an empirical research conducted by Kruglanski et al. (1971).

According to Kruglanski et al. (1971), on evaluating the effects of extrinsic rewards on motivation and performance, they noted that it was important to establish the difference between factors that might influence this relationship.

They reported that extrinsically rewarding an intrinsically motivating task resulted in an increase in qualitative task performance.

The Two-factor Theory

Another theory to consider is the two-factor theory which is postulated by Herzberg. Herzberg's two-factor theory (1968), divides the act of motivating employees into two categories. These are the motivators which are intrinsic factors and hygiene factors which are extrinsic. Motivators or intrinsic factors are largely responsible for job satisfaction, while hygiene or extrinsic factors, such as pay and job security are largely mentioned when employees refer to job dissatisfaction. This theory focuses on structuring work in such a manner that the employee can satisfy his need to avoid pain, as well as his or her need to grow and develop in the work environment. Herzberg's theory states that extrinsic rewards are only 'hygiene' factors, which neither motivate nor de-motivate, but must be set at just the right level.

Mullins (1996), is however of a different view. He states that Herzberg's two-factor theory cannot be taken wholly and in practice does not exist. Thus, in Central University College, for example, scholarships are not offered to employees to further their education, especially at the Master's degree level. This attests to Mullins' view point. Thus, 'good pay', for example, is a real extrinsic reward that some employees of CUC desire, to enable them further their education and also to attend to their various needs. However, due to the law of individual difference (Tyler, 1965) to be able to increase performance of

employees, management of CUC can take into account certain traits of their employees. These can be employees' cultural background, education, age, career, personal aspirations and life style. Having taken these traits into consideration, management can then devise appropriate policies to motivate employees.

Herzberg's theory assumes that attitude does not determine behaviour. He further states that employees tend to perform better on jobs with proven challenges and which present them with an opportunity for growth. In order to assess the attitudes of employees, Herzberg (1968), asks the following questions: what does the employee seek? What makes him happy? What does the employee wish to avoid? What makes him happy? Employees of CUC will be unhappy if the institution does not address their hygiene needs, though satisfying these needs will only have short-term consequences. This is because, according to Herzberg, increased productivity, lower absenteeism and turnover will last for only a short time. He states this because a person's needs are recurrent and therefore, employee demands will have to be constantly satisfied.

Extrinsic Rewards and Motivation

Central University College (CUC) needs a group of high performing employees in order to meet set goals and objectives and to gain competitive advantage in the tertiary educational market. The institution therefore needs to keep her employees motivated in order to achieve the high performance levels desired. This calls for close attention to the way employees can best be encouraged or motivated to improve upon performance through means such as

incentives, rewards, and, more importantly, the work they do and the context within which work is carried out.

Motivation is thus defined by Campbell (1976), as a label for the determinants of a choice to initiate effort on a certain task. This deals with the choice to apply a certain amount of effort and the choice to continue expending effort over a period of time. According to him, effort is directed towards achieving a goal and this is manifested in performance, or the degree to which a goal is achieved. Extrinsic motivation is a construct that applies whenever an activity is done in order to attain some separable outcome. Mullins (1996), states that extrinsic motivation is related to extrinsic rewards such as salary, fringe benefits, security, promotion, contract of service, the work environment and conditions of work.

According to Mitchell (1982), motivation is underlined by four common characteristics which are as follows. Motivation is an individual phenomenon, it is intentional, it is multifaceted and motivation theories predict behaviour. According to Ryan and Deci (2000), over three decades of research conducted by them has shown that the quality of experience and performance can be very different for employees depending on how they are motivated. These definitions and viewpoints are supported by some empirical studies undertaken by some researchers.

Skinner (1953), who propounded the reinforcement theory, attests to the fact that employee motivation is at its best when it is based on designing the external environment at the work place to suit employees. Skinner (1953), states

that instead of considering internal factors like impressions, feelings, attitudes and other cognitive behaviours, employees are rather moved by what happens in the environment external to them. Thus, work environment should be made suitable to the employees because the only way to motivate employees is to keep on improving the external environment.

Another viewpoint on motivation is held by (Deci, 1975). He believes that reinforcement strengthens instrumental performance. He further states that reward is the aspect of the reinforcing situation which is basically responsible for behavioural effects of reinforcement. He further defines reward as the internal condition brought about by the attainment of a goal. The properties of reward therefore determine increments or decrements in overall motivation.

Gibbs (1980), notes that job satisfaction is crucial to the relationship between motivation and job performance. This is noted in the high positive correlation between job dissatisfaction and rates of turnover and absenteeism. He defines job satisfaction as the extent to which an individual experiences a pleasurable emotional state as a result of fulfilling important job values. It is based on several basic factors, among which are, firstly, the extent that personal job values are well-matched with the goals and values of the institution. The second factor is whether employees perceive the reward as a fair compensation for performance. And lastly, whether or not the rewards are perceived of as being dependent on performance.

According to Ryan and Deci (2000), if a person is motivated it means that person has been moved to do something. Almost everyone who works with other

people is concerned with motivation, and this brings out the issue of what can motivate employees to perform a task. A lot of motivation theories have reflected these concerns by seeing motivation as a unitary phenomenon, one that varies from very little motivation of act to a great deal of it. Levels of motivation, as well as the course of motivation always vary. Ryan and Deci (2000), notes that the orientation of motivation concerns the underlying attitudes and goals that give rise to action – it concerns the why of actions.

According to Maund (2001), the issue of what motivates an individual to perform and how best to use extrinsic rewards to bring out a higher performance is influenced by many variables. This is as a result of the fact that each individual worker has a variety of changing needs and expectations which he or she tries to satisfy in a number of different ways.

Still on the issue of extrinsic rewards and motivation, Ajila and Abiola (2004), state their view. They assert that an extrinsically motivated person will be committed to the extent to which he can gain or receive external rewards for his or her job. They further suggest that for an individual to be motivated in a work situation there must be a need. This need must make the individual employee perceive that the possibility of satisfying a particular need is through some reward.

Another empirical study undertaken was by Egwuridi (1981) which investigated motivation among Nigerian workers using a sample of workers of high and low occupational levels. The hypothesis that low-income workers will be

intrinsically motivated was not confirmed, and the expectation that higher income worker will place a greater value on intrinsic job-factors than low-income workers was also not confirmed. This showed clearly the extent of value placed on extrinsic job factors, because it was realised that whether a worker is of low-income or high-income the worker will place much value on extrinsic job factors.

Rewards and Organisational Development

This section, deals with linking rewards to organisational development. In view of that, organisational development will also have to be defined. Desimone and Harris (1998) define organisational development as a process to enhance the effectiveness of an institution and the well-being of its members through planned interventions. Cole (2002) also defines organisational development as a long range or strategic approach to change. This change involves the whole organisation or a major part of it and is aimed at improving institutional processes and cultural development as a major contribution to the organisation's mission and goals.

According to Smith (1994) the survival of the institution is an important reason for motivating its employees. Bratton and Gold (1999) buttress this by stating that increased institutional effectiveness arises from high performance efforts of workers which ensure institutional success. The only means by which an institution can stay alive within the context of the present day environmental dynamics is through high level performance. This high level performance can only be obtained through the development and maintenance of a crop of highly

motivated workers. In today's competitive economic environment, the worker becomes, even more, an important factor in the promotion of productivity for economic growth and an important agent in mobilising all factors of production towards achieving a competitive advantage.

Smith (1994), again states that a careful evaluation of an employee's performance can uncover weaknesses or deficiencies in a specific job skill, knowledge, or areas where motivation is lacking. Once identified, these deficiencies may be remedied through additional training or the provision of the needed rewards. This also emphasises the point made by Lindner (1998). He states that motivated employees help institutions to survive since motivated employees are more productive. He also notes that employee motivation, in the long run, tends to be a cost-saving device for the institution, since employees would give of their best to the institution, thus ensuring organisational development.

CHAPTER THREE

METHODOLOGY

Introduction

While in chapter two the study reviewed literature in relation to the topic “the impact of extrinsic rewards on work performance” this chapter describes and discusses the data collection method. This comprises the research design, population and the sample techniques used in gathering data for the research. It specifies the model that was used and also emphasises the method adopted for analysing the data. Methodology, according to Creswell (2003), is the rationale and the philosophical assumptions that underlie a particular study relative to the scientific method.

Research Design

A research design is called for to minimise any bias. Kothari (1990), states that “a research design ensures that the reliability of the data collected is high and also cost-effective”. The research design that the study adopted was the survey type. According to Sarantakos (1997), surveys are not only a common research tool, but also a part of a person’s life experience. The specific survey was the interview type which was based on an interview guide. This was because, again

according to Sarantakos (1997), this type of research design allows for information to be gathered through oral or written questioning or both. It is also controlled by the researcher and thus helped to avoid bias and distortions

The rationale for the choice of the survey was because it is useful where it is not possible to test and measure the whole population. The survey type was again adopted because this type of research design allows for respondents to be observed without affecting their normal behaviour.

However, there are some disadvantages to this type of research design. According to Creswell (2003), the results of observational studies are not repeatable, and so there can be no replication of the experiment and reviewing of the results. The researcher however, ensured that there was no bias by the use of an interview guide which was arrived at after a pre-test through a pilot study.

Study institution

The study institution is Central University College which is an educational initiative of the International Central Gospel Church (ICGC). It has its origins in a short-term pastoral training institute, which was started in October 1998 by ICGC. It was incorporated in June 1991 under the name, Central Bible College. In 1993, the name was changed again to Central Christian College. The College later upgraded its programmes to the baccalaureate level and in line with national aspirations, expanded its programmes to include an integrated and practice-oriented business school, named Central Business School. The National Accreditation Board has since accredited it as a tertiary institution. It is co-

educational with equal access for male and female enrolment. CUC now boasts of three schools and one faculty. These are the School of Theology and Missions, the Central Business School, the School of Applied Sciences and the Faculty of Arts and Social Sciences. (CUC, Congregational brochure, 2011)

CUC's Vision and Mission

The CUC's vision is to raise virtuous and transformational leaders for our world. The mission statement of the University on the other hand, is to nurture a vibrant academic community conducive for the study, creation and dissemination of knowledge through research, training and service. (CUC, Undergraduate Students' Hand Book, 2011)

Population

Castillo (2009) defines a research population as generally a large collection of individuals or objects which is the main focus of a scientific query. It is for the benefit of the population that researches are done. However, due to the large sizes of populations, researchers often cannot test every individual in the population because it is too expensive and time-consuming. According to Castillo (2009), there are two types of population in research the target and the accessible population. The target population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions. The accessible population on the other hand, is the population in research to which the researchers can apply their conclusions. This population is a subset of the target population and is also known as the study population.

The target population for the study is the staff of Central University College, which comprises four hundred and one (401) individuals. This was made up of one hundred and forty-one (141) Senior Members who were academic staff, forty-four (44) Senior Members who were administrative staff, one hundred and fifteen (115) Senior Staff and ninety-six (96) Junior Staff.

Sample and Sampling Procedure

Sarantakos (1997) defines sample as the study of a small proportion of the population, while sampling is the process of choosing the units of the target population which are to be included in the study. Sampling, according to Sarantakos, is of importance in any research because it enables the researcher to study a relatively small number of units in place of the target population, and to obtain data that are representative of the whole target population. Sampling also requires less time and produces quick answers, and is more economical. Again, it is thought of to offer more detailed information and a high degree of accuracy because it deals with relatively small numbers of units. Finally, it is less demanding in terms of labour requirements. Thus the sampling was done for both the management board members and the other categories of staff.

A sample size of one hundred and three (103) was chosen based on a sample size calculation, which was sourced from Creative Research System Formula. This calculation uses two formulas and is based on the population of the study. A confidence interval of five (5), a ninety five percent (95%) confidence level, a Z-value of 1.96 and a proportion of ninety percent (90%) of the respondents expected to respond. The first formula of finding the infinite sample

size was calculated after which the answer obtained was applied to calculate in the second formula to get the finite sample size which is the actual sample size.

Infinite sample size calculation

$$SS = \{Z^2 \times P \times (1-P)\} / C^2$$

where;

SS=Infinite Sample Size

Z = Z value (1.96 for 95% confidence level)

P = proportion of expected respondents to respond affirmatively to the questionnaire expressed as decimal

C= confidence interval, expressed as decimal

$$\text{I.e. } SS = \{1.96^2 \times 0.90 \times (1-0.90)\} / 0.05^2$$

Therefore SS=138 which is the infinite sample size.

Finite sample size calculation

Finite Sample Size = $SS / \{1 + (SS-1)/pop\}$, where pop=Population

$$\text{I.e. } 138 / \{1 + (138-1)/401\} = 103$$

Therefore, based on the population of four hundred and one (401) workers in Central University College, the finite sample size needed was one hundred and three (103). This meant a large number of the sample responses could be obtained, thus, providing validity and applicability to the overall population. Also, the sample size of one hundred and three (103) ensured that the data tabulation and interpretation were not very complicated and tedious.

Having established the sample size needed, purposive and random sampling was applied to obtain the various groups of employees which added up to hundred and three (103). Though the Management Board comprise five (5) members, the Vice President in charge of the academic section unfortunately was not around on the day the interview was conducted for them. Thus, four (4) members were interviewed from the Management Board comprising the President, the Registrar, the Finance Director and the Director of Human Resources. They were primarily selected based on purposive sampling since they could give an in-depth knowledge into facts concerning the institution. They also answered questions on issues which were not even clear to all the other staff of the institution.

After the purposive sampling had been applied on the Management Board members, stratified sampling was adopted due to the staff composition. This was done because stratified sampling embraces a number of distinct categories. Some advantages of using a stratified sampling design are to ensure that particular groups within a population are adequately represented in the sample. Also, it helps to improve efficiency by gaining greater control on the composition of the sample.

However, to ensure that there was no bias, random sampling was applied proportionately on each stratum. Random sampling, according to Galloway (1997), is a probability sample method in which each member of the population has an equal chance of being selected from the population. Thus, each individual was chosen randomly and entirely by chance, such that each individual had the

same probability of being chosen at any stage during the sampling process. The selection of the subjects was done in such a way as to include all categories of employees and to also cut across gender. This was in anticipation that such a sampling of subjects would provide the necessary variety of information required of the study.

After the sampling methods had been used to establish which employees to interview, the interview was conducted among the following. Four (4) Management Board members, thirty-five (35) Senior Members who were academic staff, eleven (11) Senior Members (SM) who were administrative staff, twenty-nine (29) Senior Staff (SS) and twenty-four (24) Junior Staff (JS). Table 1 and 2 explains it.

Table 1: Management board members interviewed

Category	population	sample
Management	5	4
Total	5	4

Source: Survey data (2011)

Table 2: Distribution of other staff

Category	population	sample
Academic staff	141	35
Senior members	44	11
Senior staff	115	29
Junior staff	96	24
Total	396	99

Source: Survey data (2011)

Research Instruments

The instrument used for this study was an interview guide for both the Management Board members and the other category of staff. This was an inexpensive way to gather data from a potentially large number of respondents. Also, it was the only feasible way to reach a number of respondents large enough to allow for a statistical analysis of the results. It also helped to capture the feelings, beliefs, attitudes and experiences of the employees of Central University College.

The interview guide assisted the researcher to further gain more information from the management board members since the completion of the interview guide was based on what they said. Also, the interviewer who was the researcher had the opportunity to ask follow-up questions directed at achieving set objectives. Sources of discussion were based on the theoretical background and literature review extracted from text books, articles, journals and the internet.

Data Collection Procedure

The researcher found it appropriate to undertake a pilot study before the main data was collected. Lancaster et al. (2004), define a pilot study as a method of undertaking a full research study to be done on a smaller scale to provide data needed to plan the larger study. A pilot study was therefore conducted with a smaller sample size of about fifty (50) employees by administering a set of questionnaires to them. Based on that, the researcher realised that the best result could be achieved with the use of an interview guide. It also came to light that there should be two sets of interview guide to be administered to the Management Board and the other categories of staff.

The research employed both primary and secondary data. This was because using two forms of gathering data gave a more reliable result. The data collection method was the survey type because surveys as stated by (Sarantakos, 1997) are said to be part of a person's life experience. Also surveys as defined by Sarantakos (1997), are methods of data collection in which information is gathered through oral or written questioning. Responses gathered from both the group and personal interview and direct observation constituted the source for the primary data. The primary data enabled the researcher to obtain first-hand knowledge about the source of information from the employees. The secondary data, on the other hand, was sourced from existing literature on extrinsic rewards and work performance.

Data Analysis

The analyses of the data took both the descriptive and inferential form which enabled the results to be critically analysed in accordance with the research problem and objectives of the study. To this effect, analytical tools like verbal explanation and tables were used where necessary. The study also employed the Statistical Product and Service Solutions (SPSS) to find out the impact of extrinsic rewards on work performance. The responses given by the respondents were coded into standardised categories for the purpose of analysis. These standardised records were then analysed to provide descriptions on the views and opinions of the respondents. Finally, results from the data analysed and literature reviewed were used to make recommendations on extrinsic rewards. The aim of this was to improve the overall work performance in Central University College.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presents an analysis of the responses received from the interview conducted among the management and employees of CUC based on the data collection method employed in chapter three. It deals with the findings of the research and results from the data collected in drawing the conclusion on ‘The Impact of Extrinsic Rewards on Work Performance in the Central University College. The analysis cover a sample of one hundred and three (103) persons, of which four (4) are management board members who answered questions which were of most importance because they are the policy makers. The remaining ninety-nine (99) were classified as employees.

Socio-economic characteristics of respondents

The socio-economic characteristics of all the respondents were taken into consideration in the study. These include their gender, age and highest educational levels and are depicted in Tables 3 and 4.

Table 3: Gender distribution of respondents

Response	Frequency	Percent
Male	61	59.2
Female	42	40.8
Total	103	100.0

Source: Survey data (2011)

It was revealed that the majority of the respondents were males, constituting about (59%) with about (41%) being females. This came not as a surprise since in Ghana males are more educated than females. Thus the literacy rate in Ghana as published by the National Population and Housing Census conducted in 2001 indicated that males constituted (82.7%) , while the females constituted (67.1%) of a total literacy rate of (74.8%). A cross tabulation was also done to know the age range and levels of education, which is depicted in Table 4.

Table 4: Cross tabulation of age and highest level of education

Age	A	B	C	D	E	F	Freq	Percent
21-30	2	5	17	5	0	1	30	29.1
31-40	0	3	12	16	0	3	34	33.0
41-50	0	6	3	9	2	1	21	20.4
51-60	0	2	1	5	2	0	10	9.7
Above 60	0	0	1	3	3	1	8	7.8
Total	2	16	34	38	7	6	103	100.0

Source: Survey data (2011)

Key

- A Secondary
- B Post-secondary
- C Degree
- D Post- degree
- E PhD
- F Others – those who do not fall within the categories stated above

It was evident from the field survey as displayed in Table 4 that almost (82%) of the respondents were between 21-50 years of age. This reflects the true picture of the working age of labour in Ghana. Again, less than (18%) of the respondents were 51 years and above. The results indicated that the majority of the respondents were within the youthful age. This showed that the right respondents were believed to have been captured by the survey.

Also, it came not as a surprise when 85 out of the 103 interviewees' educational background fell within the PhD, post-degree, degree and "others" educational levels. This is because the case under study is a University community which has most faculty members and administrative staff falling in that category. In addition, (77%) which formed the majority of the respondents were within the senior staff and above category, with just (23%) being junior staff.

Having established the bio-data of the respondents, the study further sought to find out how long employees had been with CUC and what motivated

them to stay in CUC. In addition, it also revealed the reasons why those who joined CUC left their previous place of work. This is depicted in Table 5.

Table 5: Length of service with CUC

Year	Frequency	Percent
0-3	37	35.9
4-6	38	36.9
7-9	11	10.7
10 – 12	17	16.5
Total	103	100.0

Source: Survey data (2011)

From Table 5, it was realised that about (36%) had worked with CUC for a period not more than three years. (37%) had worked with CUC for 4-6years, about (11%) had worked with CUC for 7-9 years and the remaining (16%) had worked with CUC for 10-12years. The mean derived was 5.05 and this implies that on the average the number of years people are willing to work with CUC is five (5) years. A standard deviation of 3.36 was also arrived which shows the mean is a true representation of the data set indicating that there is not much variation between the mean and the data set. Thus the mean is reliable and can be used to make inferences and conclusion. The study further sought to find out whether CUC was their first place of work, which is shown in Table 6.

Table 6: Respondents' mention of CUC as their first place of work

Response	Frequency	Percent
Yes	25	24.3
No	78	75.7
Total	103	100

Source: Survey data (2011)

From Table 6, it indicates that about (76%) of the employees had worked with other institutions before joining CUC. However, about (24%) said their first place of work was CUC, which is good for comparative analysis of respondents' reactions. A further question was asked as to what specifically made them leave their previous place of work. They mentioned low salary, poor working conditions, lack of recognition, and lack of fringe benefits, among others. This is depicted in Table 7.

Table 7: Why respondents (some) left their previous place of work

Response	Frequency	Percent
Low salary	17	21.8
Lack of recognition	3	3.8
Poor working condition	15	19.2
Lack of fringe benefits	6	7.7
Other reasons	37	47.4
Total	78	100.0

Source: Survey data (2011)

From Table 7, it was observed that (47%) of the respondents attributed other reasons to why they left their previous place of work. These other reasons were explained further. Some mentioned attractive retrenchment packages at their old place of work. Others said the desire to experience a new job environment, and to help develop a new University associated to a church were some of the reasons why they joined CUC. This was followed by about (22%) attributing the reason why they left their previous place of employment to low salary only, while (19%) attributed their reason to poor working conditions. Finally, (8%) and (4%) of the respondents respectively mentioned lack of fringe benefits and lack of recognition as the reasons why they left their previous place of employment. This invariably indicated that a greater percentage of staff might leave CUC if what they consider to motivate them becomes unattainable with time.

These varied reasons mentioned by employees confirm the work of Maund (2001). Maund (2001), stated that the issue of what motivates an individual to perform and how best to use extrinsic rewards to bring out a higher performance is influenced by many variables. This is because, each individual employee has a variety of changing needs and expectations which he or she tries to satisfy in a number of different ways.

Existence of Extrinsic Rewards to Motivate Workforce

After the responses to the first section of the interview guide were captured, the term extrinsic reward was explained in detail to the interviewees by

adopting the face to face and group interview methods. After understanding it fully, the respondents were asked if extrinsic rewards existed in CUC. This was to answer the first objective of the existence of extrinsic rewards to motivate employees in CUC. The response is depicted in Table 8.

Table 8: Existence of extrinsic rewards in CUC

Response	Frequency	Percent
Yes	75	75.8
No	24	24.2
Total	99	100.0

Source: Survey data (2011)

Table 8 revealed that (76%) of the respondents said extrinsic rewards did exist in CUC. The interview follow up question also revealed that some of those who said ‘Yes’ were mostly from other places where most of these rewards were non-existent. Again, about (24%) said ‘No’ because they believed CUC could do more. Moreover, the interview with some of the respondents who said these rewards did not exist revealed that they had worked with CUC for a long time and had experienced no addition of any form of new rewards. This implied that, once employees current expectations were not met, negative responses were inevitable.

Ranking of Extrinsic Rewards

Having established that extrinsic rewards did exist in CUC, the study further sought, as part of its first objective, to find out the kind of extrinsic rewards that would motivate employees to be at their best on the job. This

viewpoint, however, reflected that of the employees totalling ninety-nine (99), excluding the four (4) management board members, because management determines the kinds of extrinsic rewards to be granted employees. The rewards were categorised into nine (9) groups as depicted in Table 9.

Table 9: Extrinsic reward which motivate employees

Response	Frequency	Percent
Job Security only	5	5.1
Job security, promotion, good working condition & salary	20	20.2
Job security, good working condition, incentives & fringe benefits	16	16.2
Job security, promotion, good working condition, Incentives, salary & fringe benefits	11	11.1
All the benefits stated	26	26.3
Good working conditions only	6	6.1
Formal recognition	2	2.0
Promotion, Good working conditions, Incentives, Salary & Fringe benefits	4	4.0
Job security, Good working condition, formal recognition, salary & fringe benefits	9	9.1
Total	99	100.0

Source: Survey data (2011)

From Table 9, which represents the viewpoint of only the employees, it was observed that twenty six (26) of the respondents constituting about (26%) indicated that all benefits which included job security, promotion, good working conditions, attractive salary, incentives, fringe benefits and formal recognition were the rewards they will look out for to motivate them to work well. Again, good working condition, promotion and job security only, came up as the key motivating mechanism which will enable employees to deliver their optimum best. This supports the view of Skinner (1953) “that instead of considering internal factors like impressions, feelings, attitudes and other cognitive behaviours, employees are rather moved by what happens in the environment external to them”. However, (2%) of the respondents selected formal recognition only as the most important extrinsic reward to motivate them to be at their best. A detailed tabulation of the rewards revealed that out of the nine valid responses, seven mentioned better conditions of service repeatedly with six mentioning job security. Promotion, salary, formal recognition and fringe benefits, however, were not of paramount interest to most of the respondents.

Based on the responses from Table 9, it was evidenced that, hierarchically, CUC workers were likely to see better conditions of service and job security to be at the apex of extrinsic rewards which motivate them to give of their best. This finding confirms the results of Owen (1949) and Skinner (1953). Owen believed that if a machine is looked after well, it will perform efficiently, reliably and also will last for a long period of time. Thus, employees are likely to be more efficient if they are taken care of. He therefore considers the total wellbeing of employees

as what would motivate them and not just the granting of higher wages. Skinner (1953), the advocate of the “reinforcement theory”, also believed that the only way to motivate employees was by Management constantly making positive changes to improve the external environment of the institution.

To further answer the first objective, the study further sought to rank these rewards enjoyed by the employees. This was to find out if employees were satisfied with them. The response is shown in Table 10.

Table 10: Perception of employee’s satisfaction on extrinsic rewards in CUC

Resp	S.M (Adm)	S.M (Aca)	S.S	J.S	Freq	Per
H.S	0	0	0	1	1	1.0
S	5	13	12	11	41	41.4
N. S	6	22	17	12	57	57.6
Total	11	35	29	24	99	100.0

Source: Survey data (2011)

Key

H.S Highly satisfied

S Satisfied

N.S Not satisfied

S.M (Adm) Senior members in administration

S.M (Aca) Senior members in academia

S.S Senior staff members

J.S Junior staff members

Freq Frequency

Per Percentage

The results in Table 10 showed that only (1%) of respondents were highly satisfied with the extrinsic rewards enjoyed in CUC, while (41%) were satisfied. The employees justified their claims to being content with the extrinsic rewards in relation to other institutions and their knowledge of what pertains in other institutions. This affirmed the equity theory of Adams (1936), which is concerned with the equitable nature of reward and the significance it has on employee's perception. In contrast, about (58%) were not satisfied with the extrinsic rewards offered by CUC. Some attributed their reasons to the fact that they feel their jobs were not secured enough due to the frequent transfers. Another reason stated was that rewards given were not commensurate with the individual work input; rather, overtime payment was based on the number of extra hours spent at work and not on the work output. Furthermore, some said there was lack of recognition after one had successfully implemented a policy.

Management was, however, of the opinion that they were satisfied with the extrinsic rewards employees were given. Thus, all the four (4) board members representing about (4%) opted for highly satisfied and satisfied. The researcher observed that the Management board members stated that they were highly satisfied because they determine the extrinsic rewards given to employees. This confirmed the viewpoint on extrinsic rewards by Mullins (1996). Mullins stated that these extrinsic rewards are often determined at the institutional level and are largely outside the control of the individual employees. Though (58%) of employees as depicted in Table 10 indicated that they were not satisfied with rewards given them, there was the need to establish the relationship between

employee input and assessment. Information from all the respondents (100%) revealed that performance was yearly appraised.

In view of this, the study sought to find out how employees were assessed and whether the assessment had any relevance in ensuring improvement in work performance. All the four (4) management board members said that employees of CUC were appraised in their various spheres of work. Management further added that the appraisal is done yearly because it is used to grant salary increment, which is calculated based on point base method. This finding therefore confirms the expectancy theory of Vroom (1964). He stated that employees would tend to perform more effectively if their wages are indexed to performance which is not based on any bias. In spite, of the viewpoint expressed by management, some staff said they do not give off their best because the appraisal system used is not fair. This statement by the employees affirms Herzberg's (1968) two-factor theory which focuses on structuring work in a manner for employees to avoid pain and be satisfied and also focuses on ensuring that employees' growth and development in the work place is maximised.

Impact of Extrinsic Rewards on Work Performance

Having shown that CUC employees' appraisal formed the basis for granting rewards, the study sought to find out if there exist reward systems that complemented work undertaken by employees. This was necessary to help determine the impact of extrinsic rewards on work performance, which was to answer the second objective. These responses are captured in Table 11.

Table 11: Perception of a reward system to complement work input

Response	Frequency	Percent
Yes	31	31.3
No	58	58.6
Not aware	10	10.1
Total	99	100.0

Source: Survey data (2011)

From Table 11, it was revealed that about (59%) of the respondents stated that rewards to complement work input do not exist. (31%) on the other hand, said these rewards existed whiles (10%) said they were “not aware” of the existence of such rewards. The (59%) who said “no” and the (10%) who were “not aware” said so because some of them were not granted any form of recognition after they had done their jobs successfully. This perception of the employees confirms the Porter-Lawler (1967) motivational model, which relates work, effort, work performance and job satisfaction. They stated that if an employee receives valued rewards for performing well, then linkage between performance and outcomes would be strengthened.

Also some said though the policy on promotion for administrative staff is linked to number of years, they were not promoted even after they had put in their application for promotion. Others who gave the “no” and “not aware” responses said they were expecting something else, apart from salaries as a reward system to complement effort. They further said that though appraisals were done, the reward given in the form of salary increment based on the point system was insignificant

compared to the previous salary level they were on before the adjustments. This confirms the research undertaken by Ajila and Abiola (2004). The results obtained from their hypothesis showed that workers place great value on the different rewards given them by their employers. Hence, when these rewards are not given, workers tend to express their displeasure through poor performance and non-commitment to their jobs. Management board members were then asked if they awarded extrinsic rewards based on the performance of employees. Table 12 depicts their views.

Table 12: Management’s view on extrinsic rewards based on performance

Response	Frequency	Percent
Yes	3	75.0
Uncertain	1	25.0
Total	4	100.0

Source: Survey data (2011)

The response from Management, however, showed (75%) indicating ‘Yes’ to rewards being based on staff performance and other factors which included length of service for administrative staff. However, (25%) were uncertain simply because some employees, especially those in academia were not appraised based on performance. For example their promotion was not based on delivery at lectures to students, but rather on research output. In addition, it was revealed that the reason why management believed in tailoring rewards to performance was because this method is believed to be the best criterion for rewarding performance.

To buttress employee's response, in still answering the second objective, the study sought to rank the extrinsic rewards. This was to find out the particular type of extrinsic rewards that was of interest to the employees and which will therefore increase their work performance and the one which was not of real interest to respondents. These are illustrated in Table 13.

Table 13: Employee's ranking on extrinsic rewards on work performance

Response	Frequency	Percent
Job security	24	24.2
Promotion	7	7.1
Good working conditions	19	19.2
Incentives	6	6.1
Formal recognition	10	10.1
Salary	31	31.3
Fringe benefits	2	2.0
Total	99	100.0

Source: Survey data (2011)

From Table 13, it came out that salary was the highest, followed by job security, good working conditions, formal recognition, promotion, incentives to work and finally fringe benefits. The fact that (31%) of the respondents opted for salary as the most important extrinsic reward employees desired to increase work performance confirm the finding of Taylor (1911). He was of the view that labour can tolerate work if pay is decent and all it takes to motivate employees to increase performance is higher wages. It also confirmed the results which was

realised during the pilot study where the majority of the respondents opted for salary as the best motivator to increase work performance.

Based on the fact that employees desired better salaries to increase their performance, management was asked whether salary was a major motivator in getting employees to increase their performance. Table 14 shows the breakdown.

Table 14: Management’s view on salary as a major motivator to employees

Response	Frequency	Percent
Yes	1	25.0
No	2	50.0
Uncertain	1	25.0
Total	4	100.0

Source: Survey data (2011)

From Table 14, (25%) said ‘yes’ to the view that employees needed higher salaries. Further probing questions revealed that the management member said so because he believed that employees needed higher salaries to enable them to further their education as employees could not work in an academic environment without being part of the educational process. (50%) said “no” because they believed employees, especially those aged fifty and above, will be intrinsically motivated based on their status and current interest. Management further explained that their choice is based on the fact that some employees might not value monetary motivation but rather non-monetary incentives like desire for growth, advancement, achievement, among others. (25%) were, however, not certain because they believed that employees were motivated differently in life

and therefore one scale was not enough for all. This result as shown in Table 14 is consistent with a study on individual differences by (Tyler, 1965). “The law of individual differences” which was developed by Tyler (1965) indicates that individuals differ in personality, abilities, values and needs and that these differences manifest themselves in different desires and in different reactions.

Furthermore, the study sought to find out from the employees if their attitude to work will improve if they are given more rewards. This was against the background that (55%) as stated in Table 9 excluding the management board members said they were not satisfied with the rewards given them. The response given is indicated in Table 15.

Table 15: Change in attitude towards work if granted more extrinsic rewards

Response	Frequency	Percent
Yes	81	81.8
No	18	18.2
Total	99	100.0

Source: Survey data (2011)

As indicated in Table 15, (82%) of employees were of the view that the granting of more extrinsic rewards will make them change their attitude towards their work. To further buttress this point, a cross tabulation was done between the percentage of employees who will change their attitude towards work if granted more extrinsic rewards and the particular type of extrinsic reward which will motivate them to perform better. Responses to this are stated in Table 16.

Table 16: Cross tabulation of extrinsic rewards that will enhance employees' work performance with attitude change

Response	Yes	No	Frequency	Percent
Job security	24	0	24	24.2
Promotion	7	0	7	7.1
Working conditions	14	5	19	19.2
Incentives	6	0	6	6.1
Formal recognition	8	2	10	10.1
Salary	20	11	31	31.3
Fringe benefits	2	0	2	2.0
Total	81	18	99	100.0

Source: Survey data (2011)

From Table 16, thirty-one (31) of the respondents mentioned salary as the most effective extrinsic reward to ensure increase in their performance. However, twenty (20) of the respondents said payment of higher salary will increase their work performance, as well as ensure a change in attitude. Eleven (11), on the other hand, said they will not change their attitude to work just by the payment of high salary. This affirmed Porter and Lawler's (1968) motivational model, in which managers were able to control employee behaviour by linking the occurrence of the desired behaviour to some form of reward, thereby ensuring predictability of behaviour. Furthermore, the assumption of Vroom (1964) which stated that workers tend to perform more effectively if their wages are indexed to

performance and not based on personal bias or prejudice, but rather on an objective evaluation of the employee's merit is valid.

The order was followed by job security, good working conditions, and, lastly, fringe benefits. Thus, the main extrinsic reward that will change staff attitude is job security while salary is viewed as that which will ensure increase in work performance. The result as shown in Table 16, therefore, presupposes that, for employee work performance to increase emphasis must be put on salary, job security and creating good working conditions.

Analysis of Intrinsic Reward System as a Motivational Factor in CUC

Though intrinsic reward was not the main focus of the study, it was realised that it needed to be looked at. This was to ascertain its effect on work performance to facilitate some form of comparative study for further studies to answer the second objective. (100%) of the respondents believed that intrinsic rewards were likely to increase performance on the job. This implied that once respondents were motivated by achievement, recognition, growth and advancement, work itself and responsibility, they will have some degree of satisfaction to be able to improve upon their performance. Afterwards, respondents were asked to rank the kind of intrinsic reward that will motivate them. These were categorised into eight (8) groups which is depicted in Table 17.

Table 17: Intrinsic rewards that motivate employees at CUC

Response	Frequency	Percent
Achievement	3	3.0
Recognition for achievement, work itself & Growth	9	9.1
Achievement and advancement	5	5.1
Achievement and recognition for achievement	37	37.4
Recognition for achievement	12	12.1
Achievement, recognition, growth & advancement	14	14.1
Recognition, responsibility & achievement	11	11.1
Achievement, work itself & responsibility	8	8.1
Total	99	100.0

Source: Survey data (2011)

Form Table 17, the study realised that achievement and recognition for achievement were ranked first. This finding confirmed that of the “Hawthorne experiment” by Elton Mayo which realised that employees were motivated not only by wages, but were motivated if their need for recognition and sense of belonging were met. Based on the fact that (100%) of the respondents believed intrinsic rewards had the likelihood of increasing performance, it became

necessary to further find out if employees will increase their performance based on only intrinsic rewards. This is illustrated in Table 18.

Table 18: Employees perception on being motivated intrinsically even without being granted extrinsic rewards

Response	Frequency	Percent
Yes	27	27.3
No	72	72.7
Total	99	100.0

Source: Survey data (2011)

It was revealed as indicated in Table 18 that (73%) of the respondents believed that they could not be sufficiently motivated intrinsically without extrinsic rewards. (27%) also believed that they could be sufficiently motivated intrinsically without receiving any extrinsic rewards. As described in Table 18, it indicates that employees will not just come to work because they love the job, and have no other motive.

It was realised from Table 18 that employees will rather come to work mainly because they will be made better off economically, this support the finding of (Kruglanski et al., 1971). Kruglanski et al. (1971) reported that extrinsically rewarding an intrinsically motivating task results in an increase in qualitative task performance. This finding also supports the first proposition of Deci (1975) motivational model, that, extrinsic rewards were somehow, more salient and had a greater effect on motivation than intrinsic rewards. The finding from Table 18 also supports the study of Egwuridi (1981) which investigated motivation among

Nigerian workers using a sample of workers of high and low occupational levels. The hypothesis that low-income workers will be intrinsically motivated was not confirmed, and the expectation that higher income worker will place a greater value on intrinsic job-factors than low-income workers was also not confirmed. This showed clearly the extent of value placed on extrinsic job factors, because it was realised that whether a worker is of low-income or high-income the worker will place much value on extrinsic job factors.

It also became imperative to compare the effect of both extrinsic and intrinsic reward on how they would impact work performance. This was to further determine the impact of extrinsic rewards which was the second objective. However, it became evident from the findings that employees desired more extrinsic rewards. As indicated in Table 18, the majority of employees in CUC will not be motivated intrinsically without receiving extrinsic rewards. Thus, to be able to do the comparison, the respondents were asked if CUC should add more extrinsic rewards to those currently existing, which is presented in Table 19.

Table 19: Addition of more extrinsic rewards in CUC’s policy

Response	Frequency	Percent
Yes	94	94.9
No	5	5.1
Total	99	100.0

Source: Survey data (2011)

From Table 19, it was revealed by (95%) of the respondents, that they will want more extrinsic rewards to be added to the existing policies on rewards and

motivation. Some of the rewards expected by them were the granting of full scholarship for further studies, aligning promotion to quality of lecture delivery, increasing salary and improving work conditions. Some female staff also revealed that medical expenses should cover pregnancy. Some academic staff also considered the provision of teaching aids as paramount in ensuring increase in work performance. Employees believed that when these are given, they will increase their work output which will in the long run be to the benefit of the institution. Based on this response a question was posed to management as to whether the institution benefits from providing extrinsic rewards to employees.

About (80%) of Management revealed that CUC benefited from providing extrinsic rewards as it was the main technique for motivating employees to work diligently. Management was also of the view that the provision of more extrinsic rewards will increase the loyalty, dedication and commitment of staff. This, they believed, will eventually help to improve management and staff relationship. Management further stated that the provision of extrinsic rewards will help the institution to attract qualified personnel from other institutions which do not offer these incentives. Yet (20%) were uncertain because they were new management members who had not really studied the system to understand the details of preferences of employees to determine whether these extrinsic rewards enhanced performance or not.

Lessons Similar Institutions Could Use

The third objective was to draw lessons that similar institutions could use. In answering this, management members and employees opinions were sought on how to improve overall work performance, their answers revealed the following. They stated that staff appraisal should be done twice in a year and attractive rewards given. Again, some stated that the institution should incorporate yearly award schemes to recognise and appreciate the work of employees. They further said that management should engage staff in periodic durbars for staff to freely express their views and these views duly incorporated in the institution's policies as well as implemented. Finally, some said there should be clear communication lines for staff to know what was expected of them. These statements confirm a research undertaken by Katzell and Thompson (1990) which showed that goals that were specific, difficult, acceptable or achievable by employees led to higher levels of performance than easy, vague or no goals. Also the findings of Dessler (2005) were confirmed. According to Dessler (2005), for performance management to be effective, the following conditions must be met:

“each employee must be made aware of the results expected of him or her, each employee's contribution must be linked and co-ordinated with that of others to achieve team and institutional results, feedback must be given and updated and monitoring must be undertaken regularly to review performance results”.

Management board members also stated that in their opinion, employees' work performance will improve if the following were done. First, management

should ensure that staff undergoes training and development which, according to Smith (1994), is the best remedy for ensuring an increase in employee performance. Secondly, there should be an increase in the reward package, this was buttressed by the work of Lindner (1998). He stated that motivated employees are more productive and in the long run, these employees become a cost-saving device for an institution. Finally, management said there should be the granting of opportunities for staff to express their opinions and these opinions should be taken seriously and not for granted. This also confirms the opinion of Dessler (2005) in ensuring employee performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

The previous chapter dwelt on results and discussion collected from the data. Based on that, this chapter provides a summary and the conclusions of the main findings of the study. Based on the findings, recommendations that will help ensure sustainable reward systems are also presented. In addressing the research questions and objectives, the researcher interviewed a total of one-hundred and three (103) persons. These were made up of four (4) management board members and ninety-nine (99) employees of CUC.

Summary of Findings

The first objective was to determine whether extrinsic rewards exist in CUC to motivate its workforce. Before determining the first objective, the socio-economic characteristics of the employees were analysed. It was noted that about (82%) of the respondents were between 21 – 50 years of age, with less than (18%) being 51 years and above. The males constituted about (59%) with the females being (41%). Also 77% were of the senior staff and above category with (23%) being junior staff.

The majority of the respondents stated that extrinsic rewards did exist in CUC. This was buttressed by the fact that (76%) stated that, extrinsic rewards did exist in CUC. They stated that the extrinsic rewards which exist were job security, promotion, working conditions, salary, incentives, fringe benefits and formal recognition. The purpose for finding out the existing extrinsic rewards was to know if employees had any knowledge of what constitutes extrinsic rewards.

Also, it sought to find out which extrinsic reward, when given, will most motivate employees to work better. However, only good working condition and job security came up as the most important motivating factors to enable them deliver their optimum best.

The second objective was to identify the impact of extrinsic rewards on work performance at CUC. Respondents were asked if their performance were assessed. It was revealed that performance was assessed on a yearly basis, however, because most departmental heads did not set targets it was difficult to measure performance. They, however, said that, though some did not set targets they worked as and when their heads of department assigned them jobs. The academic staff, however, noted that they were also assessed once a year but they were not promoted, like the staff in administration, but rather their promotion was linked to the number of publications they had.

In addition, a total of (42%) of the employees were either highly satisfied or just satisfied with extrinsic rewards in CUC with (58%) being unsatisfied. It was revealed that though these rewards exist, most of the employees were not satisfied by the kind of rewards given to them after they had performed their jobs.

Employees said this because they believed the rewards were not commensurate with their input. Furthermore, the research sought to find out if granting staff more extrinsic rewards would change their attitude towards work. About (82%) of the respondents revealed that increasing the extrinsic rewards will definitely change their attitudes.

To further ascertain the impact of extrinsic rewards on work performance, respondents were asked to rank the rewards. (31%) said that a good salary was what will make them increase their performance. This was followed by job security and good working conditions. The respondents further stated that they will increase their performance if they are intrinsically motivated. They however said that, being intrinsically motivated alone, will not make them come to work, but rather if they are given extrinsic rewards which will be commensurate with their input. Thus, about (73%) stated that they will not come to work if they were motivated intrinsically alone without a corresponding extrinsic reward to look forward to.

The third objective was to draw lessons that similar institutions in Ghana and elsewhere could use to create a sustainable reward system. This is presented in the recommendations.

Conclusions

The study concludes that the broad aim of the study which was to find out the relationship between extrinsic rewards and work performance was achieved. This is evidenced by the fact that (20%) and (24%) of the respondents opted for

good working conditions and job security respectively as the best motivating factors that will make them work diligently. Again, about (82%) of the respondents revealed that they would change their attitude if given more extrinsic rewards. Furthermore, about (31%) of the respondents stated salary as the most important extrinsic reward that will ensure increase in work performance.

The importance of extrinsic rewards can therefore not be over emphasised as they have a significant influence on workers. This is again justified by the fact that (73%) of the respondents said that they will not go to work if they were motivated intrinsically alone, without a corresponding extrinsic reward to look forward to.

The study employed the use of stating specific objectives instead of hypotheses. This is because research questions were put forward to answer the objectives. These research questions were broken down into sub-questions of the problem being investigated which made it easier to be answered. The study therefore concludes that the findings confirm the research questions which were put forward to answer the objectives. Based on the findings, the researcher concludes that extrinsic rewards do have a great impact on employee performance.

Recommendations

Based on the findings from the respondents, it is recommended that management organises training and development programmes. These will help employees to do their jobs effectively and efficiently.

Also, it is recommended that management should increase the incentive packages given to employees. The incentives must be based on employees' work input and not be given to everyone across the board. Again the institution must ensure that there is fairness in the salary structure and that reviews are also done fairly.

Again, management must grant opportunities for staff to express their opinions and these opinions must be incorporated into the policies of CUC. This will ensure a smooth communication process which will, eventually, benefit the institution because staff will know what is required of them.

Furthermore, the study recommends that CUC should add more extrinsic rewards, like payment of full medical bills and not to exclude certain illness. In addition, lecturer's promotion should not only be based on research work, however, important it is, but also on assessment based on the quality of lecture delivery. The institution must also provide good and sufficient teaching aids to enhance teaching and learning to motivate employees to work harder.

It is also recommended that the institution places more emphasis on creating a good working environment for employees, since this will ensure a positive change in the attitude of workers. Again the institution must provide full scholarship for those who desire to pursue their PhDs since the institution will eventually benefit from the knowledge gained.

Finally, it is recommended that further research be conducted to investigate why salary, job security, and good working condition, were viewed as

the most important motivating factors that would ensure change in attitude towards work, leading eventually to increase in work performance.

REFERENCES

- Adams, J. S. (1963). Towards an understanding of inequity. *Journal of Abnormal and Social Psychology*, 67, 422–436.
- Ajila, C., & Abiola, A. (2004). Research on the influence of rewards on workers performance in an organisation. *Journal of Social Sciences*, 8 (1), 7-12.
- Bonney, E. (2009, March 3). Metro Mass Transit workers on strike. *The Daily Graphic*, p. 31.
- Borman, W. C., & Motowidlo, S. J. (1993). Expanding the criterion domain to include elements of contextual performance. In N. Schmitt & W. Borman (Eds.), *Personnel selection in organisations*, (pp 71-98). New York: Jossey-Bass.
- Bratton, J., & Gold, J. (1999). *Human resource management: Theory and practice*. New York: Palgrave MacMillan.
- Brown, D. (2005). *Handbook of reward strategies*. Kolkata, India: Jaico Publishing House.
- Byars, L. L., & Rue, L.W. (1997). *Human resource management*. India: McGraw-Hill Companies.
- Campbell, J. P. (1990). Modeling the performance prediction problem in industrial and organisational psychology. In M. D. Dunnette & L. M. Hough (Eds.), *Handbook of industrial and organisational psychology* (pp 687–732). Palo Alto, California: Consulting Psychologists Press.

- Campbell, J. P., Mccloy, R. A., Oppler, S. H., & Sager, C. E. (1993). A theory of performance. In E. Schmitt, W. C. Borman & Associates (Eds.), *Personnel selection in organisations* (pp 35–70). San Francisco :Jossey-Bass.
- Campbell, J. P., & Pritchard, R. D. (1976). *Research work: Motivation theory in industrial and organisational psychology*. Palo Alto, California: Consulting Psychologists Press.
- Castillo, J. J. (2009). *Research population*. Retrieved from experiment resources: <http://www.experiment-resources.com>. 24 February.
- Central University College (2008). *Annual report*. Accra: DPI Print Limited.
- Central University College (2011). *Congregation brochure*. Accra: DPI Print Limited.
- Central University College (2011). *Undergraduate student's hand book*. Accra: DPI Print Limited.
- Cole, G. A. (2002). *Personnel and human resource management*. London: Continuum.
- Collins English Dictionary*. (2005). Glasgow: HarperCollins.
- Creswell, J. (2003). *Research design: Qualitative, quantitative, and mixed methods approaches*. Thousand Oaks, California: Sage Publications.
- Chronicle. (2010). *Editorial: UTAG, POTAG strikes, gov't must act*. Retrieved from <http://www.news.myjoyonline.com>. October 8.
- Creative research system, (2010). *Sample-size-formula*. Retrieved from <http://www.surveysystem.com>. November 23.

- Darfah F. E. (2009, March 3). Metro Mass Transit workers on strike. *The Daily Graphic*, p 31.
- Deci, E.L. (1975). *Intrinsic motivation*. New York: Plenum Press
- Desimone, R.L., & Harris, D. M. (1998). *Human resource development*. Orlando: Dryden Press.
- Dessler, G. (2005). *Human resource management*. New Jersey: Pearson Education Limited.
- Egwuridi, P.C. (1981). *Job Satisfaction: effects on job characteristics*.
Unpublished Msc Dissertation University Of Lagos, Nigeria.
- Erez, M., & Zidon, I. (1984). The effect of goal acceptance on relationship and task performance. *Journal of Applied Psychology*. 69, 69-78.
- Gadugah, N. (2010). *NAGRAT embarks on strike*. Retrieved from www.myjoyonline.com. October 8.
- Galloway, A. (1997). *Sampling: A workbook*. Edinburgh: Kate
- Gibbs, M.E. (1980). *The effects of extrinsic rewards on work performance, job satisfaction and intrinsic motivation*. California: Los Gatos.
- Hamner, W. C., & Foster, L. W. (1975). Are intrinsic and extrinsic rewards additive? A test of Deci's cognitive evaluation theory of motivation. *Journal of Organisational Behaviour and Human Performance*, 14, 398-415
- Herzberg, F. (1968). *Work and the nature of man*. London: Staples Press.

- Ilgén, D. R., & Schneider, J. (1991). Performance management: A multi-discipline view. In C. L. Cooper & I. T. Robertson (Eds.), *International review of industrial and organisational psychology* (pp 71-108). Chichester: Wiley.
- Katzell, R. A., & Thompson, D. E. (1990). Work motivation: Theory and practice. *American Psychologist*, 45 (2), 144-153.
- Kothari, C R. (1990). *Research design, in research methodology*. New Delhi, India, Wishwa Prakashan.
- Kruglanski, A. W., Friedman, I. & Zeevi, G. (1971). The effects of extrinsic incentive on some qualitative aspects of task performance. *Journal of Personality*, 39, 606 – 617.
- Labour Act, 2003. (Act 651). *Equal pay for equal work* GPA/A730/300/9/20030). Accra: Assembly Press.
- Lancaster, G. A., Dodd, S., & Williamson, P. R. (2004). Design and analysis of pilot studies: Recommendations for good practice. *J Eval Clin Pract* 10 (2), 307-312.
- Porter, L. W., & Lawler, E.E. (1968). *Managerial attitudes and performance*. Homewood, IL: Dorsey Press.
- Porter, L. W., & Lawler, E. E. (1967). The effects of performance on job satisfaction. *Industrial Relations: A journal of Economy and Society*, 7 (1), 20-28.
- Leopold, J. (2002). *Human resources in organisations*. Harlow: Pearson Education Limited.

- Lindner, J.R. (1998). Understanding employee motivation. *Journal of Extension*, 36 (3), 1-8.
- Locke, E.A. (1976). The nature and causes of job satisfaction. In M.D. Dunnette (Ed.), *Handbook of industrial and organisational psychology*. (pp 1297-1349). Chicago:Rand McNally.
- Manolopoulos, D. (2008). An evaluation of employee motivation in the extended public sector in Greece. *Employee Relations*, 30 (1), 63-85.
- Maund, L. (2001). *An introduction to human resource management: Theory and practice*. Basingstoke: Palgrave Macmillan
- Mayo, E. (1998-2009). *Hawthorne experiments*. Florida: Envision Software, Incorporated Tampa.
- Mullins, L. J. (1996). *Management and organisational behaviour*. London Pitman.
- Mitchell, T. R. (1982), Motivation: New directions for theory, research and practice. *Academy of Management Review*, 7 (1), 80-88.
- Motowidlo, S. J., & Van Scotter, J. R. (1994). Evidence that task performance should be distinguished from contextual performance. *Journal of Applied Psychology*, 79 (4), 475–480.
- Motowidlo, S. J., Borman, W. C., & Schmit, M. J. (1997). A theory of individual differences in task and contextual performance. *Human Performance*, 10 (2), 71–83.
- Owen, R. (1949). *Social idealist*. California: University of California Press

- Pilbeam, S., & Corbridge M. (2006). *People resourcing: Contemporary HRM in practice*. Harlow, U.K.: Pearson Education Limited.
- Ryan, R.M., & Deci, E.L. (2000). *Intrinsic and extrinsic motivations: Classic definitions and new directions*. New York: Plenum Press.
- Sarantakos, S. (1997). *Social research*. New York: Palgrave.
- Schuster, J. R., Clark, B. & Rogers, M. (1971). Testing portions of the porter and lawler model regarding the motivational role of pay. *Journal of Applied Psychology*, 55 (3), 187-195.
- Skinner, B. F. (1953). *Science and human behaviour*. New York: Free Press.
- Smith, G.P. (1994). Motivation. In W. Tracy (Ed.). *Human resource management and development handbook*, (2nd ed.). New York: Free Press.
- Taylor, F.W. (1911). *The principles of scientific management*. London: Harper and Brothers.
- Tyler, L.E. (1965). *The psychology of human differences*. New York: Appleton Century Crofts.
- Vroom, V. H. (1964). *Work and motivation*. New York: Wiley.
- Webster's Revised Unabridged Dictionary*. (1996). New Jersey: MICRA Incorporation of Plainfield.

APPENDIX A – INTERVIEW GUIDE

**THE IMPACT OF EXTRINSIC REWARDS ON WORK PERFORMANCE
IN GHANA: A CASE STUDY OF THE CENTRAL UNIVERSITY
COLLEGE**

MANAGEMENT & EMPLOYEES

Section A: Bio – Data

No	Question	Categories
A1	Age	<input type="checkbox"/> 21-30 <input type="checkbox"/> 31-40 <input type="checkbox"/> 41-50 <input type="checkbox"/> 51-60 <input type="checkbox"/> Above 60 years
A2	Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
A3	Highest educational level	<input type="checkbox"/> Primary/BECE/MSLC <input type="checkbox"/> SSSCE/WASSCE/A Level <input type="checkbox"/> Diploma/HND <input type="checkbox"/> Bachelors Degree <input type="checkbox"/> Masters Degree <input type="checkbox"/> Phd <input type="checkbox"/> Professional -----

A4	Category of employee	<input type="checkbox"/> Management Board <input type="checkbox"/> Senior member - Admin <input type="checkbox"/> Senior member - Academic <input type="checkbox"/> Senior Staff <input type="checkbox"/> Junior Staff
A5	Length of Service with CUC	<input type="checkbox"/> 0 – 3 years <input type="checkbox"/> 4 – 6 years <input type="checkbox"/> 7 – 9 years <input type="checkbox"/> 10 – 12 years
A6	Is CUC your first place of work?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Prefer not to say
A7	If no to A6, what made you leave your previous place of work? Rank in descending order with 1 being the highest.	<input type="checkbox"/> Low salary <input type="checkbox"/> Lack of recognition <input type="checkbox"/> Poor working conditions <input type="checkbox"/> Lack of fringe benefits <input type="checkbox"/> Others specify <hr/> <hr/> <hr/>

Section B: Management Board Members

No	Question	Categories
B1	Is staff performance appraised in this institution?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B2	Does management award extrinsic rewards based on staff performance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Uncertain
B3	Please give reasons for your answer in B2	----- -----
B4	Is management satisfied with the existing extrinsic rewards in CUC?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Uncertain
B5	Most staff viewed salary as what really motivates them. Do you agree to this view point?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B6	What are your reasons for your answer in B5.	----- -----

B7	Does the institution benefit from providing extrinsic rewards to staff?	<input type="checkbox"/> Yes <input type="checkbox"/> Uncertain <input type="checkbox"/> No
B8	If yes to B7, can you please enumerate them?	----- -----
B9	In your estimation, what do you think should be done to improve employees' performance?	----- -----

Section C: Extrinsic rewards – Employees

No	Question	Categories
C1	Do extrinsic rewards exist in CUC?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C2	Which of the following extrinsic rewards do you currently enjoy	<input type="checkbox"/> Job security <input type="checkbox"/> Promotion <input type="checkbox"/> Good working conditions <input type="checkbox"/> Incentives <input type="checkbox"/> Formal Recognition <input type="checkbox"/> Salary <input type="checkbox"/> Fringe benefits <input type="checkbox"/> Others specify ----- -----
C3	In your opinion how will you rank the extrinsic rewards you enjoy in CUC?	<input type="checkbox"/> Highly satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Not satisfied

C4	Which of the following extrinsic rewards motivates you ?	<input type="checkbox"/> Job security <input type="checkbox"/> Promotion <input type="checkbox"/> Good working conditions <input type="checkbox"/> Incentives <input type="checkbox"/> Formal Recognition <input type="checkbox"/> Salary <input type="checkbox"/> Fringe benefits <input type="checkbox"/> Others specify ----- -----
C5	Do you think these extrinsic rewards are tied to performance?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> sometimes
C6	What are your reasons	----- -----
C7	Is your performance appraised in this institution?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C8	How frequently are you appraised?	<input type="checkbox"/> Quarterly <input type="checkbox"/> Half yearly <input type="checkbox"/> Yearly

C9	Have you ever achieved and or exceeded the set goal and standards of your department?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C10	Is there any rewards system tied to your performance at work?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not aware
C11	Are you satisfied with the rewards given?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C12	Kindly give reasons for your answer in C13.	-----
C13	Will your attitude towards work change if you are given more extrinsic rewards?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C14	If yes to C15, which one will most influence your performance? Please specify	-----

C15	If yes to C 15, kindly rank them in order of priority with 1 being the highest.	<input type="checkbox"/> Job security <input type="checkbox"/> Promotion <input type="checkbox"/> Good working conditions <input type="checkbox"/> Incentives <input type="checkbox"/> Formal Recognition <input type="checkbox"/> Salary <input type="checkbox"/> Fringe benefits
C16	In your opinion will you increase your performance if you are motivated from within yourself (intrinsically)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C17	If yes to C18, which of the following intrinsic rewards will motivate you to perform in CUC? (Tick as many as applicable)	<input type="checkbox"/> Achievement <input type="checkbox"/> Recognition for achievement <input type="checkbox"/> Work itself <input type="checkbox"/> Responsibility <input type="checkbox"/> Growth <input type="checkbox"/> Advancement
C18	Will you still be motivated intrinsically even if you are not given any extrinsic rewards?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Section D: Recommendations – Other staff

No	Question	Categories
D1	Do you think CUC should incorporate more extrinsic rewards in their policies?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D2	State some extrinsic rewards you would like CUC to incorporate, which are not currently being enjoyed by you.	<hr style="border-top: 1px dashed black;"/> <hr style="border-top: 1px dashed black;"/>
D3	In your opinion what could be done to improve your overall work performance.	<hr style="border-top: 1px dashed black;"/> <hr style="border-top: 1px dashed black;"/>

APPENDIX B - SAMPLE SIZE CALCULATION FOR TABLE 2

Based on the formula for the sample size, the sample must be 103, however, four (4) have already been identified as Management Board members leaving ninety-nine (99) to be determined by the other staff. To calculate for each stratum the formula must be as follows:

Sample size/population ie. $99/396$. Answer = **0.25**

Sample size for each stratum = multiply 0.25 by each population of the each stratum

Academic staff: $141 \times 0.25 = 35.25$

Senior members: $44 \times 0.25 = 11$

Senior staff: $115 \times 0.25 = 28.75$

Junior staff: $96 \times 0.25 = 24$

Table 2: Distribution of other staff

Category	pop	0.25 of each stratum	sample
Academic staff	141	35.25	35
Senior members	44	11	11
Senior staff	115	28.75	29
Junior staff	96	24	24
Total	396		99

Source: Survey data (2011)

**APPENDIX C - CALCULATION OF MEAN AND STANDARD
DEVIATION FOR TABLE 5**

Table 5: Length of service with CUC

Year	(x) Midpoint	(f) Freq	fx	fx ²
0-3	1.5	37	55.5	83.25
4-6	5	38	190	950
7-9	8	11	88	704
10 – 12	11	17	187	2,057
Total	25.5	103	520.5	3,794.25

Source: Survey data (2011)

$$\text{Mean} = \frac{\sum fx}{\sum f}$$

where, (x) is the midpoint, (f) is the frequency, (fx) is the frequency (f) multiplied by the midpoint (x)

$$\text{Mean} = \frac{520.5}{103}$$

$$\text{Mean} = 5.05$$

Standard deviation

$$S.D = \sqrt{\frac{\sum fx^2}{\sum fx} - \left(\frac{\sum fx}{\sum f}\right)^2}$$

where (fx) is the frequency(f) multiplied by the midpoint (x)

(fx²) is (fx) multiplied by the midpoint

$$\begin{aligned} &= \frac{3794.25}{103} - \left(\frac{520.5}{103}\right)^2 \\ &= 36.837 - (5.053)^2 \\ &= 36.837 - 25.532 \\ &= \sqrt{11.30} \end{aligned}$$

$$S.D = 3.36$$