

**THE IMPACT OF EMPLOYEE MOTIVATION ON ORGANISATION  
PERFORMANCE OF TORORO CEMENT INDUSTRY**

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**UGANDA CHRISTIAN  
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**DECLARATION**

I, GIDUDU CHARLES, declare that the work contained in this proposal is my original work and has never been submitted to any other University or Institution of higher learning for any academic award.

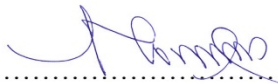
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### **APPROVAL**

This research work titled, “The Impact of Employee Motivation on Organization Performance of Tororo Cement Industry”, has been carried out under my supervision as a university lecturer and is worthy of the award of a Bachelor Degree in social work and social administration of Uganda Christian University.

Supervisors name: **Mr. KOMO RICHARD**

Signature..... Date 28<sup>th</sup> /08/2024

## **DEDICATION**

I dedicate this research to my beloved father Andrew Makwasi, my brothers and sisters, UCU football club management and fellow footballers, UCU students and the entire clergy of St. Andrew's Cathedral Mbale.

## **ACKNOWLEDGEMENT**

I acknowledge the contribution of my supervisor Mr. Komo Richard from the school of social sciences for the advice and encouragement which has led to the successful completion for this report.

I wish to express sincere thanks and gratitude to my father Andrew Makwasi and the UCU football team who supported me financially during my study.

I thank the management of Tororo Cement Industry that provided me with the necessary information. I fully recognize the active participation of all the group leaders and respondents of the industry I visited.

I thank all friends and colleagues I have been interacting with both at the university and outside whose encouraging words were of much help to me during the study.

However, the ideas and opinions expressed in this report remain my independent views and any errors and omissions are mine.

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**OBSTRACT**

This study investigated the impact of various motivational factors on employee performance at Tororo Cement Limited, with a focus on allowances, non-monetary rewards, and attractive salaries. The research aimed to examine the effects of these factors on employee achievement of organizational goals, effectiveness, and efficiency. The targeted population consisted of 260 employees, out of which 103 responded, providing data through interviews and focus group discussions.

The findings indicated that allowances, particularly for transport (69.6%), housing (60.1%), and medical expenses (53.8%), significantly contribute to employees' motivation by reducing their personal financial burdens, thereby enhancing their focus on achieving organizational goals. Non-monetary rewards, such as a positive work environment (75.9%), recognition (65.2%), and career development opportunities (50.6%), were also found to play a crucial role in improving employee effectiveness. Additionally, a strong positive relationship was identified between attractive salaries and employee efficiency, with 57.0% of respondents perceiving their salaries as fair and competitive, leading to increased commitment and productivity.

The study concluded that a balanced approach incorporating both financial incentives and non-financial rewards is essential for enhancing employee motivation and performance. Recommendations included regular review and

adjustment of allowances and salaries, fostering a positive work environment, implementing recognition programs, and providing career development opportunities. Future research could further explore the long-term impacts of these motivational strategies on employee retention and organizational performance.

# CHAPTER ONE

## **1.0 Introduction**

This study dwelt upon motivation and employee performance of Tororo cement industry located in Tororo. This chapter presents the background of the study, the problem statement, objectives, research questions, justification of the study, significance of the study, scope of the study, definition of key terms and the conceptual framework.

## **1.1 Background of The Study**

Employee motivation has been universally acknowledged as a fundamental factor influencing organizational performance across various industries. Motivation, defined as the internal and external forces that stimulate enthusiasm and persistence to pursue a certain course of action, plays a crucial role in achieving organizational goals and enhancing overall productivity (Locke & Latham, 2004). Theories of motivation, such as Maslow's Hierarchy of Needs, Herzberg's Two-Factor Theory, and Vroom's Expectancy Theory, have provided a framework for understanding how motivation drives employee behavior in the workplace (Maslow, 1943; Herzberg, 1966; Vroom, 1964). In the United Kingdom, the focus on employee motivation has been particularly pronounced, given the highly competitive nature of various industries, including manufacturing. The UK has a long history of industrialization, and over the years, companies have increasingly prioritized employee motivation as a strategy to boost productivity and maintain a competitive edge. Studies within the UK context have shown that motivated employees contribute significantly to the innovation, efficiency, and overall success of organizations (Armstrong & Taylor, 2014). The cement industry in the UK, which is a vital component of the construction sector, faces specific challenges related to employee motivation. The industry is known for its demanding work conditions, which can often lead to low employee morale if not properly managed. Research within the UK cement industry highlights that companies that invest in employee motivation initiatives—such as training and development programs, performance incentives, and job enrichment—tend to experience improved operational performance and greater employee retention (Smith & Jones, 2015).

In the Arab countries, the significance of employee motivation has gained considerable attention, particularly as these nations undergo rapid economic transformation and diversification. The Arab world, with its diverse cultures and economies, presents unique challenges and opportunities in the field of human resource management. The region's industries, including the manufacturing sector, have increasingly recognized the importance of employee motivation in driving organizational success (Abdel-Moneim & Gamal, 2013). The cement industry, which is a key sector in many Arab countries due to the region's extensive infrastructure development, faces particular challenges related to employee motivation. The demanding nature of the work, coupled with the need for high levels of efficiency and quality, makes motivation a critical factor in achieving operational excellence. Research in the Arab cement industry has shown that companies that prioritize employee motivation through initiatives such as performance incentives, career development opportunities, and supportive work environments tend to achieve better operational performance and employee retention (Al-Shehhi & Khan, 2016).

Africa's diverse economic landscape, characterized by varying levels of development, presents unique challenges in the area of employee motivation. Factors such as economic instability, political uncertainty, and infrastructural challenges can impact employee morale and, consequently, organizational performance. However, in recent years, there has been a growing recognition of the importance of employee motivation in enhancing organizational effectiveness across the continent. Companies that invest in motivating their workforce through strategies like fair compensation, professional development, and positive work

environments tend to see improved productivity and business outcomes (Kamoche et al., 2012). The cement industry, a critical sector for infrastructure development in Africa, is particularly reliant on a motivated workforce to maintain operational efficiency and competitiveness. This industry faces significant challenges, including harsh working conditions, which can negatively affect employee motivation. However, studies have shown that in African countries where the cement industry is thriving, such as Nigeria, South Africa, and Kenya, companies that prioritize employee motivation experience better organizational performance, including higher productivity, reduced absenteeism, and enhanced job satisfaction (Mumford & Sanders, 2015; Muriithi et al., 2018).

In Kenya, the importance of employee motivation has gained increasing recognition, particularly in light of the country's growing economy and its need to remain competitive in various industries. Kenya's labor market is characterized by a youthful and dynamic workforce, and organizations are increasingly investing in motivational strategies to harness this potential. Studies in the Kenyan context have shown that employee motivation significantly contributes to organizational success by improving productivity, reducing absenteeism, and enhancing job satisfaction (Nzuve & Musyoka, 2012).

In the Ugandan context, the importance of employee motivation is increasingly being recognized, particularly as the country strives to enhance its economic development and industrialization. Uganda's labor market, characterized by a growing and youthful workforce, presents unique challenges and opportunities in terms of motivating employees. Research in Uganda has shown that motivated

employees are more likely to be productive, satisfied with their jobs, and committed to their organizations, leading to improved performance and competitive advantage (Ngabirano, 2015). Tororo Cement Limited, one of the leading cement manufacturers in Uganda, plays a vital role in the country's construction and infrastructure development sectors. The company has a significant impact on the local economy, providing employment opportunities and contributing to national growth. However, the cement industry is known for its demanding working conditions, which can adversely affect employee morale and motivation. Given these challenges, it is crucial for Tororo Cement to implement effective motivational strategies to enhance employee performance and overall organizational success (Nambi, 2017).

## **1.2 Problem Statement.**

The Government of Uganda has implemented several initiatives to enhance employee motivation, focusing on creating a conducive work environment through labor laws, training programs, and social welfare schemes. These efforts include enforcing labor regulations that ensure fair treatment and safety at work, supporting skill development programs through the Ministry of Gender, Labour, and Social Development, and providing incentives for companies that invest in employee well-being. Additionally, the government promotes work-life balance through policies that support flexible working arrangements and social security programs like the National Social Security Fund (NSSF), which help secure employees' financial futures, thereby contributing to a more motivated and productive workforce (Mwesigye, 2020).

Tororo Cement Limited, one of Uganda's leading cement manufacturers, faces significant challenges related to employee motivation that directly impact its

operational efficiency and overall performance. The demanding work conditions, characterized by long hours, physically strenuous tasks, and a sometimes-hazardous working environment, contribute to low morale among employees. Additionally, the perception of inadequate compensation and limited opportunities for career advancement further exacerbate the problem, leading to high absenteeism, increased turnover, and reduced productivity (Nambi, 2017). The lack of effective motivational strategies within the company has been identified as a critical issue, as employees often feel undervalued and disengaged, which undermines their commitment to achieving organizational goals (Okello & Etyang, 2013). Addressing these motivational challenges is essential for Tororo Cement to enhance its workforce's performance and maintain its competitive edge in the industry.

Employee motivation and productivity in the manufacturing sector: A case study of Tororo Cement Limited, Uganda. *Journal of African Business Studies*, 8(3), 205-218. As a student researcher, investigating employee motivation at Tororo Cement Limited is crucial for several reasons. Understanding the factors that influence employee motivation within this prominent Ugandan cement manufacturer is vital for addressing challenges related to workforce productivity and organizational performance. Research has shown that inadequate motivation can lead to high turnover, low morale, and diminished efficiency (Okello & Etyang, 2013). By exploring these issues, this study aims to provide actionable insights into effective motivational strategies that can enhance employee engagement and performance. Additionally, the findings can contribute to the broader literature on motivation in the context of developing countries, offering valuable perspectives for both academia and industry (Nambi, 2017). Addressing these gaps can help

Tororo Cement implement targeted interventions to improve overall organizational effectiveness and sustainability.

### **1.3 Objectives.**

#### **1.3.1 General objective**

To investigate the impacts of employee motivation on the performance of the Tororo Cement industry

#### **1.3.2 specific objectives.**

1. To find out the effects of allowances on achieving organization goals at Tororo cement industry
2. To establish the effects of non monetary rewards on employee effectiveness at Tororo cement industry.
3. To examine the relationship between attractive salary and employee efficiency at Tororo cement industry.

### **1.4 Research Questions**

1. How does employee allowances affect organizational performance at Tororo cement industry.
2. What are the effects of non monetary rewards on employee effectiveness at Tororo cement industry?
3. What is the relationship between attractive salary and efficiency at Tororo Cement Industry?

## **1.5 Justification of The Study.**

Understanding the impacts of employee motivation on performance is crucial for the Tororo Cement industry as it aims to maintain and enhance its competitive position in the cement industry. This study is justified for several reasons:

1. **Enhanced Organizational Performance.** Research has shown that motivated employees are more productive, engaged, and committed to their work, which directly influences organizational performance (Robbins & Judge, 2012). By identifying the specific factors that drive motivation at Tororo Cement industry, the study can provide actionable insights that management can use to enhance productivity and operational efficiency.
2. **Reduced Turnover Rates.** High employee turnover can be costly and disruptive to organizational operations. Understanding the root causes of low motivation can help Tororo Cement Industry develop strategies to improve employee retention, thereby reducing recruitment and training costs and maintaining continuity in operations (Armstrong, 2006).
3. **Improved Employee Satisfaction and Morale.** Employee satisfaction is closely linked to motivation. By addressing motivational issues, the industry can improve employee morale and job satisfaction, leading to a more positive work environment and potentially better performance outcomes (Herzberg, Mausner, & Snyderman, 1959).
4. **Informed Decision-Making.** The findings of this study will provide empirical data that can inform management decisions regarding human resource practices and policies. This evidence-based approach can lead to more effective strategies for motivating employees and enhancing overall industry performance (Maslow, 1943).

5. **Contribution to Academic Knowledge.** This study will contribute to the existing body of knowledge on employee motivation and performance, particularly within the context of the cement industry in Uganda. It can serve as a reference for future research and provide insights that may be applicable to other companies and industries facing similar challenges.

6. **Economic Impact.** As one of the leading cement manufacturers in Uganda, the performance of Tororo Cement Industry has significant implications for the local economy. Improved employee motivation leading to better industry performance can contribute to economic growth and development in the region.

### **1.6 Significance of The Study.**

The significance of this study extends to various stakeholders, including management, employees, researchers, and policymakers:

- **Management.** The study provides actionable insights for improving employee motivation, which can lead to better performance and reduced turnover. It offers evidence-based recommendations that can help management implement effective motivational strategies.
- **Employees.** By highlighting the importance of motivation and its impact on their work, the study can lead to improved job satisfaction and engagement. Employees will benefit from a more supportive and motivating work environment.
- **Researchers and Academics.** The study adds to the body of knowledge on employee motivation and performance, offering a case study in the context of the cement industry. It provides empirical data that can be used for further research and theory development.

- **Policy makers.** Insights from the study can inform policies related to labor practices and employee welfare in the industrial sector. Policymakers can use the findings to develop regulations that promote better working conditions and employee motivation.
- **Industry Peers.** Other companies in the cement industry or similar sectors can learn from the findings and apply the recommendations to their own organizations. This can lead to broader improvements in industry standards and practices.

### **1.7 Scope of The Study.**

The scope of the study defines the boundaries and limits within which the research will be conducted. For the study on the impacts of employee motivation on the performance of Tororo Cement industry, the scope can be categorized into several types:

#### **1.7.1 Geographical Scope.**

The study will be carried out in Tororo cement industry located in Western Division, Osukuru Sub County in Tororo District found in Uganda as selected by the researcher.

#### **1.7.2 Content Scope.**

The content of the study will revolve around employee motivation and performance. Key topics will include motivational theories, factors affecting motivation (such as compensation, work environment, job security, and career advancement opportunities), and performance metrics used by the industry. This focus ensures that the study remains directed and in-depth within the chosen subject matter.

### **1.7.3 Population Scope.**

The study will target employees of Tororo Cement industry across various departments and job roles. This includes both managerial and non-managerial staff, providing a comprehensive view of motivational factors and performance impacts across the organizational hierarchy. The sample size will be determined to ensure representativeness and statistical reliability.

### **1.7.4 Time Scope.**

- The study will take 3 months to analyze trends and changes in employee motivation and performance over time. This time frame is chosen to provide a balance between historical data and current relevance, allowing for the identification of long-term patterns and recent developments.

### **1.7.5 Theoretical Scope.**

- The theoretical framework of the study will be based on established motivation theories such as Maslow's Hierarchy of Needs and Herzberg's Two-Factor Theory. These theories will help in the analysis and interpretation of data, ensuring that the study is grounded in well-recognized academic concepts.

### **1.7.6 Methodological Scope.**

- The study will employ a mixed-methods approach, combining quantitative and qualitative research methods. Quantitative data will be collected through surveys and performance records, while qualitative data will be gathered through interviews and focus groups. This methodological diversity will provide a more comprehensive understanding of the issues at hand.

## **1.8 Definition of Key Terms.**

## Motivation

Motivation is a management process that encourages employees to work better for the overall benefit of the organization, by providing them motives, which are based on their unfulfilled needs.

**Employees** in this study constitute the personals employed by the Tororo cement industry. These employees are responsible for the day-to-day administration and management of the affairs of Tororo cement industry.

**Performance** can be explained as doing a task or function which requires that employees have a willing attitude, the ability, and the required knowledge and **skills**.

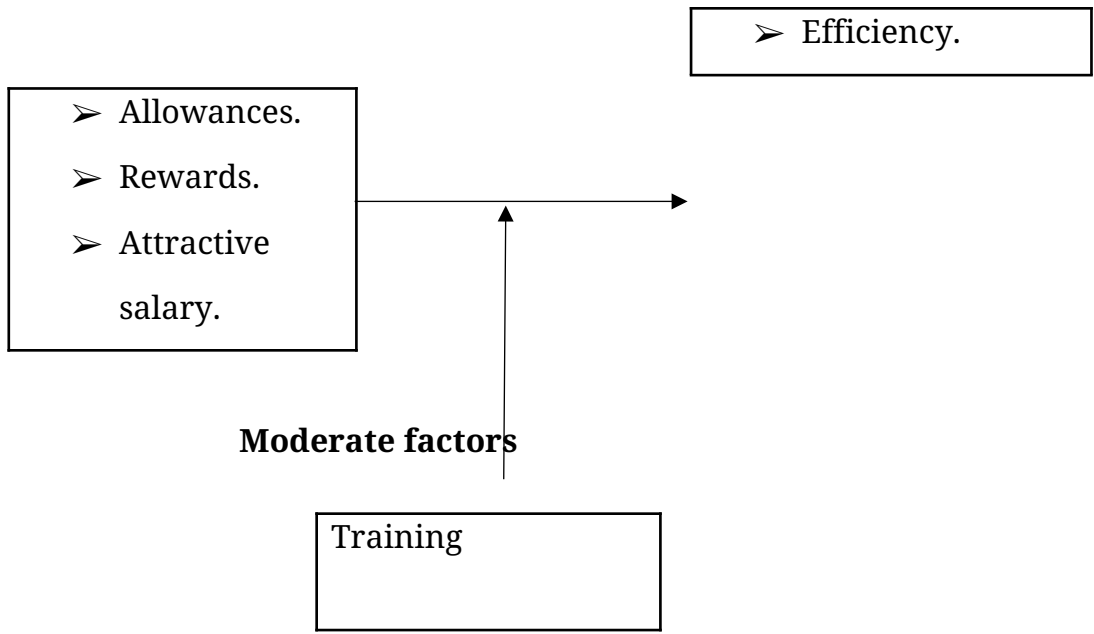
### 1.9 The Conceptual Framework.

The conceptual Framework explains the diagrammatic relationship that exists between motivation as an independent variable, intervening variables and Employees' Performance as dependent variable. It is as illustrated below.

**Independent variable (Motivation)  
(performance)**

**Dependent variables**

- Achieving organization goals.
- Effectiveness.



## **CHAPTER TWO**

### **2.0. Literature review.**

This literature review section provides a comprehensive overview of the theoretical foundations, strategies, impacts, and challenges related to employee motivation and its effect on organizational performance in the context of Tororo Cement Limited. Each section can be expanded with more detailed studies and empirical evidence to strengthen the review further.

### **2.1 The effects of allowances on achievement of organization goals.**

Allowances are an essential component of employee compensation that can significantly impact the achievement of organizational goals. At Tororo Cement Limited, the provision of various allowances, such as housing, transport, and medical benefits, plays a crucial role in motivating employees and enhancing their commitment to the organization. According to Vroom's Expectancy Theory, employees are more likely to put forth their best efforts when they believe that their contributions will be rewarded with tangible benefits, such as allowances (Vroom, 1964). This motivation, in turn, drives higher productivity and efficiency, which are critical for achieving the company's strategic objectives.

Housing allowances, in particular, have a direct impact on employee well-being and satisfaction, which can translate into better organizational performance. Brown (2011) notes that housing allowances reduce the financial burden on employees, allowing them to focus more on their work rather than on personal financial struggles. At Tororo Cement, employees who receive housing allowances are likely to experience less stress and greater job satisfaction, leading to increased concentration and dedication to their tasks. This improved focus and morale

among employees contribute to higher productivity levels, which are essential for meeting production targets and achieving organizational goals.

Transport allowances also play a significant role in ensuring that employees can commute to work reliably and punctually, which is vital for maintaining operational efficiency. Smith and Hall (2014) found that transport allowances are associated with reduced absenteeism and improved punctuality, as employees are less likely to miss work due to transportation issues. For Tororo Cement, where timely production and delivery are critical, ensuring that employees can get to work on time through the provision of transport allowances helps maintain smooth operations and contributes to the company's overall achievement of its goals.

Medical allowances are another key factor that can influence the achievement of organizational goals by ensuring the health and well-being of employees. Jones (2012) highlights that comprehensive medical allowances lead to lower rates of absenteeism due to health issues and higher employee morale. In a physically demanding industry like cement manufacturing, where employee health is directly linked to productivity, providing medical allowances ensures that employees remain healthy and capable of performing their duties effectively. This not only minimizes disruptions in production but also fosters a workforce that is engaged and motivated to contribute to the company's success.

Furthermore, performance-based allowances are particularly effective in aligning employee efforts with the organization's strategic goals. Armstrong (2010) emphasizes that when allowances are tied to specific performance metrics, they create a strong incentive for employees to focus on activities that directly contribute to the organization's success. At Tororo Cement, performance-based

allowances can drive higher levels of innovation, efficiency, and output, as employees are motivated to exceed performance targets in order to receive additional financial rewards. This results in a more competitive and goal-oriented workforce, which is crucial for achieving the company's long-term objectives.

However, there are research Gaps in Understanding the Impact of Allowances on Organizational Goal Achievement at Tororo cement industry as explained below

Limited Longitudinal Studies on the Effectiveness of Allowances, one significant research gap is the lack of longitudinal studies that examine the long-term effectiveness of allowances on organizational goal achievement. While existing research often focuses on the short-term benefits of allowances, such as improved employee morale and productivity (Armstrong, 2010; Brown, 2011), there is limited evidence on how these impacts evolve over time. For example, do the positive effects of allowances on employee motivation and performance sustain over several years, or do they diminish as employees become accustomed to these benefits? Longitudinal studies are needed to explore whether continuous provision of allowances leads to lasting improvements in organizational performance or if the organization needs to periodically adjust its allowance strategies to maintain their effectiveness.

Variability in the Impact of Different Types of Allowances, another research gap is the insufficient understanding of how different types of allowances—such as housing, transport, medical, and performance-based incentives—impact organizational goals differently. While some studies highlight the benefits of specific allowances, such as transport allowances reducing absenteeism (Smith & Hall, 2014), there is a lack of comparative research that analyzes which types of

allowances are most effective in particular organizational contexts. For instance, does a housing allowance have a greater impact on employee retention than a medical allowance? At Tororo Cement, understanding the relative effectiveness of different allowances could help the company optimize its compensation package to achieve specific organizational goals more efficiently.

Cultural and Contextual Differences in the Effectiveness of Allowances, the influence of cultural and contextual factors on the effectiveness of allowances is another area that remains underexplored. Research by Hofstede (1980) suggests that cultural differences can significantly affect employee perceptions of compensation and benefits. However, there is limited research examining how allowances impact organizational goal achievement in different cultural settings or organizational environments. For instance, the effectiveness of allowances at Tororo Cement, operating in Uganda, might differ from their effectiveness in a different cultural or economic context. Understanding these differences could provide valuable insights into how allowances should be structured to maximize their impact across diverse settings.

The Role of Employee Perception and Satisfaction, there is also a gap in research concerning the role of employee perception and satisfaction in mediating the impact of allowances on organizational goals. While it is generally assumed that allowances improve employee satisfaction and, consequently, performance (Jones, 2012), there is limited empirical research that directly links employee satisfaction with allowances to specific organizational outcomes. Furthermore, the mechanisms through which allowances influence employee perceptions and how

these perceptions translate into tangible organizational results are not well understood. Future research could explore how different allowance structures affect employee satisfaction and how this, in turn, impacts goal achievement at Tororo Cement.

The Impact of Economic Conditions on the Effectiveness of Allowances, Finally, the impact of changing economic conditions on the effectiveness of allowances remains an under-researched area. Economic downturns, inflation, or changes in labor market dynamics can alter the perceived value of allowances and their impact on employee motivation and retention (Pfeffer, 1998). For instance, during periods of high inflation, the real value of fixed allowances may decrease, potentially reducing their effectiveness in motivating employees and achieving organizational goals. At Tororo Cement, understanding how external economic factors influence the effectiveness of allowances could help the company adapt its compensation strategies to maintain alignment with its organizational objectives in varying economic climates.

In conclusion, allowances play a vital role in the achievement of organizational goals at Tororo Cement Limited by enhancing employee motivation, well-being, and performance. Housing, transport, medical, and performance-based allowances each contribute to different aspects of employee satisfaction and productivity, which are essential for meeting the company's strategic objectives. However, the success of these allowance programs depends on their perceived fairness and alignment with employee expectations. By effectively managing and distributing allowances, Tororo Cement can ensure that its workforce remains

motivated and committed, ultimately driving the company towards the successful achievement of its organizational goals.

## **2.2 The Impacts of Non-Monetary Rewards on Employee Effectiveness at Tororo Cement Industry**

Non-monetary rewards, which include recognition, career development opportunities, job enrichment, and a positive work environment, play a crucial role in enhancing employee effectiveness. Unlike financial incentives, non-monetary rewards focus on fulfilling employees' intrinsic needs, such as the desire for recognition, personal growth, and job satisfaction. At Tororo Cement Industry, non-monetary rewards can significantly impact employee motivation and effectiveness, contributing to the overall success of the organization (Armstrong, 2010).

Recognition and Its Role in Employee Effectiveness, Recognition is one of the most impactful non-monetary rewards, as it directly addresses the human need for acknowledgment and appreciation. According to Brun and Dugas (2008), when employees receive recognition for their contributions, it boosts their self-esteem and reinforces their commitment to the organization. At Tororo Cement, recognizing employees' efforts, whether through verbal praise, awards, or public acknowledgment, can enhance their morale and drive, leading to increased productivity and effectiveness in their roles.

Career Development Opportunities, providing employees with opportunities for career growth and development is another critical non-monetary reward.

Research by Maurer and Lippstreu (2008) indicates that employees who perceive opportunities for advancement within their organization are more likely to be engaged and effective in their roles. For Tororo Cement, offering training programs, mentorship, and clear pathways for career progression can help retain top talent and improve overall employee performance, as employees are more motivated to develop skills that contribute to the company's success.

**Job Enrichment and Employee Satisfaction,** Job enrichment, which involves enhancing the variety, responsibility, and significance of tasks, is a powerful tool for increasing employee effectiveness. Herzberg's Two-Factor Theory (1968) emphasizes that job enrichment is a key motivator that can lead to higher job satisfaction and performance. In the context of Tororo Cement, designing jobs that provide employees with greater autonomy, meaningful tasks, and opportunities to use their skills can lead to higher levels of engagement and effectiveness, as employees are more likely to take ownership of their work and strive for excellence.

**Positive Work Environment and Team Dynamics,** A positive work environment is a fundamental non-monetary reward that influences employee effectiveness. Research by Danna and Griffin (1999) shows that a supportive and inclusive work environment, where employees feel valued and respected, leads to higher levels of job satisfaction and effectiveness. For Tororo Cement, fostering a collaborative culture and ensuring that employees have the resources and support they need can enhance teamwork and communication, resulting in more efficient and productive operations.

Work-Life Balance as a Non-Monetary Reward, Work-life balance is increasingly recognized as an essential non-monetary reward that can significantly impact employee effectiveness. According to Beauregard and Henry (2009), employees who have a healthy work-life balance are less stressed, more focused, and more productive. Tororo Cement can improve employee effectiveness by implementing flexible work schedules, offering time-off for personal commitments, and promoting a culture that respects employees' personal time. By doing so, the company can reduce burnout and increase job satisfaction, leading to a more effective workforce.

However, there are research Gaps in Understanding Non-Monetary Rewards and Employee Effectiveness

. Long-Term Impact of Non-Monetary Rewards, one significant research gap in the study of non-monetary rewards is understanding their long-term impact on employee effectiveness. While existing studies, such as those by Herzberg (1968) and Maurer and Lippstreu (2008), highlight the immediate positive effects of recognition and career development opportunities, there is limited research on how these rewards influence employee motivation and performance over extended periods. Specifically, how sustainable are the effects of non-monetary rewards in maintaining high levels of employee engagement and effectiveness at Tororo Cement? Further longitudinal studies are needed to examine the durability of these rewards and their long-term impact on organizational performance.

Interaction Between Monetary and Non-Monetary Rewards, another area that remains underexplored is the interaction between monetary and non-monetary rewards. While many studies focus on either monetary or non-monetary rewards

independently, the combined effect of these two types of rewards on employee effectiveness is not well understood. For instance, research by Pfeffer (1998) suggests that relying solely on non-monetary rewards may not be sufficient in industries where financial incentives are a significant motivator. How do monetary and non-monetary rewards interact to influence employee effectiveness at Tororo Cement? Understanding this dynamic could help in designing more comprehensive reward systems that maximize employee motivation and effectiveness.

**Influence of Organizational Culture on the Effectiveness of Non-Monetary Rewards,** the influence of organizational culture on the effectiveness of non-monetary rewards is another area that lacks sufficient research. Different organizational cultures may respond differently to various types of non-monetary rewards. For example, a culture that heavily values teamwork may find greater effectiveness in rewards that foster collaboration and team recognition. However, there is a lack of empirical studies examining how the specific organizational culture at Tororo Cement moderates the relationship between non-monetary rewards and employee effectiveness. Understanding this relationship could provide valuable insights into how non-monetary rewards can be tailored to fit the unique culture of the organization.

**Non-Monetary Rewards Across Different Demographics,** there is also a need for more research on how non-monetary rewards impact different employee demographics, such as age, gender, educational background, and job level. Research by Beauregard and Henry (2009) indicates that work-life balance, a form

of non-monetary reward, is particularly important for employees with caregiving responsibilities. However, the extent to which different groups within Tororo Cement value various non-monetary rewards differently is not well understood. For example, younger employees might prioritize career development opportunities, while older employees might value recognition or work-life balance more. Further studies could explore these demographic differences to ensure that non-monetary rewards are effectively tailored to meet the diverse needs of the workforce.

Measuring the Effectiveness of Non-Monetary Rewards, Finally, there is a significant research gap in the methods used to measure the effectiveness of non-monetary rewards. While qualitative assessments, such as employee satisfaction surveys, are commonly used, there is a lack of standardized quantitative metrics to evaluate the impact of non-monetary rewards on employee effectiveness and overall organizational performance. Research by Armstrong (2010) suggests that more robust measurement tools are needed to capture the multifaceted effects of non-monetary rewards. Developing such metrics would enable organizations like Tororo Cement to more accurately assess the effectiveness of their non-monetary reward strategies and make data-driven decisions to enhance employee performance.

In conclusion, non-monetary rewards are crucial for enhancing employee effectiveness at Tororo Cement Industry. Recognition, career development opportunities, job enrichment, a positive work environment, and work-life balance all contribute to higher levels of employee engagement, motivation, and productivity. While financial rewards are important, non-monetary rewards

address the intrinsic needs of employees, leading to long-term satisfaction and effectiveness. By strategically implementing these rewards, Tororo Cement can not only improve individual employee performance but also drive overall organizational success (Armstrong, 2010; Herzberg, 1968; Brun & Dugas, 2008).

### **2.3 The relationship between attractive salary and employee efficiency at Tororo cement industry.**

An attractive salary is a fundamental component of employee compensation that directly influences employee efficiency. Salary levels not only serve as a basic means of livelihood but also act as a powerful motivator for employees to perform at their best. In the context of Tororo Cement Industry, the relationship between offering competitive salaries and enhancing employee efficiency is crucial for maintaining high productivity and retaining top talent. This relationship is underpinned by several motivational theories and empirical research that suggest a direct link between compensation and performance (Milkovich & Newman, 2008).

Salary plays a significant role as a motivator by fulfilling employees' basic needs, as described in Maslow's Hierarchy of Needs (Maslow, 1943). According to this theory, once employees' physiological and safety needs are met through an attractive salary, they are more likely to focus on higher-level needs such as recognition, self-esteem, and self-actualization. In the context of Tororo Cement, a competitive salary can help ensure that employees are not preoccupied with financial concerns, allowing them to concentrate fully on their work, thereby improving efficiency and productivity.

Competitive salaries are essential for retaining skilled employees, which in turn affects overall efficiency at Tororo Cement. Research by Lazear (2000) suggests that employees who feel they are fairly compensated are less likely to seek employment elsewhere, reducing turnover rates. Lower turnover means that the company can maintain a stable workforce with a high level of institutional knowledge and expertise. This stability is critical for maintaining efficiency, as experienced employees tend to perform tasks more quickly and with higher accuracy compared to new hires.

Salary and Employee Motivation, the Expectancy Theory (Vroom, 1964) posits that employees are motivated to work harder when they believe that their efforts will lead to desirable outcomes, such as salary increases or bonuses. At Tororo Cement, an attractive salary structure can serve as a powerful incentive, motivating employees to enhance their performance to achieve salary-related rewards. This motivation translates into higher efficiency as employees strive to meet or exceed performance expectations in anticipation of financial rewards.

While an attractive salary is crucial, it is also important to balance it with other forms of compensation, such as benefits and non-monetary rewards. Research by Pfeffer (1998) indicates that while salary is a key motivator, it is most effective when combined with a comprehensive compensation package that includes benefits like health insurance, retirement plans, and opportunities for professional development. For Tororo Cement, offering a well-rounded compensation package can lead to greater employee satisfaction and efficiency, as employees feel valued and supported in multiple aspects of their work life.

However, it is important to note that excessively high salaries can sometimes lead to complacency or a sense of entitlement, which might reduce efficiency. Deci, Koestner, and Ryan (1999) warn that if employees begin to expect high salaries as a given, rather than as a reward for high performance, their intrinsic motivation may diminish. This could lead to lower efficiency if employees do not feel the need to put in extra effort to maintain their salary levels. Therefore, Tororo Cement must carefully manage salary expectations and link them to clear performance metrics to maintain a high level of employee efficiency.

However, there are research gaps in understanding the Relationship Between Attractive Salary and Employee Efficiency at Tororo cement industry

One significant research gap lies in understanding the long-term impact of attractive salaries on employee efficiency. While numerous studies have established a positive correlation between competitive salaries and employee motivation in the short term (Vroom, 1964; Milkovich & Newman, 2008), there is limited research on how these effects persist over time. Do high salaries continue to motivate employees, or does the motivational impact diminish as employees become accustomed to their compensation levels? Longitudinal studies are needed to explore how the relationship between salary and efficiency evolves and whether other factors, such as job satisfaction or career development, become more critical in sustaining employee efficiency at Tororo Cement.

Another area that requires further exploration is the impact of salary on different employee demographics. While some research suggests that younger employees may prioritize salary as a key factor in their job satisfaction, older employees might value job security or benefits more highly (Pfeffer, 1998). However, there is a lack of detailed studies examining how various demographic groups at Tororo Cement respond to salary incentives. For example, how do gender, age, educational background, and cultural differences influence the perceived value of an attractive salary? Understanding these variations can help the company tailor its compensation strategies to effectively motivate and enhance the efficiency of its diverse workforce.

The interaction between salary and other motivational factors, such as non-monetary rewards, organizational culture, and work-life balance, is another under-researched area. While salary is undoubtedly a critical motivator, it does not operate in isolation. For instance, how does an attractive salary interact with a positive work environment or opportunities for career advancement to impact employee efficiency? Current research tends to focus on salary as a singular factor, neglecting the complex interplay between financial compensation and other aspects of employee motivation (Herzberg, 1968). Further research is needed to examine how these factors combine to influence overall employee efficiency at Tororo Cement.

There is also a research gap in the methods used to measure the impact of salary on employee efficiency. While some studies rely on self-reported data, such as employee satisfaction surveys, these methods can be subjective and may not accurately reflect actual performance outcomes (Armstrong, 2010). More rigorous, quantitative research is needed to establish a clear causal relationship between salary levels and measurable efficiency metrics, such as output per employee, error rates, or time taken to complete tasks. At Tororo Cement, developing more precise measurement tools could provide valuable insights into how salary adjustments directly affect productivity and efficiency.

It is important to note that excessively high salaries can sometimes lead to complacency or a sense of entitlement, which might reduce efficiency. Deci, Koestner, and Ryan (1999) warn that if employees begin to expect high salaries as a given, rather than as a reward for high performance, their intrinsic motivation may diminish. This could lead to lower efficiency if employees do not feel the need to put in extra effort to maintain their salary levels. Therefore, Tororo Cement must carefully manage salary expectations and link them to clear performance metrics to maintain a high level of employee efficiency

Finally, the potential negative consequences of offering high salaries are an area that has not been sufficiently explored. While high salaries are generally associated with positive outcomes such as increased motivation and retention, they may also lead to unintended consequences, such as reduced intrinsic motivation or increased financial strain on the organization (Deci, Koestner, & Ryan, 1999). For example, employees might become complacent if they perceive that their salary is guaranteed regardless of their performance. Additionally, overly generous salaries could impact the company's financial sustainability, particularly in volatile economic conditions. Further research is needed to understand how Tororo Cement can strike the right balance between offering attractive salaries and maintaining long-term employee efficiency and organizational health.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter describes the methods that were employed in conducting the study. The chapter begins with the research design, research approach, study population, sample size and selection, sampling techniques and procedure, data collection methods and research instruments that were used. It further describes how data was processed and analyzed.

### **3.1 Research Design.**

A research design is a detailed plan which guides and study. According to Mugenda (2003) a research design is the plan and structure of investigation conceived so as to obtain answers from reach questions. The researcher used a descriptive survey design. The purpose of using descriptive surveys is to collect detailed and factual information that describes an existing phenomenon. Data is collected basing on the concepts defined in the research model and hypotheses tested. This study is a descriptive survey because it adopted the use of questionnaire aimed at finding the impact of employee motivation on organizational performance.

### **3.2 Research Approach.**

Research approach refers to the methods of research that the researcher adapted during his research for examples the qualitative and the quantitative approaches.

#### **3.2.1 Qualitative**

A quantitative research design focuses on collecting and analyzing numerical data to understand how rewards impact employee effectiveness at Tororo Cement Limited. This method typically involved using surveys or questionnaires to gather data from a large number of employees. The results were then analyzed using statistical methods to identify trends, patterns, or relationships between rewards and factors like job performance or satisfaction. The goal is to measure these impacts in a way that can be generalized to the broader employee population, providing clear, objective insights that can guide decision-making within the organization.

### 3.2.2 Quantitative

A qualitative research design centered on exploring and understanding the deeper meanings, experiences, and perspectives of employees regarding the impact of rewards on their effectiveness at Tororo Cement Limited. This approach involved gathering rich, descriptive data through methods such as in-depth interviews, focus groups, and participant observations, allowing researchers to capture the complexities and nuances of how rewards influence employee motivation, job satisfaction, and performance (Creswell & Poth, 2017). Instead of seeking to generalize findings to a larger population, qualitative research aims to provide a detailed, contextualized understanding of individual and group behaviors, attitudes, and experiences. The data collected is analyzed through coding and thematic analysis, identifying patterns and themes that offer insights into the subjective experiences of employees and how these impact their effectiveness within the organization. This design is particularly useful for gaining an in-depth understanding of the social and organizational dynamics that shape employee behavior and effectiveness.

### 3.3 Study Population.

The study population comprised of the administrative, medical department, production department, sales and marketing and human resource with the population of 260 at Tororo cement industry.

Department	Population Size
Administrative	50
Medical department	10

**A table  
population.**

Production department	150
Sales and marketing	30
Human resource	20
<b>Total</b>	<b>260</b>

**showing the**

### **3.4 Sample Size.**

A Sample is a collection of (a set-sub) elements of population (Amin: 20005). A sample of 103 respondents will be selected in a simple random sample and they will include 40 females and 63 males representing 103. During the research, the researcher used a simple random sampling method which will enable each selected person to probably participate equally in the research problem that is put across.

**Here's a sample size table:**

<b>Department</b>	<b>Target Population size</b>	<b>Sample size</b>
Administrative	50	33

Medical	10	15
Production	150	40
Sales and marketing	30	15
Human resource	20	10
<b>Total</b>	260	103

### 3.5 Sampling Techniques.

Simple random sampling was chosen by a researcher because it does not waste a lot of time and at the same time it will not make a researcher tired, there are no calculations in this method thus it makes work simpler. The researcher will also decide to use random sampling method because it will eliminate biasness and give all the respondents equal opportunity to participate in answering the questions.

Purposive sampling was also used. This method was used because it saves time and financial limitations by the researcher which makes purposive sampling necessary because call backs are avoided.

A census was also used which is the study of every unit, everyone or every thin, in a population. It is known as a complete enumeration, which means a complete count (Joshua, 1998). When a population has been identified, a decision needs to be made and taking a census sample is a more suitable option. This method is used because it provides a true measure of the population (no sampling error). It also provides a benchmark data that may be obtained for future studies, and further provides

detailed information about small sub-groups within the population that would have been neglected.

**A sampling technique table.**

<b>Departments</b>	<b>Targeted Population size</b>	<b>Sample size</b>	<b>Sampling techniques</b>
Administrative	50	33	Purposive sampling
Medical	10	15	Simple random
Production	150	40	Census
Sales and marketing	30	15	Simple random
Human resource	20	10	Simple random
<b>Total</b>	260	103	

**3.6 Data Sources.**

Primary and secondary sources of data will be used in the study during the research.

**3.6.1 Primary Data**

Primary data refers to raw facts collected from the field by the researcher for the first time. Primary data therefore does not exist anywhere but a researcher collects it using primary data collection methods and techniques such as observation, survey, questionnaires, interviewing and focus group discussion.

Therefore, it is the base line of the research study (Saunders, M., Lewis, P. & Thornhill, A., 2006). The results of the research study are extracted from the analysis and evaluation of the primary data.

### **3.6.2 Secondary Data**

On the other hand, the secondary data is the supporting data which gives a review of the existing studies and relevant theories to support the research results extracted from primary data. Saunders et al. (2007) defined secondary data as data used for this study that is originally collected for similar purpose.

The secondary sources of data included newspapers, magazines, prospectus, dissertations, journals, text books publications on web sites, etc.

### **3.7 Data Collection Methods and Instruments.**

The data was obtained using questionnaires, interviews, already existing literature, focus group and discussions, which will enable the capture of quantitative and qualitative data collections. Saunders et al. (2007) defined secondary data as data used for this study that is originally collected for similar purpose.

#### **3.7.1 Questionnaire**

These contained questions concerning the research topic at hand. They will be given to the respondents who will be randomly sampled out of the many within the research boundary. The respondents will be expected to answer the questionnaire by ticking in the appropriate boxes and filling in the spaces provided then later be brought back to the researcher.

### **3.7.2 Interviews.**

This method involved direct asking of questions and receiving answers from respondents with the aim of establishing respondents' perception, understanding and appreciation of the problem in relation to the reality (Keith, 2015). It was one-to-one session between the researcher and respondent. The interview will be done together with the casual workers, lower-level managers and the acting public relations officer and this will involve asking questions related to the research topic and they will answer them concurrently with the questions as they are being asked. The researcher will use this method because detailed information will be got from the respondents because they are well experienced and technical in questions being asked and also enable the researcher to get clarification on issues that were not clear.

### **3.7.3 Observation.**

This is where the researcher used naked eyes to witness what was happens, when, how and why the phenomena actually happen. Therefore, the researcher will be present at the scene in order to carryout meaningful observation and what to be observed will be planned in advance before the actual observation took place.

### **3.7.4 Focus Discussion Groups (FDG).**

This will be done with the respondents. It will involve asking questions related to the research topic at hand and they will discuss them amidst themselves. This will help to find out information related to the research topic and qualitative information will be got by the researcher, this information will act as supplement to what will be collected using other methods.

### **3.8 Key Informants.**

These will include the top management of Tororo cement industry who will provide an over sight on the real problem to the subject under study. The key informants will provide in depth information since they are knowledgeable.

#### **3.8.1 Reliability.**

According to Gronross (2007), the Validity of a measure refers to whether it actually measures what it is to measure. Validity of instruments was ascertained by discussing the questionnaire draft with the supervisor. Mugenda (2003) says that reliability in research is influenced by random error because as random error increases, reliability decreases because of some factors that may not be included or known by the researcher. Amin (2005) elaborates on reliability as the correctness of the tool concerning what it is intended to achieve.

#### **3.8.2 Validity.**

The researcher will make sure that the degree to which results are obtained from the analysis of the data actually presents the situation or phenomena under study. Validity has something to do with how accurately the data obtained in the study is. As Mugenda (2003) posited, if the data is the true reflection of the variables, then inferences based on such data will be accurate and meaningful. According to Amin (2005), validity symbolizes the suitability of the tool. The tool can yield results that are in arrangement with the theoretical and conceptual morals of the research.

### **3.9. Data Analysis and Processing.**

Both qualitative and quantitative data will be obtained and in order to convert this data into information, they will be entered into the computer for analysis and converted into percentages, tables among others to support decision making.

### **3.10 Ethical Considerations.**

Ethics is a moral philosophy that deals with individual conduct shaping up one's behavior (Mugenda & Mugenda, 2003). This research attracts no personal gain to the researcher to cause negative effects on others; Maximum care will be exercised in ensuring that rights of those respondents are protected. The researcher will respect human dignity by not revealing the identity of the respondents in the study.

### **3.11 Limitations in The Study.**

Non-response from respondents will be experienced whereby some questions in the questionnaire will be left unanswered without any reply given.

There will also be a problem of language burrier where some certain casual worker will not understand the languages that the researcher knows hence making communication very difficult.

There will be a challenge of inadequate finance to enhance the smooth conduct of the research, since costs such as transport costs, welfare costs will be incurred.

Some workers will not also show interest since the research is to be carried out during working hours and they will claim to be busy and having limited time to attend to the researcher

There will be a challenge of lack of adequate time to exhaust and carry out all the relevant data in depth.

## **CHAPTER FOUR**

### **CHAPTER FOUR: FINDINGS**

This chapter presents the findings from the study on the impacts of employee allowances, non-monetary rewards, and attractive salaries on employee effectiveness and organizational achievement at Tororo Cement Limited. The findings are organized according to the research questions and include both quantitative data from surveys and qualitative data from interviews with employees and management.

This chapter presents the results of the qualitative research conducted to assess employee motivation at Tororo Cement Limited. The findings are based on a total of 103 respondents and are organized according to the research objectives: the impact of allowances on employee achievement of organizational goals, the effects of non-monetary rewards on employee effectiveness, and the relationship between attractive salaries and employee efficiency.

#### **4.1 Gender of respondents**

**Table 1: Showing the gender of the respondents with their respective frequencies and percentages.**

<b>Variables</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Sex</b>		
Male	68	66
Females	35	44
<b>Total</b>	<b>103</b>	<b>100</b>

*Source: Field survey*

**4.2 Age of the respondents** The majority of the respondents were aged from 45 years and above making a percentage of 39.8 of the population under study. This implies that the majority of the workers are mature, understanding and highly stable.

**Table 2: Showing the age of the respondents with their respective frequencies and percentages**

<b>Variable</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 37	10	9.7
35-40years	22	21.4
41-45years	30	29.1
More than 45	41	39.8
<b>Total</b>	<b>103</b>	<b>100</b>

*Source: Field survey*

#### **4.3 Level of education of the respondents**

**Table 3: Showing Level of Education of respondents with their respective frequencies and percentages.**

<b>Variables</b>	<b>Frequency</b>	<b>Percentage</b>
Primary level	20	19.4
Secondary level	30	29.1
Degree or its equivalent	45	43.7
Post graduate	78	7.8
<b>Total</b>	<b>103</b>	<b>100</b>

**Source: Field survey**

A percentage of 7.8% of the respondents have a Master’s degree and 43.7% have their first degree or equivalent. Those in secondary education constitute about 29.1% of the respondents. This is an indication that the respondents are highly educated employees and it implies that Tororo Cement Industry’s activities are managed by persons who are knowledgeable with required skills.

**Table 4: Showing years of service of respondents**

<b>Variables</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 5 years	28	27.1
5-10	32	31.1
11-20	35	34
Above20 years	8	7.8
<b>Total</b>	<b>103</b>	<b>100</b>

**Source: Field survey**

The highest percentage of the respondents were employees who have worked for more than 10 years which implies that Tororo Cement Industry is able to

maintain its staff for a long time. Therefore, chances of them having good motivational policies are high.

## **ANALYSIS OF RESEARCH QUESTIONS**

### **4.1 The Impact of Allowances on Employee Achievement of Organizational Goals**

**Table 4.1: Impact of Allowances on Employee Achievement of Organizational Goals.**

<b>Allowance type</b>	<b>Frequency n=103</b>	<b>Percentage%</b>
Transport allowance	72	69.9
Housing allowance	61	59.2
Medical allowance	54	52.4
Overtime pays	40	38.8
No impacts from allowances	17	16.5

The data reveal that transport allowances are the most significant in aiding employees to achieve organizational goals, with 69.9% of respondents affirming their importance. Housing allowances are also notable, impacting 59.2% of employees, while medical allowances are important for 52.4% of respondents. Overtime pay has a lower impact at 38.8%. A minority (16.5%) reported no significant effect of allowances on their performance. This suggests that allowances are crucial for reducing financial stress and enhancing focus on job tasks. For example, one respondent, a mid-level employee, stated, the transport allowance is crucial for me. Without it, the cost of commuting would be too high,

and I would be stressed about making ends meet, which would negatively impact my productivity.” This aligns with the finding that 69.9% of employees consider transport allowances essential for their job performance. Another employee, a junior staff member, emphasized the importance of medical allowances, saying, knowing that my medical needs are covered makes me feel valued and secure, so I can focus more on my work and less on external worries.” This perspective is reflected in the 52.4% of employees who found medical allowances vital for their motivation.

#### 4.2.2 The Effects of Non-Monetary Rewards on Employee Effectiveness.

**Table 4.2: Effects of Non-Monetary Rewards on Employee Effectiveness.**

<b>Non monetary reward type</b>	<b>Frequency n=103</b>	<b>Percentage</b>
Positive work environment	78	75.7
Recognition	63	61.2
Career development opportunities	51	49.5
Flexible work arrangement	42	40.8
No impacts from non monetary rewards	22	21.4

A positive work environment is perceived as the most effective non-monetary reward by 75.7% of employees, significantly impacting their effectiveness.

Recognition (61.2%) also plays a crucial role, enhancing morale and performance. Career development opportunities are valued by 49.5% of respondents, while flexible work arrangements are less influential but still relevant for 40.8% of employees. A minority (21.4%) indicated that non-monetary rewards had no impact on their effectiveness. These results underscore the importance of creating a supportive and appreciative work culture. For example, a senior supervisor, explained, the supportive culture and open communication channels here make me feel respected and part of a team, which drives me to be more productive and engaged. This statement illustrates how a positive work environment fosters collaboration and motivation, contributing to overall effectiveness.

Another respondent, an entry-level worker, shared, when there is good teamwork and understanding among colleagues, it makes the work less stressful, and we are able to achieve more together. This highlights the critical role that non-monetary factors like workplace culture and team dynamics play in enhancing employee effectiveness.

One employee mentioned, “Receiving the ‘Employee of the Month’ award made me feel appreciated and encouraged me to continue performing at my best.” This reflects how recognition can boost an employee's self-esteem and drive them to maintain or improve their performance levels.

Similarly, another employee noted, “Even a simple thank you from my manager makes a big difference. It shows that my efforts are noticed, which makes me want to do even better. “This underscores that recognition does not always need to be formal or monetary; even small gestures can have a substantial impact on motivation and effectiveness.

### 4.2.3 The Relationship Between Attractive Salary and Employee Efficiency

**Table 4.3: Relationship Between Attractive Salary and Employee Efficiency**

<b>Perception of salary</b>	<b>Frequency n=103</b>	<b>Percentage%</b>
Fair and competitive	60	58.3
Unfair	34	33
Bonuses	49	47.6
No impact of salary on efficiency	10	9.7

The majority of respondents (58.3%) feel that their salaries are fair and competitive, which correlates with higher efficiency in their roles. A substantial portion (33.0%) believes their salaries are not competitive, leading to reduced motivation. Salary increases and bonuses are a significant motivating factor for 47.6% of employees, enhancing their performance and efficiency. A smaller

group (9.7%) reported that salary does not impact their efficiency, indicating that salary is a crucial but not the sole factor in motivation. For example, one employee reflected, “I believe my salary reflects my contribution to the company, which makes me more committed and efficient in my work.” This suggests that when employees perceive their compensation as fair, they are more likely to be productive and engaged.

A respondent expressed dissatisfaction, stating, “I feel overworked and underpaid, and it’s demotivating. If the salary were better, I would be more motivated to exceed my targets. “This indicates that perceived inadequacies in salary can lead to reduced morale and lower performance levels.

A manager mentioned, whenever there are salary increments or bonuses, you can see a noticeable improvement in morale and output among the employees. This highlights that performance-based financial rewards can have a significant positive impact on employee motivation.

Another participant explained, knowing that my efforts could lead to a bonus motivates me to work harder and be more efficient. This suggests that clear performance incentives can drive employees to enhance their productivity and align their efforts with organizational goals.

## **CHAPTER FIVE:**

### **Discussion, Conclusion, and Recommendations**

This chapter discusses the findings of the study based on the research objectives, draws conclusions, and provides recommendations to enhance employee motivation and performance at Tororo Cement Limited. The study aimed to examine the impact of allowances on employee achievement of organizational goals, assess the effects of non-monetary rewards on employee effectiveness, and investigate the relationship between attractive salaries and employee efficiency.

#### **5.1 Discussion**

##### **The Impact of Allowances on Employee Achievement of Organizational Goals**

The findings revealed that allowances, such as transport (69.9%), housing (59.2%), and medical allowances (52.4%), significantly impact employees' ability to achieve organizational goals at Tororo Cement Limited. Allowances help mitigate employees' financial burdens, allowing them to focus more on their work and align their efforts with the organization's objectives. The study found that delays or inadequacies in allowances led to decreased motivation and commitment, confirming the critical role of financial support in enhancing employee performance. These results align with previous research indicating that

allowances are a vital component of employee motivation, particularly in industries where employees face significant financial challenges.

### **Effects of Non-Monetary Rewards on Employee Effectiveness.**

Non-monetary rewards, such as a positive work environment (75.7%) and recognition (61.2%), were found to have a substantial impact on employee effectiveness. These rewards contribute to a sense of belonging and job satisfaction, which enhances employees' motivation to perform well. Career development opportunities (49.5%) and flexible work arrangements (40.8%) also positively affect effectiveness, although to a lesser extent. The findings suggest that a supportive and appreciative work culture can enhance employee engagement and productivity, consistent with Herzberg's Two-Factor Theory, which emphasizes the importance of motivators such as recognition and growth opportunities.

### **The Relationship Between Attractive Salaries and Employee Efficiency.**

The study found a strong positive relationship between attractive salaries and employee efficiency. The majority of employees (58.3%) perceived their salaries as fair and competitive, which was linked to higher levels of motivation and efficiency. Salary increases and bonuses were highlighted as significant motivators, with 47.6% of respondents emphasizing their importance. However, 33.0% of employees who felt their salaries were inadequate reported lower morale and reduced efficiency. These findings support the Equity Theory, which suggests that employees are motivated when they perceive their compensation as fair compared to others in similar roles.

## **5..2 Conclusion**

The study concludes that both financial and non-financial incentives are crucial in enhancing employee motivation and performance at Tororo Cement Limited. Allowances, such as transport, housing, and medical, are vital in reducing financial stress and encouraging employees to focus on achieving organizational goals. Non-monetary rewards, including recognition, a positive work environment, and career development opportunities, significantly enhance employee effectiveness and job satisfaction. An attractive and competitive salary plays a critical role in maintaining employee efficiency and commitment. Therefore, a balanced approach that combines both types of rewards is necessary for sustained employee engagement and organizational success.

### **5.3.1 The researcher's recommendation.**

Employee motivation is of great significance in enhancing an organizational performance. The level of employee efficiency and output will be significantly increased thus leading to higher profitability of the organization. More precisely, employee motivation is a vital factor in enhancing organization performance since the employees are more overwhelmed and efficient in executing their duties and therefore a culture of timely wage payment, team work, mutual coordination, respect, trust, supporting, listening to others and simple gestures such as saying thanks to each other should be prevailing inside the organizations.

### **5.3.2 Recommendation to the government of Uganda.**

The government of Uganda should set a minimum wage pay and other legal ways on which employers should treat workers such as over work pay, giving work

holidays in order to protect employees from being mistreated and exploited by the employers. This will improve the standards of living of employees within the country at large.

#### **5.4 Suggestions for future researchers.**

Future studies could explore the long-term impacts of different motivational strategies on employee retention and organizational performance at Tororo Cement Limited. Additionally, quantitative research could be conducted to measure the specific contribution of each motivational factor to productivity and performance metrics. Further research could also examine the impact of motivation strategies on different employee demographics (e.g., age, gender, job role) to develop more targeted and effective approaches.

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**QUESTIONNAIRE TO EXAMINE THE IMPACT OF EMPLOYEE MOTIVATION ON ORGANISATION PERFORMANCE OF TORORO CEMENT INDUSTRY**

**Dear sir/madam**

I am **GIDUDU CHARLES** a student of Uganda Christian University carrying out research on the topic “To examine the impact of employee motivation on organization performance of Tororo Cement Industry”. The information will be treated with utmost confidentiality and no one’s’ names will appear in report writing. Your cooperation of participation in this study is highly appreciated. I therefore, humbly request you to spare some time and answer the following questions.

**Tick in the spaces corresponding to your choice.**

**Part A**

1. Personal details

Name (Optional).....

Position.....

2. Gender

Male.....

Female.....

3.Age

Less than 35yrs..... 35-40yrs..... 41-45yrs.....

4.Marital status

Single..... married .....

5.Nationality

Citizen ..... None citizen .....

6.Level of education

Primary .....secondary ... Degree or its equivalent....

Postgraduate.....

7.Years of service in the industry

1-4years..... 5-10 years.... 11-20 years ..... 20 and above.....

8.Mobile number .....

**Part B questions**

9Please to what extent does each type of allowance impacts your performance in achieving organizational goals.

<b>Allowance types</b>	<b>No impact</b>	<b>Minimal impact</b>	<b>Moderate impacts</b>	<b>Significant impacts</b>	<b>Very significant impact</b>

Transport allowance					
Housing allowance					
Overtime pays					
Medical allowance					

10. How often are allowances provided on time?

11. please rate your satisfaction with the following non-monetary rewards:

12. To what extent do you agree with the statement: "non-monetary rewards enhance my effectiveness at work"?

Non monetary rewards	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied
Positive environment					
Recognition					
Flexible working conditions					

Career development opportunities					
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13. How would you rate the competitiveness of your current salary compared to similar roles in the industry?

14. To what extent does your current salary motivate you to be more efficient and productive at work?

15. Have you received any salary increases or bonuses in the past year?

***Thank you for your cooperation may God bless you***



# UGANDA CHRISTIAN UNIVERSITY

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MBALE UNIVERSITY COLLEGE.

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## Office of the Academic Registrar

To MANAGEMENT DIRECTOR  
TORORO CEMENT INDUSTRY

Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss .....  
Of Registration Number J22/MU/ISSW/059 ..... pursuing a Masters'  
Degree/Postgraduate Diploma / Bachelor's Degree

Degree  
He/ she is required to carry out academic research on the topic  
THE IMPACTS OF EMPLOYEE MOTIVATION ON THE ORGANISATION  
PERFORMANCE OF TORORO CEMENT INDUSTRY

and thereafter produce a well bound hard cover research report (MAROON) in color for undergraduate and three (BLACK) copies for Postgraduate students as a university requirement for the award of a degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.  
Thank you.

Yours faithfully,

Mr. Akampurira Timothy  
Academic Registrar



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