

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,**

**KUMASI**

**COLLEGE OF ARCHITECTURE AND PLANNING**

**DEPARTMENT OF BUILDING TECHNOLOGY**

**THE EFFECTS OF VARIOUS TYPES OF REWARD SYSTEMS ON THE  
PERFORMANCE OF CONSTRUCTION WORKERS IN GHANA.**

**BY**

**APRAKU KINGSLEY BSc.**

**BUILDING TECHNOLOGY (HONS.)**

**A DISSERTATION SUBMITTED TO THE DEPARTMENT OF BUILDING  
TECHNOLOGY, IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR A  
DEGREE OF MASTER OF SCIENCE IN CONSTRUCTION MANAGEMENT**

**NOVEMBER, 2014**

## DECLARATION

„I hereby declare that this submission is my own work towards the Master of Science – Construction Management and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any degree of the university, except where due acknowledgement has been made in the text“.

Apraku Kingsley .....

Signature

Date

Certified by:

Dr. Gabriel Nani .....

Signature

Date

(Supervisor)

Prof. Joshua Ayarkwa .....

(Head of Department)

Signature

Date

## **ABSTRACT**

One major problem facing managers is to obtain optimum performance from employees. This is possible when employees are recognized and rewarded for a high performance. The aim of the study is to determine the effects of various reward systems on the performance of construction workers in Ghana. The researcher adopted a fieldwork research method. Ashanti region and for that matter Kumasi was chosen for the study. The registered D1K1 classes of contractors in Ashanti region were sixty two however; twenty five were active with the sample sizes fifty. Data collection was in the form of both primary and secondary data. A thorough literature review was also undertaken in order to explore the views of other researchers and authors on corporate reward systems. Other relevant information were collected directly from the organization through interviews. From the study, the following were some of the findings discovered: lack of information on the reward systems available in the organization; employees equally see non-financial rewards as important as financial rewards; there is correlation between reward systems and performance; and lack of personal growth. However, some of the recommendations made were: that policies on reward packages be outlined in a brochure for employees at the time of employment because some of the respondents were not aware of some of the reward systems available in the organization especially on the operatives, that a multiple function and integration of framework which seeks to attract, retain and motivate employees to induce high performance must be implemented in the organization, that there is a strong correlation between performance and employees" reward systems therefore failure to institute reward systems could lead laxity, non-performance and loss of productivity, that employers institute the realistic type of financial reward systems, that career progression and development

should be available and accessible to enable employees build their capacity to take potential opportunities and improve performance.

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## **ACKNOWLEDGEMENT**

This study would not have come to this stage without the invaluable help, criticisms and suggestions from people, who, in diverse ways made the successful completion of this work possible. I am grateful to God for granting me favour and bringing me afar even when I decided to give up. I appreciate with profound gratitude assistance provided by my supervisors; Dr.

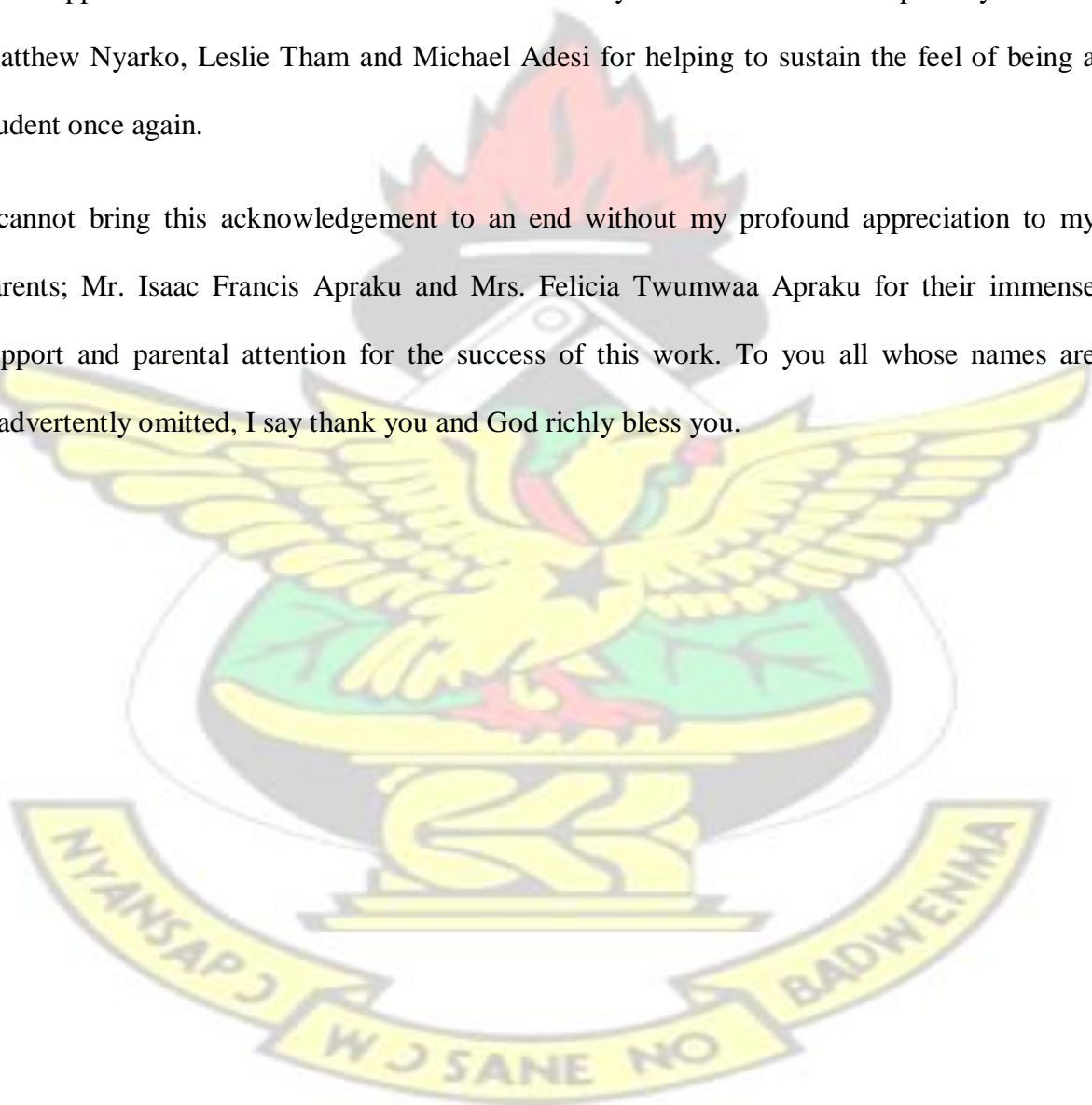


Gabriel Nani and Dr. Adjei Kumi, especially the former for his careful supervision, guidance and encouragement towards the successful completion of this study.

I am also grateful to Mr. John Dadzie, Mr. Kofi Owusu, Mr. Kofi Wiredu and all other staff members in the Faculty of Built and Natural Environment for their persistent encouragement towards the successful completion of the study.

I also appreciate the invaluable contribution from my entire course mate especially Messrs. Matthew Nyarko, Leslie Tham and Michael Adesi for helping to sustain the feel of being a student once again.

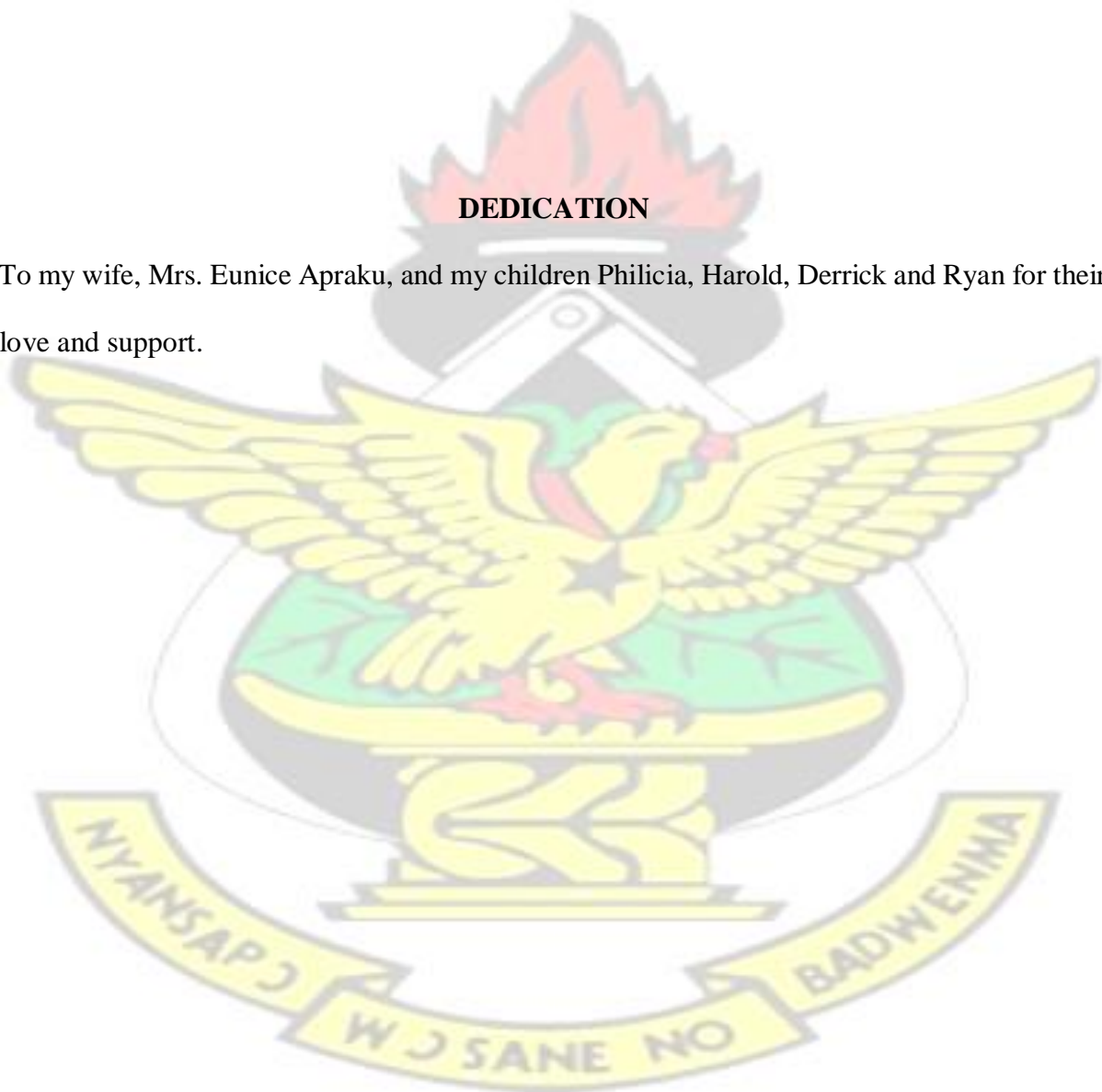
I cannot bring this acknowledgement to an end without my profound appreciation to my parents; Mr. Isaac Francis Apraku and Mrs. Felicia Twumwaa Apraku for their immense support and parental attention for the success of this work. To you all whose names are inadvertently omitted, I say thank you and God richly bless you.



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## **DEDICATION**

To my wife, Mrs. Eunice Apraku, and my children Philicia, Harold, Derrick and Ryan for their love and support.



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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study

The corporate goal of every business is to at least survive and be productive if not making a profit. However, a company by itself cannot do this but the people in the organization do.

Employees' effort creates the wealth, which enables the company to invest in new systems, products and services for the future. One major problem facing organizational managers all over the world and in all sectors of every economy, be they private or public, is how to obtain optimum performance from employees. Efficient management of a company's human resources and investment is a major source of competitive advantage in which an organization can develop and stay ahead of its competitors. This is possible when an employee on individual and/or group level is highly recognized and rewarded for performance. The important question that needs to be considered here is which reward systems or incentive package or packages is the best?

There are so many reward systems available to organizations. It is important that individuals are motivated in different ways and there is a variety of reward solutions to meet their need. Some reward systems have a direct effect on the output of a company in both quality and quantity. Others help to create a culture of high performance and customer service through acknowledging the special efforts of employees. Others also enable organizations to establish an environment that encourages and values the contributions of all team members.

It is through the organization's reward systems that good employees are attracted to the organization, decide to stay within the organization and then consciously dedicate to perform well. Employees perform at the level at which the organization rewards them. People continue to do what they have been rewarded for doing. This is a form of positive reinforcement.

Therefore, the astute manager must know each employee and what rewards will effectively motivate him or her. In addition, the manager must be constantly aware of the rewards available in the organization. To compensate for rewards not available, the manager must be creative and work within the boundaries of the organization to create a menu of rewards for members of staff. In order for reward systems to be effective, they must hold some importance for the employees. If none of the potential rewards holds any importance for an individual, it is most unlikely that they will provide the motivation to elicit the desired performance from the worker.

The reward system should offer flexibility for maximum effectiveness. Tailoring the reward to the individual goes a long way in motivating an employee. This could be termed customizing the rewards. This, then, heightens the importance of the reward to the individual and motivates him or her better. Rewards should be given with certain frequency. An example of this is the annual salary review. Each employee being reviewed annually knows with certainty when to anticipate a reward. Understanding the frequency of the rewards gives a measure of trust to the system. It makes the employees feel more confident in believing their good performance will be adequately rewarded and will be done so on a timely basis. That is, all the employees understand the possible rewards which are available. This can be likened to a carnival game where prizes are displayed around the game area. How disappointing it is to succeed at the game and be handed a cheap plastic toy from beneath the counter. So, it is with staff members. They need to know what “prizes” they are striving for and that they are indeed available. There should never be surprises pulled from beneath the counter. Good reward systems motivate people to work harder, increase productivity and therefore, save the organization money in both overtime and additional employees.

Better employees have a lower absenteeism rate and remain in the job longer. These conditions save the organization’s resources even more. Externally, the organization is able to attract better people. Those seeing employment opportunities are more attracted to an organization

offering better reward systems. Then, once in organization, the reward systems often determine if the employee will stay and ultimately, if he will perform. Numerous behaviour studies have proven that the use of positive rewards produce the desired results better than the punishment. Negative reinforcement tends to disrupt the behaviour temporarily and may often have undesirable side effects. Rewards are an incentive to workers. The anticipation of the rewards, however, is the real incentive. It is this anticipation that spurs employees on to perform in the ways which the organization rewards. Once a reward system is created, a determination must be made as how the rewards are to be distributed among the employees. The distribution method should also be as well known to the employees as the rewards themselves. Rewards may be distributed based upon quality, need or contribution. The reward system must be viewed as fair by the employees. This includes the rewards themselves and the distribution of them. If an employee does not believe that good performance will actually result in the desired reward, then the system is ineffective and may be deemed unfair. Human resources management involves the managers clarifying to the employees the organizational goals. Any employee needs to be attracted, maintained and also managed. These tasks fall under the human resource department. Reward systems used in organizations may be as simple as “thank you” statement from the management to employees. Reward systems can also include giving employees some tokens like free holiday trip. It can also include some payments which are given to employees that meet the set targets. Organizations can use reward systems to improve performance in several ways. One of the ways through which organizations can use reward systems to improve employees’ performance is by setting targets in relation to the job. Any employee that meets the target is given a specific amount of money. This is in addition to the salary that the employee is given.

Through this employees will always strive to improve performance so that they can get the money added unto their basic pay. This will automatically make the employees who normally perform low to improve so that they can also receive the money (Maud, 2001).



Another way through which organizations can use rewards to improve the performance of employees is through appreciation and praise. This is also another form of reward that can be used in organizations. Research shows that when human beings are appreciated and praised then they always tend to improve their performance. Any employee who shows commendable improvement can be praised in the organizational weekly, monthly and also the annual meetings. Through this employees will always improve their performance so that they can also be praised. This should not just be carried out in the formal meetings only, but managers should make time to meet with individual employees with good performance and praise them for the good work. This plays a big role in improving the employee's performance (Torrington and Hall, 2006). Organizations need to move away from the issue of rewarding employees once a year. Even the praises do not just need to be carried out once in a year. When the rewards are often, an employee's performance is greatly improved as compared to having the rewards only once in a year. This is because when the reward is carried out often, employees tend to easily relate it to performance than when managers wait to reward them later on (Thomson and Rampton, 2000). For reward systems to be effective and improve the performance of employees, managers need to put in place meaningful and realistic measures. This is because when the measures are not attainable then the employees' performance will not improve. Managers have to be sure that when the measures are very realistic; they help employees to strive to achieve them. But once they realize that the laid down measures for them to get the reward are just not attainable and realistic, and then it just does not become effective. Another aspect is that the performers of employees always need to see that the reward opportunities in the organization are directly linked to the effort that they make. When the rewards are directly linked to the effort then the performance is bound to improve. Another aspect is that each reward needs to be earned by the performer before he or she is rewarded. This is because there are some organizations which reward employees and yet they have not fully earned reward. For the entire performance of the employees to be improved, managers need to ensure that

employees actually attain the laid-down measures for them to be rewarded. When this is not effectively carried out, it works negatively on the employees' performance.

## **1.2 Problem statement**

The ultimate aim of the different forms of corporate reward systems normally employed by organization is to improve performance in a variety of ways through;

- i. Building stronger relationship
- ii. Development of best practices
- iii. Better motivated employees etc.

These elements, among others are linked to the achievement of the organizational goals. A survey conducted by Mickinsey (2000), revealed that 65 % of employees who found new jobs cited "not feeling value" and "insufficient reward and recognition" as reasons for leaving previous employers. The study also shows that employees who are rewarded for excellent performance are more willing to go the extra mile to improve performance. A poll by Maritz (2004), also found that 66 % of employee feel additional reward opportunities would motivate them to be more productive in their jobs. However, I have not come across any study validating these studies in Ghana. It is for these reasons and among others that the researcher intends to undertake this exercise to find out the reward systems in Ghanaian construction industry and its effects on the performance of the employees.

## **1.3 Aim and Objectives of the study**

### **1.3.1 Aim**

The aim of the study was to determine the effects of various reward systems on the performance of construction workers in Ghana.

### **Objectives**

The following are the objectives of the study:



- i. To identify the types of reward systems in the Ghanaian Construction Industry
- ii. To determine the effects of rewards on the performance of employees on construction sites
- iii. To identify when to applying the various reward systems on the construction sites.

#### **1.4 Hypothesis:**

Based on the assumed casual relationship given in the conceptual model the following hypotheses were developed for testing.

H1:-Higher employee rewards lead to higher Employee performance

H2:- Lower employee rewards lead to lower Employee performance

#### **1.5 Research questions**

There is an absence of holistic institution of reward system in most organization especially that of construction companies to support the achievement of corporate objectives by motivating workers in the organization. It is for this and among others that the study sought to ask the following questions.

- i. What types of reward systems are available in the Ghanaian construction industry?
- ii. What are the effects of rewards on the performance of employees on the construction site?
- iii. When is the reward system applicable on the construction site?

#### **1.6 Significance of the study**

Reward systems play an important role in improving an employee's performance. The institution of an appropriate reward systems are therefore required for the efficient functioning of an organization. Employee achievement, recognition and incentives programmes are mostly designed for achieving specific related corporate goals. The study gave a general guidance on how to initiate, develop, launch and implement an effective rewards system that will be applicable to the construction industry.

The study is to help institutions to ensure that employees are presented with timely awards at a value commensurate with their efforts and contributions. A base award earning opportunity should form the foundation of the reward systems and linked to achievement of corporate goals. In addition, instant award and discretionary award opportunities have to be presented to generate an on-going enthusiasm and reinforce the overall importance of the employee incentive programmes. The study will also be of great benefits to academic and researchers.

### **1.7 Methodology**

The research adopted the case study method, as the objective is to concentrate on individual organization circumstance in order to gain an in-depth understanding of the organization involved. A selected construction companies were chosen for the study. Data collection will be in the form of both primary and secondary data. The primary data is purely first-hand information which includes information on the different form of rewards system employed in a construction industry. A thorough literature review was undertaken in order to explore the views of other researchers and authors on corporate rewards system. Other relevant information was collected directly from the organization using observation and discussion techniques. An initial investigation has been conducted to become familiar with the context of the study and also to ascertain the willingness of the organization to release the relevant data.

### **1.8 Scope of study**

The study sought to examine the impact of reward systems on employee performance in construction industry. However, as a result of time and financial constraints, some selected construction firms in Kumasi were chosen as case study institutions.

### **1.9 Limitations**

Some information required for the study was difficult to obtain. This was due to the fact that the study involved looking at the past performance of the workers in which some of the past information was simply not available. It was also difficult to establish contact with some

interviewees particularly the project managers. There was also a time constraint since the researcher had to conduct the research within specified period of time. Limited financial resources did not provide a good atmosphere for the researcher to collate data from all the construction firms throughout the country. However, using some selected construction firms as case study can reflect and represent all the firms.

### **1.10 Organization of the study**

The study has been organized into five chapters;

Chapter one is introduction to the project. This includes background of the study, problem statement, and objectives of the study, research questions, and significance of the study, methodology, scope of the study, limitations and organization of chapters.

Chapter two is literature review of the topic under study.

Chapter three involves methodology.

Chapter four is the analysis of data collected whiles

Chapters five contains major findings, conclusions and recommendations which will help improve performance of workers in the construction industry.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviews the related literature on the topic of research. It consists of academic theories and practical concepts relevant to reward system and worker motivation. It is belief that job satisfaction encourages worker to work harder more than rewarding him/her. However, Bouef (1997) intimated that rewarding a worker changes behavior and result in an organization.

Reward help to create a culture of high performance and customer service through acknowledging the special effort of employees. The availability and benefits of such reward systems to improve labour performance would be examined.

## **2.2 REWARDS**

These are awards granted to employees on the basis of tasks performed, which meet or exceed the expectations initially established. Secondly, they are also defined as praise granted in public by virtue of achievements widely approved in the context of organizational culture (Stajkovic and Luthans, 1997).

In general, a reward is any factor (financial or non-financial) that provides a motive for a particular course of action. It is a benefit that arises from performing a task, rendering a service or discharging a responsibility” (Johnson, 2010).

According to Armstrong (1993), Rewards can be defined as financial and non-financial benefits which are given in accordance to an individual or team achievement. Rewards are aligned with organizational goals .When an employee helps an organization in the achievement of one of its goals, a reward often follows. The aim of rewards is to support the achievement of corporate objectives by motivating people to join the organization, stay with it, and deliver sustained high levels of performance. There are wide ranges of rewards that motivate people intrinsic and extrinsic (Creswell, 1994).

Intrinsic motivation refers to the motivation that comes from inside an individual. The motivation is generated through satisfaction or pleasure that one gets in completing or even working on a task. Extrinsic motivation is something that is done to or for people to motivate them. It arises from factors outside an individual, such as money. Rewards can also be tangible such as cash bonuses and salary increases or intangible such as praise and public recognition (Wolfensohn, 1999).



### **2.3 REWARD SYSTEMS.**

Reward systems refer to mechanisms which form an individual's behavior through the organization's strategy (Kessler, 1995). The reward systems consist of all organization components – including people processes rules and decision making activities involved in the allocate of compensation and benefits to employees in exchange for their contribution to the organization (Alderfer, 1972).

Additionally, they may be referring to programs set up by a company to reward performance and motivate employees on individual and/or group levels. They are normally considered separate from salary but may be monetary in nature or otherwise have a cost to the company. While previously considered the domain of large companies, small businesses have also begun employing them as a tool to lure top employees in a competitive job market as well as to increase employee performance. Reward systems can be transactional, relational, individual and communal (Wilson, 1994).

***Transactional and individual rewards*** include the financial rewards. These can be easily copied by competitors. In addition, individual rewards are the ones that are given to employees individually. It is meant to be for an individual employee. An example of a transactional and individual reward is the contingent pay. Contingent pay is "Additional financial rewards which is provided in relation to performance, competence, contribution, skill or experience (Armstrong, 1994). The categories above stated are grouped into financial reward and non-financial reward systems. Schaufeli *et al* (2002) stresses on the importance of rewards in order to combat burnout, which is typically experienced by most employees on the job. Individuals who experience burnout in their work typically do not feel fulfilled. They also tend to have negative outlooks, and they also approach the tasks at hand with less vigor and dedication.

### **2.4 FINANCIAL REWARD.**



This is a system that is usually in the form of monetary as its name implies. It is a type of reward organized by a company to alter its employee's performance. This reward is also being called extrinsic which is based on tangible reward. Unlike intrinsic motivation that is self-administered, extrinsic motivation is external to the individual and is typically offered by a supervisor or manager who holds all the power in relation to when extrinsic reward are offered and in what amount. Extrinsic rewards are usually financial in nature. However, extrinsic reward can be as simple as getting a better office, promotion and additional salary. These material rewards to a very large extent motivates employee to go the extra mile. Just imagine how de-motivated it would be to underpay, overwork and unappreciated (Dewhurst, 2010).

There are different forms of financial reward systems such as basic pay, lump sum, promotion, bonus, profit sharing, fringe benefit, day work etc. A finding of a study conducted by Adesola (1995) shows that workers are more likely to see monetary reward as the most important factor inducing them to work.

**Table 2.1 shows an overwhelming majority of 49 (81.70) % respondent saying that monetary (higher pay /advancement) as the most important factor that would make them take up a new job offer.**

Distribution Of Respondent Based On Reason Given For Accepting A New Job Offer		
REASONS	NUMBER	PERCENTAGE
Higher payment advancement	49	81.70
Good housing / pensions schemes	1	1.70
Attracting working condition	2	3.30
Others	8	13.30
TOTAL	60	100.00

#### **2.4.1 Basic Salary/pay:**

Basic pay (often referred to as basic salary) is practiced by almost organizations in rewarding performance. Pay is the most significant and motivating benefit that is received in return for

performing a task or service. It is often a recurring reward that is paid periodically, that is weekly, monthly etc. It is pay that motivates individuals to go out and seek work. Pay is also one of the few ways to set a mutually acceptable common value to the individual's work contribution. Pay can also be a powerful demotivator, if employees are not satisfied with the reward package, it will be hard for the company to recruit and retain good individuals (Leete, 2000). In view of this, an organization seeking to develop and improve her services must study and adopt satisfactory basic pay system.

#### **2.4.2 Lump sum payment**

Lump sum is defined as a one-time payment for the total or partial reward for a task or a service performed by an employee. A lump sum payment is usually taken in lieu of recurring payment that would otherwise be received over a period of time. The value of a lump sum payment is generally less than the sum of all periodic payment that the employee would otherwise have received. It often greatly enhances employees' purchasing power immediately. This form of enhancement to the purchasing power may only be achievable by a laborious saving conscious employee over a long period (Latham, 2006).

Also lump sum reward is often used where there is a structured performance target that typically provides payout for achievement of the final performance target. This reward is also used in structured settlement and in some organizations as a retirement package. Organizations may use this to incentivize employees to delay their retirement by extending such retirement lump sum payments. On the reverse, employees may be incentivized to retire early by providing the retirement package upfront. In some instances, this form of reward system may be provided for employees who serve the organization over an ascertained short term period. This enables the organization to retain employees over such short terms, since even dissatisfied employees may plan to receive such rewards before they leave.

#### **2.4.3 Promotion:**

Movement within an organization to a position in which responsibilities and presumably prestige are increased is ordinarily labeled as promotion. Promotion possibilities influence the behavior of individuals in the organization and stimulate individuals to greater abilities to move ahead

Promotion is used as a reward and an inducement to better work performance and other organizationally approved forms of behaviors. People will work harder if they feel this will lead to promotion. They have little motivation if they feel that better jobs are reserved for outsiders (Lin, 2007). The system of promotion permits organizations to match its need for competent personnel with the employees desire to apply the skills they have developed. There is a significant correlation between opportunities for advancement and high level of job satisfactions. An effective system of promotion can result to greater organizational efficiency and high level of employees' morale (Luthans, 1999).

Promotion is a key to understanding wage evolution within organizations. Barker *et al* (1994) observed that wages are strongly tied to jobs and not so much to individuals. They noted, "the importance of levels of pay is largely driven by selection of individuals through promotions".

The employees that are not promoted have no right and have negative real growth in wages, while other employees gain persistent wage increases upon promotion. The key steps of a career, in particular, appear to be transition between the different hierarchical levels". One of the reasons promotions exist and are accompanied by increases in wages is reward good performance, thereby providing for incentives to perform on the job. According to Dohmen (2004), good performance, as measured by a supervisor's evaluations, increases the probability and pace of promotions. Medoff and Abraham (1989) and Gibbs (1995), corroborated this observation.

#### **2.4.4 Bonus Schemes**

These are provided in addition to basic salary and related to the achievement of agreed targets. When an employee's job performance exceeds the prescribed acceptable performance level for the organization, the related reward is called merit pay. It can be paid in the form of a bonus or as an addition to base pay. Bonus are generally short-term motivation, it is perfectly legitimate means of rewarding outstanding performance and it is argue that such compensation can actually be a powerful tool to encourage future top-level effort. It is considered as compensation if it arises out of an employment relationship or when associated with the performance of service (Milkovic, 2011).

The benefits are:

- To increase employee's motivation by establishing a clear link between pay and performance.
- To support stakeholders ideas by allowing employees to share the resources of the business.
- To encourage change within the organization.
- To create desired workplace culture by reward team work and good attendance.
- To focus employees effort on key objective such as customer service quality and on-time delivery.
- To improve organizational performance (productivity)

The bonus may be calculated by awarding points according to performance against each of the agreed objectives and targets (Jones, 1992).

#### **2.4.5 Profit-sharing plan/scheme**

This refers to various incentive plan introduced by businesses that provide direct or indirect payments to employees that depend on company's profitability in addition to employee's regular salary and bonuses. This means that employees then become owners of the business, sometimes known as "employees" stock ownership plan" or ESOPs. Employee stock



ownership may have a different meaning to top-level management than it has to lower level employee. Lower level employees may view the ESOP as a means to increase participation in strategic decision-making and the planning of compensation systems. Employee ownership does, in fact, tend to increase workers' desire for control (Knapp, 1998).

#### **2.4.6 Fringe benefits**

Fringe benefit is a collection of various benefits provided by an employer to impact labour performance which are exempted from taxation as long as certain conditions are met. Fringe benefits may include health insurance, life coverage, education reimbursement, childcare and personal use of company owned vehicle (Booth and Frank, 1999).

#### **2.4.7 Day work**

An hourly rate is paid related to the skill required by the task; the worker is simply paid for attendance at work. The system is most suitable for craft operation where either there is great complexity involved or a high level of skill is required. Workers involved in maintenance, inspection, canteen, cleaning, transport and store although not of the above category (Bruce, 1999).

#### **2.5 Non- financial reward**

Non-financial reward is a form of reward system given to employee in order to motivate them to perform at their various work places, also be known as intangible reward. They are normally considered separate from salary but they become monetary in nature (Outram, 1997). As noted, although employee recognize programmes are often combined with reward programmes, they retain a different purpose altogether. It is believed that money may motivate some of the people all the time and all of the people some of the time, although the latter point could be disputed. Nevertheless, to rely on money as the sole motivator could be misguided. Money has to be reinforced by non-financial motivators and recognition schemes. "When motivation is



achieved by non-financial means, it can have a more powerful and longer-lasting effect on people” (Dewhurst, 2010).

Glasscock and Gram (1996) differentiate the terms by noting that recognition elicits a psychological benefit whereas financial reward indicates a financial or physical benefit. Nonfinancial rewards include recognition, verbal praise in front of workers, responsibility, good working conditions, participation in the decision making, good relations with co-worker, interesting work, expression of thanks, patting in the back, personal growth, achievement and large office (Amstrong, 1993).

### **2.5.1 Recognition.**

People need to know not only how well they have achieved their objectives or done their work but also that their achievements are appreciated. Maslow (1954) identifies self-esteem and prestige as recognition in hierarchy of needs. It also makes them earn respect of other employees in the company. Recognition can be provided by positive immediate feedback as well as praise. Another way of recognition can be financial rewards, especially achievement bonuses awarded immediately after an event. This is an important way in which mutually reinforcing system of financial and non-financial rewards can operate (Bowen, 2000).

### **2.5.2 Verbal praise**

This is a way of admiring someone or expressing an approval. Any worker likes to receive a little verbal praise from their employers from time to time in front of their co-workers. It provides confirmation that the employee is doing a good job and is recognized as a valuable asset to the team. However, giving too much verbal praise to an employee can also lead to employee being swollen headed (Gibbons, 1998).

### **2.5.3 Responsibilities**

A responsibility is a duty or obligation to satisfactorily perform or complete a task assigned by someone. People can be motivated by giving more responsibility for their own work. This is in

line with the concept of intrinsic motivation. Lawler (1969) identifies three characteristics as being required in a job if they are to be intrinsically motivated. These are feedback for improving performance, allowing use of own abilities to perform and selfcontrol over their own goals. This means that responsibility in a job is measured by the amount of authority someone has to things. The philosophy behind motivation through responsibility was expressed in McGregor's (1960) Theory Y: „The average human being learns, under proper conditions, not only to accept but also to seek responsibility“.

#### **2.5.4 Good working condition**

Good working condition is positive working environment that are essential for workers mental and physical well-being. Good working conditions arise from values that the company views as important to its mission, such as ensuring accident free, promoting two-way communication and rapidly addressing bothering issues (Kovach, 1987).

#### **2.5.5 Participation in decision making (PDM)**

Participation in decision making is a social science that refers to different mechanisms for the public to express opinions and ideally exert influence regarding political, economic, management or other social decisions. It is the extent to which employers allow and encourage employees to share or participate in organizational decision making for the realization of its goals. It can take place along any realm of human social activity including economic. The format of PDM could be formal or informal (Conte, 1978)

#### **2.5.6 Influence**

The ability to exert influence or to exercise power motivates some people. Power-seekers are motivated if they feel they are given scope to use their abilities to influence decisions. This is partly a matter of the working relationship between individuals and their managers, and it is linked closely with other motivation factors such as recognition and achievement. However,

organization through its policies for involvement can provide motivation by putting people into situations where their views can be expressed and listened and executed (Knapp, 1998).

#### **2.5.7 Personal growth**

An opportunity for personal growth as a way of incentive was stressed by Alderfer (1972). He believes that growth needs impel people to make creative or productive effort for themselves. Satisfaction of growth needs depends on a person finding the opportunities to be what he/she is most fully and to become what he/she can. Many people now regard access to training as a key element in the overall reward package. The availability of learning opportunities, the selection of individuals for high-prestige training courses and programmes, and the emphasizes placed by the organization on the acquisition of new skills as well as the enhancement of existing ones, can all act as powerful motivators. Managers can be motivated by given the opportunity to acquire a professional or academic qualification such as Master of Science (MSc) Construction Management. If all these are linked with the financial incentives provided by a skill-base pay system, the organizational performance is likely to be increased (Johnson, 2010)

#### **2.5.8 Good relation**

The success and growth of an organization largely depends on the human resource in the establishment. It has a very wide-ranging function that includes recruitment and motivation of workers on site. It is important that managers and employers in an organization manage the human force in order to achieve the goals. In construction, a good relationship between an employer and employee induces the performance and contributes significantly to the productivity in the company (Leedy and Remenyi, 1989).

#### **2.5.9 Large office**

This is where the worker working space is large for convenience and comfortability. This office should have recessed luminaries which provide the required light without needing the re-



positioned should the layout change. When the worker gets these things, it helps him or her to work freely and also the improved ventilation helps an employee to improve performance (Worldatwork, 2006).

## **2.6 Incentive concepts**

“Corporate governance is about promoting corporate fairness, transparency and accountability” (Wolfensohn, 1999). Many organizations see incentives as one of the best ways of improving employee morale. Boosting employee morale helps in achieving the company’s target. When employees achieve the set targets they should be congratulated and rewarded. The performance of the employees should be tracked always and when there is an improvement in the employees’ performance then the incentive programs would be of great help. For many years, researchers administered employees’ survey in order to address the challenges of employees’ motivation. According to research by Carolyn’s (1997) industrial employees were asked to rank ten “job reward” factors in terms of personal preference in 1996. At the top of the list was (full) appreciation of work done. At the bottom of the list was (tactful) discipline. The study highlights the importance of good wages. According to the ranking of the motivation factors in her survey, employees may consider good wages to be solid feedback concerning their work as well as a reward for their ability or competence. The respondents to Carolyn’s (1997) survey ranked the top five factors that motivate them in their jobs as:

- i. Good wages;
- ii. Full appreciation for work done; iii. Job security; iv. Promotion and growth in the organization; and v. Interesting work.



The reward systems and incentive schemes help to motivate workers to join, stay and deliver in an organization for the achievement of corporate objectives. However, rewards can be described as *retrospective* while incentives are *forward-looking* (Latham, 2006).

## **2.7 Motivation overview**

Motivation is a process that accounts for an individual's intensity direction and persistence of effort towards attaining a goal. Motivation theories are reviewed in this section to help understand the reasons behind the behaviors of construction workers when rewards or penalties are in place. Researchers have proposed several motivation theories, some of them similar, and some unique. The relevant theories follow in ensuing sections.

### **2.7.1 Equity theory**

According to the principle, an individual perceives „fairness“ by comparing his or her inputs and related outcomes with the inputs and outcomes achieved by others. If the comparison is equal, equity exists, if not, inequity is perceived and behaviour may be modified to achieve equity (Worldatwork and Adams, 2006).

### **2.7.2 Expectancy theory**

According to the expectancy principle, people choose the behaviour that they expect will maximize their payoff (Vroom, 1964). When this theory is applied to pay, an employee must believe that;

- i) Greater EFFORT will increase PERFORMANCE ii)**
- Increased PERFORMANCE will lead to more PAY and
- iii) More PAY is the reward that the employee wants most.**

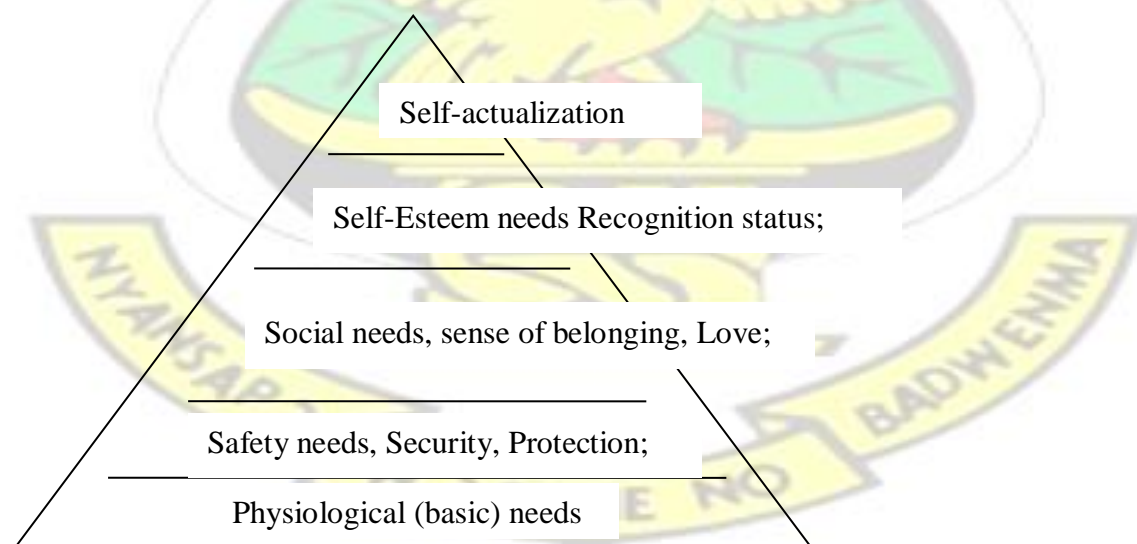
### 2.7.3 Reinforcement Theory

“As applied to the workplace, this principle maintains that employees will tend to behave in ways that gets rewarded and avoid behaviours that are not rewarded or that is punished” (Skinner, 1983).

### 2.7.4 Maslow theory

According to Maslow (1954) psychological theory of motivation advanced gives us a better insight into factors which form a base for human behavior or the attitudinal disposition of individual. There are two basic principle underlying the psychological theory of Abraham Maslow .The first is that it satisfies needs but do not motivate behavior .This is due to the fact that as soon as such needs are met , new and higher order needs emerge. The incessant demands by workers for wage increases and improvement in working condition are good example (Maslow, 1954).

The second principle of Abraham Maslow’s theory is that human needs and wants are arranged in a hierarchy of important as shown below.



The Maslow’s theory assumes that people are motivated and able to continually work harder and that employees should be paid on the basis of the amount and quality of the work

performed. However, over time, this approach will be limited by the capacity of employees to continue to increase the quantity of work produced without sacrificing the quality.

## **2.8 The benefits of reward systems**

When a well-designed incentive plan is launched in a business today, there are many long-term benefits. The first is the ability to change behavior or to improve a specific area in the marketing plan. To advance the performance in a positive manner can be one of the most difficult challenges for management. To have employees that display excellent in their work and show accomplishments help business to acquire more or better value (Weitzman, 1990). There is a direct correlation in the reaching of a stated objective and the understanding of the programmers' goal. Secondly, incentive programmes can build a new customer for the organization as well as long-term loyalty. This gives credence that incentive programmes are not costly; they are a way of improving your bottom line. From employee's point of view, incentive programmes make the work environment fun and exciting. Productivity increases as a result of a higher quality of service and support. (Mathiesen, 2002 and Worldatwork, 2006).

## **2.9 Extrinsic and intrinsic rewards**

Two major types of rewards exist – extrinsic and intrinsic.

Extrinsic rewards are easier to recognize. These include the titles, the larger offices and the move up the corporate organization chart. **Herzberg** held that these are not the true motivators of workers. Their absence, however, can diminish performance levels. He proposed that the real motivators are the intrinsic rewards. These have a more long-term motivating effect on the employee. The key intrinsic factors are the meaningfulness of the job, the responsibility and the results. The more meaningfulness an employee sees the job, the more satisfaction is generated and hence more motivation. Likewise, the more responsibility an individual has in the job, the better the feeling about oneself. An employee can see a result and a job well done and gain satisfaction. Hearing from another peer or superior that the job was well done further

enhances the motivational effect the satisfaction in the job. The manager can work with the intrinsic rewards to create more meaningful system that motivates better than just extrinsic rewards. Allowing the employee to learn a variety of skills in the position increases the meaningfulness of the job. In addition, increasing the significance of the task performed enhances meaningfulness. Allowing for more autonomy gives the employee a sense of more responsibility and more control. Giving positive feedback is perhaps one of the best rewards a manager can give. (Herzberg, 1987; Herzberg, 1998)

## **2.10 The design of a reward system**

It is through the organization's reward systems that good employees are attracted to the organization, decide to stay within the organization and then consciously dedicate to perform well. Employees perform at the level at which the organization rewards them. People continue to do what they have been rewarded for doing. This is a form of positive reinforcement. Therefore, the astute manager must know each employee and what rewards will effectively motivate him or her. In addition, the manager must be constantly aware of the rewards available in the organization. To compensate for rewards not available, the manager must be creative and work within the boundaries of the organization to create a menu of rewards for the workers. In order for reward systems to be effective, they must hold some importance for the employees. If none of the potential rewards holds any importance for an individual, it is most unlikely that they will provide the motivation to elicit the desired performance from the worker (Fisher, 2002).

The reward system should offer flexibility for maximum effectiveness. Tailoring the reward to the individual goes a long way in motivating an employee. This could be termed customizing the rewards. This, then, heightens the importance of the reward to the individual and motivates him or her better (Maritz, 2004). Rewards should be given with certain frequency. An example of this is the annual salary review. Each employee being reviewed annually knows with



certainty when to anticipate a reward. Understanding the frequency of the rewards gives a measure of trust to the system. It makes the employees feel more confident in believing their good performance will be adequately rewarded and will be done so on a timely basis (Saunders, 2009). The most effective reward system is visible. That is, all the employees understand the possible rewards which are available. This can be likened to a carnival game where prizes are displayed around the game area. How disappointing it is to succeed at the game and be handed a cheap plastic toy from beneath the counter. So, it is with staff members. They need to know what “prizes” they are striving for and that they are indeed available. There should never be surprises pulled from beneath the counter. Good reward systems motivate people to work harder, increase productivity and therefore, save the organization money in both overtime and additional employees. Better employees have a lower absenteeism rate and remain in the job longer. These conditions save the organization’s resources even more. Externally, the organization is able to attract better people. Those seeing employment opportunities are more attracted to an organization offering better reward systems. Then, once in organization, the reward systems often determine if the employee will stay and ultimately, if he will perform.(Thomson and Rampton, 2000).

## **2.11 Key performance indicators (KPI)**

Key performance indicators (KPI) are set of quantifiable measures that a company or industry uses to gauge or compare performance in terms of meeting their strategic and operational goals (investopedia 2013). KPIs vary between companies and industries, depending on their priorities or performance criteria. They are invaluable tools that can help companies across the industry to raise their performance, win work and improve their profitability. They are benchmarked within the construction industry in introducing many companies to the subject of performance measurement. The performance indicators measure the performance of the construction industry by measuring employer satisfaction with the project milestone dates achieved,

construction costs versus tender amount, contractors' performance, agents' (consultants') performance, and the quality of materials used (KPI working group, 2000).

Over the past years the Construction KPIs have recorded a progressive improvement in the industry's productivity, social responsibility and economic performance and the bar continues to be raised. Key Performance Indicators show strong improvement in most areas, including client satisfaction and the delivery of projects on time and to budget. It is particularly encouraging that contractors have responded so quickly to new and tougher standards for environmental performance (Beathan, 2004). In the current tough economic environment, clients are increasingly demanding better value for money, quality of service, and environmental controls that meet the challenge of the environmental agenda. Construction KPIs provide objective, quantifiable measurements of contractor performance and are therefore a valuable tool to show that contractors are achieving the standards being demanded. For this reason, KPIs are often a key tool used by clients when selecting a supplier and in monitoring subsequent performance. Contractors, consultants and sub-contractors who successfully improve their performance against industry KPIs are firms that will win more business and build profitable long term relationships with repeat clients (Beathan et al, 2004).

The construction industry plays an indispensable role in the economy by providing the physical infrastructure which is fundamental to the country's development. The industry operates in a uniquely project-specific and complex environment, combining different investors, clients, contractual arrangements and consulting professions. It impacts directly on communities and its improved efficiency and effectiveness will enhance quality, productivity, health, safety, environmental outcomes and value for money. In the light of that, target and performance indicators may be developed related to best practice standards and guidelines and establish mechanisms to monitor their implementation and evaluate their impact. (Beathan, 2004)

The construction industry is dynamic in nature. The concept of project success is developed to set criteria and standards by which project managers can complete projects with the most favourable outcomes. However, the concept of project success has remained ambiguously defined in the construction industry. Project success is almost the ultimate goal for every project.

However, it means different things to different people. Each industry, project team or individual has its own definition of success

Chan (2004) consider success as an intangible perceptive feeling, which varies with different management expectations, among persons, and with the phases of project. Owners, designers, consultants, contractors, as well as sub-contractors have their own project objectives and criteria for measuring success. For example, architects often consider aesthetics rather than building cost as the main criterion for success. However, client may value other dimensions more. Moreover, even the same person's perception on success can change from project to project. The common assessment of the success of construction projects is that they are delivered on time, to budget, to technical specification and meet client satisfaction (Baker *et al.*, 1983; Slevin and Pinto, 1986; Morris and Hough, 1987 and Turner, 1993).

However, the criteria for success are in fact much wider, incorporating the performance of the stakeholders, evaluating their contributions and understanding their expectations (Eghan., 1998 and Wateridge, 1998). A stakeholder is an individual or group, inside or outside the construction project, which has a stake in, or can influence, the construction performance. Construction projects potentially can have different sets of stakeholders such as client, consultant, contractor, supplier, end-user and the community.

According to Eghan, (1998), successful construction project performance is achieved when stakeholders meet their requirements, individually and collectively. However, in order to meet



their requirements and continual participation, it is important for the stakeholders to address and distinguish the three orientation criteria that exist in the life cycle of a project (Chan, 2004).

### **2.11.1 Different types KPIs used in the construction industry by some organizations**

#### **2.11.1.1 KPIs by UK working group**

In relation to this, the UK working groups on Key Performance Indicators (KPIs) have identified ten parameters for benchmarking projects in order to achieve a good performance. These consist of seven project performance indicators ,namely: construction cost, construction time, cost predictability, time predictability, defects, client satisfaction with the product and client satisfaction with the service; and three company performance indicators, namely: safety, profitability and productivity (Egan, 1998).

#### **2.11.1.2 KPIs by Construction Best Practice Programme.**

The KPIs launched by the Construction Best Practice Programme (CBPP) are:

Client satisfaction, product and service, profitability, productivity, defects, safety, construction time and construction cost (CBPP, 2000)

Name	Description
Construction Cost	Improvement of capital cost year on year.
Construction Time	Improvement of time year on year.
Predictability Cost	Actual cost against the cost predicted at tender.
Predictability Time	Actual time against the time predicted at tender.
Client Satisfaction product	Client satisfaction with the delivered product
Client Satisfaction product	Client satisfaction with the service provided
Defects	Impact of the defects of the final product Project
Productivity	Value added per person working on the project
Profitability	Profitability of the Construction Company



**2.11.1.3 KPIs by Respect for People (RfP KPIs)**

The Respect for People (RfP) also identified the following KPIs to quage performance:

- i. Employees satisfaction – how satisfied direct employees are with :
  - a. The amount of influence they have over their job
  - b. Their pay and condition
- ii. Staff turnover – the number of direct employees that have left and has been replaced, expressed as a percentage of the average number of direct employees per year.
- iii. Sick absence – the number of working days lost due to sickness per direct employee per year
- iv. Safety - reportable accidents per 100,000 employed per year
- v. Working Hours – the number of usual hours worked per week per direct in his/her main job
- vi. Qualification and skills – the percentage of direct employees qualified to higher level
- vii. Equality and Diversity – the extent to which a policy relating to equality and diversity in the working place is in place and used
- viii. Training – the number of training (on and off-the job) provided per employee per year
- ix. Pay – the gross weekly earnings (before tax) per full direct employee
- x. Investors in people – the percentage of direct employees either formally committed or covered by the investors in people recognition.

**2.11.2 Limitations of KPIs**

Over the past years the Construction KPIs have recorded a progressive improvement in the industry's productivity; however, the following are some short comings detected:

- i. That, the KPIs were used in measuring the output of the organizations rather than the individual performance of the employees so that they can be rewarded base on the performance.

- ii. That, KPIs are general indicators of performance that focus on critical aspects of outputs or outcomes instead of activity indicators (The KPI Working Group, 2000 and Collin, 2002).

They advocated that outcome indicators are designed to help assess whether actions (procedures and practices) are achieving their desired results. They are reactive, intended to measure the impact of actions. The outcome indicators tell you whether you have achieved a desired result or have failed. But, unlike activities indicators, they are designed to help identify whether organizations are taking actions believed necessary to increase performance or to lower risk. Activities indicators are pro-active measures that often measure performance against a tolerance level that show deviations from expectations at a specific point in time. Thus, activities indicators provide companies with a means of checking, on a regular and systematic basis, whether the priority actions are being implemented in the way they were intended to and the corrective actions that are needed to be taken. It is important for organizations to be pro-active in their efforts to improve preparedness and response capabilities, rather than being reactive in response.

- iii. The second limitation relates to the measurement encountered with certain project information. The proposed formula of calculating accident rate relies on an accurate record of the total number of accidents occurred and the total number of workers engaged in construction projects in a year. However, the total number of workers is difficult to obtain as there is a complicated sub-contracting system and a rapid flow of labour in the construction industry. There are several and other issues that need to be considered when putting the system in place. Issues such as getting staff involved, storing the data and building the process into the project can make the process difficult.
- iv. That, only a limited, manageable number of KPIs is maintainable for regular use. Having too many (and too complex) KPIs can be time- and resource-consuming. Thus, it does not provide companies and projects with realistic methods of establishing a performance measurement system.
- v. According to Beatham et al (2004) cost, time and quality are the three basic and most important performance indicators in construction projects followed by others such as safety, functionality and satisfaction. However, the proposed KPIs are largely

developed from a theoretical ground. When applying the proposed KPIs to the case studies as been adopted by the researcher, some practical difficulties such as monetary values, which are sensitive and confidential, may not be disclosed willingly for analysis by stakeholders.

Other researchers such as Latham (1994) and Egan (1998) measured impact of performance using the following:

Construction cost, construction time, defects, client satisfaction (product), client satisfaction (service), profitability, productivity, safety, cost predictability (construction), time predictability (construction), cost predictability (design), time predictability (design).

It must be noted that these indicators used by the researchers can only be used after the completion of the project which among other things defeat the case study method.

It is for this reason and many others that the researcher intends to measure the impact of performance of construction workers on the site during the progress of the work by the institution of rewards.

## **2.12 A Conceptual framework**

Conceptual frameworks, according to educational researcher Smyth (2004), are structured from a set of broad ideas and theories that help a researcher to properly identify the problem they are looking at, frame their questions and find suitable literature. Most academic research uses a conceptual framework at the outset because it helps the researcher to clarify his research question and aims. It is a tool researchers use to guide their inquiry; it is a set of ideas used to structure the research, a sort of map that may include the research question, the literature review, methods and data analysis. Researchers use a conceptual framework to guide their data collection and analysis. In line with the study, the following thematic areas are discussed in detail in consonant with the objectives of the study:



- i. Total rewards
- ii. Motivation
- iii. Employees' behavior and performance
- iv. Organizational result

### **2.12.1 Total reward system**

This approach recognizes the importance of leveraging multiple programmes to satisfy employees to improve organization's performance and result. The concept of total rewards emerged in the 1990s as a way of thinking about the deployment of compensation and benefits, combined with the other tangible and intangible ways that companies seek to attract, retain and motivate (ARM) employees. Flexible companies and start-ups were to deploy this concept rapidly. During the past decade, various total rewards models have been published. While each approach presents a unique point of view, all of the models recognize the importance of leveraging, multiple programmes, practices and cultural dynamics to satisfy and engaged the best employees, contributing to improve business performance and result. Increasingly, it has become clear that the battle for talent involves much more than highly effective, strategically designed compensation and benefits programmes (Thompson and Milsome, 2001). While these programmes remain critical, the most successful companies have realized that they must take a much broader look at the factors involve in attraction, retention and motivation. Therefore, the multiple function and integration of HR system is referred to as "total reward". The integrating framework which seeks to attract, retain and motivate (ARM) employees comprises of five (5) leveraging elements, namely;

- i. Compensation
- ii. Benefits
- iii. Work life balance
- iv. Performance and recognition
- v. Development and career opportunities.(Thompson, 2002 and Worldatwork 2006).



### **2.12.1.1 Compensation**

Pay provided by an employer to an employee for services rendered base on time, effort and skill. Compensation comprises of two (2) elements:

#### **2.12.1.1.1 Fixed Pay**

Also known as “base pay,” is a nondiscretionary compensation that does not vary according to performance or results achieved.

#### **2.12.1.1.2 Variable Pay**

Also known as “pay at risk,” variable pay changes directly with the level of performance or results achieved. It is a onetime payment that must be re-established and re-earned each performance period. (Brown and Amstrong, 1999).

### **2.12.1.2 Benefits**

A Programme an employer uses to supplement the cash compensation that employees receive. They are designed to protect employees and his/her family from financial risk such as Social Security Insurance, Pay for times not work etc. (Gratton, 2004).

### **2.12.1.3 Work Life Balance**

A specific set of organizational practices, policies, programmes, which actively supports efforts to help employees achieve success at both work and home such as workplace flexibility, caring for dependents, financial support etc (Thompson, 2002 and Worldatwork, 2006).

### **2.12.1.4 Performance**

Performance is a delivery of RESULTS through specific desired indicators measured at successive levels of the organization. Performance involves the alignment of organizational, team and individual effort toward the achievement of business goals and organizational success. (Wolfensohn, 1999).

### **2.12.1.5 Development and Career Opportunities**

Development set of learning experiences designed to enhance employees' applied skills and competencies; development engages employees to perform better and leaders to advance their organizations' people strategies. Career opportunities on the other hand are plan for an employee to advance their own career goals and may include advancement into a more responsible position in an organization. The organization supports career opportunities internally such as new technology training, attendance of seminars, conferences, on the job training, leadership training and rotational assignments so that talented employees are deployed in positions that enable them to deliver their greatest value to their organization (McNeil, 1990 and Hussey, 1997).

### **2.12.2 MOTIVATION**

#### **2.12.2.1 Introduction**

This is a process that accounts for an individual's intensity direction and persistence of effort towards attaining a goal as a result of the total reward programmes instituted. Managers are continually challenged to motivate a workforce to do two things. The first challenge is to motivate employees to work toward helping the organization achieve its goals. The second is to motivate employees to work toward achieving their own personal goals, Meeting the needs and achieving the goals employer and employee is often difficult for managers in all types of organizations. To be successful, managers need to be able to manage and motivate a wide array of employees (Medoff, 1989).

#### **2.12.2.2 Motivation – concept.**

According to Webster's New Collegiate Dictionary, a motive is "something (a need or desire) that causes a person to act". Motivate, in turn, means "to provide with a motive". Thus, motivation is the act or process of providing a motive that causes a person to take some action (McNeil, 1990). Therefore, one will not be far from right to say that the ingredients of

motivation lies within us all. Circumstance and situations will determine the stimulus which will generate response – to drive forward, to withdraw or to wait for a further signal. Once the response is decided, the degree of general purpose enthusiasm evoked will control the momentum (Marx, 2008).

Motivation is the internalized drive towards the dominant of the moment. You cannot motivate any one – one can only create a situation to which individuals will response because they choose to. The above assertion raises a couple of basic question.

#### **2.12.2.3 Rewards**

Rewards can take two forms. They can be either intrinsic/internal reward or extrinsic/external ones. Intrinsic rewards are derived from within the individual such as responsibility, recognition or advancement. Extrinsic rewards pertained to rewards that are given by another person such as bonuses, better condition or attractive salaries when quality and satisfaction are demonstrated to be exceptional (Lezear, 1982).

#### **2.12.2.4 Employees motivation**

While rewards may serve as incentives and those who bestow rewards may seek to use them as motivators, the real motivation to act comes from within the individual. Managers do exert a significant amount of influence over their employees but they do not have the power to force a person to act. They can work to provide various types of incentives in an effort to influence an employees’ level of motivation and willingness to act. When all is set and done, it is the employee’s decision to take action or not (Kovach, 1987).

#### **2.12.2.5 Theories of motivation**

Psychologists have studied human motivation extensively and have derived a variety of theories about who motivates people. This section briefly highlights the motivational theories that are regularly discussed in management textbooks. These include theories that focus on motivation being a function of employee needs for various types, extrinsic factors and intrinsic factors.

### 2.12.3. Need-based theories of motivation

#### 2.12.3.1. Maslow's Hierarchy of need

Maslow (1954) postulated a hierarchy of needs that progresses one lowest subsistence level needs to the higher level of self-awareness and actualization. Once each level has been met, the theory is that an individual will be motivated by and strive to progress to satisfy the next higher level of need. The five levels in Maslow's hierarchy are:

- i. **Psychological needs** – including food, water, sexual drive, and other subsistence-related needs;
- ii. **Safety needs** – including shelter, a safe home environment, employment, a healthy, money and other basic needs.
- iii. **Belonging needs** – including the desire for social contact and interaction, friendship, affection and various types of support.
- iv. **Esteemed needs** – including status, recognition and positive regard; and
- v. **Self – actualization needs** – including the desire for achievement, personal growth and development and autonomy.

The movement from one level to next was termed satisfaction progression by Maslow. It was assumed that people are motivated and able to continually work harder and more efficiently and that employees should be paid on the basis of the amount and quality of the work performed. However, over time, this approach will be limited by the capacity of employees to continue to increase the quantity of work produced without sacrificing the quality. While useful from theoretical perspective, most individual do not view their needs in this way, making this approach to motivation a bit unrealistic.

#### 2.12.3.2 Alderfer's ERG Theory

The three components identified by Alderfer (1972) drew upon Maslow's theory, but also suggested that individual were motivated to move forward and backward through the level in terms of motivators. He reduced Maslow's level from five to the following three:



- i. **Existence** - This related to Maslow's first two needs, thus combining the physiological and safety needs into one level.
- ii. **Relatedness** - which addressed the belonging needs; and, iii. **Growth** - which pertains to the last two needs thereby combining esteem and self – actualization.

Alderfer (1972) also added his frustration-regression principle which postulates that individual would move in and out of the various levels, depending upon the extent to which their needs were being met.

### 2.12.3.3 Herzberg's two factor theory

Herzberg (2003) further modified Maslow's need theory and consolidated down to two areas of needs that motivated employees.

- i. **Hygienes** – These were characterized as lower level motivators which included company policy and administration, supervision, interpersonal relationship, working conditions, salary, status and security.
- ii. **Motivators** - These emphasized higher level of factors and focused on aspect of work, such as “achievement, recognition, the work itself, responsibility and grow or advancement.

Herzberg's is an easily understood approach that suggests that individuals have desire beyond the hygienes and that motivators are very important to them.

### 2.12.3.4 McClelland's Acquired Need Theory.

The idea here is that need is acquired throughout life. That is, needs are not innate, but are learned or developed as a result of one's life experiences (McClelland, 1985). This theory focuses on three types of needs:

- i. **Needs for achievement** - This emphasizes the desire for success and for attaining goals.
- ii. **Need for affiliation** - which focuses on the desire for relationship and associations with others; and,
- iii **Need for power** - which related to the desires for responsibility for, control of, and authority over others.

All four of these theories approach needs are helpful in understanding employee motivation on the basis of needs.

#### **2.12.3.5. Extrinsic factor theories of motivation**

Another approach to understanding motivation focuses on external factors and their role in understanding employee motivation. The best known of these is:

- i. **Reinforcement theory** - Skinner (1953) studied human behavior and proposed that individual is motivated when their behaviors are reinforced. This theory comprised of four type of reinforcement. The first two are associated with achieving desirable behaviors; while the last two addresses undesirable behaviors. That is:
  - a. **Positive reinforcement** - relates to taking action that rewards positive behaviors;
  - b. **Avoidance learning** - occurs when actions are taken to reward behaviors that avoid undesirable or negative behaviors;
  - c. **Punishment** - includes actions designed to reduce undesirable behaviors;
  - d. **Extinction** - represents the removal of positive rewards for undesirable behaviors.

#### **2.12.3.6 Intrinsic factor theories of motivation**

Theories that are based on intrinsic or endogenous factors focus on internal processes and perception about motivation. Several of these are highlighted below:

- i. **Adams Equity Theory** - which proposes that individual are motivated when they perceive that they are treated equitably in comparison to others within the organization (Adams, 1963).
- ii. **Vroom's Expectancy Theory** - which addresses the expectation of individuals and hypothesizes that they are motivated by performance and the expected outcomes of their own behaviors (Vroom, 1964); and,
- iii. **Locke's Goal Setting Theory** - which hypothesizes that by establishing goals individuals are motivated to take action to achieve those goals (Locke and Latham, 1990)

While each of these theories deals with a particular aspect of motivation, it seems unrealistic to address them in isolation, since these factors often do come into play in and are important to employee motivation at one time or another.

### **2.12.3.7 Management Theory of Motivation**

Other approaches to motivation are driven by aspect of management, such as productivity, human resources, and other considerations. Most notable in this regard are the following:

#### **2.12.3.7.1 Scientific management theory.**

Frederick Taylor's ideas put into practice by Gilbreths in the film *Cheaper by Dozen*, focus on studying job processes, determining the most efficient means of performing them, and in return awarding employees for their productivity and hard work. This theory assumes that people are motivated and are able to continually work harder and more efficiently and that employees should be paid in the basis of amount and quality of the work performed.

Overtime, this approach is limited by the capacity of employees to continue to increase the quantity of work produced without sacrificing the quality.

#### **2.12.3.7.2 McGregor's Theory x and Theory y**

This approach again draws upon the work of Herzberg and develop a human resource management approach to motivation. This theory first classifies managers into one of two groups.

Theory x managers view employees as unmotivated and disliking of work. Under the theory x approach the manager's role is to focus on the hygienes and to control and direct employees. In contrast, Theory y managers focus on Herzberg's motivator and work to assist employees in achieving these higher levels (McGregor, 1960).

#### **2.12.3.7.3 Ouchi's Theory z**

This theory is rooted in the idea that employees who are involved in and committed to an organization will be motivated to increase productivity. Theory z managers provide rewards such as long-term employment, promotion from within, participatory management and other techniques to motivate employees. (Ouchi, 1981)



While all of these theories are helpful in understanding management and motivation from a conceptual perspective, it is important to recognize that most managers draw upon a combination of needs, extrinsic factors and intrinsic factors in an effort to help motivate employees and help employees meet their own personal needs and goals, and ultimately to achieve effectiveness and balance within the organization.

#### **2.12.4 Employee behavior in organization:**

According to Bouef (1997), reward people for the right behaviour and you will get the result. This assertion corroborates the perception that when employees are motivated, their actions are modified and willing to go the extra mile. Motivation is a basic psychological process. A recent data-based comprehensive analysis concluded that competitiveness problems appear to be largely motivational in nature (Luthan, 1995). Along with perception, personality, attitudes, and learning, motivation is a very important element of behaviour. Nevertheless, motivation is not the only explanation of behaviour. It interacts with and acts in conjunction with other cognitive processes. Motivating is the management process of influencing behaviour based on the knowledge of what make people tick (Luthans, 1998).

Motivation and motivating both deal with the range of conscious human behavior. Luthans (1998) asserts that motivation is the process that arouses, energizes, directs, and sustains behaviour and performance. That is, it is the process of stimulating people to action and to achieve a desired task. One way of stimulating people is to employ effective motivation, which makes workers more satisfied with and committed to their jobs. Money is not the only motivator. There are other incentives which can also serve as motivators. Specific employee attitudes relating to job satisfaction and organizational commitment are of major interest to the field of organizational behaviour and the practice of human resources management. Attitude has direct impact on job satisfaction. Organizational commitment on the other hand, focuses on their attitudes towards the entire organization. Commitment causes satisfaction.

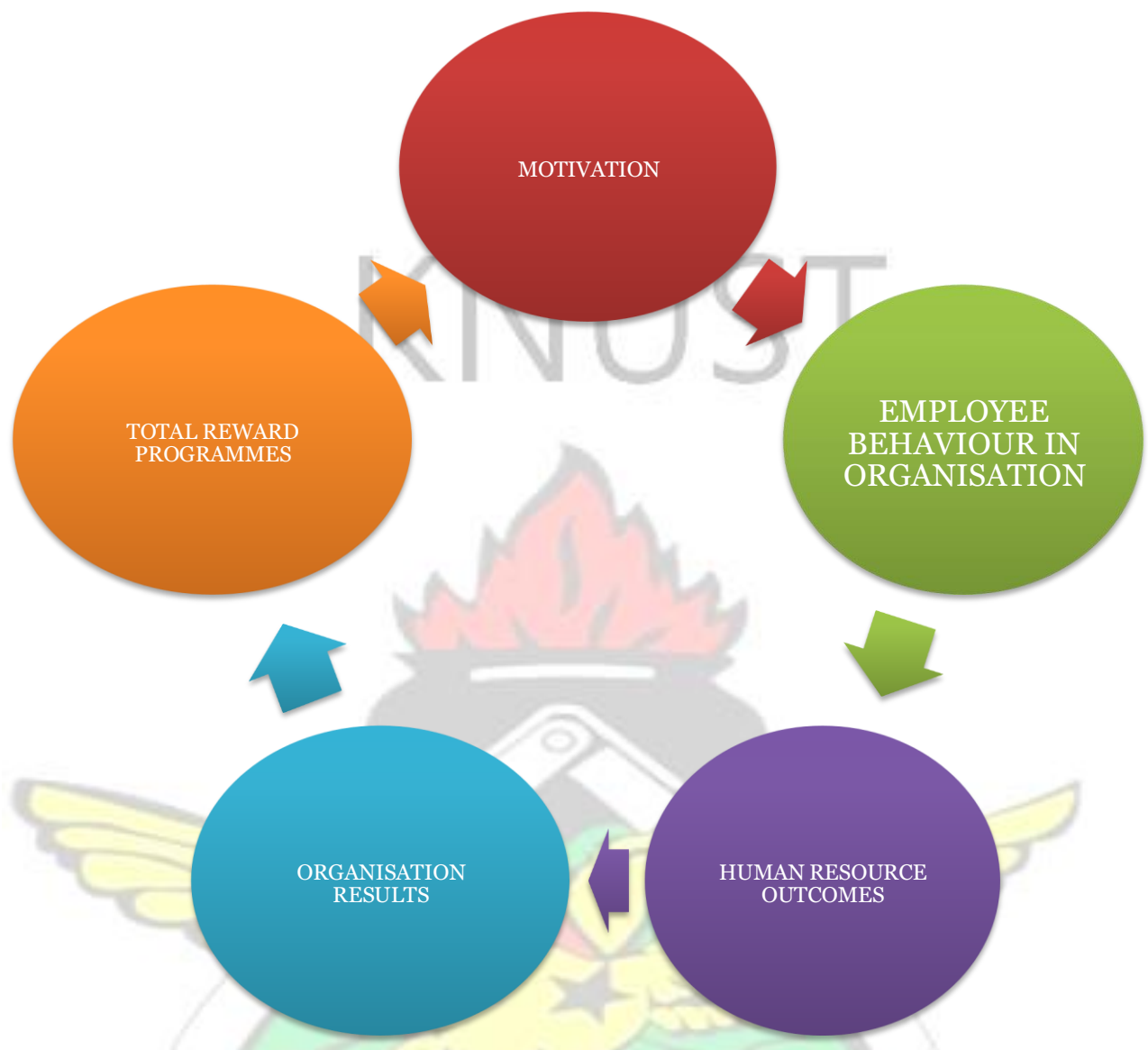


Luthan stress that, motivation cannot be seen. All that can be seen is behavior. While recognizing the central role of motivation, many recent theories of organizational behaviour find it important for the field to re-emphasize behaviour. Definitions of motivation abound.

One thing these definitions have in common is the inclusion of words such as "desire", "want", "wishes", "aim", "goals", "needs", and "incentives". Luthan (1998) defines motivation as, "a process that starts with a physiological deficiency or need that activates a behaviour or a drive that is aimed at a goal incentive". Therefore, the key to understanding the behaviour of employee lies in the meaning of motivation

#### **2.12.5 Human resource and organizational results:**

When employees' actions are modified and willing to go the extra mile, productivity is increased, employees' turnover is minimized and these give a measure of trust to the system. The primary goal of organization is to make profit in businesses, foster growth in their establishments and also survive in the market economy. These goals are achievable by maximizing productivity of labour. The increase in productivity can materialize when the labour force in the organization are well managed. Management scarcely cared for the needs of employees, thus, employers remain indifferent, whether conditions and other benefits in the company are nothing to go by. When employees meet with such condition in an organization, they begin to form groups with the aim of fighting for fair treatment in their various placed of work. When management is still adamant to the needs of the employees, they are demotivated and resort to alternative means of getting their needs attended to, some leave the organization, and others resort to pilfering and unwillingness to commit to the job that may lead to low productivity. It is, however, important for management of establishment to recognize the important of human resource management so that their conditions of services and other benefits properly improved to attract, retain and motivate (arm) them to avoid employee turnover, low employee morale, pilfering and low productivity which adversely affect organizational goals.



**Figure 2.1 A Conceptual framework of Total Rewards.**

**SOURCE:** Torkornoo (2007).

### **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction.**

The concept of methodology refers to the whole process of the research work. Hussey and Hussey (1997) stated that research methodology embraces the overall approach to the research process from the theoretical underpinning to the collection and analysis of the data. Leedy

(1989) cited in Remenyi et al (1998) also defined research methodology as a “procedural framework within which is conducted”. Jankowics (1991) in a related development define methodology as the analysis of a rationale for the particular method or methods used in a given study. Thus, it is clear from the above definitions that it is important for every research project to have an operational framework within which all the facts can be placed such that meaningful conclusion can be drawn from them.

This chapter deals with the research methodology. The methodology describes the procedures in conducting the research. The main approaches needed for the research are identified. It also identifies the population and sample techniques to be used to achieve the purpose of the study. In addition, the procedure used in administering the questionnaires in the collection of data and data analysis techniques was explained. The chapter also provides information of the organization under study. The research adopted the case study method, as the objective was to concentrate on an individual organization’s circumstances in order to gain an-depth understanding of the company involved. Kumasi was chosen for the study, as time and cost were limited to the researcher. Data collection was in the form of both primary and secondary data. Personal interviews were also conducted during the entire period across.

### **3.2 Sources of data**

Both primary and secondary data sources were used in the study.

#### **3.2.1 Primary data**

The primary source of data refers to as first-hand information obtained by the researchers through one-on-one interviews, distribution of questionnaires and physical observation and included how the selected companies approach their reward systems to increase performance. Saunders et al. (2009) explains it as data collected specifically for the research project being undertaken. An initial investigation was however conducted to become familiar with the context of the study and also to ascertain the willingness of the institution to release the relevant

data. The main focus of the interviews however concentrated on the institution's valuation of its rewards schemes and the purpose of the schemes. Emphasis was placed on how rewards packages affect performance. Some of the responses were recorded personally by means of notes taking and the other by questionnaire.

### **3.2.2 Secondary data**

In explaining its nature, Saunders et al (2009) said it is a data used for a research project that was originally collected for some other purpose. The secondary source of data included the respective websites, internets, textbooks, journals, articles, magazines and other source.

### **3.3 Population.**

The construction industry is a group of firms with closely related activities involved in the construction of real estates, building, private and public infrastructure. It also deals with all economic activities directed to the creation, renovation, repairs or extension of fixed assets in the form of buildings, land improvements of an engineering nature and other such engineering constructions such as roads, bridges, railways, ports, dams. In Ghana, Civil Engineering firms undertake some of the aforementioned projects which involves heavily engineering characteristics such as bridges, roads, railways and dams, while the Building Construction Firms (BCF) also undertake projects such as the construction of schools, hospitals, health centres, hotels, offices. BCF also undertakes external works which sometimes involved "simple" engineering construction such as drive ways. The Ghanaian building construction firms comprises of a large number of enterprises of various sizes as registered and categorised by the Ministry of Water Resources, Works and Housing (MWRW&H) as D1K1, D2K2, D3K3 and D4K4. Based on factors such as annual turnover, equipment holding, personnel, the D1K1 class of contractors are termed as larger firms, whereas D2K2 construction firms are medium and D3K3 and D4K4 are small firms (Edmonds et al, 1984). The larger firms, according to MWRW&H are registered as financial class 1, capable of undertaking projects of any value,



class 2 (the medium firms) are capable of undertaking projects up to US\$500,000 or GH¢750,000.00, while the small firms

(financial class 3) are also capable of undertaking projects up to US\$200,000 or GH¢300,000.00 or class 4 to undertake projects up to US\$75,000 or GH¢112,500.00

Egmond et al (2007) reported that, the large and medium Ghanaian construction firms forms about 10% of the total number of construction firms registered with the Ministry of Water Resources, Works and Housing. These firms, according to Egmond et al (2007) do not have the appropriate technological capabilities, plant and equipment and key personnel to handle awarded projects properly and the evidence is by the fact that the nation's major construction projects are awarded to the very few large foreign contractors. The remaining 90% are the small firms or small contractors of which in 1999, their total number was 7095. As indicated earlier on these small firms engage in simple construction work with contract sum not exceeding US\$200,000 or GH¢300,000.00 in public jobs, and their total construction output ranges between 10% and 20% as compared to large and medium firms. Egmond et al (2007) suggest, that the proprietors of these small firms have little or no knowledge in the building construction industry and their perception about industry is a money making business and the only requirement is your financial ability. From this perception, it is possible that management of these small firms do not really pay attention to labour resource management which is one the key factor for performance and growth of a firm (Mitullah et al 2003).

In the light of this, the researcher intends to focus on the D1K1 classes of contractors working or undertaking project in Kumasi where the bulk of the contractors operate in the Ashanti Region who had elaborate and distinct system of rewarding employees. The decision was also informed by the fact that D1 K1 contractors were well established, experienced and more organized in their operations within the industry. They employ full-time key personnel over long period of time which includes quantity surveyors and construction managers etc. They are

in a better position and capable of undertaking projects of any value with the appropriate technological capabilities, plant and equipment, key persons to handle awarded projects properly with absolute knowledge in the building construction industry.

### **3.4 Sampling Techniques**

To ensure that the data collected actually represent the views of the entire population from which the sample was taken and obtain acceptable levels of confidence and accuracy needed, and likelihood of sample being representative, a non-probability sampling technique, snowball sampling was selected. This is commonly used when it is difficult to identify members in the desired population. As a researcher, my modus operandi to get manageable sample size for the study is to:

- i. Make contact with one or two cases in the population ii. Ask these cases to identify further cases iii. Ask these new cases to identify further new cases (and so on).
- iv. Stop when either no new cases are given or the sample is as large as is manageable. The main problem is making initial contact. Once that is done, further members of the populations are identified, and so the sample snowballs.

### **3.5 Sampling Frame**

Sampling frame by definition is a list of the people or items from which a statistical sample is taken (Encarta Dictionaries, 2007) and in this study the targeted respondents were site foremen and casual workers who are active on construction sites.

Site foremen were targeted because, it has been established by fact that they have the widest exposure to a construction projects on the site, and are involved in all the stages of the construction project from setting out to roofing. Casual workers on the other hand are directly involved with the actual construction works and they know much as to whatever happens during construction works.

### 3.6 Research approach

The study adopted both quantitative and qualitative approach, which is aligned with the objective that it aims to attain. The quantitative research is objective in nature. It defines as an inquiry into a social or human problem based on testing hypothesis or a theory composed of variables, measured with numbers, and analysed with statistical procedures as the main bases for conclusion that are derived from quantitative research (Dezin & Lincolnd, 2005), in order to determine whether the hypothesis or the theory hold true (Creswell,1994). The researcher intends to measure the performance of a worker on site based on the availability of rewards in order to collect factual evidence and study the relationship between these facts in order to test the particular hypothesis or theory during the execution of work. Quantitative data is, therefore, not abstract, they are hard and reliable and measurement of tangibles (Atkinson, 1995). Typically, closed ended questions are posed in the questionnaire which is the tool through which the quantitative approach is carried out. Such questions are direct and offer concrete options which represent the view on the subject (creswell, 1994). Glasow (2005) has indicated, close-ended questions are easy for respondents to answer and it also help researchers to analyze their data easily. Salant et al (1994) are of the view that closed-ended questions with unordered choices, for example the multiple choice questions are useful for ranking items in order of preference. Further, Fowler et al (1995) suggested that close-ended questionnaires are used to gauge the respondents' ability to provide informed responses or to identify respondents who believe they are informed and compare their responses to those who do not believe they are informed.

The study also adopted qualitative approach. Descriptive research permits the explanation of phenomena as they naturally transpire and without intervention from the researcher (Bernard, 2005). In effect, the financial and non-financial (extrinsic and intrinsic) rewards being experienced by the construction workers on site are described as they naturally occur within



their respective workplaces. This is an attitudinal research used to „subjectively“ evaluate the opinion, view, or perception of a person towards a particular object.

### **3.7 Data Collection instruments**

In an effort to collect credible information to provide answers to research questions raised, a research questionnaire, interview and observation were used to solicit for the needed information from the respondents.

#### **3.7.1 A structured Questionnaire**

This is a technique of data collection in which each case is made to respond to the same set of questions in a predetermined order. Both quantitative and qualitative approaches were used to collect primary data. Open and closed ended questions were used. With the closed ended questions, options were provided for responded to choose. The open-ended questions were without options; the responded were to provide their own answers. This gives the respondents the opportunity to express their opinions on issues and justify their answers. The questionnaires contain three sections. The first section identifies the demographic information about the respondents. The second section identifies and measures the impact of performance of the employees by respondents on a five Likert scale ranging from “5= very strongly motivated” to “1 = badly motivated” whiles the final section solicit perceptions and opinions of respondents about the relationship between reward systems (independent variable) and performance (dependent variable).

Similarly, this section also seeks to identify the reward system that affects performance most in the construction industry for appropriate recommendation to be made.

Largely, the structure of the questions was skewed to the individual opinions of the respective respondents so that an informed and specific judgment can be made to minimize the potential threats to validity and reliability of the research findings.



### **3.7.2 Interview**

In order to get the general view of the company's reward packages for its employee's, and to capture information that would likely be distorted or withheld with the use of only one method (McNeil 1990), the quantitative method was complemented by qualitative method such as in-depth interview to enhance the validity of the data. The researcher also conducted personal interview with the management who institutes reward systems and awards performance of employees. The format for the interview was the general interview guide approach which was intended to ensure that the same information is collected from each interviewee to focus on the study. The purpose of the interview was clearly spelt out at the beginning of the exercise. During the interview, the researcher asked one question at a time and tried to remain neutral as possible. The researcher admitted that finding interviewees and negotiating their agreement to be interviewed was a lengthy job. This included negotiating their terms of engagement, the interview subject, how the information would be used and their confidentiality.

### **3.6.3 Observation**

The non-participant observation was used to confirm the authenticity of some of the data obtained from the interviews and questionnaires administered. By this method, the researcher was physically present only as a spectator who does not become directly involved in the activities of the people who are being studied (Agyeade et al, 1999).

### **3.8 Data analysis techniques.**

A very critical aspect of thesis writing is how to effectively analyze data collected from the field.

### **38.1 Level of measurement for primary collection data**

Ordinal scale was used to measure the respondents' attitude towards motivational statement and items ranked in order of preference.

Software used for the analysis was Statistical Package for Social Science (SPSS) version 16.0. The statistical tools used were frequency analysis with percentage presented in tables and figure (bar charts), relative importance index (weight).

## **CHAPTER FOUR**

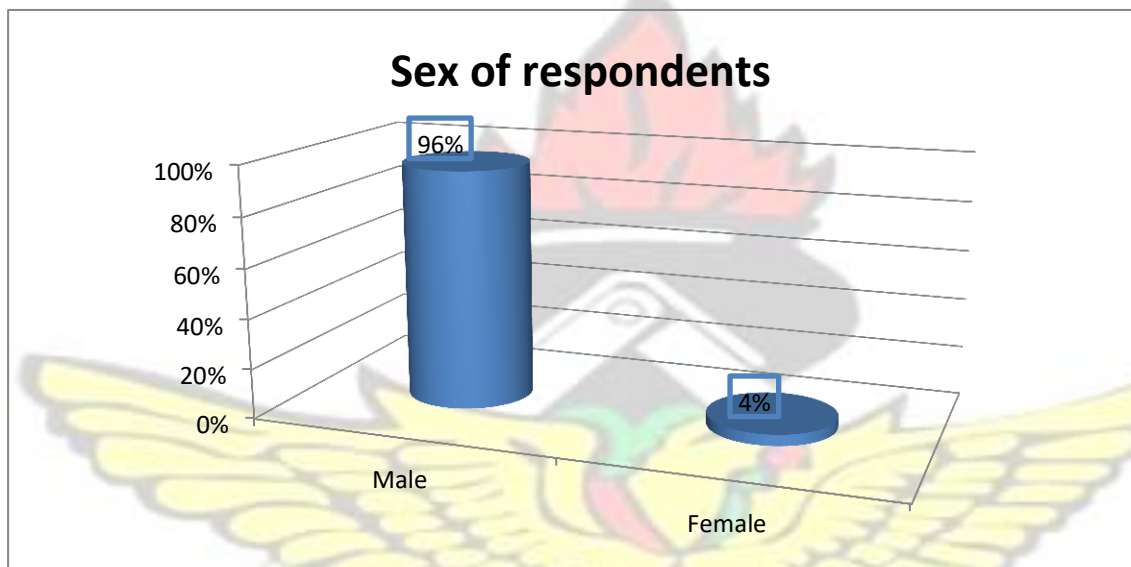
### **DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS**

#### **4.0 Introduction**

The cardinal driving fulcrum around which the researcher's effort revolved all through the course of this study has remained the theme "the effects of various reward systems on the performance of construction workers in Ghana", a case study in Kumasi. This chapter provides results of data obtained from the field work. It is committed to the presentation, analysis and interpretation of findings. It is also divided into sub-headings to throw more light on questions asked on the field. Issues examined included types of rewards available, effects of rewards on the performance of workers and the condition under which a reward system may be applied. The quantitative data was analyzed using simple form of statistical tools such as figures or tables using the statistical package for social scientist software (SPSS) version 16.0. The statistical tools used were frequency analysis with percentage presented in tables and figure (bar charts), relative importance index (weight). For the qualitative data, exploratory data was used to give an idea of what is happening.

It is important to assess the demographic characteristics of respondents in order to ascertain the validity of information provided for this research work. This helps in ensuring that data is gathered from the appropriate quarters. Figure 4.1 to 4.4 reflects the structure of the demographic information of the respondents; sex, age groups, number of years worked in the organisation and role/position in the organisation.

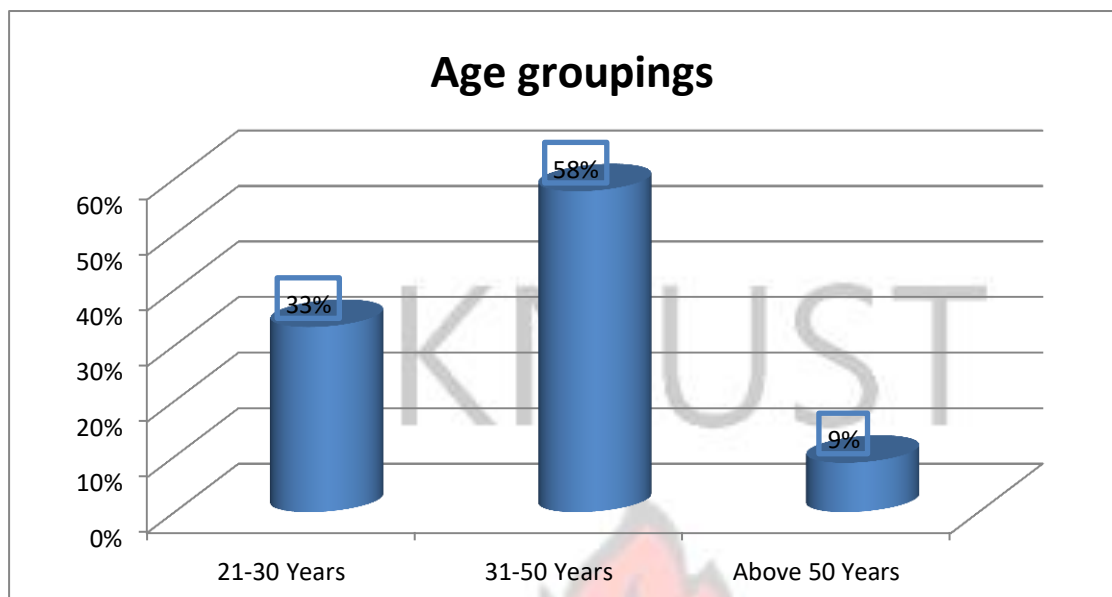
It is observed from the figure 4.1 that almost all the respondents were male representing 96% with few females representing 4%. The result also shows that the ratio of female to male is 1:24. This clearly indicates that the construction industry is not attracted to female but dominated by male. Biologically, women are more emotional than men and this clearly corroborates the perception that female workers sometimes find it challenging to work in the organization where their male counterpart dominates such as the construction industry. This can be said in the case of the management during interview where no single female was part of the management team.



**Figure 4.1 Sex of respondents.**

**Source: Researcher's Field Work, 2014**

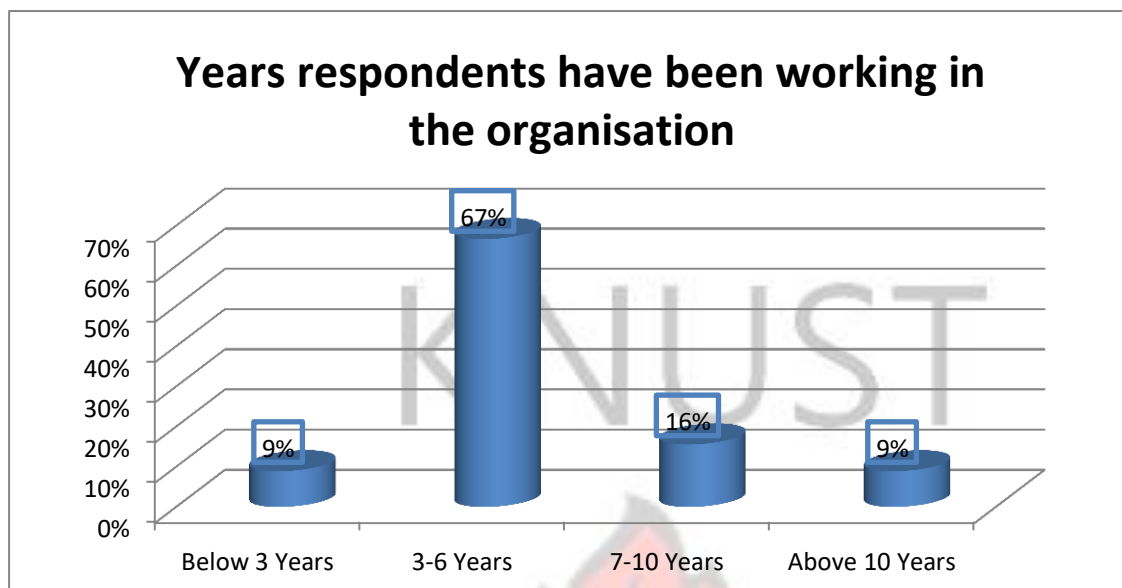
The age group of the respondents were also asked and the result shown in figure 4.2 showed that, 26 (58%) of the respondents are in the age group between 31-50 years inclusive. This forms more than half of the respondents' age categories. 15 (33%) and 4 (9%) were respectively in the age group of 21-30 years and above 50 years. From the results, it can be concluded that majority of the people in the construction industry are within the age group from 21 to 50 years inclusive. The results suggest that the core of the workers fall within the range of 31 and 50 years who are considered to be strong and wise by life philosophy. The researcher also agrees with the assertion that construction industry until recently was not attractive to prospective Young Adult Group (31 years-50 years) due to poor remunerations and conditions.



**Figure 4.2 Ages of respondents Source: Researcher's Field Work, 2014**

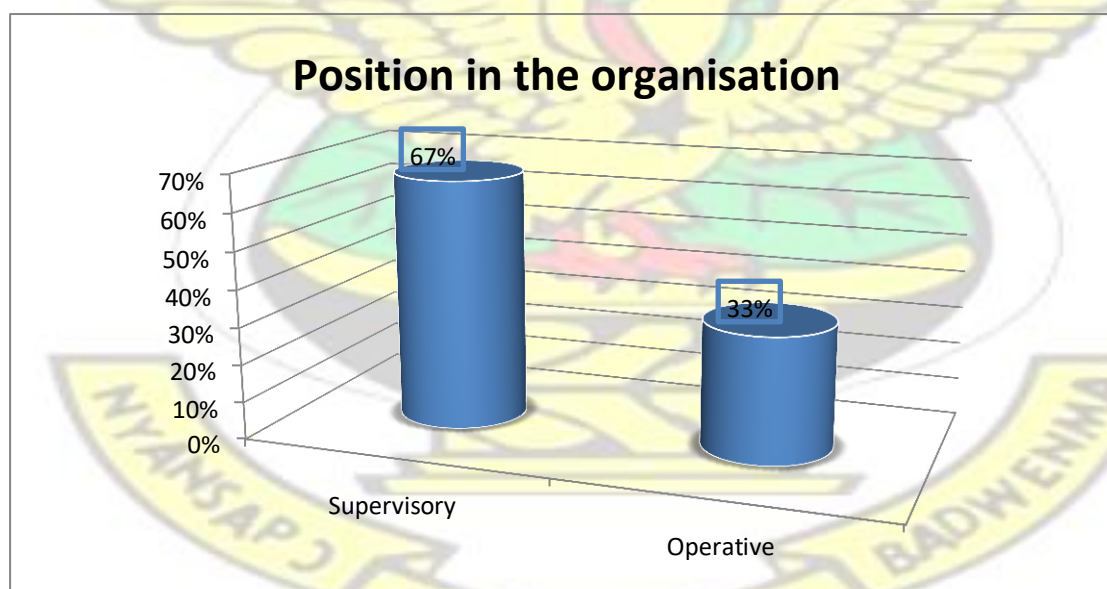
The number of years respondents have been working in the organization is shown in figure 4.3. It can be observed that, most of the workers under study have worked significant years in the organisation, thus between 3 to 10 years. 30 of the respondents have worked between 3-6 years representing 67%. 4 of the respondents have worked between 7-10 years representing 16%. Therefore, 34 (83%) of the respondents have been working between 3 years to 10 years. The extreme numbers of years respondents have worked are below 3 years and above 10 years representing 9% each. The length of time the respondents stay in the organisation rise from the period of employment to the period of 6 years and suddenly dwindle after the 6 year period. This is an indication that, there is a turnover of employees when they have served with the organization for a period of 6 years. Management should, however, be concerned as people with experience leave organization.





**Figure 4.3 Years respondents have worked Source: Field Work, 2014**

The roles respondents play in the organization is presented by figure 4.4. It is observed from the figure that, 30 (67%) of the respondents are supervisors and 15 (33%) are operatives. Ironically, equal number of questionnaires (30 each) was distributed to them for fair representation of the respondents. There is clear indication of the supervisors being responsible.



**Figure 4.4 Position of the respondents in the organization Source: Field Work, 2014**

It can be seen from table 4.1 that, the first two forms of financial rewards; bonus scheme and attractive basic pay were weighted above 60%. This shows that these two financial rewards are often used in the organisation. The next four rewards; free transport, lump sum payment,

vehicle/fuel allowance and refund of medical bill are moderately used with weights between 41% and 60%. The last four ranking with weights from 21% to 30% are rarely used financial rewards in the organisation. The study revealed that the first six rankings are at least used in the organisation; bonus schemes, attractive basic pay, free transport, lump sum payment, vehicle/fuel allowance and refund of medical bill. Money helps to attract, retain and maintain (arm) employees. According to Latham and Lock (1979), “money is obviously the primary incentive, since without it few, if any, employees would come to work” There is a clear indication that the organization has put in place certain packages of financial rewards to improve performances of the employees. Hence, the researcher agrees with the research by Armstrong (1999), that any employee who is rewarded for excellent performance is willing to go the extra mile.

#### 4.5 Financial Reward System

**Table 4.1: Types of financial reward systems.**

	N	Sum	Mean	Weight	Ranking
Bonus scheme	45	154	3.42	68%	1
Attractive basic pay	45	140	3.11	62%	2
Free transport	45	126	2.8	56%	3
Lump sum payment	45	111	2.47	49%	4
Vehicle/fuel allowance	45	105	2.33	47%	5
Refund of medical bills	45	104	2.31	46%	6
Accommodation/rent subsidy	45	68	1.51	30%	7
Profit sharing	45	68	1.51	30%	8
Promotion	43	63	1.47	29%	9

Pay for time not work	45	55	1.22	24%	10
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Source: Field Work, 2014

The non-financial type of reward systems is shown on table 4.2. The weights of the nonfinancial rewards are high, ranging from 56% to 72%. This shows that non-financial rewards are used more than financial reward. The first five rewards are often used in the organisation. The respondents ranked these reward with weights ranging from 61% to 72%. The rewards are; recognition, expression of thanks, responsibility, public/verbal praise and interesting work. The non-financial rewards that are also moderately used in addition to the first five rewards are; achievement and flexible schedule weighted 58% and 56% respectively. The last three; personal growth, good working relation and participation in decision taking are not used in the organisation as they weighted between 10% and 20%. Generally, the types of non-financial rewards often used in the organisation are recognition, expression of thanks, responsibility, public/verbal praise and interesting work.

Maslow (1954) identifies recognition as one of the top hierarchy of needs. He emphasized that recognition can provide a positive and immediate feedback. According to Herzberg on the other hand the real intrinsic rewards have a more long- term motivating effect on the employees. The philosophy behind rewards through responsibility that expressed in

McGregor's (1960) theory Y is that "the average human being learns, under proper conditions, not only to accept but also to seek responsibility". Once an employee seeks responsibility, there is a tendency and ulterior motive to go the extra mile to achieve. There is a clear indication that both financial and non-financial rewards are being used mutually. This echoes the view of Khon(1998), that "monetary rewards cannot always induce performance but must be reinforced with non-monetary rewards.

When the responses of supervisors and operatives were analyzed separately, the operatives indicated that even though, the industry widely used non-financial rewards, they are

specifically denied enjoying certain rewards such as personal growth, good working relation and participation in decision taking. Their assertion clearly shown in table 4.2 below.

#### 4.6 Non-Financial Reward System

**Table 4.2: Types of Non-Financial Reward System**

	N	Sum	Mean	Weight	Ranking
Recognition	45	162	3.6	72%	1
Expression of thanks	45	160	3.56	71%	2
Responsibility	45	151	3.36	67%	3
public/verbal praise	45	147	3.27	65%	4
Interesting work	45	138	3.07	61%	5
Achievement	45	131	2.91	58%	6
Flexible schedule	45	126	2.8	56%	7
Personal growth	45	46	1.02	20%	8
Good working relation	45	33	0.73	15%	9
Participation in decision taking	45	23	0.51	10%	10

Source: Field Study, 2014

Measuring the effects of reward systems, respondents were asked to rank financial rewards in accordance with their level effect on their performance in the organisation using the scale. Promotion, attractive pay, and bonuses weighted 96%, 94% and 93% respectively showing that rewards boost performance very highly in the organization. The seven other rewards in the table have weighted between 68% and 88%. The asymptotic significances of the variables are all less than 0.05 levels of significance indicating that there are differences in the ranking. Respondents unanimously showed there is significant positive effect of financial reward



systems on performance. The results give massive evidence that employees prefer to be rewarded for good performance especially with financial rewards. It is against this backdrop that the researcher agrees with the study by Bouef (1997) that “reward people for a right behaviour and you will get the right results, fail to reward the right behaviour and you are likely to get the wrong results”.

#### 4.7 Effects of Financial Reward System

**Table 4.3: Effects of Financial Reward System**

	N	Sum	Mean	Weight	Ranking	Asymp. Sig
Promotion	45	217	4.82	96%	1	0.000
Attractive basic pay	45	211	4.69	94%	2	0.011
Bonus scheme	45	210	4.67	93%	3	0.000
Accommodation/rent subsidy	45	199	4.42	88%	4	0.000
Vehicle/fuel allowance	45	183	4.07	81%	5	0.002
Free transport	45	182	4.04	81%	6	0.038
Profit sharing	45	177	3.93	79%	7	0.000
Lump sum payment	45	175	3.89	78%	8	0.000
Refund of medical bills	45	173	3.84	77%	9	0.000
Pay for time not work	45	153	3.4	68%	10	0.000

Source: Field Study, 2014

The effects of non-financial reward system on employees’ performance are clearly shown in table 4.4 ranging from 69% to 85%. It can be concluded from the discussion that, comparatively, financial reward systems have higher effect than non-financial reward systems in the opinion of the employees even though the differences are such that the nonfinancial reward systems cannot be over-emphasized. According to Dewhurst (2010), “When motivation

is achieved by non-financial means, it can have a more powerful and longerlasting effect on people”

#### 4.8 Effects of Non-Financial Reward System on Performance

**Table 4.4: Effects of Non-Financial Reward Systems**

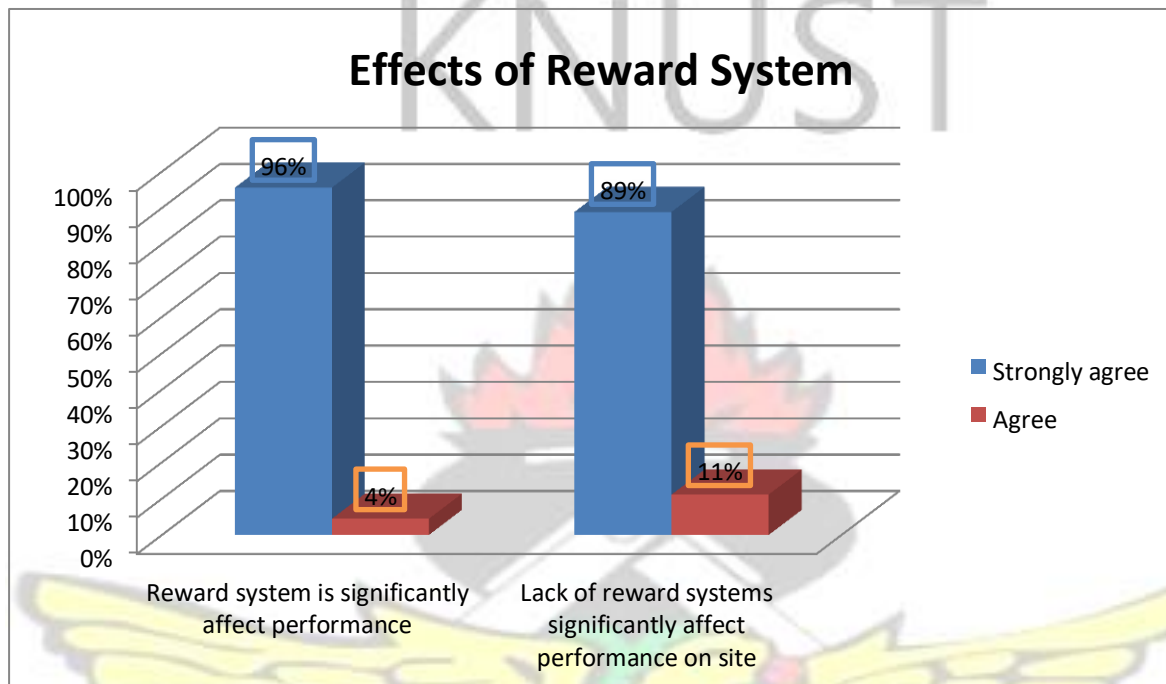
	N	Sum	Mean	Weight	Ranking	Asymp. Sig
Good working relation	45	192	4.27	85%	1	0.015
Participation in decision taking	45	184	4.09	82%	2	0.005
Responsibility	45	183	4.07	81%	3	0
Recognition	45	181	4.02	80%	4	0.017
Personal growth	45	179	3.98	80%	5	0.002
Interesting work	45	179	3.98	80%	6	0.002
public/verbal praise	45	178	3.96	79%	7	0.038
Achievement	45	172	3.82	76%	8	0.014
Expression of thanks	45	157	3.49	70%	9	0
Flexible schedule	40	138	3.45	69%	10	0

Source: Field Study, 2014

#### 4.9 Significant of reward systems

Respondents were asked on their level of agreement on how the reward systems of the organisation significantly affect their performance. From figure 4.5, 96% of the respondents strongly agree that reward systems significantly affect them to increase their performance. It can be concluded that, reward systems significantly affect increase in performance. It was also observed that, respondents strongly agreed that lack of reward systems significantly affects their performance on site representing 89% and the reminder 11% agreed. In all, reward systems significantly affect work performance. Schaufeli et al. (2002) stresses on the

importance of rewards in order to combat burnout, which is typically experienced by most employees on the job. Individuals who experience burnout in their work typically do not feel fulfilled. They also tend to have negative outlooks, and they also approach the tasks at hand with less vigour and dedication.



**Figure 4.5 Effect of reward systems.**

**Source: Field Study, 2014**

#### **4.10 Reward systems in the organization**

The following are the list of various reward systems in the organisation at the time of employment.

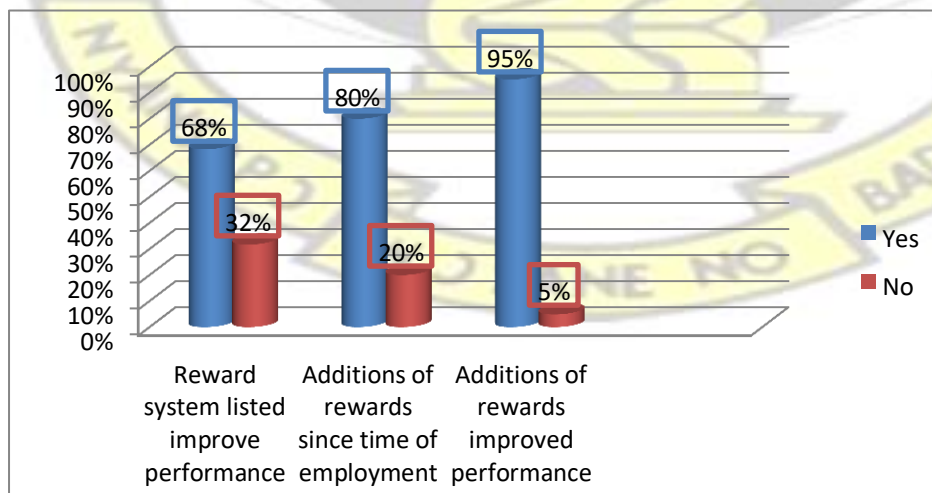
- a. Financial rewards
  - i. Free transport ii. vehicle/fuel allowance
- b. Non-financial rewards
  - i. Expression of thanks ii. Public/verbal praise

The construction industry deals with all economic activities directed to the creation, renovation, repairs or extension of fixed assets in the form of buildings, land improvements of an engineering nature and other such engineering constructions such as roads, bridges, railways,

ports, dams etc. which provides a platform for any appreciable development to take place. However, very little is seen in the award of performance of employees in the construction industry at the time employment to boost their morale to increase performance even though, there is a clear indication that the provision of reward systems largely affect employees' performance in the industry.

#### 4.11 Additional rewards and their improvement

When the respondents were asked whether there have been additional reward systems to the existing ones, they affirmatively responded YES. Respondents indicated from figure 4.6 that, the reward systems that are available at work place have improved their performance by 68% while 32% of the respondents said the rewards available have not improved their performance. 80% of the respondents also indicated that there have been additions of rewards since the time of their employment and 20% said there have not been any additions of reward systems since employment. Loyalty to organization was expected of every employee in the old days regardless of the conditions of service. Today, the industry has realized the immense contribution of the institution of reward systems hence, the need to increase the rewards to improve performance from 68% to 95%. It can be concluded that, additions of rewards in organisation have improved their performance. This means that the various types of reward available in the organization is a prerequisite of high performance.





The 80% of the additional rewards outlined are listed below.

The following are the additional reward outlined by the respondents.

The following are additional rewards outlined by the respondents;

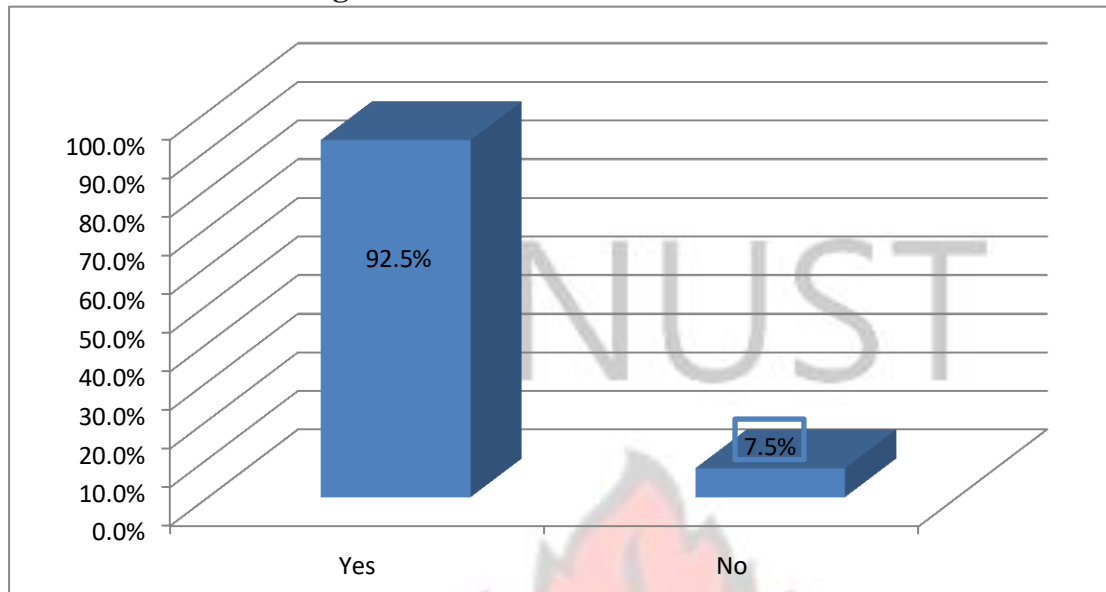
1. Bonus scheme
2. Attractive pay
3. „contract“
4. Accident compensation
5. Yearly recognition
6. Best worker award
7. Provision of logistic
8. Long service award
9. Refund of medicals
10. Flexible schedule

There is a clear indication that the construction industry has progressively put in place reward systems. This phenomenal trend by the industry to progressively institute reward systems to improve performance of their employees corroborates the views of Glasscock and Gram (1996), that rewards elicit psychological benefit as well as physical benefit.

The 20% of the respondents who said there have been no additional reward systems since their employment in the organization attributed the reasons as Management inability and uncreative.

Figure 4.7 shows the perception of respondents on reward systems in the organisation. It is observed that, 92.5% of the respondents said they are attracted to their organisation based on the reward systems available. 7.5% also said that they are not attracted to their organisation based on the reward systems available. This shows respondents are attracted to their organisation based on the reward systems available. The results largely corroborate and affirm the current proliferation of construction companies in the construction industry both registered and unregistered.

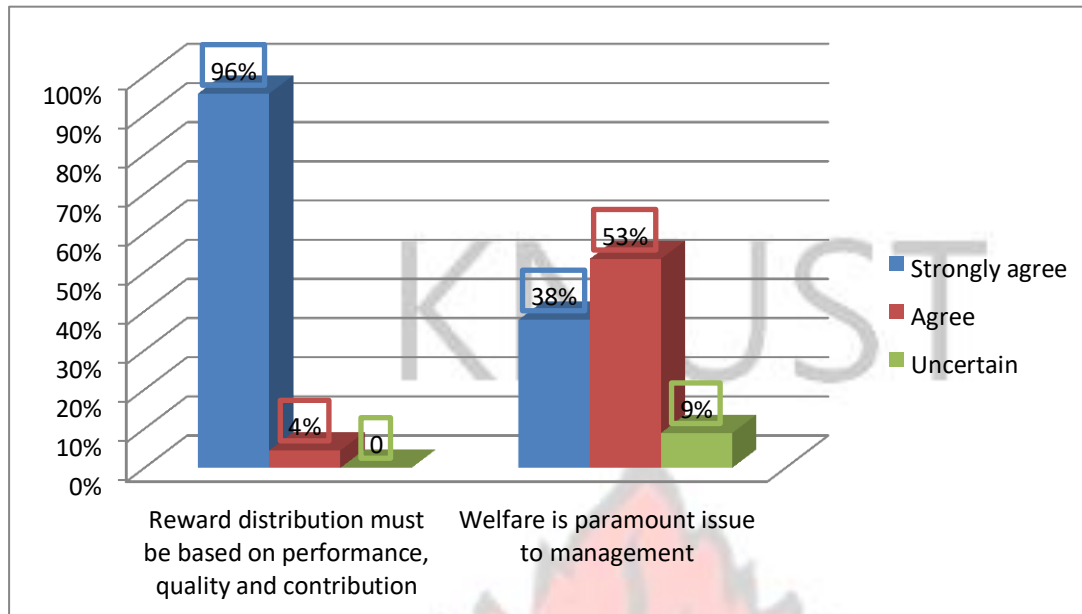
#### 4.12 Attraction to the organisation



**Figure 4.7 Attraction to organization Source: Field Study, 2014**

Figure 4.8 shows perception of respondents on reward distribution and welfare of employees. Majority of the respondents strongly agreed reward distribution must be based on performance, quality and contribution. 38% of the respondents strongly agreed their welfare is a paramount issue to management while 53% agreed with 9% being uncertain. Respondents' perception on reward system is certainly based on performance, quality and contribution to the organisation as 81% agreed. The researcher then agrees with the principle that an individual perceives „fairness“ by comparing his or her inputs and related outcomes with the inputs and outcomes achieved by others. If the comparison is equal, equity exists, if not, inequity is perceived and behaviour may be modified to achieve equity. As per equity theory of J. Stacey Adams, people are motivated by their beliefs about the reward structure as being fair or unfair, relative to the inputs.

#### 4.13 Distribution of rewards



**Figure 4.8 Distribution of reward systems Source: Field Study, 2014**

4.14 Reasons for the exit from the organisation

Respondents were asked about their opinion on what reason would account for their exit from the organisation they are working. The following opinions were outlined as reasons that would account for the respondents exist from the organisation.

1. Job dissatisfaction
2. Unattractive basic pay
3. Lack of bonuses
4. Better job offer
5. Lack of job security
6. Benefits being withdrawn
7. Poor working relation
8. Lack of respect
9. Lack of promotion
10. Lack of personal growth

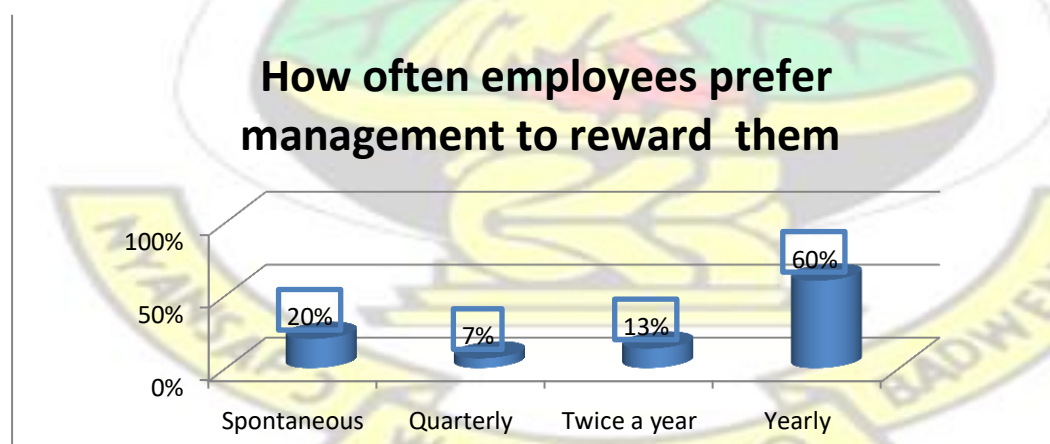
The reward systems stated varied from one respondent to the other. Management should therefore see the need to approach the institution of reward systems holistically to attract, retain and maintain their employees since employees' turnover do not only bring about operational

disruption, negative public relation but as a cost to the organization such as cost of advertising, loss of human resource and productivity.

It is, therefore, incumbent on managers to create a culture of retention and high performance through acknowledging the special efforts of employees.

#### 4.15 Awards of rewards

Figure 4.9 shows how often respondents prefer management of the organisation to reward the performance of employee. 60% of the respondents indicated yearly, 20% indicated spontaneously, 13% twice a year and 7 % quarterly. The researcher can conclude from the chart that a particular period within which rewards are given is of paramount importance to the employees. During the interview, it was also established that the effectiveness of reward systems was that rewards should be given with certain frequency such as annual salary review. Understanding the frequency of the rewards give a measure of trust to the system. This assertion is buttressed by Thompson and Rampton (2000) at page 21 that “when reward is carried out often and regularly, employees” tend to easily relate it to performance than when managers wait to reward them later on.



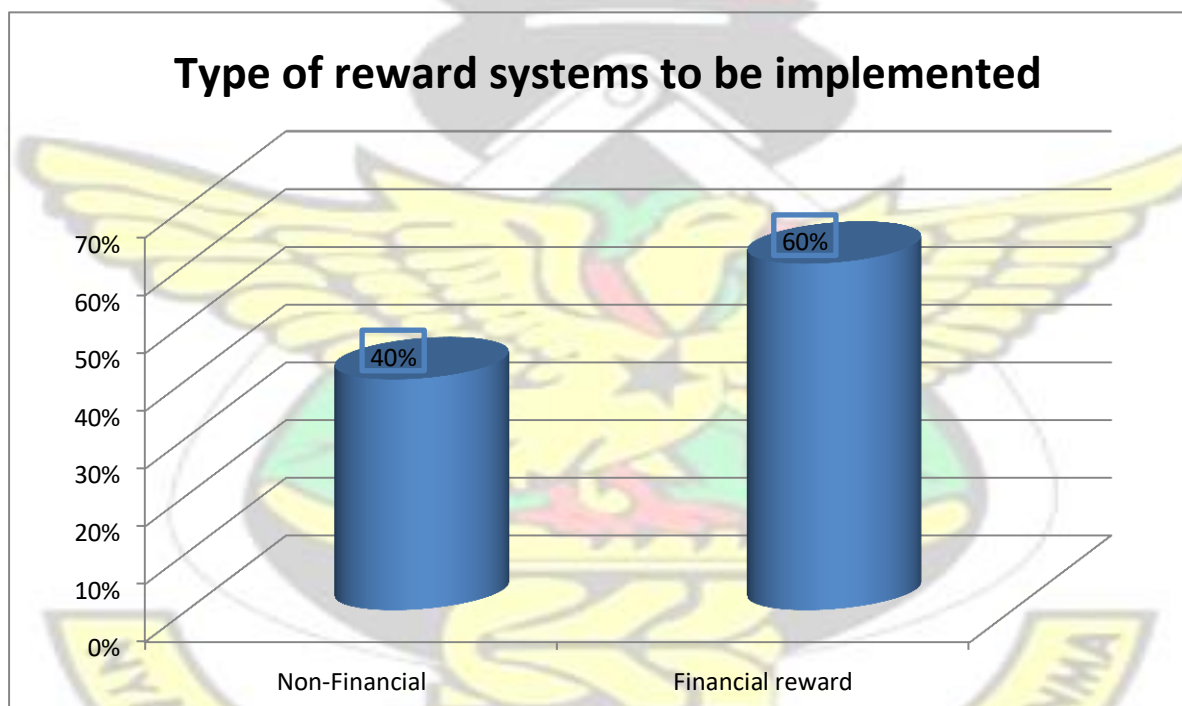
**Figure 4.9 How often employees prefer management to award them.**

**Source: Field Study, 2014**



#### 4.16 Implementation of reward systems

The type of reward systems that respondents would want the organisation to implement to improve their performance is denoted by figure 4.10. 60% of the respondents indicated financial reward is a type of reward system that they want the organisation to implement to improve their performance as oppose non-financial rewards being 40%. This is in agreement with table 4.1, where the first two rankings were directly related to monetary rewards, thus; bonus scheme and attractive basic pay. This clearly shows that, even though, non-financial rewards have some positive effects on the performance of the employees, the financial rewards have more positive effects on the employees performance which is reflected in the results of table 4.3 and 4.4 above.



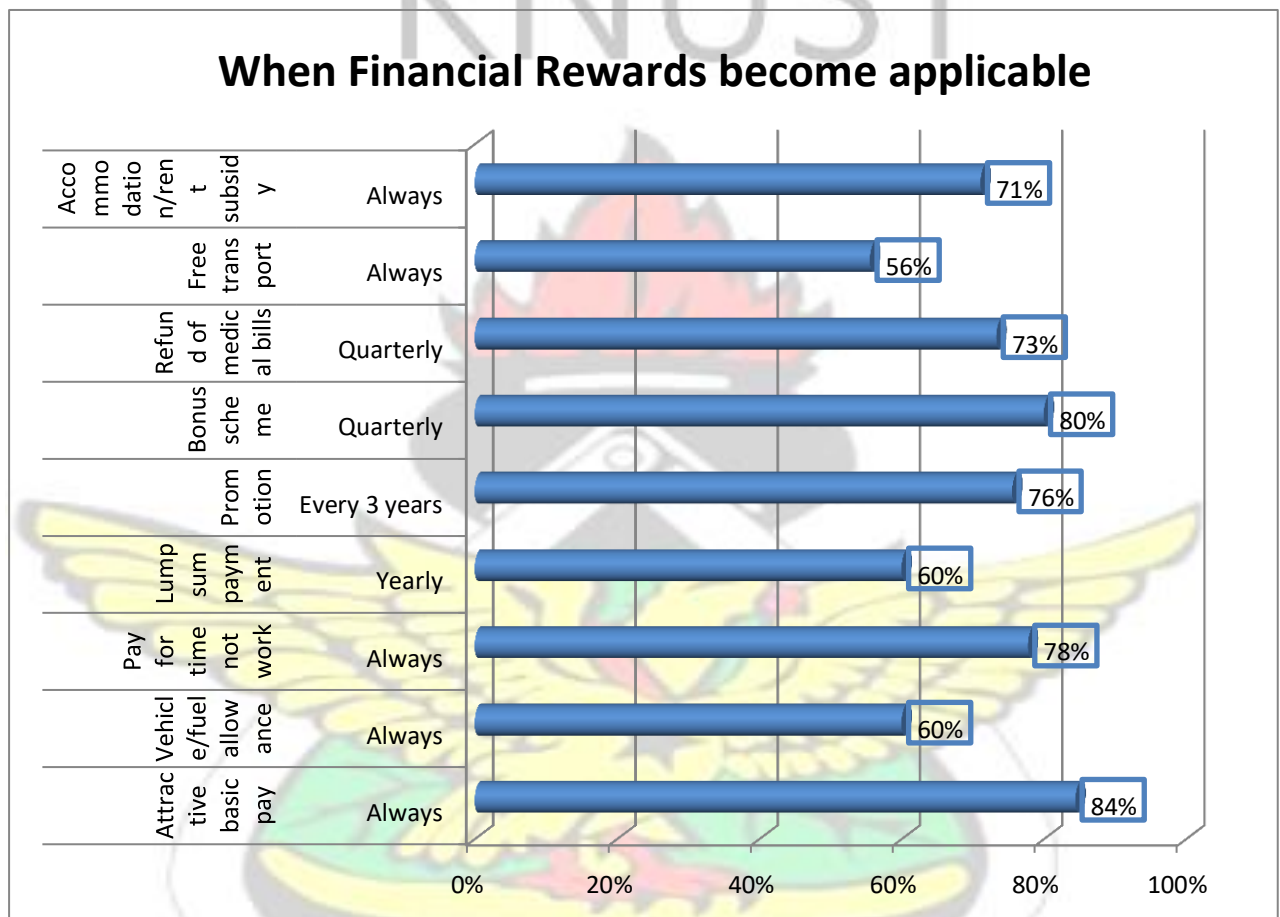
**Figure 4.10 Types of reward systems to be implemented.**

**Source: Field Study, 2014**

#### 4.17 When financial rewards become applicable

From the figure 4.11, respondents prefer six of the reward systems such as pay for time not work, accommodation/rent allowance, attractive basic pay, free transport, vehicle/fuel allowance and lump sum to be awarded always. This means that the institution of these

interventions should be a concern to the employer and of paramount important to the employee. Refund of medical and Bonuses were indicated as quarterly whereas promotion was indicated as every 3 years. It is observed that there is significant increase in promotion, accommodation, pay for time not worked and re-fund of medical bill. Employers should therefore pay more attention to the financial rewards for high performance.



**Figure 4.11 when financial rewards become applicable Source: Field Study, 2014**

#### **4.18 When non-Financial rewards become applicable**

On the non-financial reward systems, always, periodically and every stage are the main conditions respondents want the organisation to apply reward systems. From figure 4.12, good working relation, interesting work, flexible schedule, recognition, achievement, expression of thanks and public praise are to be given always whiles participation in decision making, personal growth and responsibility are to be applied on periodically. It can be seen from table 4.12 that, participation in decision making, good working relation and personal growth are so

significant that employers should not only focus on the monetary rewards rather non-monetary reward such as these interventions can be used to augment the monetary rewards. This results show that when employees experience personal growth, good working relation and are given the opportunity to participate in decision making, there is a tendency of high performance. This assertion corroborates some of the recommendations made in page 82.

#### 4.18 When non-financial rewards become applicable

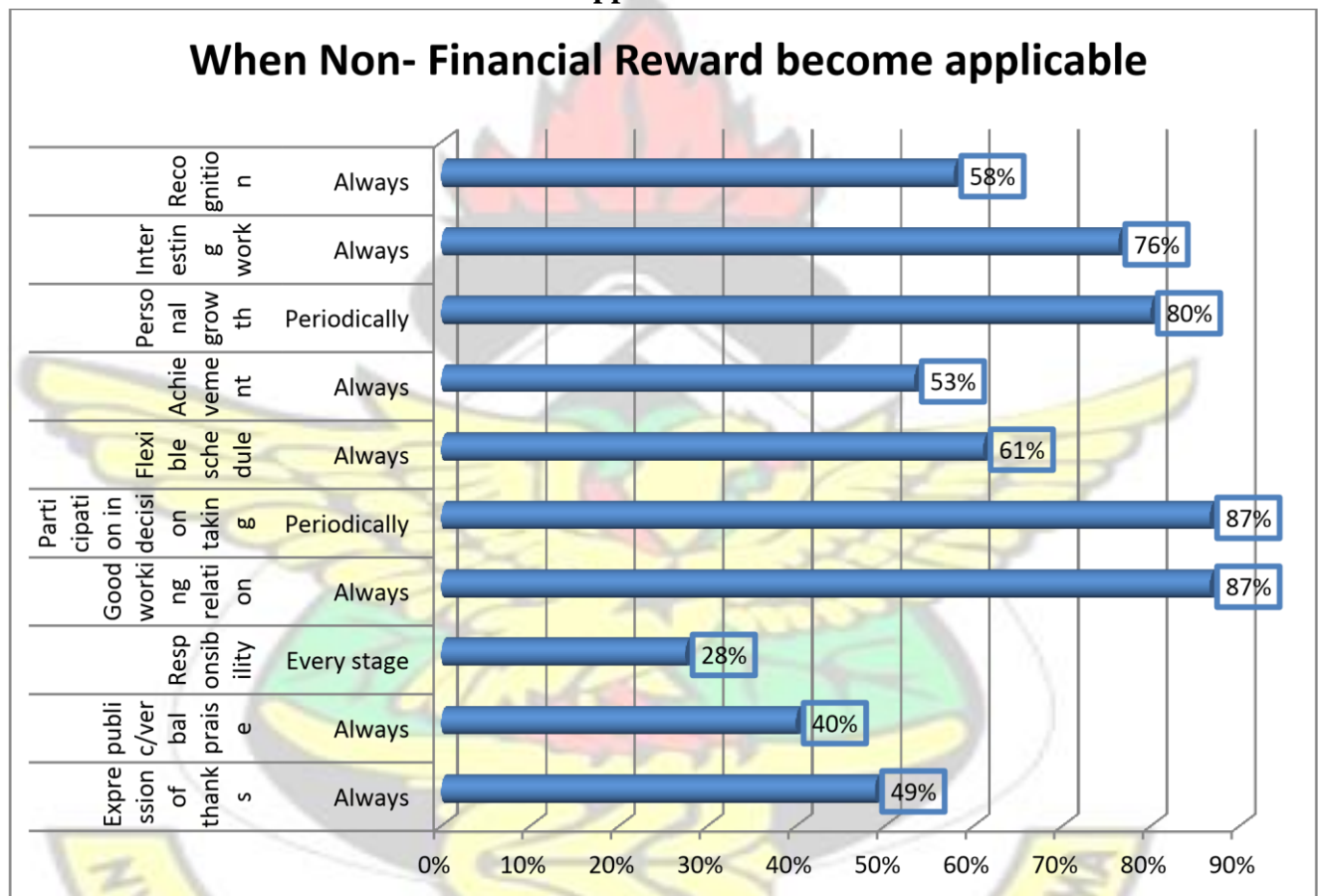


Figure 4.12 When non-financial rewards become applicable Source: Field Study, 2014

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS.

## **5.1 INTRODUCTION**

This chapter highlights on the major findings of the study which are outlined in direct response to the objectives of the study that sought to determine the effects of the various types of reward systems on the performance of construction workers in Ghana. The data collected and the results of the outcome indicated certain significant concern. These revelations are highlighted in this section of the report and in some cases recommendation made to modify behaviour in the organization to improve performance.

## **5.2 SUMMARY OF FINDINGS**

This segment discusses the findings of the study to capture the opinions of the employees on the effects of various types of reward systems on performance and draw relationship with the literature review.

### **5.2.1 Unaware of some rewards in the organization**

The study revealed that, some of the respondents were not aware of some of the reward systems available in their organization especially on the part of the operatives.

### **5.2.2 Financial and non-financial rewards**

The study also disclosed that, non-financial rewards were as important as financial rewards in the performance of employees. However, the employees recognize that financial rewards largely improve performance.

### **5.2.3 Relation between performance and rewards**

From the study, there is a strong correlation between performance and employees' reward systems therefore failure to institute reward systems could lead to laxity, non-performance and loss of productivity.



#### **5.2.4 Inadequate personal growth**

The study established that the managers in the construction industry do not promote or encourage individual or corporate growth of their employees. It was also established that career progression is slow causing employees to seek opportunity elsewhere.

#### **5.2.5 Poor working relations**

The study revealed that, there was a wide range of gap between the employer and employee in terms of relationship. It was found that, managers always and almost look down on the employee and fail to see the human resource as significant in the survival of the organization.

#### **5.2.6 Lack of participation in the decision making**

The study disclosed that the extent to which employers allow and encourage employees to share or participate in organizational decision making for the realization of its goals was woefully lacking.

#### **5.2.7 Lack of accommodation**

The study revealed that, the housing of employees by the employers is the concern of the employers even though housing employee helps check the high incidence of employees' turnover in the organization.

#### **5.2.8 Lack of promotion**

From the study, it was found that promotion was not used as a reward and an inducement to better work performance.

#### **5.2.9 Absence of pay for time not worked**

The study also established that, employees in the organization do not enjoy the days naturally not worked for as pertain in most public organizations. The employees are marked the days they are seen in the work place regardless of their conditions.

### 5.3 CONCLUSIONS

After a careful consideration of the analysis of the research work, the following conclusions are drawn:

- i. Cash award programmes have a positive effect on employees' morale as well as non-financial rewards. Usually the first reason for employees leaving current employment is money which is the largest expenditure item in the organization.
- ii. Although construction industry recognizes the significant role which the financial and non-financial rewards play in the organization, not much is being done for operatives. Influence on decision making is very limited. This may be due to the organizational structure as operatives and employers are not closely linked.
- iii. The fact that there is positive correlation between performance and rewards indicates the organization would be more productive if employees' development is given further look. The greatest asset of every organization is its workforce. An organization by itself does not make profit but the people do and almost everyone has the capacity to do better, hence, the implementation of effective reward systems.
- iv. Most construction industries failed to offer their employees with pension, security and other welfare policies as compared to public employees.
- v. The degree of reward systems was found to be significant and it is the hope of every organization to march the intervention with performance to increase productivity.

### 5.4 RECOMMENDATIONS

From the findings and conclusion of the study, the following recommendations are important for efficient performance and effective outcome in the construction industry:

#### 5.4.1 Awareness of rewards in the organization

The study revealed that, some of the respondents were not aware of some of the reward systems available in their organization especially on the part of the operatives. It is recommended that policies on reward packages be outlined in a brochure for employees at the time of employment.

#### **5.4.2 Financial and non-financial rewards**

The study also disclosed that, non-financial rewards were as important as financial rewards in the performance of employees. It is recommended that a multiple function and integration of framework which seeks to attract, retain and motivate employees to induce higher performance must be included in the organizational programme.

#### **5.2. 3 Relation between performance and financial rewards**

From the study, there is a strong correlation between performance and employees' reward systems therefore failure to institute reward systems could lead to laxity, non-performance and loss of productivity. It is, therefore, recommended that employers institute the realistic type of financial reward systems such as bonuses and attractive pay to elicit a culture of high performance and customer service.

#### **5.4.4 Adequate personal growth**

From the study, it was established that the managers in the construction industry do not promote or encourage individual or corporate growth of their employees. It is recommended that career progression and development should be available and accessible to enable employees build their capacity to take potential opportunities and improve performance.

#### **5.4.5 Good working relations**

From the study, it was revealed that, there was a wide range of gap between the employer and employee in terms of relationship. It is recommended that employers see employees as coequal. This experience will boost employee morale and account for job satisfaction.

#### **5.4.6 Participation in the decision making**

From the study, it was disclosed that the extent to which employers allow and encourage employees to share or participate in organizational decision making for the realization of its goals was woefully lacking. It is recommended that employees be given opportunity to express

views, be it formal or informal, inasmuch as they are directly involved with the actual construction works and have the widest exposure to a construction projects on the site, and are involved in all the stages of the construction project from setting out to roofing.

#### **5.4.7 Provision of accommodation**

The study revealed lack of accommodation for employees by the employers. It is recommended that a wide range housing provision be the first priority of the organization to check incidence of employees' turnover in the organization. It is interesting to note that an organization that is into housing delivery has no propensity to provide for its own employees even at a reduced cost.

#### **5.4.8 Promotion**

It was found from the study that promotion was not used as a reward and inducement to better work performance. It is recommended that employers certain positions such as assistant mason, senior mason, principal mason, chief mason in that order in the organization as prestige to stimulate individuals to greater abilities.

#### **5.4.9 Pay for time not worked**

The study also established that, employees in the organization do not enjoy the days not worked for as pertained in most public organizations. It is recommended that employees be paid 28 working days.

#### **5.4.10 OTHER RECOMMENDATIONS**

Other recommendations such as work life balance; in-service training; „contract“ (given section of project to employees) and subsidized canteen can be implemented to induce high performance.



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# KNUST



## APPENDICES

### APPENDIX A

#### QUESTIONNAIRES

This research is a Postgraduate level research entitled,, *the effects of various types of reward systems on the performance of construction workers in Ghana*’ is being conducted under the auspices of the Department of Building Technology, KNUST. The study intends to identify the types of rewards in the Ghanaian Construction Industry (GCI) to boost the morale of employees to increase performance. **Please , kindly respond to the questions by ticking(✓) the appropriate box for each item. Please note that all information provided will be strictly treated as confidential as this work is for academic purposes.**

#### A. DEMOGRAPHIC INFORMATION

1. What is your sex?  
Male ( ) female ( )
2. Which of the following age groupings best describe your age?  
21-30years ( ) 31-40 years ( ) 41-50 years ( ) above 50 years
3. How long have you been working in this organization?  
Below 3 years ( ) between 3- 6 years ( ) between 7- 10years ( ) above 10 years ( )
4. What is your role/position in the organization?  
Supervisory ( ) Operative ( )

#### B. TYPES OF REWARD SYSTEMS

5. Which of these financial rewards are in use in your organization?

Kindly use the scale: 5 = frequently used, 4 = often used, 3 = moderately used, 2 = rarely used, 1 = not used

FINANCIAL REWARDS	5	4	3	2	1
1. Attractive basic pay					
2. Vehicle/fuel allowance					
3. Pay for time not work					
4. Lump sum payment					
5. Promotion					
6. Bonus scheme					
7. Profit sharing					
8. Refund of medical bills					
9. Free transport					
10. Accommodation/rent subsidy					

6. Which of these non-financial rewards are in used in your organization?

Kindly use the scale: 5 = frequently used, 4 = often used, 3 = moderately used, 2 = rarely used, 1 = not used

NON-FINANCIAL REWARDS	5	4	3	2	1
1. Expression of thanks					
2. Public/verbal praise					
3. Responsibility					
4. Good working relation					
5. Participation in decision taking					
6. Flexible schedule					
7. Achievement					
8. Personal growth					
9. Interesting work					
10. Recognition					



### C. THE IMPACT OF REWARD SYSTEMS

7. Rank the following financial rewards in accordance with their level impact/effect on your performance in the organization. Kindly use the scale: 5 = To boost performance very highly, 4 = To boost performance highly, 3 = To boost performance slightly, 2 = Do not boost performance, 1 = To boost performance poorly

FINANCIAL REWARDS	5	4	3	2	1
1 Attractive Basic pay					
2. Vehicle/fuel allowance					
3. Pay for time not worked					
4. Lump sum payment					
5. Promotion					
6. Bonus scheme					
7. Profit sharing					
8. Refund of medicals					
9. Free transport (to and fro)					
10. Accommodation/rent subsidy					

8. Rank the following non-financial rewards in accordance with their level impact/effect on your performance in the organization.

Kindly use the scale: 5 = To boost performance very highly, 4 = To boost performance highly, 3 = To boost performance slightly, 2 = Do not boost performance, 1 = To boost performance poorly

NON-FINANCIAL REWARDS	5	4	3	2	1
1. Expression of thanks					

2. Public/verbal praise					
3. Responsibility					
4. Good working relation					
5. Participation in decision taking					
6. Flexible schedule					
7. Achievement					
8. Personal growth					
9. Interesting work					
10. Recognition					

9. Would you agree that reward systems in your organization significantly affect you to increase your performance?

Strongly agree ( ) Agree ( ) Uncertain ( ) Disagree ( ) strongly disagree ( )

10. Would you agree that lack of reward systems significantly affects your performance on site?

Strongly agree ( ) Agree ( ) Uncertain ( ) Disagree ( ) strongly disagree ( )

11. At the time of employment, what were the reward systems in place? Please list them below.

.....

12. Have these reward systems listed improved your performance?

Yes ( ) No ( )

13. Have there been any additions of the rewards since the time of your employment?

Yes ( ) No ( )

14. If yes, have these rewards improved your performance? Yes ( ) No ( )

If yes, list these additional rewards:

.....

.....

.....

15. If no, state your reasons

.....

.....

.....

#### **D. PERCEPTION OF REWARD SYSTEMS**

16. Are you attracted to your organization based on the reward systems available?

17. Do you agree that rewards distribution must be based on performance, quality and contribution?

Strongly agree ( ) Agree ( ) partially agree ( ) Disagree ( ) strongly disagree ( )

18. Do you agree that your welfare is a paramount issue to Management?

Strongly agree ( ) Agree ( ) partially agree ( ) Disagree ( ) strongly disagree ( )

19. In your opinion, what reason would account for your exit in this organization?

20. How often would you prefer management of this organization to reward you as an employee?

Spontaneous ( ) Quarterly ( ) Twice a year ( ) yearly ( )

21. What type of reward systems would you want the organization to implement to improve your performance?

22. Under what circumstances each of the following financial rewards should be used or become applicable?

FINANCIAL REWARDS	WHEN?
1. Attractive Basic pay	
2. Vehicle/fuel allowance	
3. Pay for time not worked	
4. Lump sum payment	
5. Promotion	
6. Bonus scheme	
7. Profit sharing	
8. Refund of medicals	
9. Free transport (to and fro)	
10. Accommodation/rent subsidy	

23. Under what circumstances each of the following non-financial rewards should be used or become applicable?

NON-FINANCIAL REWARDS	WHEN?
1. Expression of thanks	
2. Public/verbal praise	
3. Responsibility	
4. Good working relation	
5. Participation in decision taking	
6. Flexible schedule	
7. Achievement	
8. Personal growth	
9. Interesting work	
10. Recognition	

24. What other recommendation would you make on reward systems that can have impact on your performance on site

.....

.....

.....

Thank you.



## APPENDIX B

### INTERVIEW QUESTIONS

The research topic is **“The effects of various types of reward systems on the performance of construction workers in Ghana”**. Please be assured that any information you provide is purely for academic purposes and will be treated as very confidential.

Name.....

Organization.....

Person Interviewed.....

Designation..... Years Serve.....

Contact Number..... Date.....

1. Does the organization have reward systems in place to affect employees performance?
2. What types of reward systems are available to affect employees’ performance?
3. When were these reward systems instituted?
4. Have there been additional reward systems?
5. If yes, have these reward systems improved employee’s performance?
6. If no, what are the reasons?
7. Do the reward systems attract employees’ to stay in the organization?
8. Which of these reward systems (financial or non-financial) elicit better performance?
9. Does the Management identify goals to be reached and the behaviour that will account for it?
10. How often does the organization reward its employees’ for an improved performance?

## APPENDIX C

### FREQUENCIES

Conditions Financial Reward Systems Applied			
Rewards	Conditions	Frequency	Percent
Attractive basic pay	Always	38	84%
	Annually	3	7%
	Monthly	4	9%
	Total	45	100%
Vehicle/fuel allowance	Always	27	60%
	Daily	9	20%
	Long distance sites	4	9%
	Monthly	3	7%
	Weekly	2	4%
	Total	45	100%

Pay for time not work	Always	35	78%
	Monthly	2	4%
	Never	3	7%
	Not applicable	3	7%
	Periodically	2	4%
	Total	45	100%

Lump sum payment	As at when	2	4%
	Never	6	13%
	Monthly	2	4%
	Periodically	3	7%
	Quarterly	3	7%
	Yearly	27	60%
	Total	45	100%

Promotion	Annually	6	13%
	Every 2 years	2	4%
	Every 3 years	34	76%
	For skilled staff	3	7%
	Total	45	100%
Bonus scheme	Annually	3	7%
	Monthly	4	9%
	Quarterly	36	80%
	To speed up work	2	4%
	Total	45	100%

Refund of medical bills	A requested	1	2%
	Always	3	7%
	As at when	3	7%
	Monthly	5	



			11%
	Quarterly	33	73%
	Total	45	100%
Free transport	Always	25	56%
	Daily	13	29%
	Everyday	2	4%
	Long distance site	2	4%
	Monthly	3	7%
	Total	45	100%
Accommodation/rent subsidy	Always	32	71%
	Monthly	9	20%
	Once every two years	3	7%
	Out of place/country projects	1	2%
	Total	45	100%

Conditions under which Non-Financial Reward Systems Applied			
Rewards	Conditions	Frequency	Percent
Expression of thanks	Always	22	49%
	Close of work	3	7%
	Daily	11	24%
	Quarterly	2	4%
	Weekly	7	16%
	Total	45	100%
public/verbal praise	Always	16	40%
	Monthly	4	10%
	Quarterly	5	13%

	Weekly	2	5%
	Yearly	13	33%
	Total	40	100%

Responsibility	Always	9	23%
	Construction	2	5%
	Every stage	11	28%
	Monthly	5	13%
	Periodically	9	23%
	Quarterly	4	10%
	Total	40	100%

Good working relation	Always	39	87%
	Daily	4	9%
	Every day	2	4%
	Total	45	100%
Participation in decision taking	Always	3	7%
	As at when	1	2%
	Often	2	4%
	Periodically	39	87%
	Total	45	100%



Flexible schedule	Always	22	61%
	Daily	7	19%
	Frequently	2	6%
	Quarterly	3	8%
	Yearly	2	6%
	Total	36	100%
Achievement	Always	24	53%
	Monthly	2	4%
	Quarterly	3	7%
	Yearly	16	36%
	Total	45	100%

Personal growth	Always	4	9%
	Daily	2	4%
	Monthly	3	7%
	Periodically	36	80%
	Total	45	100%

Interesting work	Always	29	76%
	Daily	4	11%
	Monthly	3	8%
	Yearly	2	5%
	Total	38	100%

Recognition	Always	26	58%
	Daily	5	11%
	For good work done	2	4%
	Monthly	5	11%
	Quarterly	5	11%
	Weekly	2	4%