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Master's Thesis of Public Administration

**Employees' Perceptions of the Impact of
Performance-Based Rewards System as a
Motivational Tool in the Public Services of
Ghana**

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Abstract

EMPLOYEES' PERCEPTIONS OF THE IMPACT OF PERFORMANCE- BASED REWARDS SYSTEM AS A MOTIVATIONAL TOOL IN THE PUBLIC SERVICES OF GHANA

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This study examines employees' perception of the impact of Performance-Based Rewards System as a factor motivating them towards higher productivity in the public services of Ghana. Specifically, to evaluate employees' perceptions of the effectiveness of the current Performance Management System in the public services of Ghana on motivation; determine the effect of perceived extrinsic and intrinsic rewards on motivation; to shed some light on the kinds of rewards employees preferred the most; to determine the effect of employees' job levels on motivation and, for policymakers to use information generated to make informed decisions on the implementation of an appropriate Performance-Based Rewards System in the public services of Ghana. This study adopted a causal research design using quantitative methodology and survey questionnaire strategy. A total of two hundred

and ten (210) questionnaires were collected through google forms web survey platform. The respondents were employees of the public services of Ghana which comprised of management, senior and junior levels. The findings revealed that employees' involvement in performance management system process in their organization has a significant and positive effect on motivation. Therefore, it can be used as an instrument to measure and reward performance. Additionally, employees are motivated by both perceived extrinsic and intrinsic rewards; and also, prefer both perceived extrinsic and intrinsic rewards. It was also established from the study that there is no positive significant relationship between job levels and motivation. It was recommended that policymakers make informed decisions to implement a robust Performance-Based Rewards System in the public service of Ghana to as motivating factor to increase productivity. The study confirmed that Performance-Based Rewards System has a positive impact on employees' motivation.

Key Words: Performance Management System, Performance-Based Rewards System, Intrinsic Rewards, Extrinsic Rewards, Motivation.

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CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter gives the background of the study, statement of the problem, purpose statement, objectives of research, research questions, research hypotheses, significance of study, scope and limitations of the study, definition of terms, key concepts and organization of the study.

1.1 Background of Study

The Public Services of Ghana play important roles in the promotion of the socio-economic development and growth of the country. These roles and functions include administratively serving government as one of its machineries, formulating and implementing national policies to assist the government, supporting the development of society by facilitating the provision of citizen needs; building a strong relationship between the citizenry and government to make the state or the ruling powers visible; and, securing the continuity of government whenever political administrators changes to strengthen democracy. The public service, as the case in most countries around the world, provides a wide range of services to citizens. These include both internal and external security (the armed forces and police service), justice, regulatory services, transportation, housing, education, health, water, electricity, revenue generation, infrastructure, etc.

In view of the above, the responsibility of managing public resources is entrusted with the public sector. Therefore, as custodians of these resources, public servants are

expected to be accountable and show a high level of commitment to duty, through the delivery of quality services in a timely manner.

In this era of global technological advancement, powered by Information Technology (IT), it is becoming increasingly easier for the citizens to have virtually un-restricted access to information and the media on the services provided, or otherwise, by governments of other countries. This, together with constitutional democracy, has resulted in citizens and other stakeholders not only becoming more aware of their rights, but also demanding, as of right, quality service delivery to be provided by the public servants, including respect, fairness, and accountability.

For the Public Services to efficiently and effectively play its role, it is essential for it to have, not only the right numbers of qualified personnel at the right place and time to perform the jobs required of them, but also a workforce that is highly motivated to use the relevant advanced technology to perform assigned tasks. Accordingly, employees are the heart and soul of organizations. Thus, to succeed in the achievement of organizational goals, employees must perform exceptionally. Based on Herzberg's two factor/motivator hygiene theory, this can be achieved, when workers derive satisfaction from within the job (Herzberg, 1959).

Motivation at the work place, is the act of inspiring oneself or others to achieve a desired outcome or action relevant to the work setting. Motivators energize, direct, maintain and sustain a person's behaviour. Motivation means many things to different people. The impact it has on individuals depends on their perception of what they consider to be valuable which, in turn, influences their actions or inactions. A study conducted by Boyne and Hood (2010) concluded that the success of organizations

depends largely on the extent to which employees are motivated to be creative and productive.

Organisations use various tools, means and strategies to motivate their staff to perform at their optimum. These include the effective use of performance management system and rewards system. Performance Management System (PMS) is a continuous process of identifying, measuring and developing the performance of individuals and teams; and, aligning performance with the strategic goals of the organization (Hermann,2007). With the implementation of the performance management system, organizations are able to link their activities and expected work outputs to their goals and objectives. This, makes the organization perform effectively in order to gain a competitive advantage.

The objectives of the performance management system among others, is to ultimately achieve organizational goals and objectives, create an environment to enhance the skills of employees to perform effectively and efficiently. Therefore, having a performance management system that is effective is an advantage to the organization because it increases employees' self-esteem and helps to broaden their understanding of the organizational goals. In this way, it motivates them to focus more and work towards the achievement of the set targets. Employees are motivated when they set expectations and work towards achieving them through provision of feedback on the progress by supervisors. This notwithstanding, the way employees perceive the performance management system in their organizations is very crucial in influencing motivation. For example, whenever PMS is perceived as fair and accurate, it significantly enhances motivation.

On the other hand, when they perceive performance appraisal to have no linkage with the organizational goals, no performance standard, improper evaluation of employees' strength, inconsistent feedback from supervisors and no clear connection between performance and rewards, it negatively affects employee's satisfaction (Tuytens & Devos, 2012). In addition to the performance management system, motivating of employees plays a role in the achievement of the organizational goals as well as individual targets. Employers must consequently place motivation at the center of their businesses in order to maintain and increase employee's performance.

Motivated employees indubitably contribute to the flourishing and survival of organizations by helping enhance organizational productivity which leads to the attainment of greater level of production. Hence, it has become indispensable for the organizations to adopt several means to motivate employees. For example, recognizing their contributions to the organization through rewards. Employers must therefore appreciate the connection between rewards and motivation in order to determine what motivates their employees. When employees are rewarded based on their actual performance, the gap between their income, basic needs, and quality of life, well-being, and social status is bridged (Martocchio, 2014; Okotoh, 2015). Also, the administration of rewards should be efficient, fair, ethical and in compliance with laws and regulations in order to attract, retain and motivate skilled personnel to work assiduously toward the achievement of the organization goals (Milkovich et al., 2014; Ismail et al., 2014).

Over the years, the basis of rewarding employees has moved from position-based to performance-based, which is basically linking employees' performance with

remuneration, increase in salary, allocation of bonus, benefits and recognition. The determination of the remuneration is solely dependent on the employee's appraisal or merit rating, usually measured against pre-agreed objectives.

According to Armstrong (2014), performance is influenced by reward management. This entails recognizing and rewarding good performance to motivate them to give of their best performances and generate innovative ideas that will further improve an organization's overall performance while giving incentives to improve it. The focus of every organization is to attract, retain and motivate their employees (Bandiera, 2007). Therefore, an effective reward system will attract and retain new employees and at the same time motivate existing employees to increase performance. The connection and relationship between rewards, motivation and performance are, therefore, imperative to the success of every organization.

1.2 Statement of the Problem

Employees all over the world are considered as the most critical assets of their organization, both the public and private sectors, in the attainment of organizational goals and objectives. In view of this, lots of efforts, time and resources are spent by organisations on identifying, hiring and retaining of qualified personnel to contribute to set goals and objectives.

The general accepted view is that, to get workers to perform with full force towards the attainment of their organizational goals, they should be motivated sufficiently to be productive.

The efficacy of motivation, particularly in today's competitive business environment, depends on how the employees are motivated and how they perceive the rewards they are being given especially whether it corresponds with their performance. Therefore, there is the need to reward employees based on their performance, with those who perform better receiving a larger proportion. The private sector has been the pioneers of performance-based rewards system with the aim of enhancing productivity. The expectations of most governments around the world is to utilize performance-based rewards system as one of the vehicles to increase productivity and decrease costs in the public sector. Recently, the public sector has been under tremendous pressure to link employees' performance with pay to increase flexibility and individualization in the salary administration. Governments in many developed countries have been advocates of the performance-based rewards system to measure equity or fairness. Thus, "equal work for equal pay". Recently, outrage against the discrimination of any form of rewards administration is gradually increasing. To employees, compensation is any kind of remuneration offered in exchange for services provided. For a long period of time, employee's compensation in Africa is informed by paper qualifications and perceived worth based on job analysis and evaluation. A study on attitudes in income inequalities, showed that differences in academic qualifications were mostly the basis for pay differentials in East Africa (Fosh, 1990). Additionally, payment systems are designed and implemented based on custom, practice, collective bargaining and conditions of the labour market. In the public sector, employee's salary increment is automatic and usually base on entitlements and in some cases, the increments are not informed by performance assessment. These automatic

incremental systems and its impact on the attainment of organizational goals have been of great concern to many managers in the public sector and other professionals around the globe. Unmotivated performances have over the years been attributed to existence of automatic incremental systems in the organizations. Lupton and Bowey (1996) argued that reward structure implemented on the basis of entitlement leads to complacency and unproductive sense of security on the part of employees.

Ghana's public sector is faced with plethora of structural and institutional setbacks which has hindered effective and efficient delivery of service. The issue of productivity in the public sector of Ghana, and the factors that impinge on it has, similarly, been on the front burner for a very long time. The Ghana Public Services and public servants have, since the 1960s, had their fair share of criticisms for unsatisfactory performance and weaknesses. They have been labelled as too wasteful, unproductive, inefficient, unnecessarily bureaucratic, incompetent, officious and corrupt. It is impossible for a country to grow, develop, promote and attain good governance without the effectiveness and efficiency of its vibrant public sector.

The public servants in response, have, through various ways, including industrial actions, discussions with government officials and developing partners, expressed concerns about identified factors, weaknesses, challenges and bottlenecks that militate against high productivity, and called for serious efforts to address them.

One of the such concerns has been the ineffective employees' reward system thus, the "so called rewards" if they exist, have insignificant value, in some cases may be insulting to the employees due to meagre deals or awarded based on employees' prerogative and unrelated assessment of their performance. That's the rewards mostly

do not correspond to the needs of the employees which results in unmotivated employees. This has hindered the performance of the public sector of Ghana because, the punctuality, performance and retention of unmotivated employees cannot be guaranteed.

Several reform initiatives aimed at addressing the identified factors have been introduced and implemented. The objective of the reforms, among other things, was to improve the effectiveness and efficiency of the public services; raise the quality of the services delivered to the citizens; and enhance the capacity of the public services to carry out their core functions. Among the strategies employed to drive the reform processes were securing the highest level of commitment and support of leadership, including politicians and bureaucrats, for the change; introducing quality management and customer-oriented programmes by developing a public sector ethos that create a working culture based on quality, performance, openness and transparency; using ICT for the automation of programmes, e-government and service delivery; cultivating good HRM and career-development practices, to maximize human potential; the establishment of improved performance management systems and capacity; and improving HRM systems through comprehensive training, rewarding achievement.

In spite of the reform initiatives in the public sector, a number of human resource management issues still persist. In the context of this study, these include the absence of a well-defined operationalized Performance-Based Rewards System throughout the public services, inadequate commitment by the leadership to performance assessment and staff supervision; the performance management system is not regular,

mutual and rewarding for both the manager and the employee and the fact that it is mostly resorted to for purposes of promotion.

The need to use the performance management system as a tool for improved productivity in the public sector of Ghana, has long been recognized. As part of the Public Sector Incomes Policy and Administration Reforms programme, therefore, the Fair Wages and Salaries Commission Act, 2007 (Act 737) was passed. Among other things, that Commission is mandated to design and implement performance indicators, determine individual and group performances which require compensation to reward performance, where appropriate and practicable, based on their contribution to business results, and matching remuneration with productivity, as required by Section 98 (g) of the Labour Act, 2003 (Act 651).

The Public Services Commission, as part of its constitutional mandate, introduced a new Staff Performance Planning, Review and Appraisal system in 2012 for application throughout the Public Services. Among other things, the system requires effective work planning, employees development, feedback, fairness, equity, ownership transparency, accountability and results-orientation, the engagement of supervisors, employees, HRM practitioners and Unions/organized labour in performance management; clear and regular communication between supervisors and employees; the setting of clear and attainable work objectives, aligned with organizational priorities, while enhancing employee development and contribution, where possible, to career planning. The system has an in-built mechanism for rewarding truly outstanding/extraordinary performance, addressing poor, sub-

standard or unacceptable performance and the resolution of appeals and disputes relating to staff performance appraisal.

The introduction of the Rewards System in the Ghana Public Services does not appear to have improved the fortunes of the average public servant. Agitations for improved conditions of service (including better salaries, allowances and vital working equipment) remain widespread across the Service. The public image of Public Services does not appear to have markedly improved. In spite of the obvious contributions of public servants in all spheres of work towards the generally acclaimed improvement in the economic fortunes of the country, the perception of the public services as unproductive has persisted.

The above situation has brought into focus, once again, the “problem” of low productivity in the Ghana Public Services. Some have wondered why the massive investment to improve the physical work environment, the various restructuring of agencies, relentless efforts at ensuring adherence to the principles of corporate governance and the strengthening of various legal frameworks, do not seem to have contributed significantly to productivity.

A school of thought, particularly within the Human Resource Management practitioner’s fraternity, is of the view that it is about time this “problem” was tackled from another angle, namely, by exploring the significance of the use of Performance-Based Rewards system to motivate the public servant to work at the optimum.

Despite the attention that has paid to the impact of Performance-Based Rewards System in organizations, a critical assessment of several research studies has revealed

that very little research on the subject has included samples from Africa specifically the public sector.

It is in the light of the above that the study set out to ascertain, through empirical survey, the perceptions of public servants on the extent, if any, to which Performance-Based Rewards System has, or is likely to, adequately or significantly motivate public servants in Ghana to increase their productivity.

1.3 Purpose Statement

The purpose of the study was to assess employees' perception of the impact of Performance-Based Rewards System as a factor motivating them towards higher productivity.

1.4 Objectives of Research

The research objectives were as follows:

- I. To evaluate employees' perceptions of the effectiveness of the current Performance Management System in the public service of Ghana on motivation;
- II. To determine the effect of perceived extrinsic and intrinsic rewards on motivation and performance;
- III. To identify the kinds of rewards employees, prefer most; and,
- IV. To determine the effect of employees' job levels on motivation.

1.5 Research Questions

The following research questions informed the study:

- I. Do employees' perceptions of the effectiveness of the current Performance Management System affect their motivation?
- II. What is the effect of perceived extrinsic and intrinsic rewards system on motivation?
- III. What are the kinds of rewards employees prefer the most?
- IV. Do employees' job levels affect motivation?

1.6 Research Hypotheses

Hypothesis is a statement based on an assumption about expected relationship between variables, explanation of occurrences that is clear, testable and falsifiable. Hypotheses indicate what the researcher expects to prove as the outcome of the study. Based on the objectives and research questions, the following hypotheses were formulated and subjected to a suitable empirical statistical test.

- I. H₁: Employees who perceive the current Performance Management System as effective will be motivated;
- II. H₂: There is a significant effect of Perceived Intrinsic Rewards on motivation;
- III. H₃: Perceived Extrinsic Rewards have a significant effect on motivation;
and,
- IV. H₄: There is a positive and significant relationship between job levels and motivation.

1.7 Significance of Study

The significance of the study is that it has been conducted at a time when the Fair Wages and Salaries Commission and other relevant Central Management Agencies in Ghana are under tremendous pressure to develop and implement a robust Performance-Based Rewards System for the Ghana Public Services. It is expected that the findings of the study would provide useful information that could guide the Fair Wages and Salaries Commission to ascertain the extent to which the current performance management system in the public service can be used as instrument to measure and reward performance.

The findings of the study would, secondly, shed some light on the kinds of rewards employees value the most. Such feedback could help in the adoption of an appropriate performance-based rewards system that would give employees job satisfaction and motivate them to improve work performance. The information generated would thus help policymakers make informed decisions on any review that would result in improving the implementation of the system.

Thirdly, the significance of the study can be found in the fact that it would explore and add to the body of knowledge on a subject matter that has, for decades, remained very relevant to the debate on how to get the best results out of people at the work place, namely, motivation. Specifically, public servants in Ghana have always pointed to poor conditions of service, unattractive salaries and incentives and other factors as being among the reasons that they are not motivated sufficiently to perform to the maximum level. The contribution of this study to finding alternative ways of addressing the matter would therefore be enormous.

Finally, the results of this study will not only contribute to existing limited knowledge on the perceived impact of performance-based rewards system as a motivational tool, but also stimulate further interest in further researching into the subject for the overall benefit of the Public Services of Ghana in particular.

1.8 Scope of Study

The research was conducted in the public services of Ghana. A sample of two hundred and ten (210) respondents were selected conveniently from the various public service organizations. Respondents were drawn from the management, senior and junior job levels within the selected organizations.

1.9 Definition of Terms and Key Concepts

The following definitions are provided to ensure uniformity and understanding of these terms and key concepts throughout the study:

1.9.1 Motivation

Motivation is the drive that stimulates the individual to achieve a specific target in order to fulfil some need or expectation. Ran (2009), defined it as “the process that accounts for an individual's passion, direction, and determination of effort toward achieving a goal.” Motivation is a psychological force that governs the behaviors of employees, level of effort, and perseverance in an organization (Jones and George, 2007). Employee motivation has been viewed from different perspectives. According to Wolff and Gunkel (2007), employee motivation is the willingness to exert high levels of effort towards the achievement of organizational goals and the ability to

satisfy needs of employees. Chiang and Jan (2008) define employee motivation in a narrow sense as the enthusiasm to partake in work related activities. The factors that motivate employees can either intrinsic or extrinsic or both.

1.9.1.1 Intrinsic Motivation

This type of motivation is responsible for the innate desire that influences behaviour and initiate change. Intrinsic motivation is responsible for employees' wellbeing, self-actualisation, increasing responsibility and self-sustenance (Lee & Whitford, 2007). According to Deci and Ryan (2000), it is the urge to be competent and self-determining. Due to the inherent nature of intrinsic motivation they tend to have a longer effect because it is not imposed from outside.

1.9.1.2 Extrinsic Motivation

Extrinsic motivation is the value employees place on external rewards like bonus and salary increments; and, negative elements like disciplinary actions. Thus, the things that are done to or for employees to motivate them and have instant and powerful effect on employees but do not last long.

1.9.2 Rewards

Rewards are concepts that represent any valuable thing that is offered to employees in exchange for their contributions in an organization. A reward is a scheme to support and reinforce desired behaviour through monetary or non-monetary elements in exchange for good behaviour or good work done. The management of rewards entails strategies and policies formulated and implemented to compensate employees equitably and consistently for their contributions toward the organizational goals.

Rewards are either intrinsic or extrinsic. Mahaney & Lederer (2006) posits that the influence these categories of rewards have on employees varies. Intrinsic rewards have a positive effect on client satisfaction and perceived quality while extrinsic rewards improve the implementation process. Employees influenced by extrinsic rewards emphasize the tangible outcome like the completion of activities whereas, those motivated by intrinsic rewards rely on the intangible such as satisfaction and quality (Mahaney & Lederer, 2006). Extrinsic and intrinsic rewards are the two schools of thought that have emerged from research into rewards system.

1.9.2.1 Extrinsic Rewards

Extrinsic rewards are external things that the organizations may provide as incentives for employees to increase productivity. Management motivates their employees through extrinsic rewards to improve their performance. They can also be called financial or monetary rewards and it can either be based on the salary the employee receives in connection with their duties or the bonuses receive as a result of their extra contributions and efforts towards the achievement of the organizational goals (Armstrong's, 2010).

1.9.2.2 Intrinsic Rewards

Intrinsic rewards are the non-monetary/non-material rewards or the intangible outcomes the individual employee derives from the job itself (Torrington and associates (2009). They have a similar importance as the extrinsic rewards by motivating employees to perform better. Intrinsic rewards are most effective when they are administered after employees have accomplished their tasks or objectives.

They comprise of achievement, variety of tasks, challenge, autonomy, recognition and personal satisfaction.

1.9.3 Performance Management System

Performance Management System (PMS) is a holistic process which refers to the assessment and monitoring of employee performance with the objective of enhancing organizational effectiveness (Den Hartog, Boselie, and Paauwe 2004). PMS consists of elements such as standards of performance, evaluate and rating of performance, feedback on performance and measures to improve performance (Armstrong and Baron, 2005). Bacal (2003) defines PMS as a continual communication process between employee and supervisor which entails clearly stated objectives and well understood job tasks, as well as how an employee contributes to organizational goals, measurement, performance hurdles, and collaboration between employees and supervisors to improve performance.

1.9.4 Performance-Based Rewards System

Performance-Based Rewards System is the process of granting incentives and compensation to an employee upon reaching pre-determined goals and benchmarks. Thus, acknowledging employee's contribution to the organization and providing incentives to employees to stay with the organization.

1.9.5 Perception

Berelson and Steiner (1964, p. 88) defines perception as a “complex process by which people select, organize, and interpret sensory stimulation into a meaningful and coherent picture of the world.” Armstrong (2006) defines it as “the attitude employees

have towards policies concerned with pay, recognition, promotion and quality of working life.”

1.9.6 Public Servant or Employee

Public Servant or Employee refer to a worker in the public sector in Ghana, as defined in Article 190 of the 1992 Constitution of the Republic of Ghana.

1.10 Organization of the Study

The structure of the Study are as follows:

- I. Chapter 1: The introductory chapter provides background information and context of the study. The problem statement, purpose statement, research questions and hypotheses, significance of study, rationale, and definitions of terms and key concepts.
- II. Chapter 2: This chapter contains the comprehensive review of literature related to the problem being investigated.
- III. Chapter 3: This chapter highlights the methodology, research design, sample, and sampling procedure adopted and procedures that will be used to gather data for this study.
- IV. Chapter 4: This chapter presents the findings analysis that will emerge from the study the discussion
- V. Chapter 5: This chapter covers, conclusion of the study findings, recommendations for further study and limitation of the study.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

The chapter presents a review and analysis of existing literature and empirical studies with regards to performance management system, performance-based rewards system, motivation, theoretical dimensions of motivation and conceptual frameworks.

2.1 Performance Management System

Performance Management System (PMS) provides organizations with comprehensive and professional managerial approach for evaluating performances. According to Ahmad and Ali (2017), using Performance Management System consistently increases employee's performance and enhance organizational performance.

Additionally, performance management system perceived to be associated with numerous uncertainties in the actual assessment of employee performance such as biasness and victimization of unfavored employees decreases the effectiveness of rewards system (Corbett & Kenny, 2001). Managers that use a performance management system effectively tend to directly motivate employees, boost productivity, enhance organizational commitment and increase employees' job satisfaction. There is the need for management particularly supervisors and human resource managers to communicate performance management and reward management system effectively in order to develop a positive perception among employees.

Lately, there has been an increasing trend among organizations to adopt performance management system to make reward decisions. Performance Management System in broader terms comprises of performance measurement, accountability, responsibility and feed-back regarding the performance of employees which takes place through the planned meeting between supervisors and employees (Gardner, 2008). Planning, goal-setting, monitoring, feedback, performance assessment, reviewing, coaching, and dealing with underperformance are all PMS process that are aimed to achieve high performance. (Armstrong, 2009). Through performance management system, supervisors are able to communicate to employees the goals and objectives of the organization and set targets based on the objectives, review the progress and evaluate the entire process at the end of the year in order to identify training needs and rate performance.

Performance Management System perceived by employees as accurate and fair is effective. Employees' positive perception of PMS according to Evans and McShane (1988) influences its efficacy more than its design. Den Hartog et al. (2004) confirmed that PMS practices also influences employees' perceptions which enhances their performance and ultimately organizational performance. A study conducted by Taylor & Peirce (2019), showed that effective implementation of the performance management system significantly improves employee performance. This is based on the fact that efforts of employees are recognized through the PMS practices. Effective implementation of performance management system is necessary to improve mutual understanding between employees and supervisors. On the other hand, poor implementation has negative repercussions such as strained relationships,

job dissatisfaction and increased turnover (Smither & London, 2009). Information exchange and feedback requests will improve their abilities and motivate them to perform better than before (Ahmad & Ali 2017).

Goal-setting theory form the theoretical basis for Performance Management System (Locke & Latham, 1990). The theory guides the setting of goals and activities of PMS which encourages employees to improve productivity and the expectations from management. Challenging, specific and attainable goals increase expectancy, instrumentality and valence of outcomes (Fried and Slowik, 2004). A lot of efforts are needed to achieve challenging goals and this influence intrinsic motivation (Seijts et al.,2004). Goal-setting theorists posit that goals that are set by only supervisors without the involvement of the employees have repercussions on performance and motivation. The involvement of employees has been found to reduce anxiety and impact motivation positively (Latham, Borgogni, & Petitta, 2008). In their meta-analysis, Cawley, Keeping and Levy (1998) found that employees' involvement in performance appraisal process strongly influence their acceptance, understanding and satisfaction of the system. Levy and Williams (2004) in their review highlight the positive impacts of employee participation on motivation.

2.2 Perception on the impact of Performance-Based Rewards

System

Performance-Based Rewards System plays a major role in motivating employees to achieve desired results in every organization. Rewards system influences employees' behaviors and actions at the work place hence the need to critically assess how they

are perceived. According to Barber and Legge (1976, p. 7) perception is “about receiving, selecting, acquiring, transforming and organizing the information supplied by our senses,” whereas Munhall (2008) defines it as “a mode of apprehending reality and experience through the senses, thus enabling discernment of figure, form, language, behaviour, and action.” Perception is the individual’s perspective and view of a situation or event which becomes the realities and remain as such without concerted effort to get beyond them (McConnell, 1994, p.75). Employee perception is defined as the process through which individuals perceive and analyze environmental signals at the workplace in order to construct a meaningful picture of the world. Katsaros, Tsirikas, and Bani (2014) describe it as “the process by which an employee organizes and interprets his/her impressions in order to give meaning to his/her environment and thus, it influences significantly his/her workplace behaviour.” The attitude they have towards policies determine their behavior, therefore, in order to change the perceptions of employees toward the organization, actions and strategies must be developed and implemented by management.

Transparent Performance-Based Rewards System should show a clear link between performance and the reward being given (Locke & Henne, 2002). The perception employees have about the rewards system in organizations and its acceptance extremely depends on the concept, organization culture regarding the performance management system, credibility of raters, high rates of participation, and anonymity of ratings high rates of participation, reliability of raters, and anonymity of ratings (Waldman and Bowen, 1998).

Individual characteristics also influence how employees perceive the impact performance-based rewards system as a motivational tool. The way employees perceive performance-based rewards system will influence how it will motivate them either to perform or become satisfied with the job. Organizational culture that supports performance-based rewards systems, effective and fair supervisors, rigorous performance management system play a role on employees' perception on performance-based rewards system as a motivational tool.

Organizations are expected to enhance the efficiency and effectiveness of their services by linking the performance of employees to rewards. Employee performance is improved when they perceive that their hard work and effort are valued and recognized by management. Rewarding employees based on their performance is one of the most effective ways to encourage change in behavior, work activities and increase employees' responsiveness (Barrett and Turberville, 2001).

Employees expectations are influenced by how they perceive things and their attitude toward work is influenced by the perceptions that they have with regards to the reward system in their organization (Babakuset al., 2003). The inability of management to meet those expectations lead to retaliation against them by looking for a better location to fulfil their aspirations and meet their everyday needs in other competitive organization. Study shows that the way people behave towards others is influenced by how they feel about them. Thus, employees' perception is critical with regards to the formulation and management of policies in an organization (Arnold et al., 1991). When the intrinsic or extrinsic rewards are perceived by employees as motivating factors, it gives them satisfaction.

2.3 Rewards

Reward is anything employers offer in exchange for a good deed or service rendered by employees that are essential or valuable to them. One of the most basic human resource functions is to reward employees appropriately for positive behaviour. When individuals are rewarded they are motivated to pursue the organizational goals (Maciariello and Kirby, 1994; Poole and Waner, 2000). The objects of rewarding employees include, among other things, motivating them to achieve high levels of performance, eliciting and reinforcing the desired behaviour. According to a study by Luthans (2002), organisations reward their employees with the intention to increase performance and commitment on the job. Employees form strong bonds with their work when they believe the organisation cares about their well-being and interests (Gibson et al, 1991). The value employees place on rewards offered by their organizations can influence their decision to remain in the organization.

According to Wang (2004), sustaining and creating commitment among employees for good performance can be achieved through rewards.

Human Resource practitioners, managers and policymakers emphasize the need to develop newer methods of rewarding employees to elicit desired employee behaviour (Storey, 1992 cited in Storey, 1995). This shows the critical role that rewards play in influencing employee behaviour and relationships. Despite their importance in establishing employee commitment to organizational goals, reward systems are the most underutilized instrument for promoting organizational success worldwide (Storey, 1995).

Generally, rewards system generates a plethora of reactions from both the standpoint of management and employees therefore for the purposes of rewarding employees equitably and consistently, strategies and policies should be formulated and implemented to manage rewards in order to organization's strategic goals. Aside a well-managed rewards system, the design of rewards system must incorporate total reward system to provide a balance to meet the needs of all employees. Employees are positively influenced by rewards system when it meets their expectations (Sheilds and associates (2015).

Rewards must be perceived as fair for them to be effective. The productivity of organizations can decrease as results of iniquitousness in the administration of rewards due to subjectivity in performance measurement. Thus, information about the operation and implementation of the reward system should be opened. In designing the reward system and its administration, employees should be involved (Jenkins, 1992). Salary, compensation, incentives, verbal appreciation, bonuses and other types of extrinsic and intrinsic rewards influence employee performance (Ali, 2009).

Intrinsic rewards are intangible incentives such as appreciation, award of recognition, and satisfaction from the job. According to Aworemi et al. (2011, p. 228), employees who place importance on intrinsic rewards are the ones who pay attention to the requirements of the job. Employees mostly prefer to be recognized for their contributions towards the achievement of their organization goals. An increase intrinsic rewards leads to increase employees' motivation (Ayesha Ajmal, 2015).

Intrinsic Rewards, according to Wiscombe (2002), raise employees' morale and increases productivity whiles being cost effective.

Extrinsic rewards are incentives such as salary, benefits, bonus etc. Extrinsic rewards are tangible in nature and are introduced by others. According to Mossbarger and Eddington (2003), although, they motivate employee and prevent dissatisfaction, they are not the best motivators in the long run. Financial rewards play a significant role in making individuals feel worthy, improving self-esteem and recognizing individuals' achievements due to their value as a medium of exchange (Armstrong, 1996).

A lot of studies conducted in both the public and private sectors have proven that rewards influences employee's performance. A research conducted on the effect of rewards on employees' performance by Deci and Ryan, (2000) confirmed the level of employees' performance is influenced by the efficacy of rewards. Rewards have a short-term effect on employees' performance, therefore, should not be used to influence their performance (Kohn, 1993). A study conducted to assess employees' attitudes towards rewards shows that the perceptions employees have towards reward affect motivation (Gomez and Balkin,1992). However, Marsden and Richardson (1994) found minimal perceived influence of rewards on employee performance. Despite the varying perspectives on the effects of rewards on employee performance and motivation, performance-based rewards system has been adopted by organizations in the private sector. Research conducted at the private schools in Khyber Pakhtunkhwa, Pakistan to assess the relationship between rewards system and employee's performance revealed that there is a direct relation between rewards

system and employee's performance. Employees' performance, job description, extrinsic reward, intrinsic reward, gender discrimination, and environment; recondition techniques, and performance bonus were the variables measured (Qureshi, Zaman, & Shah, 2010).

A survey that compared respondents' choice of rewards among recognition for a good performance, competitive salary and pay for performance showed that 99% of respondents preferred recognition to bonus (Spangenberg, 1994). Bob Nelson (2001) aside support the above-mentioned assertions, added that intrinsic rewards also reduce stress, employee turnover and increase performance.

2.4 Motivation

Motivation is the innate strength that gets a person to move, and give the utmost best to achieve goal and desires. That is the drive behind an individual's activities and the desire to achieve a particular result. At the work, it is the ability to energise, direct and sustain the efforts of employees to attain desired goals (Arnold et al.,1991). In summary, motivation comprises of direction, effort and persistence.

Employees are motivated when they are convinced that their action will lead to an achievable goal and valued reward. Recent studies show that the motivation of employees goes beyond monetary rewards for their efforts. Thus, employees are also motivated by non-financial rewards in exchange for their contributions and this is derived from performing the job itself and the nature of the work environment (Millmore et al., 2007).

2.5 Theories of Motivation

Theories of motivation justify the need for Performance-Based Rewards System. Researchers have grouped the theories of motivation into content and process theories. Content theorists argue that there are specific factors that motivate individuals while process theorists describe how people are motivated and why they are motivated (Bagram et al., 2011). According to Melaku (2016), process theories evolved from cognitive theories that describe behaviour as conscious decision making. A few motivation theories related to this study are as follows:

2.5.1 Maslow's Need Hierarchy Model

The works of Abraham Maslow is regarded by researchers as the basis for a number of studies on employee motivation and job happiness (Maslow, 1954). Concepts, ideas, and philosophies about organizational behaviour and job satisfaction originated from his early studies. Maslow defines human behaviour as goal-directed and this is a result of motivation. He constructed the term "hierarchy of needs" to explain the driving force for survival and growth in human behaviour. He further explained that these psychological needs can be arranged in terms of their importance for survival and power to motivate. According to Maslow (1954), individuals are motivated by needs that are not yet satisfied. Therefore, based on his "hierarchy of needs" the fulfilment of a lower need leads to the urge to satisfy a higher one. Thus, as each of these needs is met to a significant degree, it propels and forces the next need to emerge. Maslow's Need Hierarchy Model theory summarizes human motivation and further asserts that within each individual there are five level of needs. Therefore, it is

pertinent for employers to fully understand each level of needs to effectively motivates their employees.

He grouped these needs into “Higher Order Needs and Lower Order Needs”. The lower-order needs such as physiological and the safety needs are mainly satisfied externally while the social, esteem, and self-actualization needs which constitute the higher-order needs are generally satisfied internally. In order of decreasing priority, these needs are as follows: “physiological needs comprising of basic needs such as air, water, food, shelter and clothing; safety needs which entails physical, environmental, emotional safety and protection like job security, financial security and health security; social needs which include the need for love, affection, care, belongingness, and friendship; esteem needs which consist of internal esteem need thus self- respect, confidence, competence, achievement and freedom and external esteem needs thus recognition, power, status, attention and admiration; and, self-actualization needs which include the urge for growth and self-contentment. Thus, the desire to accomplish something or to leave behind a legacy. The self-actualization needs are never fully satiable because as individuals grow psychologically, opportunities keep cropping up to continue growing.

Maslow’s Need Hierarchy Model theory provides the basis for people’s increasing want to achieve more in life and their prioritization of their needs according to importance Smith & Cronje (1992). It is relevant to this study because it explains why managers needs to meet to the higher needs of employees to motivate them. This is because according to the theory, basic needs do not guarantee motivation, however motivation occurs when employees aim for improvement.

2.5.2 Herzberg Motivational Theory

In late 1950, Frederick Herzberg conducted numerous researches to explain the underlying causes of employee's satisfaction and dissatisfaction on the job. In his study, he explained the factors that motivate individuals by identifying and meeting the needs, desires, and goals of participants and pursued these desires. Based on these researches, Herzberg concluded that employee satisfaction and dissatisfaction are as a result of different factors that influences each. He further characterized this as the two-factor theory of motivation and categorized them as motivators and hygiene factors. His two-factor theory has become one of the most prominent theories that is used by researches to explain the relationship between employee performance and motivation.

According to Herzberg, the factors that influences job satisfaction and dissatisfaction explain the relationship between motivational factors and job satisfaction.

Hygiene factors involve the employees' working environment but not in the actual job. These are policies, procedures, working conditions, interpersonal relationships, job security and compensation. These factors when handled properly although, do not motivate employee, minimize dissatisfaction. The absence of hygiene factors causes the employees to work less hence labelled as dissatisfier. Motivators, on the other hand, are the desire to satisfy individuals' needs for personal growth such as achievement, recognition, responsibility and advancement are contentment found within the job. That is the reward that results directly from performing the work well. Motivators make employees feel better or develop a good attitude which motivate

them towards superior performance. They also make them to desire challenging tasks, growth and development. Zeb, Rehman, Saeed and Hamidullah (2014) cited Herzberg theory in their study and; concluded that motivators are the intrinsic factors within the job whereas hygiene factors are the extrinsic motivational factors that remove dissatisfaction.

Although, both job satisfaction and dissatisfaction are at the opposite ends of motivational factors they are not contradictory. The opposite of job satisfaction is not lack of satisfaction and that of job dissatisfaction is not satisfaction but rather no dissatisfaction (Herzberg, 1968). The results of Herzberg's experiment have been emphasized in some studies asserting that employees who were satisfied with their jobs attributed it to motivators such as achievement, recognition, responsibility and growth. On the other hand, employees who were dissatisfied with their jobs also attributed it to factors such as job security, salary, rewards, working conditions and policies which the hygiene factors (Melaku, 2016).

Maslow's hierarchy of needs is closely related to Herzberg's theory. The hygiene factors correspond to Maslow's lower levels of needs which must be addressed if the dissatisfaction is to be avoided. Once these needs are met, the job content factors, according to Maslow's theory, become motivators or self-actuating factors. The absence of factors such as salary and fringe benefits lead to disruptive dissatisfactions therefore should not be ignored by management. Even though salary and benefits do not motivate in a positive sense but it is rather the job in itself (Albers,1982). Employees have been opportunities for "personal growth, enrichment, and recognition" in their various organization. The expectations of most employees is to

be promoted or recognized for special achievements after reaching certain levels in their career (Golshan, Kaswuri, Agashahi and Ismail 2011:12).

2.5.3 Vroom's Expectancy Theory

Victor H. Vroom's expectancy theory separates efforts that arise from motivation, performance, and outcomes unlike Maslow and Herzberg's theories which look at the relationship between internal needs and the resulting effort expended to fulfil them. Expectancy theory is based on the assumptions that the results of behaviour stem from conscious choices among alternatives that aim at maximizing pleasure and minimizing pain. Factors such as personality, skills, knowledge, experience and abilities influence employee's performance and their personal motivation is related to effort, performance and motivation (Vroom, 1964). And this is further elaborated through variables such as Expectancy, Instrumentality and Valence.

Expectancy

This is a belief that one's effort will lead to the achievement of an intended goal. Thus, an increased in effort will lead to increase in performance. Having the right resources, right skills and necessary support to get the job done affect expectancy. The right application of expectancy theory helps managers to understand how employees are motivated to choose among various behavioral alternatives.

Instrumentality

The theory of instrumentality proposes that a person's attitude toward an occurrence (outcome) is influenced by his perceptions of how that outcome is related (instrumental) to the occurrence of other more or less preferred consequences. That is valued outcome is achieved after the delivery of expected performance. Factors

such as the relationship between performance and outcomes, trust in the people who decide on who gets what outcome and transparency in the process that decides who gets what outcome.

Valence

This is the level of value an employee places on rewards which is based on needs, goals, values and sources of motivation. The level of valence decreases when the employee desires a certain reward but receives another. Higher levels of valence exist when management understands the employees' goals and considered alongside the relationship between their efforts and performance. Thus, good effort equates good performance when a strong relationship is present.

An exhibition of poor behavior by employees may be due to low effort-performance expectancy and low performance-reward instrumentality relationship. Low effort-performance expectancy is when an employee lacks the requisite skills and training to believe that his extra efforts will lead to better performance. Management can resolve this by providing a relationship between efforts and performance. Low performance-reward instrumentality relationship that is similar performance may not lead to similar rewards. The reward policy may be inconsistent and may depend upon factor other than performance, which the worker may not be aware of or may not consider fair. The management must re-evaluate the appraisal techniques and formulate policies that strengthen performance-reward relationship as just and equitable.

According to expectancy theorists, management can improve the motivation of employees by ensuring that promises of their team align with the organization policy,

create challenging and achievable goals, assigned tasks that matches with the employee's skill set, set clear connections between performance and reward; and ensure that rewards are distributed fairly and logically.

Although various theorists have attempted to approach the issue of motivation from different perspectives, they all seem to agree that each individual is motivated by one force or the other.

Numerous studies have proven that motivation is a vital tool, manager uses to achieve not only higher performance but a form of an inspiration to retain high performers.

In conclusion, the aforementioned literature review confirms the vital role performance-based rewards play in employees' performance and the performance of the organization as a whole. Rewards that are performance base do not only influence employees but teams, committees and departments towards the achievement of the organization goals. Hence performance-based rewards systems are the drivers to organizational excellence. Pay and benefits are vital in attracting, retaining and engaging employees. An excellent policy of rewarding employees is one of the vehicles behind the success of every thriving organization. The main aim of designing and implementing a performance-based rewards system is to serve as a vital motivational function to influence performance. The motivation for using rewards is to stimulate or induce certain behaviours among employees that are advantageous to improved performance while discouraging other behaviours that they consider detrimental to organizational growth and performance. Managers inspire individual employees through rewards to give off their best in the most effective and efficient way (Bessel et al, 2002). Employees' effort and performance would rise if they felt

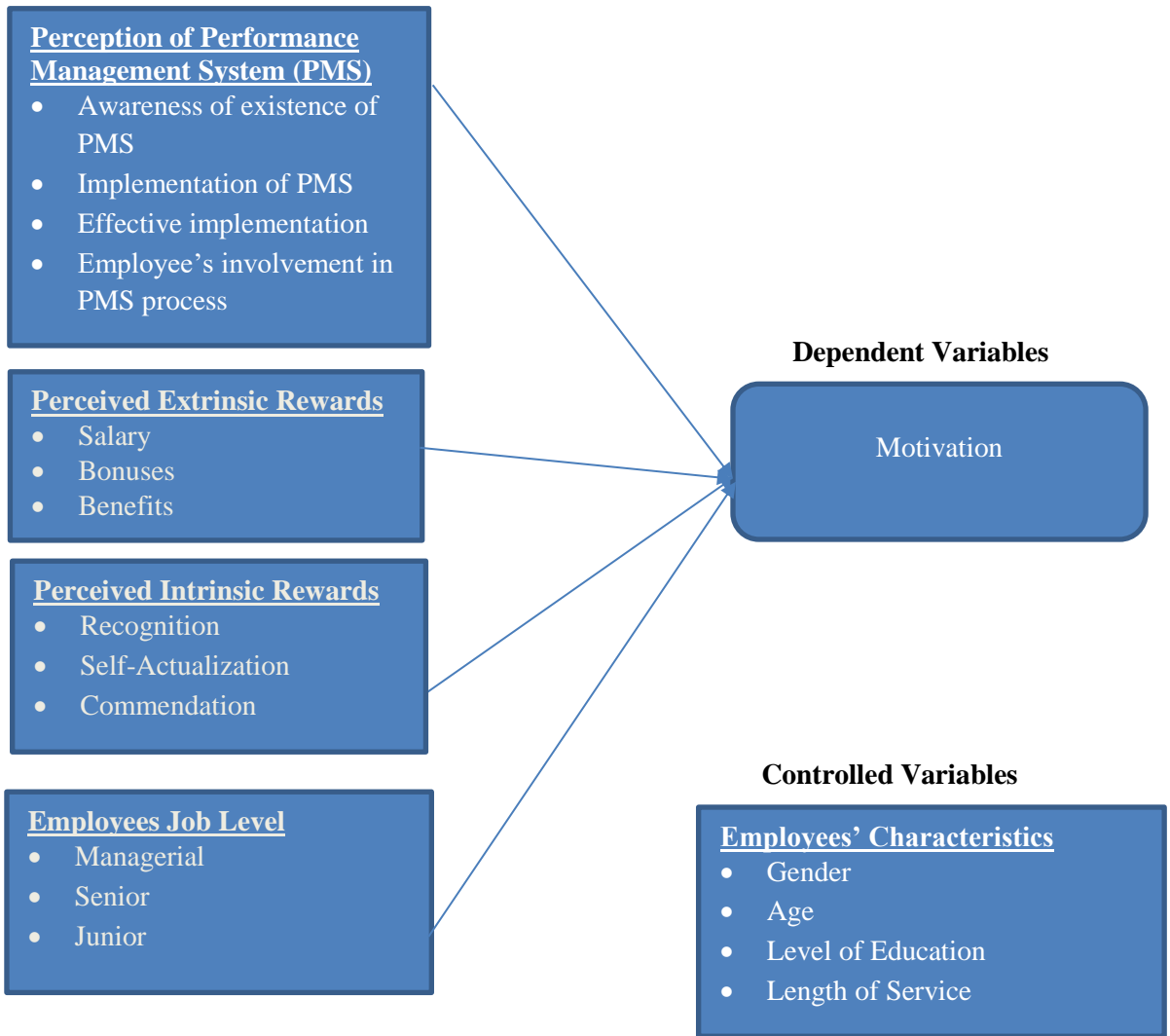
that rewards were on a good performance, as argued by expectant theorists. Every organization's performance is on employees' contributions and how well they are motivated to fulfil its objectives. Individuals' needs fluctuate throughout time, which explains the variations in how they translate incentives. Therefore, there is the need for managers to come up with an appropriate reward system for effective motivation because employees are either intrinsically motivated by the desire to achieve various goals or extrinsically motivated which are external to the job. Developing a strategic performance-based rewards system is very demanding but essential. A well-designed rewards system has a positive effect on motivation. Additionally, an effective rewards system should not only focus on individual employees, but their teams as well to serve as a driving force to achieve higher performance and in the end accomplish the organizational goals and objectives. Total reward entails tangible and measurable elements like a salary and intangible and non-cash factors like career opportunities, learning and development.

The implementation of reward and recognition increases the employee's performance and this is confirmed by a study conducted by Ali & Ahmed, (2009), which revealed that there is a positive relationship between recognition, bonus and performance. When employees are provided with opportunities to fulfil their physiological and psychological needs they are better satisfied and cooperate voluntarily with management. Whenever employees are appreciated and praised they tend to improve their performance. According to Thomson and Rampton, 2003, rewards when given often and personalized greatly improve performance compared to having it annually.

2.6 Conceptual Framework

Based on the discussions above the study adopted the following framework to conduct the research on employees' perception of the impact of Performance-Based Rewards System as a factor motivating them towards higher productivity. The study considered extrinsic rewards such as salary, bonuses and benefits; intrinsic rewards such as recognition, self-actualization and commendation; and, employees job level like managerial, senior and junior as independent variables and motivation as the dependent variable. The researcher-controlled employees' characteristics like gender, age, level of education and length of service.

Figure 1: Conceptual Framework
Independent Variables



Source: Author

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

The study aims to assess employees' perception of the impact of Performance-Based Rewards System as a factor motivating them towards higher productivity. This chapter outlines the methods adopted to carry out the study which consist of the following: research methodology, philosophy, approach, design, the target population, sample selection, data collection instruments and the techniques for data analysis.

3.1 Research Questions

As indicated in chapter 1 the following research questions informed the study:

- I. Do employees' perceptions of the effectiveness of Performance Management System in the public service affect their motivation?
- II. What is the effect of perceived extrinsic and intrinsic rewards system on motivation?
- III. What are the kinds of rewards employees prefer the most?
- IV. Do employees' job levels affect motivation?

3.2 Hypotheses

The following hypotheses have been formulated to address some of the research questions.

- I. H₁: Employees who perceive the current Performance Management System as effective will be motivated;

- II. H₂: There is a significantly effect of Perceived Intrinsic Rewards on motivation;
- III. H₃: Extrinsic Rewards have a significant effect on motivation; and,
- IV. H₄: There is a positive and significant relationship between job level and motivation.

3.3 Research Methodology

In this study, a quantitative research method was adopted to assess employees' perception of the impact of Performance-Based Rewards System as a factor motivating them towards higher productivity. Quantitative research involves statistical analysis of data collected through questionnaires, surveys, polls or by manipulating secondary statistical data using computational techniques (Babbie, 2010).

3.4 Research Philosophy

A research philosophy refers to the way data about a phenomenon should be gathered, analyzed and interpreted. Various philosophies of research approach encompass the term epistemology that is what is known to be true as opposed to doxology which is what is believed to be true. The justification for the selection of a research philosophy in a study is based on the association with the principles applied in the study to gain acceptable knowledge. There are two main research philosophies which are positivism and interpretivism. Positivism is the claim that natural sciences are applicable whiles interpretivism argues that methods and techniques of natural

sciences are not applicable (Wilson, 2014). The aim of the study was to examine the perceived impact of Performance-Based Rewards System as a motivational tool. The phenomena that were considered in this study are performance-based rewards system and motivation which are quantifiable variables. Therefore, the researcher adopted quantitative research to quantify the independent and dependent variables, the methods of natural sciences, such as statistical techniques, were applied in studying these phenomena, hence the need to focus on positivism philosophy.

3.5 Research Approach

Inductive and deductive reasoning are the two main types of research approaches. The inductive approach is also known as the bottom-up approach and focuses on developing theories by making specific observations about a phenomenon and drawing general inferences. The deductive approach on the other hand, is a top-down approach which tests a theory by collecting general information about a phenomenon and analyses of data to make specific inferences (Bryman and Bell 2011). This study collected observations to address the hypotheses which ultimately led to testing the hypotheses with the specific data to confirm or fail to accept the motivational theories. Hence, the adoption of deductive research approach for this study.

3.6 Research Design

The design of the research was a causal research because the aim is to employees' perception of the impact of Performance-Based Rewards System as a factor motivating them towards higher productivity. The researcher investigated the effect

of perception of Performance Management System (PMS), perceived extrinsic rewards, perceived intrinsic rewards and employees' job levels as independent variables on motivation as a dependent variable.

3.7 Target Population

A target population is a group of people or entities that the researcher is interested in investigating for statistical purposes Collis and Hussey (2014). The target of this study were employees of the public service of Ghana.

3.8 Sample Selection

It is impractical and costly to study a whole population especially when conducting a survey research. Sampling is a process by which a researcher infers information about a population through a subset of that population without investigating each individual. Thus, choosing a group of participants from the target population which would represent the whole population, moreover, data collected from the sample would represent the results for the whole population (Myers 2013). There are several different types of sampling techniques which can be divided into probability and non-probability. For the purpose of this study, Convenience Sampling technique which is non-probability sampling technique was used to select participants from the entire population. This technique was used because participants were selected based on their availability and willingness to participate. The sample comprised of management, senior and junior staff.

3.9 Data collection

The researcher collected primary source of data using survey questionnaire. Questionnaires are documents used to collect information about a particular subject of interest where questions are written and respondents are expected to complete Webster (2008). The researcher used structured questionnaire to obtain accurate information from the respondents. The design of the questionnaire was based on the research objectives and questions. In order to reduce bias and subjectivity, the questionnaire which contained close-ended questions were designed in a simple and clear language that was easily understood by the respondents. A 5-point Likert Scale format ranging from 5=strongly agree to 1=strongly disagree was used for respondents to indicate the extent to which they agree with the statements. The instrument was divided into four parts: part one of the question was used to capture employee's perception and evaluation of the current performance management system in the public service of Ghana; part two captured employees' perception of rewards system; part three captured assess rewards as a motivational tool and the last part gathered general information that covered respondents' demographic profile. The questionnaires were administered electronically and a total of two hundred and ten (210) responses were collected through google forms web survey platform. The questionnaire consisted of twenty-three (23) items.

3.11 Data Analysis

The data was analyzed by using Stata statistical package to summarize variables which were obtained from the administered questionnaire. That is, the data were

classified, tabulated and summarized using descriptive measures, percentages and frequency distribution tables. The relationship of the variables was examined by using Pearson's correlational analysis and multiple regression analysis was used to explore the effect of the independent variable on the dependent variable. To ensure the appropriateness of the outputs from the regression analysis, the assumption of multiple regression was tested by checking the Coefficients, Significance and R square.

3.12 Validity

Validity is the accuracy of a measure. To ensure that the information collected will be relevant to the study thus whether the data collection tool collected the information that it was supposed to be collected. The questionnaire was piloted tested among some thirty (30) selected employees which were redesigned and distributed to the target population.

3.13 Reliability

Reliability refers to the consistency of measure, that is dependability of the measuring instrument. Thus, for a research to be deemed reliable, it must show the same result when it is carried on similar respondents within a similar context. A researcher is expected to provide a clear and transparent description of the research to participants, as well as report the findings in the most understandable manner possible, while keeping the study's goal, design, and techniques all in harmony.

3.13 Ethical Consideration

Researchers are expected to adhere to ethical standards throughout the research process. These are the acceptable moral principles and values to show integrity with research community. In this study the researcher obtained approval from the management of the various public service organisations, all participants gave informed consent before taking part in the study and were assured confidentiality and anonymity.

CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.0 Introduction

The results of the findings from the data analyzed from the survey questionnaires interpretation and discussion of the findings were outlined in this chapter. The analysis was based on the research objectives and questionnaire items using Stata statistical tool to generate frequency distribution tables, means, standard deviations, charts, graphs and the results of analysis to enhance a better understanding of the findings.

4.1 Demographics

The information gathered on the two hundred and ten (210) respondents' demographic profiles are presented in the table below:

Table 1: Respondents Demographics

Respondents Characteristics	Sub-Profile	No	Percentage (%)
Gender	Male	123	59
	Female	87	41
Age	above 51	22	11
	41-50	70	33
	31-40	92	44
	20-30	26	12
Education	Doctorate (PhD)	1	0.33
	Master's Degree	128	61
	Bachelor's Degree	69	33
	Higher National Diploma	1	0.33
	Diploma	6	3
	Senior High School	1	0.34
	LLB	2	1
	Chartered Accountant	2	1

Job Level	Managerial	47	22
	Senior	132	63
	Junior	31	15
Length of Service	25 years and above	14	7
	15-24 years	45	21
	5-14 years	99	47
	Less than 5 years	52	25

Source: Survey Data, 2022

The analysis of the demographic profiles (Table 1) of the respondents showed that 59% of the participants were males and 41% were females. Majority of the respondents were within the ages of 31-40 (44%) and 47% of respondents had worked in the service from 5-14. The data analysis also indicated that 61% holds Master's Degree and 63% of the employees are in senior level. This implied that majority of participants have a number of years of experience and knowledge of the public service.

4.2: Responses to the survey questionnaire

The responses of participants for each section of the survey questionnaire were analyzed and presented below.

4.2.1 Overall Perception of the Performance Management System

The aim of this section of the questionnaire was to examine how employees perceive the current performance management system. Respondents indicated the extent to which they agree with the statements in this section ranging from 5=strongly agree to 1=strongly disagree. The results of the two hundred and ten (210) respondents are presented in the Table 2. The findings from the study showed that employees are aware that Performance Management System (PMS) exists in the public services of Ghana (77%) and is being implemented in their organizations (72%). 57% supports

the statement that the PMS is effective, while 61% agree that supervisors involve them in the PMS process (target settings, review and appraisal process). Lastly, 58% believe that the current PMS can be used to award performance.

Table 2: Overall Perception of the current Performance Management System

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I am aware that there exists a performance management system in the public service of Ghana	31%	45%	10%	5%	9%
Performance management system is being implemented in my organization	31%	41%	12%	7%	9%
Performance management system (process, plans and objectives) and appraisal policies are effectively implemented in my organization	18%	39%	22%	14%	7%
Supervisors involve employees in the target settings, review and appraisal process in my organization	17%	44%	17%	12%	10%
The ratings are based on actual performance and not personal feelings	14%	38%	23%	16%	9%
The performance management system motivates employees to work harder	16%	33%	26%	14%	10%
The performance management system appraisal helps employees to identify areas of improvement in my line of duty	19%	47%	17%	10%	7%
The current performance management system appraisal supports and encourages employees	11%	36%	24%	18%	10%

career development and growth					
I believe that the current performance management system can be used to award employees genuinely for performance behavior in my organization	23%	35%	20%	12%	10%

Source: Survey Data, 2022

4.2.2 Assessment of Perceived Performance-Based Rewards System

The aim of this section was to assess perceived Rewards System. Respondents indicated the extent to which they agree with the statements in this section ranging from 5=strongly agree to 1=strongly disagree. The results of the two hundred and ten (210) respondents are presented in Table 3. Per the table below, 80% of the respondents support the statement that performance should be linked to rewards and 89% of the respondents strongly agree and agree that rewards highly motivate employees to perform better. Lastly, the analysis of the responses at this section showed that employees prefer both intrinsic and extrinsic rewards.

Table 3: Assessment of Perceived Rewards System

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
It is important to relate performance to pay and rewards	41%	39%	9%	5%	7%
Rewards highly motivates employees to perform better	53%	36%	3%	2%	5%
Increase in employee's salary increases motivation and leads to improvement in job performance in the public service	40%	34%	15%	8%	3%
Bonus increases employees' performance	42%	36%	11%	6%	5%
Employee's benefit increases motivation and performance	39%	44%	10%	3%	5%

Promotion encourages high-level of performances among employees	39%	41%	12%	3%	4%
Recognition of outstanding performance helps to elicit workers motivation to perform	50%	36%	8%	2%	3%
Length of service awards impact employee's motivation and performance	24%	40%	24%	8%	3%
Having self-actualization and sense of accomplishment as a result of working in an organization enhances performance in the workplace	37%	46%	12%	2%	3%
Being commended by my supervisor for a good job done directly affects my performance and commitment positively	50%	40%	5%	2%	4%
Challenging tasks motivate me to work harder	37%	43%	13%	3%	4%

Source Survey Data, 2022

4.2.3 Perception of Rewards as a Motivational Tool

The aim of this section was to assess whether employees perceive rewards as a motivational tool. Respondents indicated the extent to which they agree with the statements in this section ranging from 5=strongly agree to 1=strongly disagree. The results of the two hundred and ten (210) respondents are represented in Table 4. The employees were asked to show their agreement/disagreement with the statement: “It is important for employees to be rewarded for their contributions toward the achievement of their organizational goals, Employees will increase their work efforts and commitment in order to gain rewards, Rewards that are relevant to employees needs will boost their morale.

As shown in the table below, 96%,70% and 93% of employees strongly agree or agree with the statement respectfully, while 4%, 17% and 6% are indifferent.

Table 4: Perception of Rewards as a Motivational Tool

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
It is important for employees to be rewarded for their contributions toward the achievement of their organizational goals	43%	53%	4%	0%	0%
Employees will increase their work efforts and commitment in order to gain rewards	20%	50%	17%	10%	2%
Rewards that are relevant to employees needs will boost their morale	46%	47%	6%	0%	1%

Source: Survey Data, 2022

4.2 Descriptive Statistics of Variables

Primary source of data was collected through a survey questionnaire to measure the following variables: perception of performance management system; perceived rewards system (extrinsic and intrinsic rewards); and, employee's motivation. The descriptive statistic table below shows the analysis of the means and standard deviations for each of the responses from the survey questionnaire. The responses were interpreted with five-point Likert Scale ranging from 1-5. the statements which were strongly disagreed was awarded with 1 while those which were strongly agreed were awarded 5. Disagree responses were given 2, neutral responses 3 and 4 for agree responses. Per the five-point scale, responses with mean score less than 2.5 show that participants disagreed with the statements while those with score greater than 2.5 were rated agreed. In addition, high standard deviation indicates responses are more spread out from the mean.

The analysis of the means and standard deviations ($M=3.95$ $SD=1.15$) revealed that employees were aware that Performance Management System exists in the public service of Ghana. In addition, respondents agreed to the statements that the performance management system and appraisal policies are being implemented effectively in their organisations ($M=3.91$, 3.69 & $SD=1.17$, 1.13). ($M=3.62$ $SD=1.21$) confirmed that supervisors involve employees involved in the target settings, review and appraisal process in their organization. The study further established that the current performance management system can be used to award employees genuinely by a mean of 3.70 and a standard deviation of 1.23.

The analysis of the data on the perceived rewards system showed that participants agreed that rewards highly motivates employees to perform better based on the mean score of 4.33 and standard deviation of 1. With high scores of ($M=4.15$ $SD=1.04$) and ($M=4.19$ $SD=0.95$) respondents also agreed that bonus and employee's benefits increase employees' motivation and performance.

Furthermore, it was confirmed that having self-actualization and sense of accomplishment as a result of working in an organization enhances performance in the workplace per the mean score of 4.23 and standard deviation of 0.82.

The importance of employees being rewarded for their contributions to toward the achievement of their organizational goals was established in the study ($M=4.43$ $SD=0.50$). Based on a mean score of 3.92 and standard deviation of 0.91, respondents agreed that employees will increase their work efforts and commitment in order to gain rewards. Finally, rewards that are relevant to employees needs will boost their morale ($M=4.42$ $SD=0.62$).

In conclusion the mean values of all the variables were greater than 2.5 with high standard deviation scores. This means that the responses were more spread out and majority of participants agreed to all the statements.

Table 5: Descriptive Statistics

Statements	Mean	Standard Deviation
I am aware that there exists a performance management system in the public service of Ghana	3.95	1.15
Performance management system is being implemented in my organization	3.91	1.17
Performance management system (process, plans and objectives) and appraisal policies are effectively implemented in my organization	3.69	1.13
Supervisors involve employees in the target settings, review and appraisal process in my organization	3.62	1.21
The ratings are based on actual performance and not personal feelings	3.56	1.17
The performance management system motivates employees to work harder	3.58	1.21
The performance management system appraisal helps employees to identify areas of improvement in my line of duty	3.78	1.08
The current performance management system appraisal supports and encourages employees career development and growth	3.43	1.21
I believe that the current performance management system can be used to award employees genuinely for performance behavior in my organization	3.70	1.23
It is important to relate performance to pay and rewards	4.11	1.09
Rewards highly motivates employees to perform better	4.33	1.00
Increase in employee's salary increases motivation and leads to improvement in job performance in the public service	4.17	0.97
Bonus increases employees' performance	4.15	1.04

Employee's benefit increases motivation and performance	4.19	0.95
Promotion encourages high-level of performances among employees	4.20	0.92
Recognition of outstanding performance helps to elicit workers motivation to perform	4.36	0.88
Length of service awards impact employee's motivation and performance	4.00	0.91
Having self-actualization and sense of accomplishment as a result of working in an organization enhances performance in the workplace	4.23	0.82
Being commended by my supervisor for a good job done directly affects my performance and commitment positively	4.33	0.92
Challenging tasks motivate me to work harder	4.17	0.93
It is important for employees to be rewarded for their contributions toward the achievement of their organizational goals	4.43	0.50
Employees will increase their work efforts and commitment in order to gain rewards	3.92	0.91
Rewards that are relevant to employees needs will boost their morale	4.42	0.62

Source: Survey Data, 2022

4.3 Selection of Main Variables

The selection of variables in research study is an important aspect of the model building. In this study, to build a regression model which is a good fit of the data, the main variables were selected from the set of variables in the survey questionnaire, by entering and removing predictors based on their p values in a stepwise manner with stata statistical tool. Table 2 displays the variables that have been identified to measure dependent variable, motivation and the independent variables which are perception of performance management system, perceived extrinsic, perceived intrinsic rewards and job levels.

Table 6: Interpretation of Variables

Variables	Explanation
Perceptions of Performance Management System	
Awareness of existence of PMS	I am aware that there exists a performance management system in the public service of Ghana
Implementation of PMS	Performance management system is being implemented in my organization
Effectiveness of PMS	Performance management system (process, plans and objectives) and appraisal policies are effectively implemented in my organization
Employee's involvement in PMS process	Supervisors involve employees in the target settings, review and appraisal process in my organization
Perceived Extrinsic Rewards	
Salary	Increase in employee's salary increases motivation and leads to improvement in job performance in the public service
Bonus	Bonus increases employees' performance
Employment Benefits	Employee's benefit increases motivation and performance
Perceived Intrinsic Rewards	
Recognition	Recognition of outstanding performance helps to elicit workers motivation to perform
Self-actualization	Having self-actualization and sense of accomplishment as a result of working in an organization enhances performance in the workplace
Commendation	Being commended by my supervisor for a good job done directly affects my performance and commitment positively
Motivation	
Increase in work efforts to gain rewards	Employees will increase their work efforts and commitment in order to gain rewards
Job level	
Managerial	Employees in position such as head of organizations, Directors and analogous position
Senior	Employees in position such as Deputy Director, Assistant Directors and analogous position
Junior	Employees in the sub-professional position

Source: Survey Data, 2022

4.4 Correlation Matrix

Table 7: Correlation Matrix of Main Variables

Table 7^A

Variables	1	2	3	4	5	6	7
1. Increase in work efforts to gain rewards	1						
2. Awareness of existence of PMS	.288	1					
3. Implementation of PMS	.195	.63	1				
4. Effective implementation of PMS	.207	.40	.59	1			
5. Employees involvement in PMS process	.276	.43	.59	.740	1		
6. Salary	.572	.29	.27	.261	.201	1	
7. Bonus	.711	.41	.25	.244	.207	.800	1
8. Employment Benefits	.626	.42	.29	.269	.200	.756	.861
9. Recognition	.608	.43	.38	.266	.282	.522	.683
10. Self-actualization	.603	.36	.25	.126	.197	.499	.612
11. Commendation	.577	.48	.40	.204	.263	.594	.706
12. Job Level	-.09	.18	.05	.021	-.02	-.00	.042
	.04	.17	.87	.2	.44	.22	.9

Source: Survey Data, 2022

Table 7^B: Correlation Matrix of Main Variables

Variables	8	9	10	11	12
8. Employment Benefits	1				
9. Recognition	.7052	1			
10. Self-actualization	.6480	.7211	1		
11. Commendation	.7497	.7782	.7220	1	
12. Job Level	.0120	.0144	-.0144	.0464	1

Source: Survey Data, 2022

The correlation matrix in Table 3 shows the correlation coefficients for the main variables. Coefficient variables of +1, -1, and 0 are being represented as a perfect

positive relationship, a negative relationship and no relationship exists. The coefficients can be used to determine the existence of multicollinearity based on the rule of thumb of the research. Multicollinearity exist when three independent variables are strongly related. For the purpose of this study, the rule of thumb: If the correlation $r > 0.8$ then a strong relationship may be present. Based on $r > 0.8$ the correlation matrix presented in Table 3 shows that there is strong relationship between variables employment benefits and bonus.

4.5: Regression Model

Table 8:Regression Model Summary

Model	R ²	Adj R ²	Root Mean Square Error (RMSE)
1	0.6122	0.5568	.60824

Source: Survey Data, 2022

The value of the R² is the coefficient of determination, which is describe as the proportion of variance in the dependent variable that can be explained by the independent variable. Thus, “the proportion of variation accounted for by the regression model above and beyond the mean model”. Table 3^A depicts that R-square value of 0.6122. This means that the independent variables (perceptions of performance management system, perceived extrinsic and intrinsic rewards, job levels and controlled variables (gender, age, level of education and length of service) explain 61% of the variability of the dependent variable (motivation).

Table 9: ANNOVA

Model		SS	df	MS	F (26, 182)	Sig
1	Regression	106.286133	26	4.0879282	11.05	0.00
	Residual	67.3310916	182	.369951053		
	Total	173.617225	208	.834698197		

Source: Survey Data, 2022

The value of the F-ratio determines whether the overall regression model is a good fit for the data. The output in Table 4^B shows that the independent variables statistically significantly predict the dependent variable, $F(26, 182) = 11.05$ $p < .001$. Thus, the regression model is a good fit of the data.

Table 10: Coefficients

	Motivation (Increase in work efforts to gain rewards)
Perceptions of Performance Management System	
Awareness of existence of PMS	-.0464603 (.0549239)
Implementation of PMS	-.0865795 (.05806)
Effectiveness of PMS	-.0307448 (.0629253)
Employee's involvement in PMS process	.1501273* (.0580241)
Perceived Extrinsic Rewards	
Salary	.0111901 (.0812561)
Bonus	.486124*** (.0979949)
Employment Benefits	-.0812263 (.1058333)
Perceived Intrinsic Rewards	
Recognition	.1095585 (.0920157)
Self-actualization	.3223644** (.0951022)
Commendation	-.0197143 (.0940232)
Employees Job Level	
Managerial level	-.27196248 (1.871098)

Senior level	-.297083* (1.430911)
Junior level	.002493 (0.096341)
Intercept	-.825405* (.3655591)

Source: Survey Data, 2022

Note: Values reported are OLS coefficients. Standard errors in parentheses. P<.05*
p<.01** p<.001***

Note: In this model the researcher controlled the variables such as gender, age, level of education, length of service and job level of respondents.

Note: Refer to table 3 for interpretation of the variables.

4.6 Hypotheses Testing

The study seeks to assess employees' perception of the impact of Performance-Based Rewards System as a factor motivating them towards higher productivity. Based on the objectives and research questions stipulated in chapter one, the following hypotheses were investigated in the study:

- I. H₁: Employees who perceive the current Performance Management System as effective will be motivated;
- II. H₂: There is a significant effect of Perceived Intrinsic Rewards on motivation;
- III. H₃: Extrinsic Rewards have a significant effect on motivation; and,
- IV. H₄: There is a positive and significant relationship between job levels and motivation.

The dependent variable, motivation was regressed on the independent variables (perception on performance management system, perceived extrinsic and intrinsic rewards; and job levels) to determine predictability of the variables. The results

indicated that the independent variables significantly predict dependent variable, $F(26, 182) = 11.05$ $p < .001$ which indicates the factors (perception on performance management system, extrinsic and intrinsic rewards) under study have a significant impact on motivation. In addition, the value of the R^2 , 0.6122 depicts that the model explains 61% of the variance in motivation.

To further ascertain the influence of the specific factors on motivation, each coefficient was assessed.

Table 11: Summary of Results of Hypotheses Testing

Hypotheses	Results
H ₁ : Employees who perceive the current Performance Management System as effective will be motivated	Supported ($B=.1501$, $p (.010) < 0.05$)
H ₂ : There is a significant effect of Perceived Intrinsic Rewards on motivation	Supported ($B=.3223$, $p (.001) < 0.01$)
H ₃ : Perceived Extrinsic Rewards positively affect employees' motivation	Supported ($B=.4861$, $p (.000) < 0.001$)
H ₄ : There is a positive and significant relationship between job levels and motivation	Not Supported ($B=-.2720$ $p (.137) > 0.05$) ($B=-.2971$, $p (.039) < 0.05$) ($B=.0025$, $p (.979) > 0.05$)

4.7 Discussion of Findings

The purpose of the study was to assess employees' perception of the impact of Performance-Based Rewards System as a factor motivating them towards higher productivity. The discussion of the findings was based on the objectives and research questions raised in the study.

4.7.1 To evaluate employees' perceived effectiveness of performance management system on motivation

The results of the regression analysis showed that there is a significant and positive effect of employees' involvement in performance management system process in their organization on motivation ($B=.1501$, $p (.010) < 0.05$). This finding is supported by Locke and Latham Goal-setting theory and Vroom's Expectancy theory. These theorists highlight the importance of setting challenging goals for employees to increase expectancy, instrumentality and valence of the outcomes (Fried and Slowik, 2004). Employees are motivated when the course of their action leads to an achievable goal and valued reward. Thus, if the task is challenging and achievable, the employee will put in extra effort to achieve results in anticipation of a reward. When employees are motivated they set expectations and work towards achieving them through provision of feedback on the progress by supervisors.

This finding supports Latham, Borgogni, & Petitta, (2008) who found in their study that the involvement of employees reduces anxiety and impact motivation positively. This is because goals that are set by supervisors without the involvement of employees negatively affect their performance and motivation. Employees who are aware of what is expected of them are motivated to perform better. The accuracy and fairness with which organizations implement performance management system leads to employees perceiving it as effective. Therefore, transparency of the process shapes perception of the system positively. As confirmed in the study by Den Hartog et al. (2004) PMS practices influence employees' perceptions which enhance their performance and ultimately organizational performance. Also, Taylor & Peirce (2019), opined that the effective implementation of Performance Management System (PMS) significantly improves employee performance. This can be attributed

to the fact that efforts of employees are recognized through the PMS practices. Poor implementation of PMS leads to outcomes such as job dissatisfaction, increased turnover, and strained relationships (Smither & London, 2009).

Moreover, the results of the regression analysis of the other variables measuring perception of PMS showed that there is no significant effect of awareness of existence of Performance Management System (PMS) in the public service of Ghana, implementation of PMS in their organizations and effective implementation of the PMS and appraisal policies on motivation. This contradicts the findings of Taylor & Peirce (2019), who found that effective implementation of the performance management system significantly improves employee performance.

4.7.2 To determine the effect of perceived intrinsic rewards on motivation

The research sought to find the effect of perceived Intrinsic Rewards on employees' motivation. It was found that there is a significant and positive effect of perceived intrinsic rewards on motivation ($B=.3223$, $p (.001) < 0.01$). Specifically, employees reaching self-actualization stage in their career and having sense of accomplishment after performing a task motivate them. Self-actualization is linked to self-fulfillment needs in Maslow's hierarchy of needs theory. According to Abraham Maslow "self-actualization is achieving one's full potential including creative activities. Thus, the desire for accomplishment or to leave behind a legacy." The study is also consistent with Herzberg two factor/motivator hygiene theory. These theorists opined that utilizing intrinsic rewards to motivate employees is effective and efficient. Herzberg asserts that individuals are motivated and satisfied with the job when motivators are

present. Employees in the public service of Ghana perceive intrinsic rewards as a valuable source of motivation. Therefore, management can make use of it to enhance performance. According to Wiscombe (2002), intrinsic rewards raise employees' morale and increases productivity whiles being cost effective. It is believed that intrinsic rewards tend to have a longer effect as they are inherent and not imposed from outside Deci and Ryan (2000).

On the other hand, the results showed that there is no significant effect of recognition for outstanding performance and commendation, which is among the three (3) variables measuring perceived intrinsic on motivation. This finding contradicts the results of the survey conducted by Spangenberg, 1994 which compared respondents' choice of rewards among recognition for a good performance and competitive salary and pay for performance. The study showed that 99% of respondents preferred recognition to bonus.

4.7.3 To determine the effect of perceived extrinsic rewards on motivation

The literature revealed that extrinsic rewards successfully lead to the achievement of employee motivation, performance, and commitment (Angle & Perry 1983). Although, financial rewards motivate the employee and prevent dissatisfaction, they are not the best motivators in the long run (Mossbarger and Eddington, 2003). Herzberg's Two Factor theory classify salary and benefits as hygiene factors, therefore do not motivate but only trigger dissatisfaction when they are not fulfilled. Per the results of the regression analysis, there is a significant and positive effect of perceived extrinsic rewards (bonus) on motivation ($B=.4861$, $p (.000) < 0.001$). Thus,

employees are positively motivated by perceived extrinsic rewards. Maslow hierarchy of needs theory support this finding because the result prove that employees clearly seek to satisfy their physiological needs before any other need on the hierarchy.

It was revealed that employees will increase their work efforts and commitment in order to get bonus. This finding is linked with Vroom expectancy theory which asserts that employees' personal motivation is related to effort. This, according to expectancy theorists is the level of value an employee places on rewards which is based on needs, goals, values and sources of motivation. The level of valence decreases when the employee desires a certain reward but receives another. Higher levels of valence exist when management understands the employees' goals and considered alongside the relationship between their efforts and performance.

However, the results of the regression analysis for the other two (2) variables measuring perceived extrinsic rewards showed that there is no significant effect of salary and employment benefits on motivation. This results support Maslow argument that providing basic necessities such as salary and benefits do not guarantee employees motivation. Therefore, management should also introduce high level needs in order to boost employees' motivation.

4.6.4 To determine the effect of employees' job levels on motivation

The job levels of employees in organization can also determine the effect on motivation. The results of the research showed there is no positive significant relationship between job levels (managerial, senior and junior job levels) and

motivation. However, further analysis of effect of individual job levels on motivation revealed that employees in junior job levels are more motivated than those in managerial job levels while those in the managerial job levels are more motivated than those in senior job levels. Employees in senior job levels having the lowest motivation can be attributed to the fact the duties of the job at this level are more repetitive hence they are not motivated to enhance performance. On the other, employees in junior level expect to be promoted to the senior job levels, hence the need to work hard to achieve their expectations. This result is consistency with Goal-setting theory and Expectancy theories. Employees will put in extra effort when the expected goal is achievable and reward is valued (Fried & Slowik,2004). This may also be due to the fact there is no appropriate Performance-Based Rewards System to motivates employees specifically those in senior job level.

4.7.4 To identify the kinds of rewards, most preferred

The study examined responses of participants to the statements in part B of the survey questionnaire to determine the most preferred rewards. Overall results of the assessment revealed that majority of participants prefer to commended (90%) and recognized (86%) for their performance whiles 83% prefer to have self-actualization, sense of accomplishment and to enhance their performance. The analysis of responses also showed that promotion (80%), bonus (78%) and increase in salary (74%) leads to improvement in job performance. Based on the analysis the least preferred reward by employees is the length of service awards (64%). The results are backed by the concept of “total rewards system”. The combination of both intrinsic and extrinsic rewards perceived to be of value to employees. Organization that embraces total

rewards system maximize the impact of the various type of rewards on motivation which leads them obtaining the greatest benefits (Armstrong and Brown, 2006).

CHAPTER FIVE: CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter presents conclusions to the study with an outline of the recommendations and implications for further research.

5.1 Conclusions to the study

The aim of the study was to assess employees' perception of the impact of Performance-Based Rewards System as a factor motivating them towards higher productivity. To understand the topic from the perspective of different researchers and scholars, multiple sources of literature were reviewed. Also, to evaluate and test the following claim, the researcher adopted a quantitative research approach and gathered information through primary data collection sources. Primary data was collected through survey in the form of questionnaire distributed to two hundred and ten (210) via emails and collected using google form. This study results have covered the objectives and answered the research question that were stated earlier in chapter one.

The following conclusions can be made based on the study:

First, employees' involvement in performance management system process in their organization has a significant and positive effect on motivation. Employees involvement is important to increase mutual understanding between supervisors and appraisees, build relationship and positively impacts on the perception of system. The

exchange of information, review and feedback enhances their skills to perform better. The objective of PMS in every organization is to achieve the planned organizational goals, stimulate employees to enhance their performance, identify areas of improvement in their performance, enhance their skills, eradicate lackadaisical attitudes and reward high performers. PMS improves the effectiveness and efficiency of employees.

Additionally, the involvement creates a sense belongingness among employees which motivates them to work smarter to achieve results and assiduously to accomplish the organization's goals. Employee's morale and performance are adversely affected when they perceive the system to be unfair and inaccurate. Therefore, the system should be implemented without bias and consistency. Additionally, PMS provides a complete and expert procedure for management to evaluate the performance of employees and the organization as a whole.

Moreover, based on the discussion on the relationship between job levels and motivation, it can be concluded that inappropriate Performance-Based Reward System has negative impact of employees' motivation.

Furthermore, the research established that both intrinsic and extrinsic rewards have a significant impact on employees' motivation. Public Servants in Ghana value rewards as a motivator, and would increase their performance in order to gain rewards.

To conclude, it was deduced from the analysis of the responses that employee value and prefer both extrinsic and intrinsic rewards. Majority of the respondents supported the statements on the impacts of all rewards variables in the study. This confirms that the respondents perceive total reward approach as the most efficient way to maximize

motivation and productivity in the public service of Ghana. The implementation of an effective total rewards system may result in satisfied, engaged and productive employees, who in turn may create desired business results for this given organization.

5.2 Limitations of Study

The limitations of the study include:

- I. The convenience sampling technique used in this study is non-probability sampling method limited the generalization of the conclusion.
- II. Due to financial constraints the researcher could not widened the scope of study. The study was limited to two hundred and ten (210) public servants.
- III. Due to the busy schedule of respondents, the data collection delayed.

5.3 Recommendation

The following recommendations based on the findings were made:

It is recommended that Public Services Commission (PSC) should ensure that public service organization that have not adopted the PMS, implement system while those that have already adopted implement it consistently and accurately without any biasness.

Supervisors should involve employees in the PMS process (target settings, review and appraisal process) and have frequent opportunities to be provided feedback on their performance. This will increase their confidence in the system which will boost their morale to perform effectively.

It is recommended that the current Performance Management System should provide the basis for rating and rewarding the performance of the employees in the Ghana Public Service.

The Fair Wages and Salaries Commission should identify the most important rewards, as perceived and preferred by employees, and design appropriate reward systems to meet employee needs.

Employee motivation is an essential part of organization's success and its ability to attract the right employee and retain top performers, it is imperative for the organization to align reward systems with performance to improve value delivered to employees. Therefore, the study recommends that the Fair Wages and Salaries Commission and other relevant Central Management Agencies in Ghana develop and implement a robust Performance-Based Rewards System.

5.4 Future Research

The study was limited to about two hundred and ten (210) public servants in Ghana. Therefore, this research should be extended to other public service organization to establish whether there are consistencies on the perception of Performance-Based Rewards as a motivational tool in the public service of Ghana.

Also, it would be valuable for future studies to include qualitative study as the research methodology of this study was only quantitative.

5.5 Conclusion

The research was conducted to assess employees' perception of the impact of Performance-Based Rewards System as a factor motivating them towards higher

productivity. It can be concluded that employees in the public service of Ghana perceive Performance-Based Rewards System as an effective way to motivate them to improve work performance. Therefore, the Fair Wages and Salaries Commission should adopt an appropriate Performance-Based Rewards System that would give public servants job satisfaction and motivation to increase productivity.

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APPENDICES

SURVEY QUESTIONNAIRE

EMPLOYEES’ PERCEPTION ON THE IMPACT OF PERFORMANCE-BASED REWARDS SYSTEM AS A MOTIVATIONAL TOOL IN THE PUBLIC SERVICES OF GHANA

My name is Pearl Offeibea Twum, an employee of the Public Services Commission and currently a graduate student at Seoul National University.

As part of my graduate program research thesis at Seoul National University, I am conducting a survey to examine “Employees’ perception on the impact of performance-based rewards system as a motivational tool in the public service of Ghana.” I will appreciate if you could complete this questionnaire. Please be informed that this survey is purely conducted for academic purpose and the responses to this questionnaire will be kept strictly confidential.

Part-A : Overall Perception and Evaluation of the current Performance Management System

The aim of this section is to examine how employees perceive the current Performance Management System.

Part-B : Assessment of Perceived Rewards System

The aim of this section is to assess perceived Rewards System

Part-C : Assessment of Perception of Rewards as a Motivational Tool

The aim of this section is to assess whether employees perceive Rewards as a Motivational Tool

Part-D : Employee’s Profile

The aim of this section is to gather general information that covers respondents’ demographic profile.

Instructions: Please indicate your response to the following questions by filling in the appropriate square with check or cross mark

Degree of Opinion Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Remarks
	1	2	3	4	5	
Overall Perception and Evaluation of the current Performance Management System						
I am aware that there exists a performance management system in the						

public service of Ghana						
Performance management system is being implemented in my organization						
Performance management system (process, plans and objectives) and appraisal policies are effectively implemented in my organisation						
Supervisors involve employees in the target settings, review and appraisal process in my organization						
The ratings are based on actual performance and not personal feelings						
The performance management system motivates employees to work harder						
The performance management system appraisal helps employees to identify areas of improvement in my line of duty						

The current performance management system appraisal supports and encourages employees career development and growth						
I believe that the current performance management system can be used to award employees genuinely for performance behavior in my organization						

Instructions: Please indicate your response to the following questions by filling in the appropriate square with check or cross mark

Statements	Degree of Opinion	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Remarks
		1	2	3	4	5	
Perceived Rewards System							
It is important to relate performance to pay and rewards							
Rewards highly motivates employees to perform better							
Increase in employee's salary increases motivation and leads to improvement in job performance in the public service							
Bonus increases employees' performance							

Employee's benefit increases motivation and performance						
Promotion encourages high-level of performances among employees/Employees should be promoted base on their performance						
Recognition of outstanding performance helps to elicit workers motivation to perform						
Length of service awards impact employee's motivation and performance						
Having self-actualization and sense of accomplishment as a result of working in an organization enhances performance/motivate employees at the workplace						
Being commended by my supervisor for a good job done directly (motivates employees positively to perform) affects my performance and commitment positively						
Challenging tasks motivate me to work harder						

Instructions: Please indicate your response to the following questions by filling in the appropriate square with check or cross mark

Degree of Opinion Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Remarks
	1	2	3	4	5	
Perception of Rewards as a Motivational Tool						
It is important for employees to be rewarded for their contributions toward the achievement of their organizational goals						
Employees will increase their work efforts and commitment in order to gain rewards						
Rewards that are relevant to employees needs will boost their morale						

국문초록

성과급 제도가 가나 공공서비스에 미치는 영향에 대한 직원들의 인식

Pearl Offeibea Twum

서울대학교 행정대학원

글로벌행정전공

본 연구는 성과 기반 보상 시스템이 가나 공공 서비스에서 더 높은 생산성을 향한 동기를 부여하는 요인으로 직원들의 인식을 조사한다. 특히, 동기 부여에 대한 가나의 공공 서비스에서 현재 성과 관리 시스템의 효과에 대한 직원의 인식을 평가하고 동기에 대한 지각된 외적 및 내적 보상의 영향을 결정한다. 직원들이 가장 선호하는 보상의 종류에 대해 설명한다. 동기 부여에 대한 직원의 직무 수준의 영향을 결정하고 정책 입안자가 가나의 공공 서비스에서 적절한 성과 기반 보상 시스템의 구현에 대해 정보에 입각한 결정을 내리기 위해 생성된 정보를 사용한다. 본 연구는 정량적 방법론과 설문조사 전략을 이용한 인과관계 연구 설계를 채택하였다.

총 210개의 설문지가 구글폼 웹 설문조사 플랫폼을 통해 제출되었으며 응답자는 경영진, 고위급 및 하위급으로 구성된 가나의 공공 서비스 직원이다. 연구 결과, 조직의 성과 관리 시스템 프로세스에 직원의 참여가 동기 부여에 유의미하고 긍정적인 영향을 미치는 것으로 나타났으며 성과를 측정하고 보상하는 도구로 사용할 수 있었다. 또한 직원들은 인지된 외적 보상과 내적 보상 모두에 의해 동기가 부여된다. 또한 직무 수준과 동기 간에는 양의 유의한 관계가 없다는 연구 결과도 확인되었다. 정책 입안자들은 생산성 향상을 위한 동기 요인으로 가나의 공공 서비스에서 강력한 성과 기반 보상 시스템을 구

현하기 위해 정보에 입각한 결정을 내릴 것을 권장했다. 본 연구에서는 성과 기반 보상제도가 직원의 동기부여에 긍정적인 영향을 미치는 것으로 확인되었다.

주요 키워드: 성과 관리 시스템, 성과 기반 보상 시스템, 내재적 보상, 외재적 보상, 동기 부여

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