

## Salary Differentiation and Job Performance of Employees in DE concentrated Units of the Ministry of Water and Environment

Kiiza Elison<sup>1</sup>, Dr. Noel Kiiza Kansime<sup>2</sup>, Dr Medard Twinamatsiko<sup>3</sup>  
<sup>1, 2, 3</sup> (Faculty of Business Economics and Governance, Bishop Stuart University, Mbarara Uganda)  
<sup>2</sup> (Corresponding author: Kiiza Elison)

**ABSTRACT:** Salary is a fundamental ingredient that plays a crucial role on employees' job performance in an organisation. It was important to undertake this study to examine whether salary differentiation influences employees job performance in the DE concentrated units of the Ministry of Water and Environment in Uganda. The study adopted a descriptive survey design and a correlational research design for qualitative and quantitative parts. A sample of 176 respondents participated in the study. Data was collected using Questionnaires and Interview guide. Quantitative data was analysed using; descriptive statistics, correlation coefficient and regression coefficient. Qualitative data was analysed using thematic content analysis. From the findings, the major determinants of salary differentiation in the DE concentrated units of the Ministry of Water and Environment were seniority that contributes most to employees' job performance followed by different responsibilities while discriminatory differences like nepotism contributes the least to employees' job performance. Findings further showed that the level of employees' job performance relates positively with salary differentiation. Findings showed that employee's job performance is influenced by salary differentiation in the DE concentrated units of the Ministry of Water and Environment. The study findings indicate that the level of employees' job performance relates positively with salary differentiations. The study findings also indicated that employees' job performance is influenced by salary differentiations in DE concentrated units of the Ministry of Environment. Local contract employment now accounts for 95% of total staff employed in the DE concentrated units of the Ministry of Water and Environment. It was concluded that different responsibilities contribute most to employees' job performance, followed by seniority while discriminatory differences like nepotism contributes the least to employees job performance. It is recommended that the Ministry of Water and Environment should foster the quality of policies to reduce inequalities in salaries.

**Keywords** – DE concentrated units, Job performance, Salary differentiation, Ministry of Water and Environment

### I. INTRODUCTION

The study examined the implications of Salary Differentiation and Employees' Job Performance in DE concentrated Units of the Ministry of Water and Environment. Salary differentiation is the independent variable and employees' job performance is the dependent variable. The researcher assumes that employees holding same position and getting equal pay would perform better on their jobs and vice-versa. In this chapter the researcher presents background to the study, problem statement, objectives, research questions, scope, significance and conceptual framework.

#### *Background to the Study*

##### *Historical Perspective*

Globally, the wage differentials were first emphasized in the early 1950s in the work of Dunlop, Slichter, Lester, and other institutional economists Slichter; S. H (1954) & Morton W.A (1950). One early reference indicating the existence of wage dispersion was provided by Dunlop (1957), showing large variance of average wages for truck drivers, ranging from a maximum of \$2.25 to a minimum of \$1.20 across industries. These early investigations not only showed the existence of high earnings dispersion but also provided initial insights into the existence of a pattern of wage differentials. In a study that is now a classic reference, Slichter (1950) found high correlations across occupations and stable wage differentials over time for the US and UK, economies. The stability of the wage structure for the US economy was further advanced by a study carried out

by Cullen (1956). These early studies on wage differentials emphasized the demand side of the labor market, focusing on industrial characteristics influencing the wage structure in both public and private organizations.

In Africa, the origin of wage differentials dates far back in the colonial era where workers were paid differently depending on their loyalty to the colonial administrators even if they possessed the same level of training and did similar responsibilities (Rapping, 1967). South Africa government that came into power in 1994 was explicitly committed to redistribution of wages and was in alliance with the trade union movement. Nonetheless, inequality in labour earnings still widened during this period. Piketty (2014, p. 39) stated that this caused a conflict sparked by the suspicion that the bosses were benefitting more from growth than the workers and therefore the impression of widening inequality is itself becoming a cause of labour instability.

Furthermore, studies on wage differentials carried out during the 1960s focused on estimating the effects on the average industrial wage dispersion of several industrial characteristics, such as profits, degree of concentration, union density, and the size of the firm as determinants for employee wages (Masters, 1969). However, during the seventies, the development of the human capital model changed labor research emphasis toward supply aspects. A countless number of studies analyzed the importance of an individual's occupation, experience, and other human capital variables in salary determination and this to date still influences employee salaries across organizations.

In Uganda, the literature on gender wage differentials is scarce, perhaps due to the lack of data. Beginning mid-1990s, however, the availability of household surveys has made it possible to study various labor market issues in the country. A few recent studies suggest discrimination against women in the labor market and nepotism to be the major cause of wage differentials (Appleton, 1999). Additionally, the gender wage gap in urban sectors has a substantial gender wage difference in Uganda. Therefore, there is evidence of discrimination against women and nepotism towards men as being the major drivers of wage differentials in Uganda even in the public service and this also applies to the De concentrated Units under the Ministry of Water and Environment.

Decentralization policy was introduced in Uganda in 1992 with the main objective of empowering people, democratize state power and facilitate modernization of local communities. This was after realizing that the centralized approach to management of public affairs and development planning that was adopted in Uganda at the time of independence had not been effective in reducing poverty, improving people's welfare and delivering good governance. Decentralization does not only empower people but is also meant to speed up development and improve the quality of their lives. Furthermore, it enhances transparency and accountability in Local Governments to promote good governance and participatory democracy. A wide range of powers, responsibilities and functions have been transferred to District Local Governments and Lower Local Councils (UNDP, 2010). Based on the success of the decentralization policy of local governments, the Ministry of water and Environment decided to deconcentrate its services from the Ministry headquarters as one of the forms of decentralization.

In 2006, Ministry of Water and Environment adopted the Water and Sanitation Development Facility model (Regional Office Establishment) which are de-concentrated entities of the Ministry of Water and Environment (MWE), established as a mechanism for funding water and sanitation investments in Small Towns (with a population above 5,000 people) and Rural Growth Centres (RGCs) (with a population between 500 and 5,000 people) across the country. The WSDF concept was piloted in the South Western Uganda with support from Austria. It has since been replicated by the Ministry of Water and Environment (MWE) for the whole country building on the encouraging experience of the South-Western region. This model, therefore, covers all regions of the country: WSDF-South West (2006) based in Mbarara, WSDF-East (2009) based in Mbale, WSDF-Central (2010) based in Wakiso and WSDF-North based in Lira, established between 2008 and 2011. These WSDFs which are De concentrated units are arms of MWE that facilitate the identification, financing and implementation of piped water supply and sanitation projects in Small Towns and RGCs, in cooperation with the Local Governments and the private sector, and establishing operation and maintenance of constructed water supply and sanitation systems. The model has proved to be an effective planning and implementation mechanism, that immensely contributes to the Sector Investment plan (SIP) in particular, and national water coverage in general. The WSDF approach has been broadly supported by development partners like EU, ADA, AfDB and KfW under the Joint Water and Environment Sector Support Programme (JWESSP) 2013 to 2018, where WSDFs are sub components.

Implementation of the South Western Towns Water and Sanitation Project started in 1996 with support from the Austrian Government. The pilot project gradually evolved and was integrated into the mainstream Ministry as an established structure. MWE with support from the EU and ADC under the ACP Water Facility established the Water and Sanitation Development Facility South-West (WSDF-SW) in 2006 as a de-concentrated government unit responsible for project implementation and oversight. The 19 years of experience in the South-West has allowed the WSDF concept to be applied across the country with three others regional

offices established by 2012. Following the success of de-concentration under the department of Urban Water Supply and Sewerage Services, the Permanent Secretary encouraged other departments like Water for Production, Rural water Supply and sanitation and Water resources planning and Management to DE concentrate their functions and activities at the regional level which was done.

### ***Theoretical Perspective***

The study was based on three theories; The Theory of Organizational equilibrium, Theory X: The Traditional View of Direction and Control (Mcgregor 1960) and Theory Y (Mcgregor 1960). Of these theories, the Theory of Organizational equilibrium is key to this study since it balances the employees' contributions and remuneration with those of the organisation.

### ***Theory of Organizational Equilibrium (TOE)***

This study was based on the Theory of Organizational Equilibrium by March and Simon (1958). The Theory of Organizational Equilibrium (TOE) suggests the need to balance employees' contributions and inducements with those of the organization. This theory assumes that perceived desirability of movement and perceived ease of movement are the two main factors that determine an employee's equilibrium. These two main factors also determine job satisfaction, which itself directly affects participation in committees. According to TOE, job satisfaction mainly depends on one's compatibility with one's different roles at the work place; on the predictability of his or her relationships at work; and on the conformity of one's job with one's self-image. Given that perceived desirability and perceived ease of movement are deemed by TOE to have an influence on the employee turnover (Holtom et-al, 2008), there is need for management initiatives and interventions that can induce job satisfaction, promote the retention of employees by maintaining the equilibrium between employee contributions and organizational inducements. In this, it is vital that employees' expectations are aligned with TOE as suggested by the authors but they are not applied in organizations affecting employee performance within the organization.

### ***Theory X: The Traditional View of Direction and Control (Mcgregor 1960)***

Theory X is based on the assumptions that: The average human being has an inherent dislike of work and will avoid it if possible. Because of this human dislike of work, most people must be coerced, controlled, directed, and threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all. Theory X management style therefore requires close, firm supervision with clearly specified tasks and the threat of punishment or the promise of greater pay as motivating factors. A manager working under these assumptions will employ autocratic controls which can lead to mistrust and resentment from those they manage. McGregor acknowledges that the 'carrot and stick' approach can have a place, but will not work when the needs of people are predominantly social and egoistic. Ultimately, the assumption that a manager's objective is to persuade people to be docile, to do what they are told in exchange for reward or escape from punishment, is presented as flawed and in need of re-evaluation

### ***Theory Y (Mcgregor 1960) is Based on the Assumptions That:***

The expenditure of physical and mental effort in work is as natural as play or rest. The average human being does not inherently dislike work. Depending upon controllable conditions, work may be a source of satisfaction, or a source of punishment. External control and the threat of punishment are not the only means for bringing about effort toward organisational objectives. People will exercise self-direction and self-control in the service of objectives to which they are committed. Commitment to objectives is a function of the rewards associated with their achievement. The most significant of such rewards, for instance. The satisfaction of ego and self-actualization needs can be direct products of effort directed towards organizational objectives. The average human being learns, under proper conditions, not only to accept but to seek responsibility. Avoidance of responsibility, lack of ambition, and emphasis on security are generally consequences of experience, not inherent human characteristics. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population. Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilised. Theory Y assumptions can lead to more cooperative relationships between managers and workers. A Theory Y management style seeks to establish a working environment in which the personal needs and objectives of individuals can relate to, and harmonise with, the objectives of the organisation. In the Human Side of Enterprise McGregor recognised that Theory Y was not a panacea for all ills. By highlighting Theory Y, he hoped instead to persuade managers to abandon the limiting assumptions of Theory X and consider using the techniques suggested by Theory Y.

### *Conceptual Perspective*

The study adopts the understanding of salary differentiation referring to the difference in wages between people with similar skills within differing localities or industries (Owan, 2012). Salary differentiation can also refer to the difference in wages between employees who have dissimilar skills within the same industry (Weller and Weller, 2002). In this study, salary differentiation will be used to mean differences in salaries paid to employees working in the same organization with similar qualifications, skills and capabilities and with the same position. Salary differentiation has many ingredients/dimensions; however, for the purpose of this study, it will be conceptualized as employee experience, expertise, education and effectiveness at work.

De-concentration of organizations involves transfer of management, control and performance management structures that affect organization's performance and how workers make sense of enhanced efforts and practices of creativity in the organization.

In 2006, the Ministry of Water and Environment under the department of Urban Water Supply and Sewerage Services adopted the Water and Sanitation Development Facility (WSDF) model which are de-concentrated regional entities of the Ministry of Water and Environment (MWE), established as a mechanism for funding water and sanitation investments in Small Towns (with a population above 5,000 people) and Rural Growth Centres (RGCs) (with a population between 500 and 5,000 people) across the country. This model, therefore, covers all the regions of the country: WSDF-South West (2006) based in Mbarara, WSDF-East (2009) based in Mbale, WSDF-Central (2010) based in Wakiso and WSDF-North based in Lira, established in 2011 and 2008 respectively.

These DE concentrated units are arms of MWE that facilitate the identification, financing and implementation of piped water supply and sanitation projects in Small Towns and RGCs, in cooperation with the Local Governments and the private sector, and establishing operation and maintenance of constructed water supply and sanitation systems. The model has proved to be an effective planning and implementation mechanism, that immensely contributes to the Sector Investment plan (SIP) in particular, and national water coverage in general. This approach has been broadly supported by development partners like EU, ADA, AfDB and KfW under the Joint Water and Environment Sector Support Programme (JWESSP) 2013 to 2018, where DE concentrated units are sub components.

Following the success of de-concentration under the department of Urban Water Supply and Sewerage Services, the Permanent Secretary directed other departments like Water for Production, Rural Water Supply and sanitation and Water Resources Planning and Management to DE concentrate their functions and activities at the regional level and the directive has been implemented. Each DE concentrated unit at the regional level has delegated procurement, and accounting authorities from the Permanent Secretary of the Ministry of water and environment with sub-accounting officer for each department at every region.

In this study, DE concentrated units were used to mean reorganization of departmental structures and giving such structures semi autonomy to generate positive performance outcomes, and that such arrangement is being mediated by workers or employees of the organization. By doing so, it emphasizes creativity and developing an emergent model where workers' identity mediates formal structures in relation to performance. Employee performance is defined as how an employee fulfills their job duties and executes their required tasks. It refers to the effectiveness, quality, and efficiency of their output Riley (2000). In this study, employee job performance was defined as a way a member of staff fulfils the duties of their roles, completes required tasks and behaves in the workplace and was conceptualized as output quality, output quantity, time management, interpersonal relations and commitment to work.

### *Contextual Perspective*

The Ministry of Water and Environment in Uganda uses DE concentration as a form of decentralization. DE concentrated units of the Ministry operate under operations manual developed and approved in 2014 and the conduct and procedures of these units are subject to the Constitution of the Republic of Uganda, Public Service Act, 2008, Uganda Public Service Standing Orders and any other staff policies and regulations provided by the development partners' forum and the Government of Uganda.

This study was carried out in DE concentrated Units of the Ministry of Water and Environment where salary differentiation has been presented as a challenge to key stakeholders by the earlier researchers (Ssekamwa, 2017 & Babiiha, 2016). Under normal circumstances, staff are supposed to be appointed and paid as per the approved salary structure for a DE concentrated unit under the Ministry of Water and Environment which was established under the Operations Manual of April 2014; as illustrated in the table below;

**Table 1.1 Approved Salary Structure for a DE concentrated unit under the Ministry of Water and Environment April 2014**

Salary revision 2013 (All Staff)			30%					
Additional increment for Scientists			15%					
Automatic annual increment (starting FY2014 /15)			10%					
Administrative Levels	Support Staff	Assistant Officers		Officers		Senior Officers		Branch Manager
Grade	GRADE V	GRADE IV		GRADE III		GRADE II		GRADE I
<b>Current FY 2012/13 average gross salary in the 4 WSDFs</b>	281,702	692,457	677,038	1,391,615	1,185,519	1,577,192	1,986,461	1,635,837
<b>Rationalized gross salary (See note 1)</b>	281,702	692,457	692,457	1,391,615	1,391,615	1,986,461	1,986,461	2,215,385
<b>30% General Salary Increment 2013</b>	84,511	207,737	207,737	417,485	417,485	595,938	595,938	664,616
<b>15% Additional increment for Scientists</b>		103,869		208,742		297,969		332,308
<b>Revised Gross Salary-2013 (see note 2)</b>	366,213	1,004,063	900,194	2,017,842	1,809,100	2,880,368	2,582,399	3,212,308

Contrary to the above approved salary structure as provided for under the Operations Manual 2014, for the establishment and operations of the De concentrated units and the Public Service Act, the Ministry has been appointing staff and posting them under De concentrated units on different salaries yet they hold the same position. Some staff are appointed basing on the above structure, others are appointed basing on the public service salary structure while other appointments have no basis for salaries attached to them and such staff are deployed in the different De concentrated units of the Ministry. Also, in a bid to promote science, technology and innovation, the government also came up with different salaries for the same jobs. For instance, under Circular Standing Instruction No.1 of 2022 dated 1<sup>st</sup> July 2022 from the Permanent Secretary Ministry of Public Service, salary enhancement for scientists excluded scientist not in the Mainstream public service. For instance, an Engineer in the mainstream public service is paid UGX: 4,000,000= per month while an Engineer not in the mainstream public service is paid UGX: 2,200,000= per month yet all of them are deployed in the De concentrated units of the Ministry of Water and Environment with the same qualifications and responsibilities. Furthermore, there are varying salaries between employees having the same job title, same qualifications and responsibilities as per the Ministry of Water and Environment, South Western Regional Office (WSDF-SW) Internal Audit Report, 2020/2021 and this was unexplainable to many employees. The magnitude of the problem is presented in table 1.2.

**Table 1. 2 Extract from the Payroll for southwestern Regional Office (WSDF-SW); September 2021**

S. No	Designation	Gross Salary	Variance	Percentage difference
<b>1 (a)</b>	Project Engineer	2,954,322		
<b>(b)</b>	Project Engineer	2,200,000	754,322	25.5%
<b>2 (a)</b>	Engineering Assistant	1,470,048		
<b>(b)</b>	Engineering Assistant	1,214,916	255,132	17.4%
<b>4(a)</b>	Sociologists	2,407,912		
<b>(b)</b>	Sociologists	1,809,100	598,812	24.8%
<b>5 (a)</b>	Procurement officer	2,407,912		
<b>(b)</b>	Procurement officer	798,667	1,609,245	66.8%



There are policy frameworks for equal pay for public servants such the Constitution of the Republic of Uganda, which is the supreme law of the country and makes provisions for protection of workers' rights including equitable employment terms and conditions (Article 21). Specifically, the law mandates Parliament to enact laws to provide for the rights of persons to work under safe and healthy conditions, and to ensure equal payment for equal work without discrimination (Article 40 (1) (b)). The employment Act Section 6 (6), in fulfillment of Article 40 (1), mandates the Minister and the labor advisory board to give effect to the principles of equal remuneration for employees for work of equal value. In addition, Section 6 (7) requires every employer to pay equal remuneration for work of equal value regardless of whether they are public or private. The Labor Unions Act, 2006 introduces a new array of rights for employees to demand for their rights among which includes equal pay for work of equal value. The Act guarantees employees the right to organize themselves into Labor Unions and participate in the management of the said Unions. The Equal Opportunities Commission was inaugurated in accordance with the Equal Opportunities Commission Act, No. 2 of 2007 to give effect to the State's constitutional mandate to eliminate discrimination and inequalities against any individual or group of persons on the ground of sex, age, race, colour, ethnic origin, tribe, birth, creed or religion, health status, social or economic standing, political opinion or disability, and take affirmative action in favour of groups marginalized on the basis of gender, age, disability or any other reason created by history, tradition or custom for the purpose of redressing imbalances which exist against them; and to provide for other related matters".

Uganda has ratified a number of pertinent conventions relating to protecting workers' rights and availing equitable employment terms and conditions. These include: (i) Equal Remuneration Convention, 1951 (No. 100); which puts emphasis on the right to equal pay, without any discrimination on grounds of gender; (ii) Discrimination (Employment and Occupation) Convention, 1958 (No. 111); which puts emphasis on the right not to be discriminated against on grounds of race, colour, sex, religion, political opinion, national extraction or social origin", or other grounds determined by member states, in employment and (iii) the Equal Remuneration Convention, 1951 (No. 100), that requires each member State to use means that are appropriate to the methods in operation to determine rates of remuneration, promote and ensure the application to all workers of the principle of equal remuneration for work of equal value. The public service has been broadly defined to cover a range of institutions including Ministries, Departments and Agencies (MDAs), Commissions, Boards, Funds, Bureaus and Local Governments (LGs) among others. Seeking equal remuneration in the public service is even more critical in the case of Uganda where the government is not only the leading employer but also provides a major benchmark for the private sector.

In spite of the above policy framework, the Ministry of Water and Environment recruits' staff for the De concentrated units through two windows; The first one is through the Public Service Commission with public service salary scale and the second one is through local contracts based on the approved WSDFs salary structure. These two recruitment centres have been attributed to be the cause of salary differentials in the De concentrated units. As such, employees have several cases exhibited signs of dissatisfaction with their coworkers whereby on matters of differences in salaries earned and at some point, they refuse to perform the assigned tasks or duties, high level absenteeism (Analysis of staff attendance to duty May 2021, South Western Regional Office) and apathy in the organization (Nakiganda, 2006). It is upon this background that a study was undertaken in De concentrated Units of the Ministry of Water and Environment to examine the implication of salary differentiation on employee job performance. Furthermore, none of the past researchers like Tumwesigye (2015), Byangire (2016) researched on the implication of salary differentiation on employees' job performance; thus, the need to undertake this study.

## II. PROBLEM STATEMENT

Ideally, employees holding the same qualifications and experience while working in the same organization should be entitled to equal salaries; otherwise, this may lead to performance degradation, increasing degree of absenteeism, and employee turnover (Mangkuprawira, 2003). However, this seem not be the case with De concentrated units of the Ministry of Water and Environment as there are several reported cases of salary differentials whereby you find employees holding the same position but earning different salaries, for example, the Ministry of Water and Environment, South Western Regional Office an extract of the payroll for September 2021 as presented in Table 1.2. According to Equal Opportunities Commission (EOC) report (2015/2016), some of the notable implications of salary differentials are staff turnover at 30%, staff absenteeism at 21%, apathy 12% and late coming for work 10% in the public service including ministries and departments (MDs) which affect employees' morale and subsequently affect timely delivery of social services to the population.

According to Garmsari (2018), salary is an important component associated with employee behaviour and attitude towards their performance by increasing commitment and motivation among employees. This means that once tampered with, performance will be affected.

Furthermore, there are varying salaries between employees having the same job title, same qualifications and responsibilities as per the Ministry of Water and Environment, South Western Regional Office (WSDF-SW) Internal Audit Report, 2020/2021) which is unexplainable.

Mercer report (2019) has indicated that with fair and equitable salary, workers are more likely to perform their job well in the organization. Related studies show that salary is one of the strategies in motivating the workers, in order to enhance their performance. It may influence the workers behaviour as well as attract, and increase their performance (Tella, Ayeni & Popoola 2007). However, these scholars did not show other factors that influence job performance.

Whereas studies have been done in regard to pay differentiations and organizational outcomes such as job satisfaction and commitment, minimal research has been done in regard to pay differentiations and employees' job performance and more so in the De concentrated units under Ministry of Water and Environment context. It is against this background that a comprehensive study of this nature was highly relevant and timely to examine and shed light on the implications of salary differentiation on employees' job performance in the De concentrated units of the Ministry of Water and Environment, contributing valuable insight into the realm of performance management and enhancing overall understanding of employees' performance in this specific setting.

#### *General Objective*

The purpose of this study is to examine the implication of salary differentiation on employees' job performance in De concentrated units of the Ministry of Water and Environment

#### *Specific Objectives*

- i. To analyze the determinants of salary differentiation in the De concentrated units of the Ministry of Water and Environment
- ii. To measure the level of employees' job performance in De concentrated units of Ministry of Water and Environment
- iii. To determine whether salary differentiation influences employees' job performance in the De concentrated units of the Ministry of Water and Environment

#### *Research Questions*

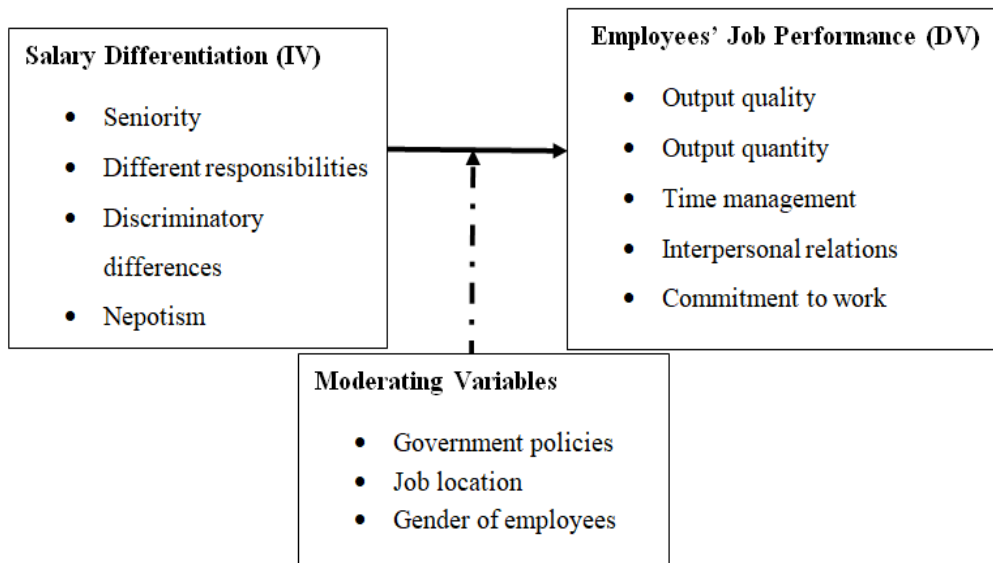
- i. What determines salary differentiation in the De concentrated units of the Ministry of Water and Environment?
- ii. What is the level of employees' job performance in De concentrated units of the Ministry of Water and Environment?
- iii. Does salary differentiation influence employees' job performance in the De concentrated units of the Ministry of Water and Environment?

#### *Significance of the study*

The study may be useful to the Ministry of Water of and Environment in understanding the effect posed by wage differentials among its employees and its eventual consequence on job performance of employees.

The study findings may be useful to the Ministry of Public service in making policies that promotes a uniform salary among employees holding the same job title as a way of promoting a peaceful working environment among public servants in Government Ministries, Agencies and Departments.

The study findings may be useful to the forthcoming researcher as a store of related literature on the concept of salary differentiation in public organizations in particular De concentrated units of the Ministry of the Water and Environment.



**Figure 1 Conceptual Framework**

**Source: Adopted from Herzberg's (1966) and modified for this study**

The framework suggests that salary is differentiated based on seniority for example, an office may give all employees an annual raise based on a fixed percentage of an individual's salary. Organizations may even reward long-term employees with a larger percentage increase than employees who have only been with the firm a short while to encourage retention and in such a system, employees who have been with the organization the longest earn more than newcomers with the same job title.

Different responsibilities; different job responsibilities within the same job title or classification can factor into workers receiving different amounts of pay for what appears to be the same job. For example, two workers may both have the job title of administrative assistant, and both may have been at the organization for an equivalent length of time. However, if the first worker is an assistant to a supervisor or mid-level manager while the second worker assists the company CEO, the two jobs entail different responsibilities and therefore different pay.

Discriminatory differences; not all differences in pay can be explained by legitimate factors such as seniority or locality adjustments. Sometimes people with the same job title who have worked for the same length of time and who carry out similar responsibilities may still find that they are paid different amounts. Some differences such as favouritism, bribery, tribalism are discriminatory and a violation of the law. Although some discriminatory differences are indiscriminate and implied, they exert influence on the way employees perform their job in the organization and this subsequently may have a bearing on their job performance.

Nepotism; not all pay differences between workers with similar jobs are illegal, although many people may find them inappropriate. A common reason for pay disparity is nepotism. The boss may hire a relative to start them in the business and advance their career. The relative may be hired with a job title identical to others in the firm but may be given a preferential salary due to the family ties. Similarly, a non-relative may be hired such as a friend, school chum, or someone the boss may want to curry favor with and offered similarly favorable salary terms not available to other organization employees; these have a bearing on employee performance.

Employees' job performance is conceptualized as output quality, output quantity, time management, interpersonal relations (earning different salaries while holding the same job title with similar qualifications can arouse a sense of unfairness among the affected employees which affects them emotionally and, in the end, affects their level of job performance) and commitment to work. The framework also presumes that employees' job performance is also moderated by government policies (some government policies favours some employees in terms of salaries at the expense of their colleagues doing the same work and it is important to understand the effect this have on the job performance of its employees). The framework presumes that job performance is moderated by job location. Some areas like Karamoja in Uganda have been regarded as hard to reach and therefore employees deployed in such areas earn higher than employees in other easy to reach areas. The framework also presumes that job performance is moderated by Gender of employees, some culture prohibits women from riding motor cycles yet some organizations require employees to drive themselves while conducting field activities. Women whose culture deter them from riding motor cycles in such organisations are likely to receive less pay compared to their counterpart males despite the fact that they hold the same position in the organization.



### *Organization of the Study*

In chapter I, the researcher covers sections like background, problem statement, scope, significance and conceptual framework. Chapter II presents literature review based on the study objectives as well as the theory underpinning the study. Chapter III is about the methods used in collecting the data for this study while chapter IV is about the presentation, analysis and interpretation of the study results as chapter V deals with discussion of the results.

## III. LITERATURE REVIEW

### *Theoretical Review*

The study was guided by the views of other scholars who have contributed to the issue of salary differentiation and employees' job performance in various organizations including scientific management scholars in order to compare their views with the current study and ascertain the missing gaps. This study is buttressed under Theory X, Theory Y and Theory of Organizational Equilibrium.

#### *Theory X: The Traditional View of Direction and Control (Mcgregor 1960)*

Theory X is based on the assumptions that: The average human being has an inherent dislike of work and will avoid it if possible. Because of this human dislike of work, most people must be coerced, controlled, directed, and threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all. Theory X management style therefore requires close, firm supervision with clearly specified tasks and the threat of punishment or the promise of greater pay as motivating factors. A manager working under these assumptions will employ autocratic controls which can lead to mistrust and resentment from those they manage. McGregor acknowledges that the 'carrot and stick' approach can have a place, but will not work when the needs of people are predominantly social and egoistic. Ultimately, the assumption that a manager's objective is to persuade people to be docile, to do what they are told in exchange for reward or escape from punishment, is presented as flawed and in need of re-evaluation.

#### *Theory Y (Mcgregor 1960) is Based on the assumptions that:*

The expenditure of physical and mental effort in work is as natural as play or rest. The average human being does not inherently dislike work. Depending upon controllable conditions, work may be a source of satisfaction, or a source of punishment. External control and the threat of punishment are not the only means for bringing about effort toward organisational objectives. People will exercise self-direction and self-control in the service of objectives to which they are committed. Commitment to objectives is a function of the rewards associated with their achievement. The most significant of such rewards, for example the satisfaction of ego and self-actualisation needs, can be direct products of effort directed towards organisational objectives. The average human being learns, under proper conditions, not only to accept but to seek responsibility. Avoidance of responsibility, lack of ambition, and emphasis on security are generally consequences of experience, not inherent human characteristics. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organisational problems is widely, not narrowly, distributed in the population.

Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilised. Theory Y assumptions can lead to more cooperative relationships between managers and workers. A Theory Y management style seeks to establish a working environment in which the personal needs and objectives of individuals can relate to, and harmonise with, the objectives of the organisation. In the Human Side of Enterprise McGregor recognized that Theory Y was not a panacea for all ills. By highlighting Theory Y, he hoped instead to persuade managers to abandon the limiting assumptions of Theory X and consider using the techniques suggested by Theory Y.

#### *Theory of Organizational Equilibrium (1958)*

The theory of Organizational Equilibrium (TOE) suggests the need to balance employees' contributions and inducements with those of the organization. This theory assumes that perceived desirability of movement and perceived ease of movement are the two main factors that determine an employee's equilibrium. These two main factors also determine job satisfaction, which itself directly affects participation in committees. According to TOE, job satisfaction mainly depends on one's compatibility with one's different roles at the work place; on the predictability of his or her relationships at work; and on the conformity of one's job with one's self-image. Given that perceived desirability and perceived ease of movement are deemed by TOE to have an influence on the employee turnover. There is need for management initiatives and interventions that can induce job satisfaction promote the retention of employees by maintaining the equilibrium between employee contributions and organizational inducements. In this, it is vital that employees' expectations are aligned with TOE as suggested by the authors but they are not applied in organizations affecting employee performance within the organization.

*Determinants of salary differentiation in the De concentrated units*

In the age of global competition, it is very essential to identify and retain the efficient, competent and knowledgeable employees in organization by developing and maintaining an effective compensation program for getting the best job performance from the employee (Akter and Moazzam 2016). Employees are the organization's key resource and the success or failure of organizations center on the ability of the employers to attract, retain, and reward appropriately talented and competent employees.

Employees' willingness to stay on the job largely depends on compensation packages of the organization. In an attempt to ensure employees optimal performance and retention, organizations need to consider a variety of appropriate ways to reward the employees to get the desired results (Falola, Ibidunni and Olokundun 2014). It has been argued that the degree to which employees are satisfied with their job and their readiness to remain in an organization is a function of compensation packages and reward system of the Organisation (Fadugba, 2012).

Adeniyi (2013) posit that the fundamental tasks in human resources management are compensation management. It is a complex task that occurs periodically, demand accuracy and must not be delayed. Compensation management requires integrating employees' processes and information with business process and strategies to achieve optimal organizational goals and objectives (Adeniyi 2013). This can be attributed to the fact that compensation management is an essential tool to "integrate individual efforts with strategic business objectives by encouraging employees to do the right things with ever improving efficiency. In other words, compensation management is a powerful means of focusing attention within an organization. They send clear messages to all employees of the organization informing them about expected attitudes and behaviors (Adeniyi, 2013).

Milkovich and Newsman, (2012) argued that compensation management system can create and sustain a competitive advantage for organizations. In recent years, the inclusion of non-financial measures has gained some popularity in compensation management, while some schools demonstrate positive effects of incorporating non-financial measures into the compensation management system empirically (Widmier, 2012). He further states that; human resources model of compensation generally assume that higher performance requires greater effort or is in some other ways associated with disutility on the part of workers. In order to provide incentives, these models predict the existence of reward systems that structure compensation so that a worker expected utility increase with' observed productivity.

Compensation packages entail some basic features that tend to make employees' satisfied on their job amongst which includes salaries, bonuses, incentives, allowances, promotion, and recognition. All these have significant impact on employees' performance (Martineau Lehman Matwa Kathyola and Storey (2016). However, to avoid wrong perception and controversy by the employees, compensation system must be clearly communicated to employees with job measurement which will drive the much-needed performance in the employees (Yamoah, 2013).

Hsin-His, (2011) posit that compensation is a significant tool in human resources. An effective compensation system design significantly influences organizational development by revealing external competitiveness, internal equity and individual equity. External competitiveness attracts talent, and internal equity helps companies to retain talent by ensuring that employees and colleagues making the same contributions obtain the same compensation. Individual equity allows employees to feel that their potential is fully rewarded; thus, they are encouraged.

Although compensation means something different to individuals, organizations and society, it is important to all. For individuals, compensation is not only the return of benefits, but it also reflects on individuals' capabilities or achievements (Ali, 2019). For organizations, compensation is a cost or expenditure, as well as an important tool to obtain competitive advantages. Within society, compensation not only influences wealth distribution, but also symbolizes social equity and justice (Hsin-His, 2011).

Government policies: Policies of government controls every aspect of people's life; hence, government policies should be exceptionally assessed fully to figure out the implication of its application. This spurs the enquiry into the effect of government policies on employee's performance (Connolly & Viswesvaran, 2000).

Job location: The study conducted in both rural and urban locations witnessed that the job location (rural/urban) has a significant impact on job satisfaction and self-esteem despite similar job demands and resource support conditions for all the respondents. Results show a very large divergence in self-esteem between rural and urban settings and some divergence across genders. Location of delivery centres in smaller towns could thus be an effective solution for the high turnover experienced at urban delivery centres handling data capture and such low end processing (Abrams & Hogg, 1990).

Gender of employees: In the study done by Elloy & Terpening (1992). it was found that women are significantly more likely than men to be designated as overall stars, which indicates that they outperform men in

many aspects of job performance. They examined the relationship between gender and performance among employees and found out women tend to be more committed to their job than men.

*The levels of employees' job performance in De concentrated units*

#### *The Concept of Employees' Job Performance in Organizations*

Armstrong (2016) characterizes execution as the improvement of evaluated goals. Performance isn't just a matter of what individuals accomplish yet how they accomplish. Performance characterized by Sultana et al. (2012) as the achievement of specified tasks against predetermined or identified standards of accuracy, completeness, cost and speed. High performance is a stage towards the accomplishment of organizational goals and objectives. An employee performance is profoundly essential for an organization all in all and the people working in it. Organizations require very performing employees to meet their objectives and to convey the products and services they are specialized in and finally to achieve a competitive advantage.

As per the Gruman and Saks (2010), argues that the performance management is an important part of an organizational success, therefore it should be closely monitor. Alder (2011) states that organizations are more interested in monitoring their employees' performance, therefore employees' performance monitoring helps the organization to evaluate whether the organization is receiving what it is paying for. The performance can be measures through different indicators such as, profit, revenue, and shareholder value, growth in sales, size, share price and market price. Per the Blinder (2010) believes that employees usually impress that profit sharing and gain sharing are good for personal effort, company growth and productivity and for the company atmosphere. It has been observed that upgraded performance can enhance the job satisfaction as well as the employee performance, however there is no automatic and invariant relationship between these two (Katzell, 2015) Senyucl (2019) argues that an employer cannot take the employee commitment for granted, but have the potential to put in high effort to accomplish. The company will be benefit from the increased employee productivity and performance by having employee participation due to high employee commitment (William et al, 2014). This shows that the employee performance is dependent variables that need to be motivated by the company philosophy and HRM to produce anticipated results.

Employee performance is the mutual result of effort, ability and awareness of tasks. The factors that impact the dimension of employee performance are inspiration, capacity and chance to revenue an interest (Armstrong, 2019). He sees performance as a component of capacity and inspiration. There are various variables that influence employee performance, the working environment condition impacts most their dimension of inspiration subsequently their performance. Many findings portray a few variables towards the achievement of representatives' execution. These variables incorporate physical environment, equipment, meaningful work, performance expectation, feedback on performance, bad system among others. He includes that, to have a standard performance, employers need to complete the employees undertaking on track to accomplish the organizational objectives.

Companies and organizations should focus on building employees positive performance, through providing employees with a group of tools and skills to meet out new realities and challenges (Batarlienė, Čižiūnienė, Vaičiūtė, Šapalaitė, & Jarašūnienė, 2017). Globalization, new market demands, innovation and smart economy are considering a challenge, as well as, drivers for companies to maintain and improve employee performance (Cooper & Ezzamel, 2013). Dealing with quick changes in technologies, stakeholders' requirements and market demands are depending on reducing the gap within employees' attitude as underpinning factor on achieving smart goals of the organization (Shah, Irani, & Sharif, 2017).

Also, Bataineh (2017) highlight Employee's performance as a combination of efficiency and effectiveness of the employee's daily tasks to meet the expectations of the stakeholders. Isaac, Abdullah, Ramayah and Mutahar (2017) show that employees highly agree that implementing the internet in their job helped them in improving task process, education acquisition and the quality of their communication which leads to improving individual performance as well as organization. On the other hand, Pawirosumarto, Sarjana and Gunawan (2017) tide between employee performance and work environment that contains physical and nonphysical factors around employees which have a positive and significant effect on improving employee performance. While Smith and Bititc (2017) emphasis on improving performance measurement systems and performance management practices as factors of work's environment which enhance employee's engagement levels. Also, Mensah (2018) support their ideas when considered talent management as a critical success factor within companies which become the most core managerial value in our highly dynamic and uncertain market environment of the twenty-first-century era.

#### *Quality and quantity of job employees' performance*

As an employee, you not only want to do good work, but have your work be recognized both for its quality and for the amount of work you accomplish. Business managers also want to be well aware of how each employee is handling his or her job in terms of quality and quantity of work. Both workers and managers can use a variety of workplace tools to set expectations and document job performance. Don't assume that

employees know what is expected of them merely by a job title. A receptionist in one office may have vastly different requirements compared to another office. Write a job description that clearly defines what the position entails, what skills and competencies are required and how the job fits into the department. This includes who a person reports to and who they may also manage.

The job description is not only shared on job sites while searching for prospects. It must also be included in the job offer and the employee handbook (or human resources reference manual) for employees to refer to it for clarity when necessary. Define quality in ways people understand. A figure skater doesn't simply head out onto the ice and start doing turns and jumps. A figure skater understands what perfect form is and what she must do to accomplish a perfect score. Most figure skaters also know what average scores are for other skaters who are performing the same trick. The average scores are the baselines and skaters hope to work to exceed them.

The same is true for employees. Create performance reviews with sections that define quality. There are different standards for different jobs. A salesperson might demonstrate quality by having a low return rate. A tax preparer might define quality by the number of tax returns getting flagged for errors. Other areas of quality control might include how long it takes to answer phone calls, Consistency of product preparation or giving customers a receipt of every purchase. Employees should always have access to these standards so they aren't surprised by performance evaluations. Review quality expectations in team meetings and training. Put reminders and lists where appropriate. For example, a reminder to hand over a receipt to customers is easily posted on a register out of customer view.

Quantity metrics define how many units are being produced in a given period of time. High-performers are not simply producing quality units but are producing above average number of items. As with quality requirements, quantity metrics need to be established. This is how employees keep score of their performance. Make sure employees understand how to quantify work. It is easy in sales to define quantity as units sold. But for someone not selling cars, quantity is defined by items produced or the number of customers served.

#### *Time management and employees' job performance*

Time management is the essence of success for any event. The capability of an event organizer to schedule and follow the itineraries of an event meticulously is the benchmark of a good reputation among Malaysian event management and the world in general. However, the job performance of an event management crew depends largely on the ability of the team to achieve the required demands of the client specifically in the aspect of time. The purpose of this research paper was to determine the relationship of time management on the job performance among Malaysian event management crew. The researchers believe that in order for an organizer to be successful in the event industry, they have to make a point to adhere to the timeframe in completing tasks throughout the event from the beginning till the end (Allen, 1990).

Specific activities include setting goals to achieve the needs or wants and prioritizing the tasks necessary to accomplish them. In the aspect of event management, time is viewed as the planning process since the initiation stage of the event until the implementation of the program. Thus, the sequence of actions must be followed through rigorously to achieve the end target of organizing a successful event. Faulkner et al (2007) highlighted, because few studies have addressed this specific issue, examination of the linkage between perceived control over time and job satisfaction is warranted. It was expected that those who felt in control of their time would be most satisfied with their job. Little research has been conducted on the relationship between job performance and time management. This is the reason why this study is conducted to prove that there is a significant relationship between excellent performances with proper time management. Time management may be aided by a range of skills, tools, and techniques used to manage time when accomplishing specific tasks, projects and goals complying with a due date.

#### *Interpersonal relations and employees' job performance*

Interpersonal Relationship in today's workplace is also equally significant and important. In an organization where starting from the leadership level to the nth level of the institution – there is a top-down demonstration of 'one team' approach, results are bound to come. Failures and tough times can always be part of the journey but if the whole team can work towards one goal and one objective, ensuring the interpersonal relationship and the understanding between key stakeholders are good, then it is a completely different story altogether. Progressive & modern organizations focus on work culture & values. "The majority of what looks like an interpersonal conflict is actually communication breakdown. Communication, if not attended with care, is as likely to fail as to succeed. And when it does, a listener's incorrect inferences about a speaker's intent often create interpersonal conflict (Bateman, 2014).

Interpersonal relationship refers to a strong association among individuals working together in the same organization. Employees working together ought to share a special bond for them to deliver their level best. It is essential for individuals to be honest with each other for healthy interpersonal dynamics and eventually positive ambience at the workplace. In an organization – On one hand, there are negative impacts of non-existing professional friendship because it would create a situation of single brain decisions, invite monotony & also lack



of collaboration will bring the performance down. On the other hand – if there is a friendly atmosphere that would create direct impacts on organizational culture. One needs friends at work because one requires people & support around. It is always a positive environment for an organization where Individuals care for each other & people seek support from coworkers to accomplish goals (Becker, 2012).

Many a time a conflict results from the varying ways different people view the world. These incongruent views are traceable to differences in upbringing, culture, race, experience, education, occupation, socio-economic class, and other environmental factors. Differences over facts are also good interpersonal conflict creators. A fact is a piece of data that can be quantified or an event that can be documented. Arguments over facts typically need not last very long since they are verifiable. But a statement like, “It is a fact that you are insensitive to my feelings,” is neither document-able nor quantifiable, and so is actually a difference in perception. It is observed that within the organizations – Individuals or departments or functions get into conflicts with conflicting goals and priorities. And then there are differences over methods too. Two sides may have similar goals but disagree on how to achieve them. Conflicts arise from competition for scarce resources.

Two managers might argue over who has the greater need for a shared resource (Cotton, 2016).

If a relationship, somehow has gone a little off track – that also can be brought back! In an organization, in our day to day dealings, not always we come across people who are just like us, rather it is the opposite. And sometimes we get into some of those situations where we experience a difficult relationship. In such situations, we should give an effort and try to know the person better. We consciously should attempt to do so. And then engage with him/her in a genuine discussion. It creates magic when you ask such a person to share his or her success. Also, it can be a wise idea to try to find what is common. Today’s leadership, in organizations, also needs to play a very strong role in building the ecosystem of strong bonding and interpersonal relationships. Leadership is not a position. It is not seniority (Dessler, 2013)

Therefore, it has to take quite a few conscious steps to ensure that the organization is experiencing a good & positive interpersonal relationship among the stakeholders. The impact of employee bonding in the workplace can create a fanciful outcome. The cost of not having employees who value interpersonal relationships would be actually high. Leaders must ensure that everyone in the organization follows certain basic possessions. Inspiring and motivating others would be the first one. Displaying high integrity and not compromising with it at any level. Try solving other problems, communicating powerfully and prolifically is also so very important. Many teams or organizational leaders promote and celebrate teamwork in multiple ways. End of the day – they focus on building relationships. In today’s business world, the importance of the interpersonal relationship is imperative (Gordon, 2014).

#### *Commitment and employees’ job performance*

Committed employees give a big contribution to organizations because they perform and behave on achieving organizations' goals. Furthermore, workers who are committed to their organization are happy to be members of it, believe in and feel good about the organization and what it stands for, and intend to do what is good for the organization. Thus, we could say that there is a relationship between organizational commitment and job performance. However, surprisingly, previous research suggested that organizational commitment is largely unrelated to job performance (Herz, 2019).

Commitment to organizations is positively related to such desirable outcomes as job satisfaction and negatively related to such outcomes as absenteeism and turnover (Clegg, 2013). Also, writers stated that stronger commitment could result in less turnover and absenteeism, thus increasing an organization’s productivity (Schuler & Jackson, 2016). However, the relationship between organizational commitment and job performance is more tenuous (Becker, 2015). For instance, Mathieu and Zajac’s (1990) Meta-analysis showed that the confidence interval around the mean correlation between organizational commitment and performance included zero.

#### *Information and Communication Technology and Employee Performance*

The wide diffusion of information and communication technology (ICT) has been strongly impacting on the organization dynamism. ICT facilitates a broad range of organization’s activities related to production, marketing, customer loyalty and employee performance (Reichstein, 2019). Shehata & Montash (2019) claim that ICT transformed the nature of products, markets, companies and the competition itself. ICT restructures many industries, enhance managing cost and created entirely new business models. In details, Giotopoulos, Kontolaimou, Korra, & Tsakanikas (2017) report that integration between ICT and organization operations reflected directly on organization performance and employee’s productivity, cost-saving, organization effectiveness and open new markets.

The influence of ICT showed during 1990 when comparing the productivity growth between Europe and USA and how American’s companies gained competitive advantages by using ICT widely in various economic sectors (Melián-González & Bulchand Gidumal, 2017). These sectors are recently affected with the Internet of things (IoT), cloud computing (CC) and predictive analytics (PA) (Ardolino, et al., 2018) which are a new trend in ICT (Dahiya & Mathew, 2018). Caputo, Cillo, Candelo & Liu (2019) report that the spread out of



social networks, virtual realities, electronic devices, 3D printers and artificial intelligence (AI) among organization departments could enhance the impact of ICT. For instance, Big Data can support the processing of business intelligence (BI) tools, while artificial intelligence can support productive work (Caputo, Cillo, Candelo, & Liu, 2019).

Human Resource department is one of the departments that is affected dramatically with information and communication technology. It is widely recognized that HRM function is influenced by the improvement of IT by transforming the way firms collect, store, analyse, evaluate employees' performance (Turulja & Bajgoric, 2018). The strategic approach of integration between HR and information technology lead to developing E-HRM (Rahman, Mordi, & Nwagbara, 2018). Ayesha & Yadav (2019) explain E-HRM as a combination of computer programs, software tools, databases, and hardware to record, store and analyze data necessary for the Human Resource (HR) applications. Organization portal is considered an interface of E-HRM, which consists of Employee Portals, Enterprise Intranet Portals, Corporate Portals and Business-to-Employee Portals. These portals are serving different purposes like knowledge access, e-learning, LMS, online employees' communities, (Ali, Selvam, Paris, & Gunasekaran, 2019).

Many scholars highlighted the advantages of E-HRM. For instance, Rahman, Mordi, & Nwagbara (2018) claim that E-HRM works as an analytical tool to help the decision-makers in making the valuable and accurate decision that leads to improve HR functions and employee's performance. Obeidat (2016) mentioned three different ways-HRM supported the productivity of an organization through providing employees with required information about performance improvement, rewards allocation and performance appraisal. Armstrong (2016) emphasis on the value of E-HRM as a pathway to conduct E-training, which is the most efficient online intervention program that enhances the knowledge and skills of employees without tiding them to fix physical place or ignoring their busy schedule. Furthermore, E-training has a role in reducing the cost of the instructor, booking avenue, hardcopy materials and employee's time.

E-HRM's achievement marks a significant milestone in the relationship between employee performance and ICT. Tabatabaei, Omran, Hashemi, & Sedaghat (2017) emphasis on ICT as the main source for sustainable employee performance by facilitating knowledge exposure, skills gaining and shrinking experiences which enhance the competitive advantages of the organization. Also, maintaining recruitment and selection, performance appraisal and workforce planning (Glaister, Karacay, Demirbag & Tatoglu, 2018).

#### *Empowerment Approach and Employee Performance*

The literature explains the empowerment approach as a management concept that constructs on dimensions of intrinsic motivation, job design, participative decision making, social learning theory, and self-management (Alazzaz & Whyte, 2015). Potnuru, Sahoo, & Sharma (2019), associate these dimensions with the organization's knowledge sharing, rewards systems that could empower the employees to enhance organizational competitiveness and performance. Garcia-Juan, Escrig-Tena & Roca-Puig (2019) identify two different perspectives to understand empowerment.

The first one is the structural perspective which contains a set of practices and structures that enable to transfer power and authority from the top to the bottom of the organization. While the second one is the psychological perspective that concerns an employee's attitudes in reaction to managerial practices. Lewis, Brown & Sutton (2019) have the same conclusion through categorized employee's empowerment in structural and psychological. Structural empowerment, empowered employees with both direction and boundaries for their decision making which reflects the extent to which organizational decision rights are decentralized. Where psychological empowerment reflects an individual employee's subjective experience for competence and self-determination within their organizational role. Empowering employees is critical in today's competitive environment where organizations are facing the pressure of globalization, rapid market changes and new customers' demand. These challenges required innovative and creative solutions that rely on empowering employees to meet these challenges. (Shah, Khattak, Zolin, & Shah, 2019).

To enhance the level of empowerment in the organizations, managements should expand communication with employees to make sure that employees are aware of the organization's mission, vision, value and desired targets of each individual. Besides, management should put emphasis on face-to-face communication and integration activities across hierarchical levels as an approach to ensure a clear understanding of organizational strategies (Baird, Su, & Munir, 2018). Empirical studies point out that management can promote empowerment by engaging employee indecision-making and participation in organization objectives (Nayak, Sahoo, & Mohanty, 2018). Kundu, Kumar & Gahlawat (2019) add four managerial behaviours to maintain empowerment, namely, enhancing the meaningfulness of work, fostering participation in decision making, expressing confidence in high performance and providing autonomy from bureaucratic constraints.

This part of the literature investigates the theoretical relationship between employee performance and employee's empowerment as a central factor affecting organizations' survival. The positive side of this relation appeared when scholars highlighted empowerment as one of the modern mechanisms that can be used to

develop employees' performance and make full use of their capabilities, which have a positive effect on employee's motivation and innovation to achieve the organization's objectives (Aldaihani, 2019). Also, scholars associated employee empowerment to organization outcomes by enhancing work satisfaction, reduce job-related strain and minimize employee turnover (Lewis, Brown, & Sutton, 2019).

#### *Innovation, Creativity and Employee Performance*

Many organizations are recently fighting to survive in rapid economic changes by developing and understanding the factors that promote the culture of innovation and creativity within employees. Therefore, many scholars have the conclusion that innovation and creativity are crucial in daily tasks and assignments. In this part of the study, we particularly look upon the relationship between employee performance and innovation and creativity and the ways to implement strategies that support innovation and creativity in the organization.

Many scholars have discussed innovation and creativity and highlighted the critical role of innovation and creativity in future organization success. Most researches have almost the same framework of explanation of these terms. They identified creativity to refer to idea generation, and innovation refers to the subsequent stage of implementing ideas towards better procedures, practices, or products (Olsson, Paredes, Johansson, Roese, & Ritzén, 2019). Creativity is the development of new and useful solutions for the challenge that is facing an organization, whereas innovation refers to the implementation or application of new and useful thoughts in the workplace (Khalili, 2018). Creativity is the generation of novel and useful ideas or solution while innovation is the actual implementation and execution of creative ideas (Kremer, Villamor, & Aguinis, 2019). Creative workplace concerns the cognitive and behavioral processes applied when attempting to generate novel ideas. Innovative workplace concerns the processes applied when attempting to implement new ideas. (Hughes, Lee, Tian, Newman, & Legood, 2018).

According to Khalili (2018), creativity is a fundamental step in innovation. Kremer, Villamor, & Aguinis (2019) agree with Khalili when they conquer that the existence of innovation depend on creativity. The same scenario occurs with Wang, Cheng, Chen, & Leung (2019) when they explained creativity and innovation as two closely related and overlapped concepts starting with the creativity and ending with innovation. Promoting innovation within the organization passes through several processes, starting with the decision to innovate by budgeting investment. Then commercialization of original ideas, after that prepare an adequate work environment that motivates staff to create unique idea depending on human, physical and intellectual resources. Therefore, creativity develops through stages that involve preparation, generation and validation of ideas and assessment of achieved outcome (Stojcic, Hashi, & Orlic, 2018). FleuryLasrado (2019), discussed in her book the milestone of innovation in the organization where leadership is considered the first component of working on creating the next level of leaders, not just followers.

Promoting leadership culture is the role model of innovation, co-creation, foster innovation and enhances communication and sharing information. The second pillar is people as a source of innovation and creativity by encouraging the maximum potential of employees through involving them in decision-making as a clear internal motivation strategy. Capability building considered the third pillar that depending on internal capability investment by aligning several interrelated organization elements and asset. Last pillar depending on developing a model of innovation outcomes that working on five dimensions, which are probability, employee experience, and product quality, process improvement of customer experience and innovation portfolio.

Fostering innovation and creativity in the organization has numerous benefits and positive consequences on employee's psychology, behavior and performance, through influence the competitive performance of the firms and affects positively on financial performance (Nguyen & Le, 2019). Another benefit of innovation and creativity appears in offering sustainability for the organization by enhancing internal capability depending on employee performance, organization structure and learning strategies (Chaubey & Sahoo, 2019). Alzghoul, Elrehail, Emeagwali, & AlShboul (2018) urge that workplace climate that emerging creativity and innovation have a positive impact on employees through enhancing job satisfaction, job commitment and job performance. Furthermore, Ismail, Iqbal, & Nasr (2019) also explained that Organizations can outperform their competitors by providing a creative environment to their employees and opportunities to think and act differently.

#### *Organization Culture and Employee Performance*

The literature explains the importance of organization culture on overall organization's performance through referring to Hofstede theory (2015) as a reference point to explain four dimensions of culture which are power distance, uncertainty avoidance, individualism and collectivism and masculinity and femininity (Mahadevan, 2017). But in this part, the relationship between employee performance and organization will be highlighted. There are numerous definitions of organizational culture. Nikpour (2017) defined organizational culture as the pattern of beliefs, values, and experiences that is reflecting on material arrangements and members behavior.

Shahzad, Xiu, & Shahbaz (2017) referred organizational culture to an employee's values, and beliefs shared at all levels and displayed of organizational traits. Warrick (2017) also support those definitions by

adding an environment in which organizational member's influence on how members think, act, and gain experience at work. Researchers widely categorize organization's culture into three types, innovative organizational culture (IOC), bureaucratic organizational culture (BOC) and trust and supportive organizational culture (TOC) (Wu, Huang, Huang, & Du, 2019). An innovative culture is represented by a work environment that is creative, results-oriented, and challenging. This dimension involves an enterprising and opportunity-seeking environment that attracts employees seeking challenge and risk. Bureaucratic culture refers to an organized, systematic, procedural, and regulated work environment. Organizations high on this dimension lack flexibility and emphasize efficiency, predictability, and consistency. A supportive culture is manifested in a work environment that is trusting, people oriented, and encouraging. Such culture facilitates open relationships among employees and provides a workplace with equitable, friendly, and helpful environment (Jogaratnam, 2017). In this review, we are focusing on the influence of an innovative culture on job performance.

To build a creative culture, researchers have described elements that figure out organizational culture.

Teamwork, communication, training and development and reward recognition are the main patterns of organizational culture (Ramdhani, Ramdhani, & Ainsiyifa, 2017). While Rich, Rich, & Hair (2018) mentioned innovation, outcome orientation, aggressiveness, stability, attention to detail, respect for people and team orientation as main elements of organizational culture. Also, Wu, Huang, Huang & Du (2019) agreed with them when he mentioned compliance, leadership, decision making, effectiveness and values as elements of organizational culture.

Larentis, Antonello, & Slongo (2019) expanded in their book to cover shared meanings and symbols, openness to new ideas and perspectives, the role of boundary spanners, past experiences and problems' sharing between individuals. Most scholars agreed in describing organization culture as a magic stick "recipe" that has a positive influence on organization attitude and business improvement process (Mahadevan, 2017). This positiveness expands to reach not only employees and organization performance but also organizational commitment (Nikpour, 2017). Shahzad, Xiu, & Shahbaz (2017) argue that organizational culture is highly significant, plays a vital role in organizational success and is highly correlated with an employee's satisfaction and performance. Warrick (2017) expand the influence of innovative culture to reach performance, morale, job satisfaction, employee engagement and loyalty, employee attitudes and motivation and tool to attract and retain talented employees. The correlation between organization culture, knowledge management, information and communication, employee's empowerment and innovation and technology from one side and their impact on employee's performance from other side are clear.

Iqbal, Latif, Marimon, Sahibzada, & Hussain (2019) approve how the correlation between knowledge management and organization culture facilitate organizations task and achieve superior performance. While Al-Abdullat & Dababneh (2018) conclude that organization successes on applying job satisfaction depend on the combination of clan and adhocracy types of organizational culture and knowledge management through maintaining knowledge sharing, environment and empowerment employee's innovative solutions.

The four processes of knowledge management framework including sharing (S), learning (L), evaluation (E), and production (P) with the combination of well organization culture can achieve maximal payoff of employee performance (Zhang, 2018). The organization that builds their strategy on adopting correlation between ICT, innovation and creativity has a major influence on employee's performance. This assumption is supported by several researchers starting from Ndou, Schiuma & Passiante (2019) by arguing that creative economy progress measured in terms of human capital performance against implementing clear strategies that maintain information communication technology and innovation and creativity. The same result appeared with Aar, Deursen, Dijk & Haan (2019) who identified that creativity, communication, collaboration, and analytical skills were presented as skills that are useful to the creative professional.

#### *Salary Differentiation and Employees' Job Performance in Organizations*

A worker is more likely to perform to his potential, if he's happy with the salary he is earning. A person earning a high salary feels motivated to do a good job, because he wants to please his employer to retain his position. His salary brings him a feeling of security, allows him to feel accomplished and gives him a high-status ranking that he enjoys. A person is much more willing to put in extra hours at the office, if he feels his financial rewards are a fair trade-off (Odden & Kelley, 2012).

A well-paid employee feels valued by his organization. He knows management isn't just paying him to get the job done; he's also respected for his subject matter expertise. This employee is more likely to be satisfied with his job and not feel the need to look for a similar position with better pay. However, an employee who doesn't feel like his organization is paying him enough salary is much more likely to look for and accept a higher paying position of a comparable nature at another company. In Human Resource Management, Employee Job Satisfaction and Engagement survey, employees rated compensation as the third most important aspect of job satisfaction (Richardson, 2019).

When a company doesn't pay its employees well, the general office morale is low. Many workers may need to get second job to make ends meet, which leaves them tired, overworked and resentful. Performance rates are typically low; as workers feel little motivation to exceed standards and absentee rates tend to be high. Employee turnover in these companies is often very high, as people don't want to work for a company paying below industry standards (Steers & Porter, 2011).

The advantages of a high salary can often be eclipsed by performance-based pay. Using a performance-based pay strategy a worker can be provided with extra motivation to do his job to the very best of his ability. This can be an effective way to align a worker's incentive to earn additional monetary bonuses with the goals of the company. If he knows he will receive extra money when achieving a target set by his supervisor, it's likely he'll do everything in his power to exceed expectations (Adams & Beehr, 2018).

Companies not only want to attract key employees, but also keep them by offering more stability in a competitive pay setting. Reducing employee turnover helps save search and hiring cost, cost of productivity and efficiency during the replacement process and reduces morale problems among other employees, and is one of the key benefits of paying employees more. When employees have satisfying pay and benefits, they spend more time on their work and less time scoping out better-paying opportunities (Beutell & Wittig-Berman, 2019). Realizing their pay is fair compared to other companies and similar jobs makes it easier for employees to work through challenges of their work. This stability in employment helps the company maintain better organizational knowledge and the employee can find opportunities for internal development and promotion (Brief, 2018).

Companies that place too much emphasis on competing with pay may lack organizational culture or other forms of motivation. Pay can attract qualified employees, but over time, it usually takes other tools to motivate top performance. Responsibility, training and development, incentive pay and social activities are also important to motivating a workforce. Without these additional motivating tools, companies that only compete on pay may lose employees after a few years to better workplaces (Diener & Biswas-Diener, 2012).

Competitive pay may offer external equity, but it lacks some of the motivation of pay-for-performance schemes. It does little to distinguish between employees working in the same job but performing at different levels. Since each job is assigned, a salary based on the job itself and not the individual; managers need to find ways to encourage individuals to give their best. Some employers overcome this drawback by offering bonuses or sales commissions on top of base salaries (Deci, & Ryan, 2010).

#### *Summary of Literature Review/gaps*

The chapter provides the literature covering critical issues about salary Differentiation and Employees' Job Performance in different organisations. The underpinning theoretical review and employees' job performance as well as conceptual issues surrounding salary differentiation brings the focus closer to the research domain. The chapter also gives an account of a variety of literature undertaken by various researchers, and their findings on salary differentials and employees job performance in organizations. The literature reviewed gives a general overview of salary differentiation in organizations but does not look at salary differentiation per job title in same organization; a gap which this study intended to fill.

## IV. METHODOLOGY

### *Research design*

Descriptive survey design was adopted as it catered for qualitative part of the study using the interview guide. This is because the study was based on the views and opinion of the respondents who were employees. For quantitative part of the study, correlational research design was employed using the questionnaire on a 5 Likert scale. This design was employed as it helped the researcher to collect information about people's perceptions, opinions, attitudes, habits or any other characteristics of a particular individual or group of people. Mugenda and Mugenda (2003) defined research design as an attempt to collect information from members of a population in order to determine the current status of the population with respect to one or more variables

In this study, mixed approach method of qualitative and quantitative approaches was employed. Research approaches is the collection of procedures and plans that decide the overall process of research (Silverman, 2006). This is because mixed approach methods helped the researcher to minimize on the weaknesses of using one approach hence reducing bias on the study. This is supported by Kothari (2003) who asserts that mixed method approach helps to avoid bias on the study findings as two approaches are concurrently used to supplement each other. In this study, qualitative data was collected using the interview guide from the management of the De concentrated units and Ministry headquarters whereas quantitative data was collected using the questionnaire from the staff of De concentrated units.



### Target Population and Sample Size Determination

The target population of this study was all the staff of De concentrated units that included the established staff who have qualifications of a diploma and above and support staff who possess Uganda Certificate of Education and Uganda Advanced Certificate of Education in the four regional De concentrated units of the Ministry of Water and Environment since the subject under study falls within their docket of operation. The total population was 205. Total population was used because it gave a complete picture and reduced guesswork. It removed the risk of biased sample selection and results in enough respondents to have a high degree of statistical confidence in the survey results. Mugenda and Mugenda (2003) defined a target population as the total collection of elements along which researcher wishes to make some inferences.

However, at the time of collecting data, not all the respondents were available as some might have gone on leave and others in the field. Therefore, to cater for attrition, the researcher employed Sloven formula for social scientists in determining the sample size as follows;

$$n = \frac{N}{1 + N(e)^2}$$

e = margin of error and it usually ranges from (1%-5%) which is 0.01- 0.05

Therefore, using the above formula, the total sample obtained was 190 respondents and details are shown in Table 3.1.

**Table 3.1 A table showing the determination of the study population and sample size**

S/N	De concentrated units	Category of staff	Study population	Sample size	Sampling strategy
1.	Northern Region-Lira	Management staff	16	15	Purposive
		Technical staff	27	25	Purposive
		Support staff	11	10	Purposive
2	South Western Region – Mbarara	Management staff	15	14	Purposive
		Technical staff	16	15	Purposive
		Support staff	13	12	Purposive
3	Central region - Wakiso	Management staff	18	17	Purposive
		Technical staff	23	21	Purposive
		Support staff	15	14	Purposive
4	Eastern Region - Mbale	Management staff	14	13	Purposive
		Technical staff	16	15	Purposive
		Support staff	13	12	Purposive
5	Ministry Headquarters - Kampala	Management	8	7	Purposive
Total			205	190	

**Source: Staff lists from De concentrated units; September 2021**

### Sampling Strategy

Sampling strategy means selecting the group that you would actually collect data from in your research (Omari 2011). The study adopted purposive sampling technique to select respondents from Finance and administration department of the Ministry of Water and Environment Headquarter. This type of technique is used where the population units to be studied are known by the researcher to be with unique features. Thus, the researcher specifically picked the participants without any scientific approach (Lathlean, 2006). Purposive sampling was used because it enabled the researcher to locate respondents with adequate knowledge about the study problem.

Stratified sampling is a probability sampling technique wherein the researcher divides the entire population into different subgroups or strata, then randomly selects the final subjects proportionally from the different strata (Sekaran, 2003). Stratified random sampling technique was used to select staff in De concentrated



units affected by salary differentiation depending on their rank that is management, technical and support staff. Only staff under De concentrated units that meet the criteria were selected with the help of administrative officer at each unit. Researchers use stratified sampling to ensure specific subgroups are present in their sample and this also helps to obtain precise estimates of each group's characteristics. The strata comprised of established staff, support staff in De concentrated units and management at the Ministry Headquarters.

#### *Inclusion and exclusion criteria*

Staff on the payroll who were dully appointed were included in the study while internship students, graduate trainees, casual workers and volunteers were excluded from the study.

#### *Methods of data collection*

The researcher collected both primary and secondary data. Primary data was collected using questionnaires from staff in the De concentrated units and interview guide from management at the ministry headquarter. Secondary data was collected from written sources that the researcher identified to get relevant information about the study. The researcher used the following methods to collect data;

#### *Questionnaires survey*

A questionnaire is a set of predetermined questions or items used to gather data from respondents about their attitudes, experiences, or opinions (Amin, 2005). Quantitative data collection was achieved by use of questionnaire survey method. A questionnaire was used on employees in De concentrated regional offices of Ministry of Water and Environment. This method was preferred because it was convenient and allows respondents to be free while answering questions asked at their own free time without any inconvenience to their normal work schedule. This is in line with Mugenda and Mugenda (2003) who asserts that questionnaires are convenient to the respondents as they are filled at their own free time. The researcher delivered the questionnaires to the respondents and after questionnaires were dully filled, the researcher picked them from the respondents and thanked them for their crucial contribution.

#### *Interview*

An interview is a conversation for gathering information between the interviewer and interviewee (Lathlean, 2006). Face to face interviews were used to collect data from management Staff of De concentrated regional offices. The researcher asked questions while noting down the responses. Interviews were preferred because they enabled the researcher clarify questions, allowed the informants to respond in any manner they saw fit, allowed the interviewers to observe verbal and non-verbal behavior of the respondents and they reduce the anxiety so that potentially threatening topics are studied. This is in line with Kothari (2003) who asserts that interviews are flexible as the researcher can adjust the questions for clarity thus generating relevant data.

#### *Documentary review*

Documentary review in research is the research conducted through the use of official documents or personal documents as the source of information (Borthwick, 2009). The documentary review method was used to obtain secondary data. Secondary data was got from; operations manual, circulars, performance reports, payrolls, staff lists, analyzed duty attendance registers, audit reports, recruitment manuals, public service standing orders, deliberations from meetings and Ministry's policies. These documents or sources were analyzed in order to lay a firm foundation for the study by establishing the nature and level of existing knowledge on the study variables, establish areas of agreement and disagreement in the existing literature and identify knowledge gaps that the study intended to fill.

#### *Data Collection Procedures*

An approval from BSU Research and Ethics Committee was got to go ahead with data collection. An introductory letter was sought from the Coordinator Directorate of Research and post graduate studies, research and innovations that introduced the researcher to the Unit Branch Managers to obtain official permission to carry out the study. The Branch Managers introduced the researcher to the respondents; the researcher explained the purpose and scope of the study and sought their formal consent to participate in the study by signing the informed consent form. After the consent of the respondents, the researcher distributed questionnaires to the respondents. Interviews were administered by the researcher at the time of collecting the filled questionnaires. After questionnaires were dully filled and interviews conducted, the researcher picked questionnaires from the respondents and thanked them for their crucial contribution. At this point in time, the researcher began analyzing the data to finalize the report and submit it for subsequent actions to be taken.

#### *Data Collection Instruments*

##### *Self-Administered Questionnaire*

A self-administered questionnaire is a questionnaire that is designed explicitly to be completed by a respondent without an interviewer's assistance/bias (Silverman, 2006). In this study, the questionnaire was administered to the employees of the De concentrated units under the Ministry of Water and Environment that were chosen to participate in the study. The researcher opted for the primary data collection technique in the form of questionnaires which were self-administered. The questionnaires were conveyed to the respondents by

use of the drop and pick later method. The questionnaire enables the researcher to ask structured questions which are easier to analyze as well as to administer as each question is followed by alternative answers.

#### *Interview Guide*

An interview guide is a qualitative research tool that relies on asking questions in order to collect data (Omari, 2011). An interview guide was employed in this study because they help the researcher to explain, better understand, and explore research subjects' opinions, behavior, experiences and phenomenon of the respondents. Furthermore, interview questions are usually open-ended questions so that in-depth information is collected. Interviews were conducted between the researcher and management staff of the Ministry of Water and Environment at the regional level and headquarters as key informants to get expert opinion on the subject under study. Qualitative data from interviews were transcribed and organized according to emergent themes for easy analysis.

#### *Documentary Checklist*

This is a document the researcher can use as a 'check list' to see whether their research paper meets certain requirements. Documentary checklist was used because it allows research on subjects to which the researcher does not have easy physical access. (Borthwick, 2009). The study also employed a documentary check list to read through various documents containing vital information about the study variables in order to get acquainted with the situation relating the study.

#### *Data Quality control*

##### *Validity*

Validity of the questionnaire instruments was tested by giving the questionnaire to the supervisor and other research experts. The questionnaire items were tested on language clarity, relevance and comprehensiveness. The researcher then proceeded and made adjustments. A coefficient of validity index was computed using the formula below;

$$CVI = \frac{\text{No. of items regarded relevant}}{\text{Total No. of items}}$$

A coefficient of validity which was above 0.7 and less than 1 was regarded as acceptable (Sekaran, 2003), implying that the data collection instrument was valid for data collection.

The Content Validity Index was calculated as

$$CVI = \frac{n}{N}$$

$$CVI = \frac{48}{52}$$

$$CVI = 0.9$$

Since the obtained value was greater than 0.7 the questionnaire was considered valid for use in data collection.

##### *Reliability*

Reliability for each instrument was assessed using Cronbach's Alpha coefficient. The questionnaires were presented with 4 people who did not take part in the actual study, to check for the flow of questions and relevance of responses in relation to the objectives of the study. Pretesting also helped the researcher estimate the time each respondent would take to fill the questionnaires during the final data collection process. This is in line with Kothari (2003). To determine the reliability of the questionnaire, a pilot study was carried out on 4 respondents and their responses were entered into the computer using Statistical Package for Social Scientists (SPSS). The value of the reliability co-efficient was calculated using Cronbach's Alpha Co-efficient values. The scores found at 0.7 and above alpha values indicated good credits hence better for use (Amin, 2005).

The results of the computation are summarized in the table below.

<b>Case Processing Summary</b>			
		N	%
Cases	Valid	04	100.0
	Excluded <sup>a</sup>	0	.0
	Total	04	100.0

a. Listwise deletion based on all variables in the procedure.

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.835	52

From the table above, since the value of the alpha co-efficient was greater than 0.7 at 0.84, the questionnaire was considered reliable for use in the data collection.

### *Data Management*

Data management is a term that describes the organization, storage, preservation, and sharing of data collected and used in a research project (Omari, 2011). Data collected using questionnaires from respondents were thoroughly checked for consistence and completeness and were coded and entered into SPSS-28.0 version for statistical analysis. For each of the items in the questionnaire, they were measured on a 5-point Likert Scale type except for the items on demographics background of respondents that were presented using frequencies and percentages.

### *Data Analysis*

Data analysis is the process of collecting, modeling, and analyzing data to extract insights that support decision-making (Hsieh, 2005). In this study, data was analyzed quantitatively using descriptive statistics and results were presented using tables and qualitatively using thematic and narrative analysis where the views of the respondents captured during the field study were presented according to the objectives of the study.

### *Quantitative Data*

Quantitative data analysis simply means analyzing data that is number-based or data that can be easily “converted” into numbers without losing any meaning (Hsieh, 2005). The collected data was analyzed using descriptive statistics: - Frequency Distributions and measures of central tendencies and the results of the survey were presented using tables. The data was organized to answer the set objectives in the study. Mean scores and standard deviation were determined and formed the basis for interpretation of the results. Pearson correlation coefficient was used to determine the relationship between study variables.

### *Qualitative Data*

Qualitative data analysis is defined as the process of systematically searching and arranging the interview transcripts, observation notes, or other non-textual materials that the researcher accumulates to increase the understanding of the phenomenon (Sekaran, 2006). This was analyzed using thematic and narrative analysis where the views of the respondents captured during the field study were presented according to the objectives of the study. With thematic content analysis, themes were developed basing on objectives of the study and the data collected for systematic flow of the report. With narrative analysis, the researcher used verbatim quotations to express respondents’ views as supported by Hsieh (2005) who said that thematic analysis best brings out the views of the respondents as captured during the study.

### *Anticipated limitations and delimitations of the study*

Some factors such as personal bias of the respondents and their honesty in giving the data to the researcher was likely to hinder data collection. The researcher overcame this by requesting the respondents to be as honest as possible in giving the data to avoid bias in answering the questionnaire and responding to the interview guide.

Accessing information in some departments like audit was difficult. However, the researcher informed the concerned officers about the purpose of the study as only for academic purpose and was allowed to access the information.

Absence from office by some of the respondents hindered data collection. This was solved through repeated visits until the respondents were met and provided the information for the study.

### *Ethical Considerations*

Ethical considerations in research are a set of principles that guide the research designs and practices (Lethlean, 2006). During the planning, collection and processing of data, the researcher followed a number of research guidelines to maintain ethical standards which included; seeking informed consent of the respondents and making it known that their participation was voluntary and they were free to withdraw from the study at any time. The researcher accorded due respect to the respondents’ privacy and confidential treatment so that the names of the participants and could not be identified. The researcher sought permission from De concentrated unit managers to gain access to collect data and the researcher was objective in conducting the research process to avoid bias on the findings. Respondents were informed that there are no benefits accruing from participation in this study. Respondents were also informed that there are no major risks as a result of participating in this study but there may be some issues like sparing their time off their normal schedule in order to participate in the study. This enabled respondents to participate in the study from an informed point of view.

### *Community engagement plan*

Goal	Inform	Consult	Involve	Collaborate	Empower
<b>Method</b>	Social media plat form like twitter, emails and WhatsApp	Pilot visits in the De concentrated units	Request through informed consent	-Sharing of resources -Social networking	-Respect their contribution -Respect their work schedule -Giving

					adequate information concerning the study
<b>Time frame</b>	1 <sup>st</sup> week	2 <sup>nd</sup> week	3 <sup>rd</sup> week	4 <sup>th</sup> week	Continuous

## V. RESULTS

This chapter deals with the presentation, analysis and interpretation of data gathered from the study population on the relationship between salary differentiation and job performance of employees in De concentrated units of the Ministry of Water and Environment. It consists of two parts. The first part is concerned with presenting bio-data information of the study population and part two deals with the presentation and analysis of the findings of the study.

### *Response Rate*

For this study, the response rate is the ratio of the actual number of respondents versus the targeted population. Out of the 190, respondents that were targeted to participate in the study, only 176 filled and returned the questionnaires including respondents that were interviewed. The response rate was  $176/190 \times 100 = 93\%$ . The researcher based on Amin (2004)'s recommendations that in a survey, a response rate of over 70% should yield valid findings. Accordingly, the researcher's response rate was 93% which was above what Amin (2004) recommended and hence was expected to yield valid responses. The good response rate is attributed to the importance attached to the issue of salary differentiation in the De concentrated units that has been a recent topical issue, hence respondents getting interested in taking part in the study.

### *Presentation of the Demographic Characteristics of the Respondents*

This section provides basic background information pertaining to sample population that helps to know the overall information of the respondents with the assumption that it might have some kind of relationship and shed light on the participation on Salary Differentiation and Employees' Job Performance in De concentrated Units of the Ministry of Water and Environment. Accordingly, the characteristics of the study groups were examined in terms of sex, age, education, years of service with Ministry of Water and Environment (MWE), level of seniority, field of study, terms of employment and first place of deployment. The summary of data is presented in the table 4.1;

**Table 4.1 Demographic data of the respondents (n= 176)**

Variables	Values	Frequency	Percent (%)
Sex	Male	71	41.0
	Female	105	59.0
Age	Below 30 years	30	16.7
	30-39 years	78	44.3
	40-49 years	53	30.0
	50 and above years	15	9.0
Education	Diploma and below	46	26.1
	Degree	85	48.2
	Post graduate	33	19.0
	Masters	12	6.7
Years of service	Less than a year	8	3.7
	2 years	15	9.0
	1-3 years	26	15.0
	4-7 years	100	57.0
	Above 8 years	27	15.3
Level of seniority	Principal and above	18	10.4
	Senior Officer	34	19.3
	Officer level	74	42.0
	Assistant officer	20	11.3
	Support staff	30	17.0
Field of study	Sciences	44	25.0
	Arts	132	75.0

Terms of employment	Permanent and pensionable	8	5.0
	Non-pensionable Contract	168	95.0
First place of deployment	De concentrated units	164	93.0
	Headquarters	12	7.0

Source: Primary Data 2023

Overall, the majority females (59.0%) participated in the study compared to their male counterparts (41.0%) whereas by age range, the majority were 30–39 (44.3%) at the time of the survey. The researcher was also inquisitive to determine the highest level of academic qualification that the respondents held. Overall (48.2%) of the respondents had degree level of education, 26.1% of the respondents had diplomas and below while the (19.0%) possessed post graduate level in education as (6.7%) possessed master's level. This depicts that most of the respondents were literate and hence were capable to explore the relationship between salary differentiation and employees' job performance in the De concentrated units in the Ministry of Water and Environment.

Majority of the respondents (57.0%) had spent 4-7 years working with the De concentrated units with the least (3.7%) having less than a year. Although they had spent some long period working in De concentrated units, their performance was still not satisfactory giving an impression that they would obviously abandon their current jobs given a greener opportunity elsewhere. The researcher also sought from the respondents about their level of seniority and the majority (42.0%) were at Officer Level with the least (10.4%) being at Principal level and above. Majority (75.0%) of the respondents were qualified in Arts subjects as those of science subjects were (25.0%). This could imply that scientists earn more than those with arts causing salary differentiation.

On terms of employment, the majority (95.0%) were working on non-pensionable local contracts as only (5.0%) were on permanent and pensionable scheme. This means that local contract terms were likely interfered with in terms of salary differences since they are awarded at the Ministry level compared to permanent staff who are appointed by Public Service with more official structures.

On the first place of deployment, the majority (93.0%) were first deployed at De concentrated units as only (7.0%) were initially deployed at the Ministry of water and Environment Headquarters and later transferred to De concentrated units. Those that are initially appointed and deployed in the De concentrated units are highly paid as per the salary structure of those units compared to those deployed at the headquarter with low salaries since they are recruited based on public service salary structure hence a cause for salary differentiations.

Regarding the determinants of salary differentiation in the De concentrated units of the Ministry of Water and Environment, the first place of deployment determines the salary an employee earns. This is because those who are appointed and deployed at the headquarters earn the public service scale yet those who are appointed and deployed directly to the De concentrated units earn highly because regions have their salary structure with higher salaries hence salary differences.

Also, the field of study plays a significant role in determining the salary differentiation such as scientists who earn highly than nonscientists due government policy of rewarding scientists highly.

With regard to the level of employees' job performance in De concentrated units of Ministry of Water and Environment, the terms of employment are major determinants of employee job performance. The majority of the staff are contract and therefore not certain of their job security hence this affects their level of performance negatively knowing that any time contracts could expire or be terminated whichever the case may be.

Concerning whether salary differentiation influences employees' job performance in the De concentrated units of the Ministry of Water and Environment, the level of seniority and years of service; by virtue of the level an employee is at, the level of earning is different for example a principal officer earns highly than just an officer and a support staff. Also, the level of education influences the level of earning but based on the Ministry's salary structures both at the ministry headquarters and De concentrated units.

Descriptive statistics were run in order to establish the determinants of the salary differentiations in the De concentrated units of the Ministry of Water and Environment and the result are presented in the table 4.2 below

**Table 4.2 Descriptive statistics on determinants of salary differentiation in the De concentrated units**

Statements	Frequency/Response (%)					Mean
	SA (5)	A (4)	NS (3)	D (2)	SD (1)	
There is salary discrimination at my work place in the Ministry of Water and Environment	79(45.0%)	60(34.0%)	21(12.0%)	9(5.1%)	7(3.9%)	4.4



Some of our colleagues are more superior than others in the Ministry of Water and Environment	50(28.0%)	25(14.0%)	76(43.0%)	15(9.0%)	10(6.0%)	3.0
Some of our colleagues receive less salary than others in the Ministry of Water and Environment	90(51.1%)	33(19.0%)	40(23.0%)	6(3.4%)	7(3.5%)	4.4
Not everybody can get a chance to fill a top position in the Ministry of Water and Environment	26(15.0%)	30(17.0%)	41(23.2%)	19(11.0%)	60(33.8%)	2.0
There is no equality of promotion in the Ministry of Water and Environment	97(55.1%)	31(18.0%)	23(13.0%)	5(3.0%)	20(10.9%)	3.0
Employees are not paid the same amount of salary for the same job done at my work place	121(69.0%)	19(11.0%)	29(16.4%)	7(3.6%)	0(0%)	4.1
All employees should be treated equally in terms of salaries	137(78.0%)	20(11.3%)	10(10.7%)	0(0%)	0(0%)	5.0
I receive the respect I deserve from my colleagues	19(11.0%)	34(19.3%)	111(63.0%)	7(4.0%)	5(2.7%)	3.0
The manager encourages me at work despite differences in pay	98(56.0%)	71(40.3%)	4(2.2%)	0(0%)	3(1.5%)	4.2
I am rewarded for the quality of my efforts in the Ministry of Water and Environment	2(0.6%)	3(2.0%)	27(15.3%)	53(30.1%)	91(52.0%)	1.3
Am paid fairly considering the work I do in this Ministry of Water and Environment	11(6.25%)	4(2.2%)	22(12.5%)	51(29.0%)	88(50.0%)	1.4
There is nepotism in terms of allocating salaries in the Ministry of Water and Environment	123(70.0%)	37(21.0%)	16(9.0%)	0(0%)	0(0%)	4.4
Employees play different responsibilities in the Ministry of Water and Environment	95(54.0%)	30(17.0%)	41(23.2%)	6(3.4%)	4(5.8%)	4.0

Source: Primary Data 2023

Table 4.2 shows responses on salary differentiation. On the response that; there is salary discrimination at my work place in the Ministry of Water and Environment, a mean response rate of 4.4 was obtained which meant agreement. This implies that most of the employees are discriminated at their work place in the De concentrated units of the Ministry of Water and Environment.

Another statement was that some of our colleagues are more superior than others in the Ministry of Water and Environment, a mean response of 3.0 was got which implied that they were not sure. This implied that employees are not well versed with the issue of superiority in the De concentrated units of the ministry of water and environment.

Concerning the issue that some of our colleagues receive less salary than others in the Ministry of Water and Environment, mean feedback of 4.4 was obtained which meant agreement with the statement. This implied that the question of salary differentiation is well known to employees and exist in the ministry of water and environment which could be impacting on employees' job performance negatively in the De concentrated units of the Ministry.

As asserted by one of the top management members at the headquarters *"I know and accept that salaries in the De concentrated units of the ministry of water and environment differs and management is aware, and a solution is under way to harmonize such discrepancies in salaries so as to resolve complaints among our employees at the regional levels."*

Regarding the statement that not everybody can get a chance to fill a top position in the Ministry of Water and Environment, a mean response of 2.0 was obtained which meant disagreement. This implied that employees don't see chances for everybody to be raised to a top position at their work place in the De concentrated units in the ministry of water and environment.

Another statement was that there is no equality of promotion in the Ministry of Water and Environment; mean feedback of 3.0 was obtained which meant that employees were not sure. This implied that the equality of promotion is not a well-known concept among the employees in the De concentrated units in the ministry of water and environment which could be a signal that there is no transparency and openness regarding promotion in this ministry.

Qualitative results disagree with quantitative ones where one management member stated *“As far as I know promotions are based on equality and merit considering the prerequisites or requirements needed for one to be promoted, so all are given equal chances to present their credentials and the most qualifying ones are promoted”*

About the statement that Employees are not paid the same amount of salary for the same job done at my work place, a mean response of 4.1 was got which meant agreement. This implied that indeed employees are not earning the same salary yet they are doing the same job with the same qualifications in the De concentrated units in the ministry of water and environment which could be impacting on the interpersonal relations among employees and in the end negatively demoralize employees at their respective De concentrated units.

Respondents were also asked for their opinion that all employees should be treated equally in terms of salaries; mean feedback of 5.0 got which meant strong agreement. This implied that it's the desire of all employees to get equal treatment in terms of salaries for all employees with same qualifications, same job and same work experience as this would create harmony and good working relations among all the employees; improving job performance in the De concentrated units of the ministry of water and environment.

Furthermore, respondents were asked to give their opinion on the statement that I receive the respect I deserve from my colleagues, a mean response of 3.0 was obtained which meant not sure. This implied that most of the employees were actually not sure whether they are respected at their work place or not and this could be a sign of dissatisfaction which in the long run could affect the moral of these employees hence affecting their job performance.

On the statement that the manager encourages me at work despite differences in pay, a mean response of 4.2 was obtained which meant agreement. This showed that in spite of the differences in salaries earned by employees, the managers still give them courage and emotional support to continue doing their jobs as probably their salaries could be raised in the future. This encouragement from the managers could be what is still keeping these dissatisfied employees at their work in the De concentrated units in the ministry of water and environment. Concerning the statement that I am rewarded for the quality of my efforts in the Ministry of Water and Environment, mean feedback of 1.3 was got which is a disagreement. This implied that employees don't feel appreciated and rewarded for their efforts put in their respective roles which is corresponding with the work they do in the De concentrated units in the ministry of water and environment. This could be affecting their job performance.

Again, respondents were asked to respond on the statement that am paid fairly considering the work I do in this Ministry of Water and Environment, mean feedback of 1.4 was obtained which meant disagreement. This implied that the question of fairness according to the employees does not exist in the De concentrated units in the ministry of water and environment as employees are paid different salaries although they possess the same qualifications and experience at the same time holding same position in the ministry.

More so, respondents were asked their opinion on the statement that that there is nepotism in terms of allocating salaries in the Ministry of Water and Environment, a mean response of 4.4 was obtained which meant strong agreement. This implied that there could be too much nepotism in the salary remuneration of staff for the De concentrated units in the ministry of water and environment which could explain the prevailing salary differences among the employees holding the same positions with same skills and experiences and is likely to impact negatively on their job performance.

Also, on whether there is nepotism, one of the management members said *“I am not really aware of that's since I have no evidence but who knows, some of such elements may exist in an organization like this one, that all I can say on this”*.

The last but not the least statement, was that employees play different responsibilities in the Ministry of Water and Environment, a mean response of 4.0 was got which meant agreement. This implied that different employees play different responsibilities in the De concentrated units in the ministry of water and environment and therefore this could mean different payments for staff.

Descriptive statistics were used in order to establish the level of employees' job performance in the De concentrated units of the Ministry of Water and Environment and the results are presented in Table 4.3 below;

Table 2.3 Descriptive statistics on the level of employees' job performance in De concentrated units

Statements	Percentage Response (%)					Mean
	SA (5)	A (4)	NS (3)	D (2)	SD (1)	
I am proud of working at the Ministry of Water and Environment	12(7.0%)	10(6.0%)	30(17.0%)	16(9.0%)	108(61.0%)	1.3
I love working at the Ministry of Water and Environment	19(11.0%)	20(11.3%)	90(51.1%)	28(16.0%)	19(10.2%)	3.0
I can work in every government Ministry gladly	110(62.5%)	24(14.0%)	18(10.2%)	10(6.0%)	14(7.3%)	3.3
It would be too hard for me to leave the work here in the Ministry of Water and Environment	17(10.0%)	15(9.0%)	45(26.0%)	50(28.4%)	49(26.6%)	1.8
I can do the regular work so that the Ministry of Water and Environment can reach the aims determined previously	16(9.0%)	23(13.0%)	137(78.0%)	0(0%)	0(0%)	3.0
I do my work fondly	122(69.3%)	31(18.0%)	0(0%)	10(6.0%)	13(6.7%)	4.0
Developments taking place in the Ministry of Water and Environment make me become hopeful for the future	102(58.0%)	17(10.0%)	11(6.25%)	25(14.2%)	21(11.55%)	3.0
I come to work pleurably every day	22(12.5%)	29(16.4%)	109(62.0%)	10(6.0%)	6(3.1%)	3.0
If I begin to work again, I will prefer working in the Ministry of Water and Environment	13(7.3%)	10(6.0%)	136(77.2%)	9(5.1%)	8(4.4%)	3.0
I am aware that the work I do is important for the Ministry of Water and Environment	144(82.0%)	32(18.0%)	0(0%)	0(0%)	0(0%)	5.0
The work that I do is worth doing	9(5.1%)	20(11.3%)	140(80.0%)	4(2.2%)	3(1.4%)	3.0
I can learn new things while doing my work at the Ministry of Water and Environment	128(73.0%)	30(17.0%)	4(2.2%)	14(7.8%)	0(0%)	4.2
The work that I do requires qualified people and everybody cannot do it	151(86%)	20(13%)	5(1.0%)	0(0%)	0(0%)	5.0
I can use my potential fully in execution of my work	59(34.0%)	80(45.4%)	31(18.0%)	6(2.6%)	0(0%)	4.0
I am aware of failures that the Ministry of Water and Environment will meet if I don't do my work as it should be done	133(76.0%)	27(15.0%)	10(6.0%)	4(2.2%)	2(0.8%)	4.3
We are like a family altogether with my colleagues	18(10.2%)	23(13.0%)	121(69.0%)	9(5.1%)	5(2.7%)	3.0
Teamwork is emphasized on rather than personal work by the Ministry	88(50.0%)	26(15.0%)	37(21.0%)	5(3.0%)	20(11.0%)	3.2
Work environment is quite peaceful	133(76.0%)	40(23.0%)	3(1.0%)	0(0%)	0(0%)	5.0
Discrimination among the employees is never made	0(0%)	3(2.0%)	10(5.0%)	70(40.0%)	93(53.0%)	1.3
There is always someone substituting me when I get medical complication or take a leave	89(51.0%)	41(23.2%)	13(7.3%)	13(7.3%)	10(11.2%)	4.0
I cannot live off the salary given, but for that bonus given four times a year by the Ministry of Water and Environment	146(83.0%)	20(12.0%)	10(5.0%)	0(0%)	0(0%)	5.0
I am hard up for money at the end of the months because my salary is inadequate	170(96.6%)	6(3.4%)	0(0%)	0(0%)	0(0%)	5.0
I have not been able to make savings adequately since I started working	125(71.0%)	36(20.4%)	15(8.6%)	0(0%)	0(0%)	5.0
My supervisors ask my opinion about the topics (issues, matters) related to the department in which I work	107(61.0%)	32(18.1%)	21(12.0%)	11(6.25%)	5(2.65%)	4.0
Managers share their experiences with the employees and allocate some time to them	161(91.4%)	4(2.2%)	3(2.0%)	8(4.4%)	0(0%)	5.0
My relations with the top administration (management) are usually fine	87(49.4%)	41(23.2%)	12(7.0%)	20(11.3%)	6(9.1%)	4.0

The Ministry of Water and Environment in which I work is sufficiently clean in general	171(97.1%)	5(2.9%)	0(0%)	0(0%)	0(0%)	5.0
Physical facilities (lighting, ventilation, noise etc.) of the building in which I work is appropriate for working	168(95.4%)	8(4.6%)	0(0%)	0(0%)	0(0%)	5.0
Number of equipment that are necessary to do my work is adequate	152(86.0%)	10(6.0%)	14(8.0%)	0(0%)	0(0%)	5.0
I approve the title rewarding policy of the Ministry of Water and Environment	20(11.3%)	16(9.0%)	18(10.2%)	99(56.25%)	23(13.125%)	2.0

Source: Primary Data 2023

From Table 4.3 respondents were asked to respond on the statements about job satisfaction and the first statement was that I am proud of working at the Ministry of Water and Environment, mean feedback of 1.3 was obtained which meant disagreement. This implied that employees are not satisfied with their current jobs hence given an opportunity elsewhere, they may leave their jobs meaning less employees' job performance on duty.

Another statement was that I am overjoyed because of working at the Ministry of Water and Environment, mean feedback of 3.0 was got which meant not sure. This implied that most of the respondents were not sure whether they are happy working with ministry of water and environment in the De concentrated units meaning that employees' job performance was hanging in balance.

On the statement that I can work in every government Ministry gladly, a mean score of 3.3 was obtained which meant not sure. Again, this implied that most of the employees were not sure if they could work in every government ministry which is also sign of dissatisfaction with their current jobs.

Regarding the comment that it would be too hard for me to leave the work here in the Ministry of Water and Environment, a mean response of 1.8 was got which meant disagreement. This implied that at any better opportunity, these employees are likely to leave their current jobs at the ministry which could mean that their performance is low.

Concerning the statement that I can do the regular work so that the Ministry of Water and Environment can reach the aims determined previously, a mean score of 3.0 was obtained which meant not sure. This implied that employees may not be able to do any regular work as per the responses meaning the level of employee job performance is low.

On the statement that, I do my work fondly, mean feedback of 4.0 was obtained which meant agreement. This implied that most of the employees are fond of their jobs at the ministry of water and environment meaning the level of employees' performance may be high.

Another statement was that developments taking place in the Ministry of Water and Environment make me become hopeful for the future; mean feedback of 3.0 was obtained which meant not sure. This implied that whether developments take place or not, employees do not think that it can change their plight in the De concentrated units of ministry of water and environment.

Respondents were asked to give their opinion on the statement that I come to work pleurably every day, mean feedback of 3.0 was obtained which meant not sure. This implied that most of the employees are not doing their job to their expectations because of the differences in salaries among themselves at the ministry of water and environment in the De concentrated units hence low levels of employees' job performance.

Also, another statement was that if I begin to work again, I will prefer working in the Ministry of Water and Environment, a mean response of 3.0 was got which meant not sure. This implied that most of the employees would prefer other opportunities elsewhere if they came to work again rather than in the De concentrated units of the Ministry of water and environment this means that the passion to work is low hence job performance.

In an interview with one of the top members of management, she had this to say "I think subordinates should be given an opportunity to move their labour elsewhere which in turn would earn them higher and equitable salaries.

Another statement was that, I am aware that the work I do is important for the Ministry of Water and Environment, mean feedback of 5.0 was got which meant agreement. This implied that most of the employees are aware of the importance of the work they do at the ministry.

The work that I do is worth doing was another statement, a mean feedback of 3.0 was got which meant not sure. This implied that most of the employees were not sure whether they should continue doing their work with the De concentrated units of the ministry and this affected their job performance negatively.

Another statement was that I can learn new things while doing my work at the Ministry of Water and Environment, a mean score of 4.2 was obtained which meant agreement. This implied that most of the employees were able to learn new things while on their work in the De concentrated units of the ministry of water and environment which meant a motivated employee and hence improved job performance.

Another statement was that the work that I do requires qualified people and everybody cannot do it, mean feedback of 5.0 was obtained which meant agreement. This implied that most of the employees were doing the work that is line with their training in the De concentrated units of the ministry of water and environment and hence good job performance.

I can use my potential fully in execution of my work was another statement presented to respondents for their say; a mean response of 4.0 was obtained which meant agreement. This implied that, staff believe in their potential in doing their current jobs in De concentrated units of the ministry of water and environment and therefore good job performance.

Concerning the statement that I am aware of failures that the Ministry of Water and Environment will meet if I don't do my work as it should be done, mean feedback of 4.3 was obtained which meant agreement. This implied that most of the employees don't want to risk the ministry by failing to perform their duties and therefore job performance was good.

Again, another statement was given to the respondents for their opinions that; we are like a family altogether with my colleagues; mean feedback of 3.0 was got which meant not sure. This implied that employees were not appreciating the importance of working as a family preferably due to salary differences at their work places. This meant that they work in bandwagon and therefore may not appreciate the importance of working as a family that results into high performance levels for the organization.

Another statement was about whether teamwork is emphasized on rather than personal work by the Ministry, a mean response of 3.2 was got which meant not sure. This implied that team work could be hampered by the prevailing differences in salaries among the employees which this study sought to establish and this hampers the levels of employees' job performance.

Respondents were also asked whether work environment is quite peaceful at the ministry of water and environment and mean feedback of 5.0 was obtained which meant strong agreement. This implied that employees are comfortable with the work environment in the De concentrated units of the ministry of water and environment which should trigger good job performance.

Respondents were further posed with the statement that; discrimination among the employees is never made, a mean feed-back of 1.3 was got which meant disagreement. This implied that the issue of discrimination is within the ministry of water and environment as per the findings of this study which demotivates staff and negatively affects job performance.

Also, respondents were asked to respond to the statement that there is always someone substituting me when I get medical complication or take a leave, a mean response of 4.0 was got which meant agreement. This implied that although staff earn different salaries, employees are always serious with their work in fear of being substituted and in the long run this could be positively affecting their job performance levels.

When asked about the cause of salary differences, one of the interviewees in management asserted that "*the salaries are determined by the public service based on the prevailing government policies and are always easy to adjust as they must go through a series of processes which are not under their control*".

I cannot live off the salary given, but for that bonus given four times a year by the Ministry of Water and Environment was a statement presented to respondents for their opinion; mean feedback of 5.0 was got which meant agreement. This implied that employees appreciate bonuses and allowances given to them in relation to the monthly salary they get. This could be that these bonuses help them to meet their day today expenses making their work enjoyable hence improved employee job performance.

I am hard up for money at the end of the month because my salary is inadequate was another statement to be responded to by the respondents; mean feedback of 5.0 was obtained which meant strong agreement. This implied that employees are forced to leave work early or miss some days in order to find other ways of survival which in the end affects the quality of their work in the De concentrated units of the ministry hampering their job performance.

I have not been able to make savings adequately since I started working; was another statement posed to respondents, a, mean feedback of 5.0 was got which meant agreement. This implied that with low pay got from the De concentrated units of the ministry, employees can hardly make any savings, this meant that they may be looking for alternative sources of income to enable them save and this hampers job performance since they cannot fully concentrate on the main job.

On the statement that; my supervisors ask my opinion about the topics (issues, matters) related to the department in which I work, mean feedback of 4.0 was got which meant agreement. This implied that employee's views and ideas are cherished or valued by the De concentrated units of the ministry of water and environment and this gives them morale to perform their duties diligently hence improved levels of job performance.

Also, respondents were asked to give their opinions on the statement that Managers share their experiences with the employees and allocate some time to them; mean feedback of 5.0 was obtained which implied a strong agreement. This implied that managers are social to their subordinates which could be



motivating the employees in performing their duties and responsibilities at the Ministry of Water and environment in the De concentrated units and therefore higher levels of job performance.

Concerning the statement that my relations with the top administration (management) are usually fine, a mean response of 4.0 was got which meant agreement. This implied that work relationship between top management, middle and lower level employees is good which could be positively affecting their work and job performance.

Another statement that needed opinion of the respondents was that; the Ministry of Water and Environment in which I work is sufficiently clean in general. Here, a mean score of 5.0 was scored which meant strong agreement. This implied that the work place environment was good enough to enable the employees perform their duties in the De concentrated units of the Ministry of water and environment which could be positively affecting their job performance levels.

The statement whether physical facilities (lighting, ventilation and noise) of the building in which I work is appropriate for working; gave mean feedback of 5.0 which meant strong agreement. This implied that the physical facilities are good enough to enable the employees execute their duties in the De concentrated units in the ministry of water and environment which could be positively affecting their job performance levels.

Regarding the statement that the number of equipment that are necessary to do my work is adequate, a mean feed-back of 5.0 was got which meant strong agreement. This implied that employees are well provided with most of the necessary equipment they need to perform their responsibilities which could be positively affecting their job performance levels.

The last but not the least statement was that I approve the title rewarding policy of the Ministry of Water and Environment and a mean score of 2.0 was got which meant employees were not satisfied with the title rewarding policy as it creates salary differences which in the long run negatively affect their job performance levels.

**Table 4.4 Correlation between Salary Differentiation and Employees' Job Performance**

A Pearson correlation coefficient was run in order to establish if there is a relationship between Salary differentiation and employees' job performance in De concentrated units of the Ministry of Water and Environment and results are presented in Table 4.4;

Correlations			
		Salary differentiation	Employees job performance
Salary differentiation	Pearson Correlation	1	.615**
	Sig. (2-tailed)		.000
	N	176	176
Employees job performance	Pearson Correlation	.615**	1
	Sig. (2-tailed)	.000	
	N	176	176

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data

Table 4.4, shows correlation results between Salary differentiation and employees' job performance in De concentrated units of the Ministry of Water and Environment. Findings reveal that Pearson correlation is significant ( $r = .615$ ,  $p < 0.01$ ). Therefore, salary differentiation showed a positive and significant relationship with employees' job performance. This implied that as salary differentiation gap diminishes, employees' job performance is positively impacted on.

### Model Summary

**Table 4.5 Regression Analysis**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.831 <sup>a</sup>	0.690	0.688	0.774

8. *Predictors: (Constant), Seniority, Different responsibilities, Discriminatory differences and Nepotism*

The study used linear regression model to determine the linear statistical relationship between the independent and dependent variables of this study. The model summary results revealed that the salary differentiation accounted for 68.8% variation in job performance of employees in the De concentrated units of MWE. This is indicated by an adjusted R-square value of 0.688. The regression results show that R was 0.831 showing a positive relationship between independent variable and the dependent variable.

Table 4. 6 ANOVA<sup>a</sup> Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	547.230	3	182.410	304.670	0.000 <sup>b</sup>
	Residual	246.071	411	0.599		
	Total	793.301	414			

a. *Dependent Variable: Employees' Job Performance*

b. *Predictors: (Constant), Seniority, Different responsibilities, Discriminatory differences and Nepotism*

ANOVA results shown in table above indicates that F statistic = 304.207 and the p-value = 0.000 hence the model can be described as being statistically significant considering the P value which is less than  $\alpha=0.05$ . This indicates that the overall model is statistically significant at 5% significance level. This implies that the model is a good fit and can successfully predict the dependent variable.

Multiple regression analysis was conducted so as to determine the relationship between the dependent variable and the independent variables as in Table 4.7 below;

Table 4.7 Regression Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.976	0.192	0.331	-5.072	0.000
	Seniority	0.148	0.056	0.126	2.630	0.009
	Different responsibilities	0.413	0.066	0.294	6.298	0.000
	Discriminatory differences /nepotism	0.478	0.047	0.477	10.24	0.000

*Dependent Variable: Employees' Job Performance*

### Regression Coefficient

Multiple regression analysis was conducted so as to determine the relationship between the dependent variable and the independent variables. The regression equation above indicates that taking all factors into account seniority, different responsibilities and discriminatory differences / nepotism being constant at zero, job performance would be 0.976. The findings presented also shows that taking all other independent variables at zero, a unit increase in seniority would lead to a 0.148 increase in job performance; a unit increase in different responsibilities would lead to a 0.413 increase on job performance and a unit increase in discriminatory differences/nepotism would lead to a 0.478 decrease in employees' job performance in the De concentrated units in the MWE. This infers that, different responsibilities contribute most to employees' job performance followed by seniority while discriminatory differences/nepotism decreases employees' job performance in the De concentrated units of the Ministry of Water and Environment.

### Documents reviewed

Results from documents were got and presented according to the resource documents that the researcher accessed and extracted information and these included;

Regarding recruitment policy; records showed that employees in the De concentrated units are recruited through two schemes, that is; main stream public schemes and local contracts schemes. Records also showed that most staff on public service scheme earn lower than local contracts hence creating age differential by virtue of the two schemes used in recruitment.

Also records pertaining salary enhancement policy indicated that the policy is based on science and non-science employees where the latter earns less than the former.

On matter of performance Appraisal, records showed that performance appraisal is periodically done for all employees regardless of the salary earned by an employee in the De concentrated units at the ministry of Water and Environment.

On the matter of staff structure, records showed that the structure is composed of senior staff (principal level), Senior Officers, junior officers (officer level), lower level officers (assistant officer level) and support staff.

The Ministry conducts quarterly and yearly internal audits on each De concentrated unit to check and advise management on the processes, systems and compliance to the existing laws and policies.

There are two staff salary structures in place. One is from Ministry of Public Service for staff on permanent and pensionable terms and another one for De concentrated units that was agreed on by the Ministry of Water and Environment and its development partners of 2014.

Each De concentrated unit had an attendance register book where staffs register as they report for duty and as they leave. This is analyzed at the end of every month and submitted to the Managers for management decisions.

The Circular Standing Instruction No.1 for the financial year 2021/2022 from the Ministry of Public service spelt out that the increased pay for scientists was for those in the main stream public service and therefore local contract scientists were left out creating salary differences among staff holding same positions

## VI. DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

### *Discussion of the Findings*

The first objective was to analyze the determinants of salary differentiation in the De concentrated units of the Ministry of Water and Environment. Using regression coefficient, it was established that seniority contributes most to employees' job performance followed by different responsibilities while discriminatory differences/nepotism contributes the least to employees' job performance in the De concentrated units in the Ministry of Water and Environment. Findings agree with Obeidat (2016) who asserts that not all pay differences between workers with similar jobs are illegal, although many people may find them inappropriate. A common reason for pay disparity is nepotism. The boss may hire a relative to start them in the business and advance their career. The relative may be hired with a job title identical to others in the firm but may be given a preferential salary due to the family ties. Similarly, a non-relative may be hired such as a friend, school chum, or someone the boss may want to carry favor with and offered similarly favorable salary terms not available to other organizational employees; these have a bearing on employee performance.

Findings are in line with (Herz, 2019) who says that different job responsibilities within the same job title or classification can factor into workers receiving different amounts of pay for what appears to be the same job. For example, two workers may both have the job title of administrative assistant, same qualifications and both may have been at the organization for an equivalent length of time. However, if the first worker is an assistant to a supervisor or mid-level manager while the second worker assists the company CEO, the two jobs entail different responsibilities and therefore different pay.

Findings concur with Candelo & Liu (2019) who assert that not all differences in pay can be explained by legitimate factors such as seniority or locality adjustments. Sometimes people with the same job title who have worked for the same length of time and who carry out similar responsibilities may still find that they are paid different amounts. Some differences such as favouritism, bribery, tribalism are discriminatory and a violation of the law. Although some discriminatory differences are indiscriminate and implied, they exert influence on the way employees perform their job in the organization and this subsequently may have a negative bearing on their job performance.

The second objective was to measure the level of employees' job performance in De concentrated units of Ministry of Water and Environment. Using correlation coefficient, it was found out that the level of employees' job performance relates positively with salary differentiation. Findings agree with Armstrong (2016) who says that performance isn't just a matter of what individuals accomplish but how they accomplish it. Performance is characterized by Sultana et al. (2012) as the achievement of specified tasks against predetermined or identified standards of accuracy, completeness, cost and speed. High performance is a stage towards the accomplishment of organizational goals and objectives. An employee performance is profoundly essential for an organization and the people working in it. Organizations require very performing employees to meet their objectives and to convey the products and services they are specialized in and finally to achieve a competitive advantage.

Findings area also supported by Gruman and Saks (2010) who argues that the performance management is an important part of an organizational success, therefore it should be closely monitored. Alder (2011) states that organizations are more interested in monitoring their employees' performance, therefore employees' performance monitoring helps the organization to evaluate whether the organization is receiving what it is paying for. The performance can be measured through different indicators such as, profit, revenue, and shareholder value, growth in sales, size and market price. Also, Blinder (2010) believes that employees usually accept that profit sharing and gain sharing are good for personal effort, company growth and productivity and for the company atmosphere. It has been observed that upgraded performance can enhance the job satisfaction as well as the employee performance, however there is no automatic and invariant relationship between these two (Katzell, 2015).

Findings are also in line with Senyucl (2019) who argued that an employer cannot take the employee commitment for granted, but have the potential to put in high effort to accomplish. The company will benefit from the increased employee productivity and performance by having employee participation due to high employee commitment (William et al, 2014). This shows that the employee performance is a dependent variable that needs to be motivated by the company philosophy and HRM to produce anticipated results.

The third objective was to determine whether salary differentiation influences employees' job performance in the De concentrated units of the Ministry of Water and Environment. Using correlation coefficient, it was found out that employee's job performance is influenced by salary differentiation in the De concentrated units of the Ministry of Water and Environment. Findings are supported by (Richardson, 2019) who says that a well-paid employee feels valued by his organization. He knows management isn't just paying him to get the job done; he's also respected for his expertise. This employee is more likely to be satisfied with his job and not feel the need to look for a similar position with better pay. However, an employee who doesn't feel like his organization is paying him a high enough salary is much more likely to look for and accept a higher paying position of a comparable nature at another company. In a study for Human Resource Management, Employee Job Satisfaction and Engagement survey, employees rated compensation as the third most important aspect of job satisfaction.

Findings are also in line with (Steers & Porter, 2011) who asserts that when a company doesn't pay its employees well, the general office morale is low. Many workers may need to get second job to make ends meet, which leaves them tired, overworked and resentful. Performance rates are typically low; as workers feel little motivation to exceed standards and absentee rates tend to be high. Employee turnover in these companies is often very high, as people don't want to work for a company paying below industry standards.

Findings are again in agreement with (Adams & Beehr, 2018) who says that the advantages of a high salary can often be eclipsed by performance-based pay. Using a performance-based pay strategy can provide a worker with extra motivation to do his job to the very best of his ability. This can be an effective way to align a worker's incentive to earn additional monetary bonuses with the goals of the company. If he knows he will receive extra money when achieving a target set by his supervisor, it's likely he'll do everything in his power to exceed expectations.

Findings are also aligned with Beutell & Wittig-Berman (2019) who states that Companies not only want to attract key employees, but also keep them by offering more stability in a competitive pay setting. Reducing employee turnover helps save search and hiring cost, cost of productivity and efficiency during the replacement process and reduces morale problems among other employees, and is one of the key benefits of paying employees more. When employees have satisfying pay and benefits, they spend more time on their work and less time scooping out better-paying opportunities.

Realizing their pay is fair compared to other companies and similar jobs makes it easier for employees to work through challenges of their work. This stability in employment helps the company maintain better organizational knowledge and the employee can find opportunities for internal development and promotion (Brief, 2018).

Study findings are also in line with Diener & Biswas-Diener (2012) who says that Companies that place too much emphasis on competing with pay may lack organizational culture or other forms of motivation. Pay can attract qualified employees, but over time, it usually takes other tools to motivate top performance. Responsibility, training and development, incentive pay and social activities are also important to motivating a workforce. Without these additional motivating tools, companies that only compete on pay may lose employees after a few years to better workplaces.

Findings agree with Deci, & Ryan (2010) who argues that competitive pay may offer external equity, but it lacks some of the motivation of pay-for-performance schemes. It does little to distinguish between employees working in the same job but performing at different levels. Since each job is assigned, a salary based on the job itself and not the individual; managers need to find ways to still encourage individuals to give their best. Some employers overcome this drawback by offering bonuses or sales commissions on top of base salaries.

## V. CONCLUSIONS

It was established that different job responsibilities contribute most to employees' job performance followed by seniority while discriminatory differences/nepotism contributes the least to employees' job performance in the De concentrated units in the Ministry of Water and Environment (Table 4.7). Findings point out that employee's job performance is influenced by salary differentiation in the De concentrated units of the Ministry of Water and Environment. This implied that as salary differentiation gap diminishes, employees' job performance is positively impacted on (Table 4.4).

### *Recommendations*

There is a need by the ministry of water and environment to draft a sound regulatory framework to regulate the way the remuneration of staff in the De concentrated units is handled with a view of eliminating salary differentiations among staff with the same jobs, qualifications and experience and with employment protection provisions that protect workers against possible abuses but at the same time do not prevent required job reallocation.

There is need by the Ministry of Water and Environment to provide relevant allowances to employees who get less pay compared to their colleagues so as to supplement their main stream salaries and be able to diligently perform their duties. This will eliminate the salary differences hence will improve job performance.

There is need to streamline and formalize appointment of contract staff under De concentrated units by Public Service Commission to avoid the distortions in salaries created by the Ministry of Water and Environment that currently recruits contract staff mostly in De concentrated units. This will motivate all the employees to perform their duties.

There is need by the Ministry of Water and Environment to engage with Ministry of public service so that the staffing and salary structure of De concentrated units is formalized in public service of Uganda. This will motivate all the employees to perform their duties as they will be certain of job security.

Finally, since staff working in De concentrated units which are located in different regions and under the project framework and modalities, the salary structure of 2014 as provided for in the operations manual should be strictly adhered to avoid salary distortions. This is a short term recommendation.

#### *Areas for Further Research*

- Contract and permanent and pensionable staff performance levels in the in the De concentrated units of the Ministry of Water and Environment
- Equal pay and employees' satisfaction in the in the De concentrated units of the Ministry of Water and Environment.

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*\*Corresponding author: Kiiza Elison*

*<sup>1</sup>(Faculty of Business Economics and Governance. Bishop Stuart University Mbarara, Uganda.*