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The impact of financial benefits on employee productivity: A case study of the joint clinical research centre in Lango Region, Northern Uganda

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Abstract

This study investigates the impact of financial advantages on staff productivity within the Joint Clinical Research Centre. It aims to explain the relationship between financial benefits and employee performance, highlighting their significance in enhancing engagement. Employing a mixed-methods approach, this research combines quantitative data gathered through a structured questionnaire with qualitative insights derived from interviews. The study utilizes cross-sectional survey methodology, sampling 142 participants, including team leaders and various staff categories affiliated with the Joint Clinical Research program. Data analysis involves descriptive statistics, correlation analysis, and regression analysis for quantitative data and content analysis for qualitative data. The study reveals a significant positive correlation between financial benefits and employee productivity, indicating that adequate financial incentives motivate employees to perform better. Regression analysis demonstrates that financial benefits can explain approximately 40.9% of the variability in employee productivity. The t-test results confirm a statistically significant association between financial benefits and employee productivity, rejecting the null hypothesis. Qualitative findings from key informants corroborate the importance of financial incentives in motivating employees and improving productivity. The study underscores the vital role of financial incentives in improving employee engagement and performance. Organizations, particularly in healthcare research, can leverage these insights to design strategies that enhance staff motivation, ultimately leading to increased productivity and better healthcare outcomes.

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1. Introduction

The origin and the historical development of employee benefit in organisations can be traced as far back as the period of human resource development during industrial revelation (Armstrong, 2010). It was during the period of industrial revolution which created the modern employment relationship that paved way for the coming up of large industrial organizations that employed thousands of wage workers hence there was need to device means of motivating them in order to make them be more productive (Armstrong, 2010). This emanated from the fact that employees were sensitized by labor organisations on the importance of improving their performance so that they can be looked at as people who are productive to the organization (Armstrong, 2010).

Globally, research consistently highlights the positive impact of financial benefits on employee productivity. Financial stability and rewards play a crucial role in employee motivation and engagement, leading to improved performance outcomes (Anari, Hasanzadeh, & Sanagoo, 2020). Employees who feel fairly compensated are more likely to invest their efforts in accomplishing work tasks, resulting in increased productivity and organizational success.

In Africa, economic stability and financial empowerment are important factors for individuals and their motivation at work. Financial benefits, such as competitive salaries, performance-based bonuses, and allowances, serve as vital incentives that can motivate employees and enhance their dedication and performance (Anari et al., 2020). Offering attractive financial compensation packages not only rewards employees for their contributions but also helps alleviate financial stress and allows them to focus on their work responsibilities. As a result, employees are likely to experience higher levels of job satisfaction, engagement, and commitment, leading to increased productivity.

Within the context of Uganda, economic challenges and income disparities are prevalent. Limited research specifically examines the impact of financial benefits on employee productivity at the JCRC in Uganda. However, findings from studies conducted in other sectors of the Ugandan economy provide valuable insights. For instance, a study by Tugume and Kimuli (2021) in the banking sector of Uganda revealed a positive relationship between financial rewards and employee productivity. Employees who perceived their financial benefits as satisfactory demonstrated higher levels of job satisfaction and were more productive. These findings suggest that financial benefits offered at the JCRC could similarly impact employee productivity by fostering job satisfaction, motivation, and commitment.

In summary, financial benefits play a crucial role in influencing employee productivity and job satisfaction, both globally and within the context of Uganda. While specific research on financial benefits and employee productivity at the JCRC is limited, insights from studies conducted in Uganda's other sectors and global research suggest a positive association. By offering competitive salaries, performance-based bonuses, and other financial incentives, the JCRC can motivate employees, alleviate financial stress, and foster a positive work environment conducive to productivity.

1.1. Theoretical Underpinning

The research was guided by two theoretical frameworks: Expectancy theory (Vroom, 1964) and social exchange theory (Homans, 1958). According to expectancy theory, people are driven when they have particular expectations and goals. It claims that three elements drive motivation: valence (the value people place on rewards), anticipation (confidence that effort will result in desired performance), and instrumentality (belief that performance will result in rewards). In the context of this study, Expectancy theory aids in the examination of employee benefits that can effectively encourage employees and boost their productivity.

Individuals make social decisions based on their perceptions of costs and rewards, according to social exchange theory. In the context of employee productivity, this theory helps explain how employees weigh the costs and benefits of their interactions with the organization, including the benefits they receive in exchange for their efforts. By considering social exchange theory, the study aims to understand how the provision of financial benefits can create a positive exchange relationship, leading to increased employee productivity.

1.2. Statement of the Problem

The Joint Clinical Research Centre (JCRC) recognizes the importance of studying the relationship between financial benefits and employee productivity within its unique context. While existing global and Ugandan literature highlights the optimistic impact of financial benefits on motivation, job satisfaction as well as productivity (Anari et al., 2020; Tugume & Kimuli, 2021) there is limited research specifically focused on the JCRC.

Therefore, this study aims to address the research question: How do financial benefits impact employee productivity at the JCRC? By investigating this question, the study seeks to fill a gap in the literature by providing insights into the specific impact of financial benefits on employee productivity within the healthcare setting of the JCRC. The study's findings will contribute to understanding the importance of financial benefits in the healthcare sector and provide practical recommendations for the JCRC to enhance its financial benefit programs, ultimately improving employee productivity and overall organizational success.

2. Literature Review

Global Perspective: Research conducted globally emphasizes the positive impact of financial benefits on employee productivity. Financial benefits, such as competitive salaries, performance-based bonuses, and allowances, play a vital role in encouraging workers as well as enhancing their productivity (Anari et al., 2020). Studies have shown that employees who perceive their financial compensation as fair and commensurate with their contributions tend to exhibit higher levels of job satisfaction, engagement, and commitment. This, in turn, positively influences their productivity (Anari et al., 2020).

Awino and Korir (2020) did a study to investigate the impact of financial incentives on employee performance. The study used an explanatory research methodology and included 435 manufacturing enterprises as participants. The respondents were chosen using proportionate, stratified, and basic random sampling approaches. The study's findings suggested that reward systems had a favourable and significant effect on employee performance. Similarly, Walters, Bamidele, Emmanuel, Nwanneka, and Benedict (2019) investigated the impact of reward schemes on employee performance in Cameroon. Profit-sharing and collective bargaining were proven to have a considerable positive impact on employee productivity in manufacturing enterprises. Flat-rate systems, on the other hand, were found to have a significantly detrimental effect on work values.

Gholitabar, Costa, and Tourian (2020) did a descriptive study to investigate the effect of monetary incentives on employee productivity. To collect data for the study, questionnaires and interview guides were used. The regression study revealed that financial incentives have a considerable favourable effect on staff productivity. Similarly, Chien, Mao, Nergui, and Chang (2020) investigated the impact of financial incentives on employee and organizational productivity. Questionnaires and interview guides were used to collect data for the study. The study's findings demonstrated that financial incentives have a considerable positive impact on staff productivity.

Darachart (2019) did a descriptive study in the Middle East to investigate the effect of monetary incentives on employee productivity. The study used a mixed-methodologies strategy that included both quantitative and qualitative methods. Self-administered questionnaires and interview instructions were used to collect data. Pearson's correlation and regression techniques were used to analyse the acquired data. The study's findings revealed that financial incentives have a considerable positive effect on staff productivity. Similarly, Serhan, Salloum, and Abdo (2021) investigated the impact of financial incentives on staff productivity. The study also found that financial incentives have a considerable favourable effect on staff productivity.

In the African context, financial stability and economic empowerment are significant concerns. Limited research has specifically examined the impact of financial benefits on employee productivity in Africa, including Uganda. However, it is reasonable to expect that financial benefits have a positive impact on the productivity of employees at the Joint Clinical Research Centre. Offering competitive salaries and performance-based incentives can enhance employees' motivation, job satisfaction, and commitment, leading to increased productivity (Tugume & Kimuli, 2021). Financial benefits also contribute to reducing turnover rates and attracting and retaining skilled employees, which further promotes productivity.

Widodo and Damayanti (2020) studied the impact of financial awards on employee productivity among 154 Indonesian public vocational high school instructors. Pearson's correlation and regression analysis were used to analyse the acquired data. The study's findings revealed that financial incentives had a considerable favourable effect on both employee and organizational productivity within the organization.

In Uganda, economic challenges and income disparities are prevalent. Although direct research on the effect of monetary benefits on workers productivity at the Joint Clinical Research Centre in Uganda is limited, studies conducted in other sectors of the Ugandan economy provide relevant insights. For example, a study by Tugume and Kimuli (2021) in the banking sector of Uganda found a encouraging association between financial rewards in addition to employee productivity. Workers who perceived their financial benefits as satisfactory exhibited higher levels of job satisfaction and were more productive. Similarly, it can be inferred that financial benefits provided to employees at the Joint Clinical Research Centre in Uganda would have a positive impact on their productivity by promoting job satisfaction, motivation, and commitment.

In conclusion, although specific research examining the effect of financial paybacks on employee output at the Joint Clinical Research Centre in Africa and Uganda is limited, studies conducted globally and within the Ugandan context suggest a positive association. Financial benefits, including competitive salaries, performance-based bonuses, and allowances, are likely to enhance employee motivation, job satisfaction, and commitment, leading to increased productivity (Anari et al., 2020; Tugume & Kimuli, 2021). Further research at the Joint Clinical Research Centre in Uganda would provide more insights into the specific impact of financial benefits on employee productivity in the Ugandan healthcare setting.

3. Methods

The study adopted both quantitative and qualitative approaches. Quantitative approach enabled the researcher gather numerical data with the help of the questionnaire while the qualitative approach enabled the scholar to gather narrative information with the support of the interview guide. The study used a cross-sectional survey methodology, which allowed the researcher to obtain data from respondents at one time or all at once. The population of the study was 142 in the category of the team leaders for Apac and Lira zones including the staff Tuberculosis and Human Immunodeficiency Virus (TBHIV) officer, Monitoring and Evaluation (M&E) officers, councillors, data clerks, linkages facilitators, peer mothers, clinical mentors and nurses) working in the respective health facilities under Joint Clinical Research program.

3.1. Population and Sampling

The population of the study was 142 in the category of the team leaders for Apac and Lira zones including the staff (TBHIV officer, M&E officers, councilors, data clerks, linkages facilitators, peer mothers, clinical mentors and nurses) working in the respective health facilities under Joint Clinical Research program.

Purposive sampling was used by the researchers to choose responders from the categories of zonal team leaders and unit in-charges. Simple random sampling techniques was used to sample other staff such as TBHIV officer, M&E officers, councilors, data clerks, linkages facilitators, peer mothers, clinical mentors and nurses.

3.2. Data Collection and Analysis

The researchers collected quantitative data from the field and ensured its completeness before entering it into a spreadsheet. To evaluate the quantitative data, they used the statistical software SPSS Version 23. To summarize the data, descriptive statistics such as percentages, mean, and standard deviation were used. The association between financial advantages and employee productivity was investigated using Pearson correlation analysis. Furthermore, regression analysis was used to examine the impact of financial bonuses on employee productivity while also taking into account other relevant characteristics. Qualitative data analysis involved content analysis, utilizing a thematic approach to identify recurring theme, category, and pattern in the data. Results presented the emerged themes and included selected participant quotations.

4. Findings and Discussion

4.1. Financial Benefit and Employee Productivity

The study findings demonstrate the significance of financial benefits on enhancing employee productivity at the Joint Clinical Research Centre. The positive correlation observed between financial benefits and productivity suggests that providing adequate financial incentives can motivate employees to perform better. The results also highlight the need for organizations to recognize the value of financial benefits as a strategic tool for improving employee performance.

Regression analysis was used to answer the question: How do financial benefits affect employee productivity at the JCRC? Table 1 displays the results of the regression.

Table 1. Model summary for regression.

Model	R	R square	Adjusted R square	Std. error of the estimate
1	0.649[a]	0.421	0.409	0.42021

Note: a. Predictors: (Constant), Financial benefit.

The model summary regression findings in Table 1 show an Adjusted R Square of.409, implying that financial benefit can explain approximately 40.9% of the variability in employee productivity. Table 2 shows the findings of the t-test between financial benefit and employee productivity.

Table 2. Coefficients.

Model		Unstandardized coefficients		Standardized coefficients		
		B	Std. error	Beta	T	Sig.
1	(Constant)	1.174	0.151		7.775	0.000
	Employee benefit	0.703	0.115	0.681	6.113	0.000

Note: Dependent variable: Employee productivity.

In the context of this table, Beta represents the standardized coefficient for the constant term. However, this Beta value is not typically interpreted in the same way as the Beta values associated with other independent variables. The Beta associated with the constant term is typically not as meaningful as the Betas associated with other variables. It essentially indicates how much the standardized value of the dependent variable (Employee Productivity) changes for a one-standard deviation change in the constant term, which doesn't have a real-world interpretation because it's not related to any specific variable or condition. The t-test results for the employee benefit variable yielded a value of 6.113, indicating that the likelihood of this result occurring by chance was extremely low ($p < 0.01$, 99% confidence interval, two-tailed). This shows that there is a statistically significant association between employee benefit and outcome variable. Basing on this finding, the null hypothesis that there was no significant effect of financial benefit on employee productivity at Joint Clinical Research Centre was rejected in favour of the alternate hypothesis.

The qualitative finding from the key informants interviewed revealed that;

'*Giving financial help to motivate employee to work hard as it boosts their level of income. Fair financial benefit help to improve on the level of productivity of employees since it makes them to work hard*'

The current study's findings are consistent with Rob Robles (2018) research on the impact of employee benefits on employee productivity at Nairobi's five-star hotels. Robles discovered a high positive association between employee productivity and cash benefits, retirement benefits, and social benefits. According to the study, financial advantages such as allowances also contributed to greater employee productivity. Similarly, the findings are congruent with the findings of a study conducted among Public Vocational High School teachers in Indonesia by Widodo and Damayanti (2020) which demonstrated a strong influence of financial awards on both employee and organizational productivity.

The findings of Chien et al. (2020) indicated that financial incentives in the form of pay and perks contribute to increased employee effectiveness and productivity. Similarly, Mansaray-Pearce, Bangura, and Kanu (2019) investigated the impact of financial incentives on employee productivity at the Sierra Leone National Revenue Authority. Their regression study found a significant positive link between monetary incentives and staff engagement. These findings are consistent with Korir and Kipkebut (2016) study on the effect of financial rewards on organizational loyalty among staff at Nakuru County colleges. Their research discovered that financial compensation management strategies have a considerable impact on organizational productivity.

The conclusions of this study are consistent with the findings of several other studies on the impact of financial rewards or bonuses on employee productivity. Awino and Korir (2020) for example, discovered a strong effect of financial awards on employee performance. Similarly, Walters et al. (2019) discovered that profit-sharing and collective bargaining improved employee productivity in Cameroon. The results also align with the studies conducted by Lumley, Coetee, Tladinyane, and Ferreira (2011); Gholitabar et al. (2020); Njanja, Maina, Kibet, and Njagi (2013); Enyindah and Bagshaw (2022); Hameed, Ramzan, and Zubair (2014); Kelechi et al. (2016) and Obasan (2012). These studies indicated that financial benefits had a considerable positive influence on employee productivity.

5. Conclusion

The study emphasizes the positive impact of financial benefits on employee productivity at the Joint Clinical Research Centre. The findings back up the idea that providing adequate financial incentives can considerably improve employee enthusiasm and performance. Understanding the relationship between financial incentives and productivity is critical for firms looking to maximize their human resources and increase productivity. Future research could explore additional factors and conduct comparative studies across different organizations to further enhance the understanding of the relationship between financial benefits and employee productivity.

6. Recommendations

The following recommendations are made in light of the study's findings emphasizing the favourable influence of financial incentives on staff productivity at the Joint Clinical Research Centre:

1. Enhance Financial Benefit Programs: The organization should further develop and enhance its financial benefit programs to ensure they are competitive, attractive, and aligned with employees' needs and preferences. This may involve conducting regular reviews of the benefit offerings, considering benchmarking against industry standards, and incorporating feedback from employees to tailor the benefits to their specific requirements.
2. Foster a Culture of Recognition and Rewards: In addition to financial benefits, it is essential for the organization to establish a culture of recognition besides rewards. Employing formal and informal recognition programs that acknowledge and appreciate employees' contributions can further enhance their motivation and performance. These programs can include employee of the month awards, public appreciation, or team-based recognition initiatives.
3. Conduct Employee Engagement Surveys: To gain deeper insights into the impact of financial benefits and identify areas for improvement, regular employee engagement surveys should be conducted. These surveys can provide valuable feedback on the effectiveness of the current benefit programs, measure employee satisfaction, and identify any gaps or areas that require attention. The feedback gathered can guide decision-making regarding the design and implementation of future financial benefit strategies.

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