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Remuneration Policies and Practices and Employee Financial Behaviour in Corporate Organisations in Uganda: A Case Study of Uganda Revenue Authority

The research looked at the extent to which remuneration policies and practices influence individual decisions regarding their personal finances. It was carried out as a case study in Uganda Revenue Authority as one of the corporate organisations in Uganda. Three elements of remuneration were studied: grade and pay level, employment terms and contingency pay. The sample respondents were examined to find out the effect of grade and pay levels on individual personal finance behaviour. Also studied was to establish whether employment terms have an impact on employee personal finance behaviour. In addition, this research assessed the influence of contingency pay on personal financial wellness. This was a cross-sectional study. The research design employed a descriptive survey method since the study was about describing the behavioural tendencies of employees under defined variables of the remuneration policies and practices. So, both qualitative and quantitative instruments were used using a self-administered questionnaire and an interview guide. Using proportionate stratified random sampling technique, a sample size of 336 was drawn from a population of 2115 subjects. Two hundred and seventy-eight (278) employees responded to the survey, which was a response rate of 85%. The respondents were both male and females drawn from all departments of the organisation and of differing ranks. The results showed that grade and pay level and employment terms have no significant relationship with the individual financial decisions whereas contingency pay showed a significant relationship with individual personal financial behaviour. These findings agree with earlier researches which recommend contingency pay as the remuneration element that can be used to motivate employees. The research concluded that remuneration policies and practices do influence employee financial decisions. The recommendations from the findings are that in designing pay polices less remuneration should not be looked at in totality but the different elements be reviewed independently because they do not influence individual behaviour in the same way.

Key words: Remuneration, Employee, Corporate, Revenue