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**THE IMPACT OF MONETARY INCENTIVES ON THE PERFORMANCE OF EXTENSION
WORKERS IN MBALE MUNICIPALITY, MBALE DISTRICT, UGANDA**

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ABSTRACT

The study was to analyze the impact of monetary incentives on the performance of extension workers in Mbale Municipality. The specific objectives of the study were to establish the impact of salary on performance of extension workers, to establish the impact of allowances on performance of extension workers and to examine the impact of bonuses on performance of extension workers in Mbale municipality. A descriptive survey design was used by the researcher in the study aimed at collecting qualitative data. The study population included policy implementers, policy makers from Mbale municipality. Both purposive sampling and random sampling techniques were used in the study. Data collected through questionnaires and interview schedule and observations was edited, coded, classified and tabulated. Field data was edited, coded and categorized into themes, there after; it was entered into a computer programme known as Statistical Package for Social Sciences (SPSS).The hypothesis was tested using a multiple regression, the results revealed a significant relationship between salary and performance of extension workers. The multiple regression model implying that the independent variable contributes 49.7% to the performance of extension workers. However, the findings revealed that the respondents were not satisfied with the salaries provided to them since the majority (67.9%) strongly agreed that their colleagues were always complaining about salary increments. The findings showed that allowances were equally important to extension workers since they facilitated policy implementation both within and outside the organization hence, they make workers feel part of the organization. Since bonuses are not regularly awarded to extension workers in Mbale Municipality, this means that their commitment to work has reduced which has a big impact on the productivity of the council. The study therefore recommends that since salaries are key motivators to the performance of extension workers in Mbale Municipality, therefore they should be paid to workers on time to encourage them work harder. Allowances to extension workers should be given more often especially field and transport allowances. This will ease their movement which will enable them be in touch with the community. Allowances will also enable workers be in office on time. The municipality should create more local avenues of taxation to generate more income to supplement salary in terms of allowances. The council should promote regular supervision upon subordinates by the superior at all levels is important on the performance of extension workers.