



**REWARD MANAGEMENT AND EMPLOYEE COMMITMENT IN COMMERCIAL  
BANKS IN UGANDA: A CASE OF STANBIC BANK UGANDA (SBU)**

**BY**

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## DECLARATION

I, Miriam Nalugya confirm that this dissertation is my original copy and has not been presented to any institution for an academic award.

Signature: .....

Date: .....

**APPROVAL**

This is to certify that this dissertation has been submitted to the School of Management Science in partial fulfillment of the requirements for the Award of a Master’s Degree in Business Administration of Uganda Management Institute with approval of appointed supervisors.

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Date: .....

## **DEDICATION**

I dedicate this Dissertation to God, who has solely granted me wisdom, grace, finance and ability to accomplish this research and to expand my Horizon. I also dedicate it to my family that has tirelessly rendered their moral support throughout my studies and my fellow MBA 14 students who have constantly encouraged and supported me to accomplish this course.

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## **ABBREVIATIONS**

CVI	Content Validity Index
DV	Dependent Variable
IV	Independent Variable
SBU	Stanbic Bank Uganda Limited
SBUL	Stanbic Bank Uganda Limited
UMI	Uganda Management Institute

## **ABSTRACT**

This study investigated the effects of reward management on employee commitment in commercial banks specifically at Stanbic Bank Uganda Limited. Specifically the study instigated effects of extrinsic rewards and intrinsic rewards on employee commitment in commercial banks in Uganda, a case of Stanbic Bank Uganda Limited. The study was based on Adams Equity Theory of (1963) where it was noted that employees are always seeking for equity and fairness between what they bring into the organization and what they get out in terms of rewards against the perceived inputs and rewards given to other employees. The research design was cross-sectional and was analyzed both qualitatively and quantitatively. Collection of data was done using the interview guide and Questionnaires. The study population was 220 employees of which a sample of 136 elements was selected using both simple random sampling and purposive random sampling selected out of which 118 respondents attended to the research which accounted for 86.8% response rate. I used a Statistical package for social sciences (SPSS) version 19 to analyse collected data. The Pearson Product Moment Correlation technique was used to assess relationship between the two variables and the regression analysis technique was employed to assess the magnitude of the relationship. The findings of the study revealed that both Extrinsic and Intrinsic rewards have got a significant effect on employee commitment. The study recommended that policy makers need to increase on the salaries offered to staff and to broaden on the Extrinsic rewards offered to staff especially the other benefits offered for example housing allowance, transport and that staff are given option to choose their medical insurance service provider instead of offering them one option . Management should also ensure that Bonus payment is equitably distributed among staff and that this reward policy is communicated to all staff within the organization. Future studies can be carried out on the effectiveness of the process of designing and implementation of these rewards.( to add findings)

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Introduction**

The study investigated reward management and employees' commitment at Stanbic Bank Uganda Limited. Employees' commitment was taken to be the dependent variable while reward management was taken to be the independent variable. Employees' commitment was measured in terms of staff turnover, attitude of the staff and absenteeism. Whereas reward management was the independent variables which included reward policies, Extrinsic and Intrinsic rewards.

The chapter presents introduction, background, the statement to the problem, purpose, objectives, research questions, research hypothesis, scope, significance and justification to the study.

### **1.2 Background**

This section comprises of historical, theoretical, Conceptual and Contextual background to the study.

#### **1.2.1 Historical background**

According to Shields and associates (2015), rewards are based on the different employee's needs. Some needs can be fulfilled with cash rewards yet other employees are more satisfied with incentives like car benefits, house rent, holidays, etc. Reward management systems should have a combination of cash and non-cash incentives so as to satisfy the expectation of all employees. Financial rewards are based on the concept of pay for your performance. They normally take the form of Basic salary, Bonus and commission among others.



Non-cash incentives can take the form of recognition, appreciation, and improvement in working conditions, increased responsibilities among others. (Garg and Rastogi2006). Torrington and associates (2009) concluded that non-monetary rewards can increase job satisfaction of the workforce within the organization.

Globally, employee commitment is taken to be a natural process for effective performance of individuals and organizations (Armstrong, 2005). Organizations are using different means and method to enhance employee's commitment and it is not surprising that commitment of employees to an organization is very fundamental for its success. Employee has a desire to reach their self-actualization motivational level in form of rewards (Dorenbosch & Veldhoven, 2006). Therefore, organizations must ensure that they put in place an overall reward system with both cash and non-cash elements to ensure that the level of commitment among Staff is sustainable

In Africa, it is very important for all organizations to retain its committed employees. Ivancevich, (2010), stated that committed employees work hard and perform their tasks with dedication. Organizational human development objective is to improve human capacity and increase its efficiency in order for it to achieve its strategic objectives. It is possible to build the capacity of the organization if all employees realize their responsibilities and accountability towards the organizational performance. The fact is that people influence a great number of aspects of organizational success. Therefore an institution should treat all employees as the most valued asset and should know what motivates them to be committed at work in order to reach their full potential. Organizations throughout the world have recognized the significant opportunity to attract, and retain key talents in this competitive environment. Managers have recognized that human resource and in particular key committed specialists are vital to the success of the institution and that they are hard to find and sometimes hard to keep.

In Uganda, employee commitment is increasingly becoming a major concern and a great challenge in Commercial Banks, more especially in Stanbic Bank Uganda Limited. Though a number of measures are put in place to address this challenge of employee commitment within Stanbic Bank, the situation has not improved as per the annual report (Stanbic Bank, 2016). If employee commitment is therefore not properly managed, it affects the Banks competitiveness in terms of service delivery adversely.

### **1.2.2 Theoretical background**

The study has been guided by Adams Equity Theory of (1963).

The theory asserts that individuals / employees seek to obtain equity between the efforts they bring to the job for example time, experience, education, and the output they receive from it for example recognition, increased pay, promotion among others against perceived efforts by other employees within the same organization. The theory proposes that employees who regard themselves to be under-rewarded can experience distress which can lead to efforts to restore equity in the organization. Hellriegel et al (2008:276) argue that such employees can decide to behave in a way that can severely harm the organization for instance they can decide to quit the organization hence the company losing its productive talent and the its competitive advantage. If uncommitted employees decide to stay in the organization, they can show a feeling of hostility to other employees and may react by holding back their efforts in to restrict output or can deliberately sabotage the production process putting the organization at a competitive disadvantage.

Lawler and O'Gara, 1967 observed that there was decreased production and decreased work quality among low paid subjects

Among the implications of this Theory is that there can be variation from person to person in the

value of inputs versus his outcome. An over compensated employees' outcomes may adjust or reduce according to either his purchasing power or according to the local market conditions. However, this theory is criticized that it is too simple to use and that there are many other variables that can affect people's perceptions of fairness and this varies from one person to another. Much of the test for equity theory was conducted in laboratories and not tested in real world

But besides its criticisms, was a very good theory to study employee commitment as a result of equitable reward management.

### **1.2.3 Conceptual background**

The research was guided by the above concepts of reward management and employee commitment. Boehm and Lyubomirsky (2008) posited that rewards have all the capacity to promote employee commitment. Its focus was on both the extrinsic and intrinsic where they concluded that these determine employee commitment. In a study that was conducted by Andrew and Kent, (2007), it was concluded that employees are so conscious of the type of reward system in place as well as performance recognition system in place since these are important variables in determining job satisfaction. Carragher et al, (2006) concluded that an organization should have a good reward system to retain high performing employees who have the ability to meet the strategic expectations. Mendonca (2002) noted from the expectancy theory that the rewards should be based on the principle that employee are motivated to perform well if they are aware that the existing rewards are based on good performance. Similarly, a study finding by Guest (2002) posits that rewards are key in meeting employee commitment and increased performance as expected by management.

In a research conducted by Tsai (2005) he argued that monetary rewards are very effective in meeting the expectations of individual employees and are key in employee motivation. Chin-Ju noted that rewards given in terms of pay for employee performance is the best for employees seeking to be intrinsically motivated though he also noted that this kind of method lacks long term results. Yousaf and associates, (2012) in his research focused on non-monetary rewards and in his findings noted that individuals involve themselves in social exchange processes which motivate them to gain rewards.

Similarly, Schaufeli and associates (2002) noted that reward system help in prevention of employee burnout. This is a phenomenon experienced by most employees. This can reduce employee commitment and it affects motivation and productivity adversely.. Bidwell et al, (2013) highlighted a strong relationship of staff payment and organizational profitability. From the findings it showed a big relationship between the reward system and employee productivity. The positive relationship indicates that higher remuneration can lead to higher productivity, commitment and vice versa. From the statistical tests carried out by Kehoe and Wright, (2013), the findings showed that a change in reward and recognition system can significantly lead to a change in employee commitment.

#### **1.2.4 Contextual background**

Before its independence in 1962, the Ugandan government owned most Banks and had control on the issue of both local and foreign currency. In the past 2 decades of 1990's and 2000's, the banking industry in Uganda underwent a significant restructure. During the early 1990's, the Ugandan government embarked on banking sector reforms where it mainly focused on improving the bank performance through strengthening of prudential regulations and

liberalization (Bategeka and Okumu, 2010). These reforms restructured the bank as an industry with advancement in computer technology that led to internet based and electronic banking. Consequently, changes were noted the banking operations, customer relations and inter-banking interactions. The above improvements affected the costs as well as revenue of commercial banks there by affecting performance between domestic and foreign commercial banks. Uganda Commercial Bank initially was privatized when majority of its shares were sold to a Malaysian company. Its second sale was done where the Standard Bank of South Africa emerged as the bid winner. It was later merged with the former Grindlays Bank renaming it Stanbic bank Uganda.

SBU is a Commercial Bank licensed by the national banking regulator, Bank of Uganda. The Ugandan government in 2005 listed its shares on the Uganda security exchange (USE) hence divesting its shares. Stanbic Bank Bank is now listed on the USE trading under the symbol SBU. Some of its products are mobile money, Internet banking, offers debit and credit cards and SME lending among others. SBU is owned by Standard Bank Group Limited and is a subsidiary of Stanbic Africa Holdings Limited.

Stanbic Bank Uganda Limited is mandated to provide high quality financial services and it has a mission of providing financial services suited to the needs of its customers while embracing latest technology and being innovative to become the leading financial provider. It has core values of empowerment where it empowers its clients to shape their destinies with self-empowerment opportunities. In this regard, the management of Stanbic Bank Uganda expects its employees to be devoted and committed to their job so as to efficiently and effectively serve the nation. However, it seems to be realizing a gap between employees and their commitment to work in Stanbic Bank Uganda Limited. It was under this context that the study sought to investigate reward management and employees' commitment at Stanbic Bank Uganda.

### **1.3 Statement of the Problem**

Commitment of employees is an incentive to the organization since a longer stay at the same organization helps the employee understand organizational goals. It is implored that commitment of employee to an organization can be visible when employees become more committed to their assigned tasks, creative at their work place and very sincere with duty, (Clugston, 2000; Riketta, 2002). From the study that was carried out in Malawi by Hurst in 2002 which focused on mobility of registered nurses between 25 and 30 years and above 30 years old revealed that nurses between 25 and 30 were likely to leave as opposed to above 30 years and above therefore more focus should be put on strategies that retain employees within the above age group. A lot of research has been conducted focusing on reward and employee Commitment as per Gohari et al. 2013, Syed, and Yan, 2012) but little has been done to vividly show the relationship between reward management and employee commitment in Commercial banks especially in Stanbic Bank Uganda. Several instances of long lines to the cash counters and poor attitude of staff while serving clients have been reported in in the bank. The level of staff turnover at Stanbic bank is overwhelming as these move to competitor banks like Standard Chartered Bank, DfCU bank, Diamond trust Bank, centenary bank presumably in search for greener pastures. This is likely to be attributed to poor reward policy which has led to de-motivation and job dissatisfaction. The study was therefore conducted to assess the effect of reward management on employee commitment in Commercial banks specifically in Stanbic Bank Uganda.

### **1.4 Purpose of the study**

The study sought to investigate the effects of reward management on the employee commitment at Stanbic Bank Uganda Limited.

## **1.5 Objectives for the study**

Objectives of the study were;

- i) To assess the effect of Extrinsic rewards on employee commitment at Stanbic Bank Uganda Limited
- ii) To assess the effect of Intrinsic rewards on rewards on employee commitment at Stanbic Bank Uganda Limited

## **1.6 Research Questions**

- ii) What is the effect of Extrinsic rewards on employee commitment at Stanbic Bank Uganda Limited?
- iii) What is the effect of Intrinsic rewards on employee commitment at Stanbic Bank Uganda Limited?

## **1.7 Hypotheses of the Study**

- i) Extrinsic rewards have a significant effect on employee commitment
- ii) Intrinsic rewards have a significant effect on employee commitment.

## **1.8 Conceptual Framework**

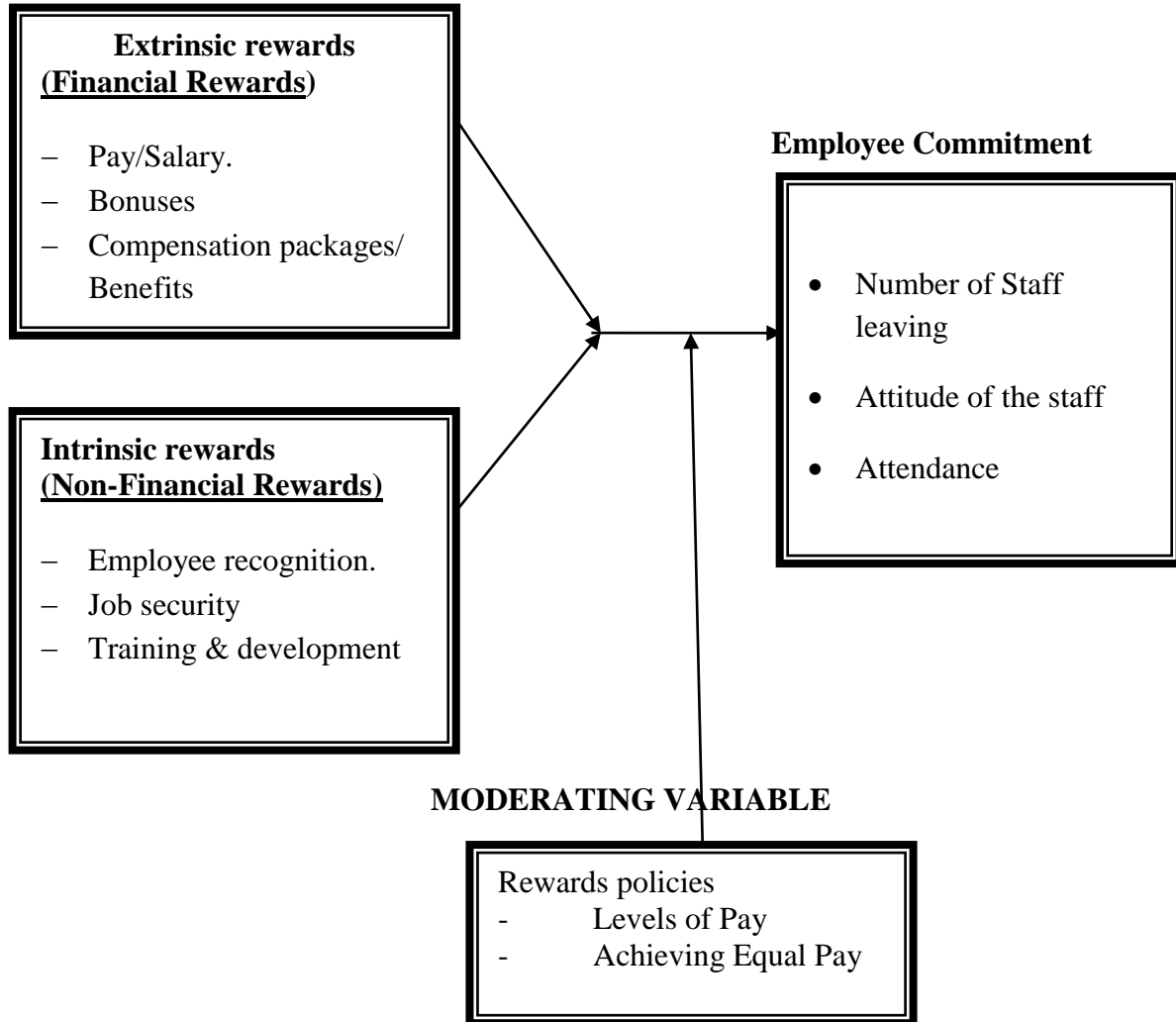
The study was guided by the conceptual frame work that depicted the relationship between reward management and employee commitment

**Figure 1: Conceptual framework of the effect of rewards and Employees commitment**

**INDEPENDENT VARIABLE**

**DEPENDENT VARIABLE**

**Reward Management**



**Source:** Adopted from the Levingers theory (1999) and modified by the researcher.

The above conceptual framework showed reward management as the independent variable indicators included; Extrinsic rewards which was measured in terms of Pay/Salary, Bonuses and compensation packages/ benefits while the second dimension will be intrinsic rewards and was measured in terms of employee recognition, job security and training and development. Whereas



employee commitment was shown as the dependent variable measured as number of staff leaving, attitude of the staff and attendance. Reward policy as moderating variable was measured as levels of pay and achieving equal pay.

The conceptual framework indicated that good reward management results into better employee commitment while poor and unfair reward management results into poor employee commitment hence affecting the organization.

### **1.9 Significance of the study**

The findings are to be useful to different categories of people in different ways:

The study findings may provide useful information to the policy maker's on how to make employees committed to the banks and how to reduce the rate of staff turnover by making employee committed not only at Stanbic Bank Uganda but also other Banks in the country. The study findings are also expected to identify reward management and commitment gaps which Stanbic bank management may need to address. In this way, solutions to the past failures may be sought, while consolidating the achievements at the same time. The findings of the study are hoped to provide up-to-date literature to academicians who may wish to carry out studies on reward management and employee commitment. It is thus believed that the study findings may stimulate further research. Conclusively, it provided the researcher with new knowledge to extend and develop more knowledge on employee commitment.

### **1.10 Justification of the study**

The reason for this study was to investigate the effect of reward policies and employee commitment at Stanbic Bank Uganda Limited in order to improve employee commitment. This also included bridging the gap between management and employees in as far as improving employees' commitment were concerned. The researcher was prompted to carry out this

investigation because employees' commitment at Stanbic Bank had greatly affected productivity as per SBU report (2016).

## **1.11 Scope of the study**

The study scope includes the content, geographical and time coverage of the study.

### **1.11.1 Geographical scope**

The SBUL Head Office at Crested Towers was selected for the study because it is the biggest branch in Uganda and it is where most of the customers including organizations go for banking services. The researcher is stationed in Kampala and can easily access the required information.

### **1.11.2 Content scope**

The study investigated the relationship between reward management on the employee commitment at Stanbic Bank Uganda Limited. The independent variable of the study was reward management and the independent variable employee commitment.

### **1.11.3 Time scope**

This study covered the period from 2013- 2016 because it was period information could easily be found on organizational performance of the bank. In this period is also when employee migration in banks is seen in the press. The period also shows in records the performance of SBUL; Published financial statements and staff lists 2013 – 2016 in form of SBU Annual Reports.

## **1.12 Operational Definitions of terms and concepts**

**Rewards** are defined as awards offered to employees for contributing towards organizational goals. They will be looked at in both monetary and non-monetary terms form.

**Rewards management:** Reward management refers to those processes, policies or strategies designed to ensure that employees contribution towards the organization is adequately recognized by employees using both cash and non-cash rewards

**Extrinsic rewards:** are those awards that are either financial or monetary in nature and these include wages, salaries, bonuses to mention. The assumption is that money may influence employee behavior or can shape employee attitude.

**Salary** is the monetary earnings by an employee for the job done. Salary paid should be both appropriate and competitive. It must be reasonably competitive to those working within the same industry and offering the same service

**Compensation packages and benefits:** These are rewards that are given on top of the salary to make employees more comfortable at their place of work for example housing allowance, transport allowance among others.

**Intrinsic rewards:** are those non-monetary awards given to employees to enhance employee commitment and performance. It gives employee's satisfaction derived from a job well done. They are defined as feelings of contentment that an employee finds for completion of a task because it brings a strong sense of meaning and responsibility. They may include recognition, Job security among others.

**Job security:** This means income security derived from employment, either permanent employment or self-employment.

**Recognition** It can come in terms of an open praise or awarding of certificate to an employee on achievement of the set goals or his involvement in the company activities

**Employee Commitment:** It is a psychological attachment of an employee to the organization

**Employee attitude** refers to how employees in an organization behave while executing their task and when serving clients. Attitudes can either be positive or negative views of a person.

**Reward policy:** A reward policy is a strategy that the organization puts in place to fairly and equitably compensate employees according to the value brought to the organization (Armstrong, 2003)

**Level of pay** Is the determination of how much an employed staff is to be paid either in terms of salary or wage based on a number of factors length of time working in an organization, level of education, rank, and difficulty of the specific work performed among others. Pay structure can either be specific or market based.

**Achieving equal pay:** It looks at a strategy put in place by an organization to ensure employees at the same level and performing the same job within the same working conditions, both female and male are paid equally.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

I looked at what has been published on the topic by renowned researchers. It presents a survey and discussion of the area under study. The purpose here was to review a selection of existing literature as presented in journals, textbooks, magazines, the World Wide Web and articles related to employee commitment. The chapter begun by giving a theoretical review of the key theories which were used to study employee commitment, related literature and finally presented a summary of the literature reviewed.

#### **2.2 Theoretical Review**

This study was guided on the Adams Equity theory of (1963).

The Equity theory was used as a guide for payment and motivation especially when it comes to quality and quantity of performance. The theory posits that all employees prefer to have equity between what they bring into the organization for example experience, .commitment and time among others and what they receive from the organisation forexample salary, Bonus promotion, increased pay and recognition among others and this is compared to perceived inputs versus outcomes of other employees within the same organisation. The theory proposes that employees who regard themselves to be under paid will be distressed hence efforts to restore equity in the organization. As noted by Hellriegel et al (2008:276) disgruntled employees may behave in ways that can be of potential harm to the organization for example leaving the organization hence loosing productive skills and loss of capacity to compete favourably.

An overcompensated employee may also later adjust his efforts or inflate the value of his inputs

to adopt a sense of superiority. Among the implications of this Theory is that there can be variation from person to person in the value of inputs versus his outcome. An over compensated employees' outcomes may adjust or reduce according to either his purchasing power or according to the local market conditions. However, this theory is criticized that it is too simple to use and that there are many other variables that can affect people's perceptions of fairness and this varies from one person to another. Much of the test for equity theory was conducted in laboratories and not tested in real world.

### **2.3 Reward Management**

Management of rewards is considered a process to develop, operate, implement and evaluate reward policies and practices that can identify, value and recognize employees based on the contribution they bring to the organisation. It should therefore serve as a motivator for employees to commit to the organization (Armstrong et al, 2010).

Armstrong (2012) noted that a reward management strategy should ensure that organizational objectives are supported by employees through the culture of performance. Karami et al, (2013) noted the importance of an effective and timely reward system enhance employee motivation employees' motivation which to improve employee commitment to the organization as well as organization achieving its goals. Wang and Fen, (2003) also noted reward management to be a strong variable that influence organizational performance and ethics. The reason is that rewards direct the overall attitude of an employee towards the Job

Heneman (2013) observed the objective of reward management is to ensure reward practices are aligned with employee needs. According to Armstrong (2012), reward strategies base on objectives of the organization and what it wants to achieve. Therefore, there must be an alignment of the reward practices with both the needs of employees and the business goals and

objectives. As noted by the Chartered Institute of Personnel Development (2007), this alignment creates employee satisfaction leading to high productivity which consequently assists the organization achieve its goals.

Fransson and Frenberg, (2008) noted that rewards can attract or retain high quality and talented employees therefore organizations must offer appropriate and attractive reward packages.

Armstrong (2012) posits an organization which provides competitive rewards will satisfy employees and this makes them want to stay in that same organizations for a long time leading to high employee retention levels. He further notes that reward defines the right behavior and outcome through expectations and outlined basic pay and performance management programmes.

In a Similar way Manas and Graham, (2003) pointed out that reward system may influence employee performance through deciding behavior which can lead to achievement of organizational objectives.

The reward system put in place by an organization will affects employee satisfaction and commitment levels (Ray tone, 2006). A fair reward system will play a dominant part in raising the morals of employees and an efficient /effective functioning of the organization.

### **2.3.1 Extrinsic Rewards**

#### **2.3.1.1 Salary**

Salary includes cash compensations directly provided by employers to employees for the work done. Salary consists of base pay and contingent pay. Base pay is based on pre-defined rates forexample time spent on the Job, work experience, educational among others contingent pay depends on the employee's performance for example merit increases, Bonus pay, incentive pay

among others. Basic pay can be paid annually, hourly or weekly. The weekly and hourly pay is also referred to as the time rate payment system. Basic pay can be classified as performance based pay where pay is related to the value of the Job done. Where base pay looks at the level of competency Armstrong, (2012). Job evaluations while determining base pay are intended to cater for both internal relativities and market demands to assess external relativities which help in determining a competitive base pay rate.

Empirical studies for example done by Harris, 2000; Kinnear & Sutherland, 2000; Maertz & Griffeth, 2004 and Meudell & Rodham, 1998 have cited factors that are key in motivating and making employee committed and retained in organizations which include a friendly working environment, a competitive salary, healthy interpersonal relationships among others. Salary structure should be considered appropriate, reasonable and competitive for employees within the same industry. Set company policies must be fair to include flexible dress code, working hours, vacations among others. The employees can be offered benefits for the family members, health care plans employee and other help programs. Work conditions must be safe and work tools must be maintained well and up to dated. Relationship between employees and peers plus their superiors must be acceptable with humility.

### **2.3.1.2 Bonus**

Sarwar&Abugre,(2013) observed that bonus payments increase employee Job satisfaction for the organization. It was also noted that dissatisfaction of employee within organizations offering less pay and other incentives was also recorded. incentives. Gohari at al, (2013) emphasized rewarding elements like Bonus pay, appreciation, empowerment and fringe benefits have got an impact on employee Job performance. Usha Priya, &Eshwar, (2014) were in agreement with past



studies which pointed out that bank employees give more value to monetary reward as compared to non-monetary rewards . Organisation have experienced that only big salaries are not enough to make employees committed but also other benefits (Thompson, 2014). Whitaker, (2009) noted that employees satisfaction can be satisfied with pay increase and bonus though its effects are shorter lived as compared to the motivating effects of non- monetary rewards. Non monetary rewards for example subsidized meals, condensed working hours, holidays and team building events were noted to improve employee satisfaction and encouraging employee commitment and loyalty to the organization. (Whitaker, 2009).

Helena (2013) in her study examined the effect of performance related bonus on employees with the case study of a Motor Vehicle Accident Fund in Namibia. The findings revealed that there is a substantial impact of performance -related pay bonus on the performance of employees. Edward, (2013) researched the role of employee bonus on job performance. The study confirmed that lack of good salary; bonus, rewards and recognition were common reasons for staff turnover. Feedback on employee performance is very crucial to build confidence in the bonus system of the Brewery. Garlick (2009) in his study requested employees to rank the incentives in order of preference. In his findings, cash bonus was ranked the most at 75%. It was also noted that money related bonus alone have much impact on performance, therefore other incentives should also be taken into consideration.

### **2.3.1.3 Compensation packages and benefits**

Today, high-performing employees are looking for employer flexibility, more interesting work, a feeling of being valued and opportunity for advancement and training being the main factors that influence their decisions to change jobs (Cunningham, 2002).

Conclusively, the researcher holds the view that, financial rewards are very important towards motivation of employees and therefore, the researcher will carry out this study in Stanbic Bank Uganda Limited to find out how financial rewards influence employee commitment.

## **2.3.2 Intrinsic Rewards**

### **2.3.2.1 Recognition**

From the study by Naveed, (2012), recognition as rewards have a direct internal impact on employee motivation and can increase their work efficiency. Petresca and Simon, (2008) noted that recognition refers to acknowledgement of employees' good performance. According to Harrison (2005), He observed that recognition of employees is seen an informed, timely and formal acceptance of employee's behavior and effort which directly supports organizational goals and values beyond the normal expectation levels. Here the employer acknowledgement employee's actual accomplishment and effort in achieving the set target which can either psychological, physically or both.

Employee are recognition differently in different organizations for example provisions of certificate of recognition, gifts cards, shopping vouchers, dinners ,thank you cards, trophies, and respect among others where it deserves, Nolan, (2012). Organizations have set up recognition programs forexample recognizing employee of the year, month, week schemes and long service awards. Studies by Ndeti et al, (2009) noted that failure to include recognition as a component in the reward policy is common in most organizations. Recognition is taken to be the least expensive type of reward yet it elicits more benefits from employees, (Corby et al, 2005).

According to Nolan, (2012), employees who accomplish their goals depending on the job and deserve be praised and recognized for this achievements by management.

### **2.3.2.2 Job security**

Job security refers to income security from either permanent employment, contract employment or self-employment. According to Auer (2007), security is derived from the level of supply of human capital of the qualified employees on one hand and the functions of the labor market and supply on the other hand. Job security as defined by Dekker, (2008) refers to protection against unfair and unjustified dismissals. Employment security means protection against unnecessary dismissal from the job (ILO,1995). In their study, Wilthagen, (1998), stated that Job security not only is it important for providing income security but also we should not underestimate the non-pecuniary benefits for example the sense of social participation, psychological effects on self-confidence and self-respect that it provides

### **2.3.2.3 Training and development**

Training directly impacts employee performance and commitment further affecting organizational performance because it creates Job satisfaction (Apospori et al, 2008). It helps the organizations function both effectively and efficiently (Moorman et al, 1993). Organisations should make investments in training programs in order to empower its employees in achievement of organizational goals Bassanini & Scarpetta, (2002). Training and development programs for mark valuable impact on effective and efficient functioning of the organization (Adeniyi, 1995). Meyer et al, (2003) noted that employee training is also related to socialization in the workplace and this contributes to employee retention through employee commitment, provides employees with means to deal with Job related stress and creates a culture of caring within the organization.

Training and development allows employees to see a future at the work place and also provides employees with the necessary support to face the on-going work related challenges.

Conclusively, research carried out on rewards as a factor for motivation and commitment tend to support two colleges of thoughts. One argues that financial incentives attract employee motivation and commitment, (Angle & Perry, 1983) while the other supports non-financial incentives (Brief & Aldag ,1983).

The researcher is in agreement with the above assertion that both monetary and non-monetary rewards are powerful and effective in influencing employees' commitment and this therefore has prompted the researcher to carry out a study in Stanbic Bank Uganda to find out how both monetary and non-monetary rewards affect employee commitment.

#### **2.4 The concept of employee commitment**

According to Price, (2011), employee commitment to the organization refers to the degree of involvement and attachment an employee has with organizational values and goals. It is the desire to stay in an organization if an employee has confidence in its principles and goals. Armstrong, (2012) states that commitment means allegiance and feelings of an employee to the organization. It signifies both behavior and the feelings.

Lee, (2010) concluded that commitment involves willingness of an employee to exert effort towards achieving organizational goals. Porter et al, (1974) and Armstrong, (2012) stated that commitment can be a link between an organization and individuals because employees always consider how and whether managerial objectives relate to their own values.

From the study conducted by Meyer & Allen, (1997) those employees considered to have affective kind of commitment are more motivated to act and make meaningful contribution to the

organization than those who showed continuance and normative kind of commitment simply because employee identifies herself with every aspects of the organization.

Coetzee ,(2005) , Beck and Wilson, (2000) noted that continuance kind of commitment is calculative because it focuses on employees' opinion where he evaluates risks , costs incurred and benefits on leaving or staying in the an organization. They look at the extrinsic rewards obtained from the organization and are lured to remain in there.

Meyer and Allen, (1997), and Lee (2010) stated that under continuance kind of commitment employees are aware of the costs are enthusiastic about remaining in an organization because of the personal attachment that cannot be transferred.

Meyer and Herscovitch, (2001) continued to argue that commitments can include behavioral actions a committed employee may take in form of Discretionary behaviors.

Committed employees are able to perform their duties beyond the s target (Bragg, 2002).A high level of commitment is indispensable in efforts to increase output and maintaining a sustainable competitive advantages (Whitener, 2001).

Mathieu & Zajac, (1990) in his study noted that commitment is positively related t personal characteristics forexample length of service in a particular organization, qualification (Glisson & Durick, 1988), marital status as noted by John & Taylor, (1999).

#### **2.4.1 Number of Staff leaving**

A number of factors make staff to leave one organization to another one though not all are negative impact on wellbeing of the organization. Therefore organizations need to learn to

difference between intended and unintended leaving then should only take action one they can control. intended leaving is caused by the employee's own choice for example after getting a job in another organization offering a better salary while involuntary leaving may be a decision by management for example dismissal after misconduct. Hence all resignations instigated by employees are intended resignation (Loquercio et al, 2006).

Other factors may be beyond control by management for example death of employee or incapacitation of staff. In the past voluntary turnover was associated to the need to take care for children or aged relatives. Currently that is seen as voluntary leaving since company policies and government regulations should be flexible to create a chance for those staff (Simon et al, 2007).

Staff leaving are also distinguished into dysfunctional for resignations of poor performers and functional turnovers for high performers. The concern to management should be the functional turnover since it affects the organization adversely. (Taylor, 2008).

A low number of employee leaving is acceptable because it eliminates poor performers while encouraging innovation and hard work with the entry of new blood. However , a high number of employee leaving may leads to low employee commitment hence ineffectiveness of the organizations resulting in high cost of recruitment (Ingersoll & Smith, 2003). Many authors regard at high number of employee leaving rates to negatively affect the profitability (Aksu, 2004. Curtis and Wright, (2001) posits that high turnover in an organization may damage quality of customer service which in a way provides a base for competitive advantage hence limiting business growth. As observed in a study by Hinkin& Tracey, (2000) that people who leave the organization are those who are more gifted since they have greater chances elsewhere. Staff

leaving results in movement of valued talent to competing firms (Stovel&Bontis, 2002). It is therefore desirable for management to put in place strategy to improve staff retention.

#### **2.4.2 Employee/ Staff Attitude**

Attitude taken to be a person's level of dislike or like of a certain thing or situation. They are either negative or positive views of an employee, thing or event (Bagherian et al. 2009. Eagly and Chaiken,(1998) noted that attitudes are a psychological tendency is expressed when people evaluate an entity with a degree of favour/ like or disfavor/ dislike. They can influence the individual's emotion and behavior. Therefore attitude relate to how an individual feel or react to his surroundings.

When employees are satisfied, they are happy and committed to their work. Attitude and job satisfaction is a collective effort of both management and employees. When employees enjoy their work, they may not need management motivation instead satisfaction attained from completing their work on time will motivate them (Robbins, 2004).

#### **2.4.3 Staff Attendance**

Effective management policies on attendance to improve employee commitment consist of management training of employees on importance of attendance, monitoring, recording and management of absence of employees. A review of attendance was done using a standard evidence-based review methodology which comprised of a clear literature where searching of paper selection was done based on predetermined standards and a critical assessment of these papers was done (Green, 2010).

Workplace attendance is of critical importance to any industry because it can increase cost of production and reduce the quality of a product which affects performance of the whole

organization. Absence also affects other employees because they are expected to work the extra load for the absentee in order to complete production. Work attendance or absenteeism is linked to factors like being disease-related incapacity. Armstrong (2012), posits that attendance is linked to working environment and indicators like industrial disruptions should not be ignored. Delays in work, absenteeism and declining production are specific signs that something is wrong hence need to receive immediate attention by the responsible authorities.

## **2.5 Rewards Policy as a mediating Variable**

According to Memon et al (2010), proficient organizational policies which include reward and other human resource practices are geared towards employee retention, satisfaction and performance.

Duncan & Reilly (2009) stated that reward policies which include incentive plans and bonuses are aspects of reward most researched on. They argue that high performing companies use bonus share and other incentive plans to reward their employee.

While Wilson (2014) adds that organization should define their compensation strategy based on existing reward policies if they want to attract, retain and commit employees.

However, in a study conducted by Armstrong, (2007) he stated that reward policies are a set of written guidelines used in decision making when managing rewards. He indicated what an organization and its management are expected set procedures on how rewards will be managed in given situations. Reward policies under the study were categorized as levels of pay and achieving equal pay. A study by Wilson, (2014) concluded that every organization should define their compensation strategy based on existing reward policies and processes hoping to attract and retain the desired talent.



Ajila & Abiola, (2004) observed that a well-designed reward package can influence employee performance since they were motivated to work harder. McShane & Von Glinow (2005), stated that motivation through pay was mainly based on seniority where the salary level is based on staff skills and competence.

According to Reichard et al, (2003) contingent pay allow upward adjustment of employee salaries and provides compensation for higher levels of performance.

Nielsen (2002), noted that decisions for reward policy on an organization's pay can be a high, medium or low pay depending on what it can afford or whether it is competitive in the labour market. CIPD (2001), also noted that employees who completed their assignment on time gave their own organizations confidence to be paid highly. From the report, there is need to have a fair and equal reward system because this will impact positively on employee and satisfaction and perception. Reviewing pay can increase the ability of any organization's queries by employee about its pay practices and this can better their overall performance and commitment.

## **2.6 Extrinsic Rewards and Employee Commitment**

Extrinsic rewards are also referred to as monetary or financial rewards for example salary, bonus pay, wages among others. In ideal situations money influences people's behavior and shapes their attitudes (Parker & Wright, 2001). He also adds that, salary can be used to attract and retain the work force. Lucrative remuneration packages are a broadly discussed factor in retaining employees. Rewards fulfill both the financial and material needs and defines the social status of an individual within an organisation. Njanja, (2013), noted that organizations also use contingency pay in rewarding employees who meet and exceed the set targets. Contingency pay is based on performance level, employee rank within the organization, career development, competence and skills exhibited by an employee among other (Armstrong, 2012). Tsai, (2005)

emphasized that monetary rewards when used should cater for expectation of individual employees in order to motivate and keep them committed. He also emphasized the concept of paying individuals depending on their performance which was identified as the most effective technique in maximizing the commitment of employees though its impact was noted to be short-lived .

Griffeth et al, (2000) concluded that if highly performing employees receive inadequate rewards, they can be forced to look out for alternative employment. Danish and Usman, (2010) also stated that reward effectiveness should identify and recognize high performers of the company in order to maximize their productivity as well as commit to the organization. Through the reward system, employees are given the perception that they are valued and their efforts are appreciated by the organization and in a way this boosts their morale and commitment to the organization. Boosted morale increases productivity for both the individual and the company. Yousaf and associates (2012) in their study concentrated on monetary rewards and resolved that employees who continuously participate in social exchange processes develop their own perception about the rewarding system. Employees always compare the reward received against their performance and express their satisfaction towards the reward system in the organisation.

Basing on the expectancy theory, Mendonca, (2002) opined that reward are to be based on the principle that employees can be motivated and committed to the organization if they realise that company rewards are linked to performance and commitment. Guest, (2002) concluded that rewards are a key motivator for employees to meet their performance expectation. Carraher, Gibson, and Buckley, (2006) opined that a good reward system can help the organisation to retain its high performing and talented employees. Andrew and Kent, (2007), illustrated that

reward system and performance recognition are some key factors for job satisfaction and commitment.

A study by Shield (2007) revealed that contingent pay incentive is used to encourage desired behaviors within an institution. Nevertheless, Armstrong and Mullis (2007) noted that sometimes these create discontent if they are perceived to be unfairly distributed and if they perceive that they are badly managed. Contingent pay schemes most cases rely on judgment of management if there are no proper procedures of measuring employee performance and competence therefore sometimes it is being biased. Gracci and Kleiner (2006) in their study noted that benefits are sometimes given to dismay staff turnover through an attractive work atmosphere to staff. Through employee benefits, employers can attract talented employees because they provide an employer with significant impact to choice making by an employee. Hong et al., (2005) also emphasized that most staff get attracted to work where there are enough benefits. Employee benefits therefore perform a significant role in organizational growth and improvement of employees' commitment to the organization. Conclusively, the researcher holds the view that, financial rewards are very important towards motivation of employees and therefore the researcher will report on how financial rewards influence employee commitment at Stanbic Bank Uganda Limited.

## **2.7 Intrinsic Rewards and Employee Commitment**

In a study conducted on effective performance by Jensen, McMullen, and Stark, (2007) non-monetary incentives are regarded key when an institution is to position its self as the best firm and that it also has an effect to increase employee commitment. Equally, Brewster and Mayrhofer ,(2012) stated the significancy of non-monetary incentives where they revealed the importance in enhancing employee commitment and performance. Scott, Yeld, & Hendry,

(2007) regarded non-monetary rewards as a tool in developing value in the reward program to justify outstanding performance. Fagbenle, Adeyemi, and Adesanya, (2004) in their assessment noted that application of non-monetary incentives increased productivity time and consequently enhanced brick laying productivity.

In her study, Keller, (1999) noted that non-monetary rewards motivates and helps to instil a sense of satisfaction for employees. Several studies showed that employees who are recognised at the work place get higher self-confidence and a feeling of willingness to embrace innovations and take up new challenges (Allen &Kilmann, 2001).Appreciated employee always achieve beyond organizational expectations and are likely to get more committed to the organization. Welsh et al, (2012), noted that such staffs are always confident and as a result end up being more reliable and the best employees in the organization translating into greater employee commitment. Despite its advantages, execution of non-monetary rewards is more difficult (Armstrong, 2010).

Researches into rewards as a way of committing employees tend to support two schools of thoughts in terms of both cash and non-cash rewards. One school argues that financial incentives are more efficient in attaining staff commitment (Angle & Perry, 1983) whereas the other insist that the other argues that non-financial rewards are more suited for motivating employees( Brief &Aldag,1983).

Torrington and associates (2009) in their study used the term non material rewards and concluded that these can increase job satisfaction for high performing employees. They further noted that these may include recognizing employee of the year, month or week, sharing success stories among others. In their study, they emphasized balancing both the intrinsic and extrinsic

rewards in order for the rewards system to sufficiently meet employee needs and consequently achieve optimization of employee commitment, inspiration and employee job contentment.

The researcher is in agreement with the above assertion that both monetary and non-monetary on-financial rewards are powerful and effective in influencing employees' commitment and this therefore has prompted the researcher to carry out a study in Stanbic Bank Uganda to find out how both financial and non-financial rewards influence employee commitment.

## **2.8 Summary of the literature review**

Conclusively, many studies were done some years ago and in different places not particularly at Stanbic Bank Uganda Limited. Therefore, this study has been carried at Stanbic Bank Uganda to cover the gaps and contradiction in the findings of Lee (2010) where he observed that employee commitment involves an employees willingness and devotion to exert efforts on behalf of an organization as a results of fair rewards and Meyer and Herscovitch (2001) who argued that employee commitment involve behavioral terms which describe the actions a committed or non-committed employee takes.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

In this part, the researcher presents some approaches which she used in data collection in order to respond to the research questions and to investigate the problem researched. It looks at the research design, population, sample size, data collection instruments, data quality control and data analysis..

#### **3.2 Research design**

A cross-sectional correlation survey design was used to conduct the study. According to Ezeani (2002), a cross-sectional survey is the best because it is used to gather information about the population at the same point in time. It was used since it is simple, least costly and less time consuming. The researcher was able to collect the data within the shortest possible time. The study also applied the quantitative and qualitative approaches. Quantitative research allows the researcher to measure and analyze data. It also makes the research findings more objective (Amin 2003). Qualitative research enables us to explore new areas, deal with value laden-questions, build theories, and to do in-depth examination of phenomena. The mixed approach was applied in sample selection, and data collection. Amin (2003) supports the use of a mixed approach because these help to analyse the research problem from all angles and to confirm the data accuracy.

### 3.3 Study Population

A study population is the total of given items or individuals with common characteristics of interest to the researcher (Amin, 2005). According to Neumann, (2006), a study population is the abstract of a large group of many cases of interest to the researcher where she draws a sample from which results are generalized.

The study population consisted of 220 as per (Annual Report of SBUL 2016) made up of these included 10 Managers, 12 Supervisors and 198 Officers respondents (Stanbic report 2016) in Kampala whom the researcher met at the SBUL Head office. The interviewed category of employees have enough knowledge in this area of study.

### 3.4 Determination of the sample size

This study was based on a sample size drawn from a selected population from the SBUL staff at the head office at Crested Towers. The sample size selected was based Krejcie and Morgan (1970 pp. 607-610) table. Krejcie and Morgan (1970) also states that each sub-group is to be treated as a population hence use the table to determine the sample size .

**Table 1: Sample size and techniques for collection**

Category	Population	Sample	Sample Technique
Managers	10	04	Purposive sampling
Supervisors	12	06	Purposive sampling
Officers	198	126	Simple random sampling
Total	220	136	

**Source:** Stanbic Bank staff List (2016)

### 3.5 Sampling Techniques and Procedures

In this study, the researcher made use of both the purposive sampling and simple Random sampling methods. Simple random sampling method was applied in selecting SBUL officers at Crested Towers because the researcher had to ensure that all respondents in this category had an

equal opportunity to be select. The researcher believed that all the respondents had all the needed information for the study. Best and Khan (2003) indicated that this technique ensures equal Chances to all elements to being selected and this also in line with Amin (2005). Before applying simple random sampling, the researcher constructed a sample frame with all the elements and then randomly did the selection of the sample using simple random sampling. Purposive sampling was used when sampling top administrators. Mugenda and Mugenda (1999) says that purposive sampling normally focuses on a specific characteristics of interest to the researcher in the population. People who do not fit the study are always eliminated and the most suitable candidates remain. The researcher used purposive selection approach while selecting the top administrators where he considered the level of education and work experience for one to be recruited into the sample and therefore purposive sampling technique was the most appropriate method for this reason.

### **3.5.1 Simple Random sampling**

The researcher used the above technique to select officers because according to Amin (2005), it avoided bias. The technique was selected because this category of these respondents had a large population.

### **3.5.2 Purposive Sampling Techniques**

Purposive sampling was used in selecting managers and supervisors who were targeted due to their knowledge and experience regarding the employees' commitment at SBU. The technique was used since the sample was to be taken from a smaller group and there was need to collect very informative data (Sekaran, 2003). Kothari, (2000) argued that sampling saves time and money, labor and the research findings were generalized to the populations from which samples were selected.



### **3.6 Data Collection Methods**

Both primary and secondary data were used in the research. Questionnaires and interviews were used to gather primary information administered to the respondents following systematic procedures as proposed by Nunnally & Berstein, (1994). Secondary data was obtained through review of existing literature on pension schemes.

#### **3.6.1 Primary data**

It is referred to as the first-hand information got from the field for a particular purpose (Groves, 2010). This data was collected using questionnaire and interviews. This source was preferred from other data sources because it gave first-hand information making the work more interesting and original (Aguti, 2011).

#### **3.6.2 Secondary data**

Sekaran, (2003) noted that secondary data is considered to be cheaper and faster to obtain than primary data. Secondary data is considered more flexible especially where survey data that was collected is readily available.

Secondary data is also defined as the second hand information or data collected and analyzed by someone other than the researcher. The researcher used secondary data got from the available documents on commercial banks in Uganda, SBU Annual reports, internet and magazines

### **3.7 Data Collection Instruments**

The study applied the following data collection methods to collect data; the use of questionnaires, face to face interviews, interview schedules and documentary review. According to Uma (2000), collecting data from multiple sources which gave a more comprehensive data base about the study area. Multiple sources also provided verification and validity while

complementing similar data in the research. This explained why the researcher used multiple data collection instruments to collect both primary and secondary data, focusing on employee commitment.

### **3.7.1 Questionnaires**

These are pre-analysed questions which give the respondent pre-defined alternatives to choose from (Sekaran 2003). Questionnaires have been used because they increase the degree of reliability due to the many items in them and they as well enhanced the chances of getting valid data, (Amin 2005). For example, for quantitative data, the Cronbach's Alpha Coefficient test was performed to check consistence. The Cronbach's Alpha Reliability Coefficient for Likert-Type Scales was done for each variable. The questionnaire consisted of closed ended questions. Both closed-ended and open-ended questions were used for qualitative and quantitative data respectively. These questionnaires were administered mainly to pensioners and the public service employees simply because these respondents were too many hence the questionnaires became the most convenient and cheapest means of collecting data.

### **3.7.2 The interview guide**

Semi structured interview questions were used in collecting qualitative data since its more flexible and leads to probing questions from Responses of the interviewee. According to Turner, (2010) this enabled in-depth exploration of the views of the respondents. The interview guide was distributed to Managers due to the nature of their area of responsibility and knowledge in the same (Sekaran, 2003). The researcher asked probing questions which were pre-determined. According to Turner, (2010) this enabled in-depth exploration of the views of the respondents. With interviews more clarification on the issue can be made and interpretation of facial

expressions. This is also in line with (Amin 2005). Interviews are good to capture qualitative data that needs answers beyond the likert scale measure of strongly agree, or disagree. Interviews can very well measure attitudes and this was part of purpose for their use. In addition interviews also gave the researcher an opportunity to capture some responses for certain issues which had been under looked using other instruments yet vital in the study.

### **3.8 Data Collection procedure**

Upon approval of the proposal, an introductory letter from the Institute was sought by the researcher allowing her to conduct the study. Primary data was obtained from employees of Stanbic Bank Uganda using a self-administered questionnaire. The researcher collected the questionnaires and information gathered were analyzed and then she wrote the final report.

### **3.9 Data Quality Control**

This ensured that data collected is reliable and valid

#### **3.9.1 Validity**

Jonathan Weiner, (2007) noted that validity can be measured as the degree of quantifying what a measurement variable can succeed in achieving what it is designed for. Variations from expected output can be caused by unsystematic events, inconsistencies or change in variable being measured. The researcher gave the data collection instruments to two experts to establish validity of data, evaluate relevance of the instrument, and to rate each item from the scale of 1-4. Upon performing the tests, the results got were 70% or 0.7 and above. So, the instruments were considered reliable according to Kathuri & Pal (1993) who concluded that validity content of 0.7 and above is acceptable and reliable.

### 3.9.2 Reliability

Reliability refers to the extent of consistence in results given by the instrument of measure on repeated application (Jonathan Weiner, 2007). When undertaking the research, the researcher critically analysed responses from questionnaire and compared it to the interview responses and observations observations of expressions. The researcher also confirmed responses with previous publications on the same issue.

For quantitative data, the Cronbach's Alpha Coefficient test of Linkert scale was performed. In statistics it measures reliability of internal consistency and psychometric test on a sample. Sekaran, (2003) noted that a reliability of 0.7 or higher from a substantial sample is considered reliable. The researcher performed the test and the results obtained were 0.7 and above hence considered reliable.

**Table 2: Reliability test for the instruments**

	<b>Variable</b>	<b>No of Items</b>	<b>Alpha</b>
1	Extrinsic rewards	17	0.789
2	Intrinsic rewards	17	0.790

**Source: primary data**

### 3.10 Data Processing and Analysis

Information was analyzed both qualitatively and quantitatively during planning stage, data collection and data analysis. So the researcher thought about data analysis when the study still at the design phase, when detailed plans for data collection were being made, after collection of data and when the report was being written and reviewed.

### **3.10.1 Analysis of Quantitative data**

Quantitative analysis is measures data with numbers. Its goal is to run a statistical analysis for data to be put in a numerical form.

Data was sorted using the SPSS method and analysed quantitatively. Correlations were computed in a sample that the researcher used. In this case the result is denoted by letter "r" which is sometimes called "Pearson's r.". "Pearson's r" establishes the level of linearity and ranges from relationship between variables and vice versa. "r" measures the degree of association between two variables .

Sekaran (2005), noted that when studying correlations, the study should be carried out in an organisation with natural environment with minimum interference and with no or minimum manipulation. According to Maki (2004) quantitative method use numbers to interpret data. The method is distinguished by emphasizing numbers and using statistical method (Palomba & Banta, 1999). Most studies with big numbers should be analysed using qualitative methods which normally stems from the hypothesis (Patton, 2002).

### **3.10.2 Qualitative Data analysis**

It mainly focuses on collection of non-numerical information. Unlike statistical analysis, qualitative data is used to draw patterns and get a general feel of the information. So, both content and thematic analysis these complement each other.

Further, from the study conducted by Denzin and Lincoln, (2004) qualitative data involves interpreting the research findings and Upcraft and Schuh (1996) stated that the method give a detailed account of events and situations plus observed behavior and attitude about a certain issue.

### **3.11 Measurement of variables**

The researcher used nominal, ordinal and Linkert type of rating scales of measurement as stated in (Mugenda and Mugenda, 2003) in designing of questionnaires. Background variables like marital status , gender were measured using nominal scale rating while variables like age, level of experience were measured with ordinal scale rating. The Linkert scale was used in data collection and measurement of variables.

The Likert rating scale was chosen because it measures perception, values, behaviours and attitudes of the respondents.

### **3.12 Ethical Considerations**

Ethics are a moral principle and the value influencing the way a researcher conduct his/ her research activities (Malhotra and Birks, 2002; Saunders et al, 2007). Churchill , (1999) noted that ethics apply to situations in which there can be potential harm of any kind to anybody .

In this study, all participants information was kept confidential and not availed to anyone unless with respondent permission. All respondents were informed of the risks involved and were told to give information willingly. . The study applied the principle; this required that interviewees giving information voluntarily. All the interviewees willingly participated in the semi-structured interview and in filing the questionnaire. In addition participants remained anonymous at all stages throughout the study.

## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

#### 4.1 Introduction

The chapter describes the data collected through both Interviews and questionnaire, analyses and interprets it based on each research objective from the study on how reward management constructs impact employee commitment at SBUL.

#### 4.2 Response rate

This section gives the response rate which is numerically presented in table 3 below;

**Table 3: Response rate according to data collection instruments**

<b>Respondents</b>	<b>Sample size</b>	<b>Response rate</b>	<b>Percentage</b>
Managers – Interviews	4	4	100%
Supervisors - Questionnaires	6	6	100%
Officers –Questionnaires	126	108	85.7%
<b>Total</b>	<b>136</b>	118	87%

136 questionnaires were distributed to the 136 respondents who were sampled but 114 questionnaires were returned and 4 respondents were interviewed making total response rate of 118 representing an 87% response rate. This was not far away from 100% response and this was very good response to the study. The response rate was in line with Lin (1976) who suggests that for reporting of findings, a response rate of 50% is acceptable, and that one above 70% is very good therefore the response rate of 86.8% was very good to be relied upon to produce results of the findings. The researcher also carried out unstructured interviews with 4 respondents. This method complimented the questionnaire because the researcher needed physical expressions and

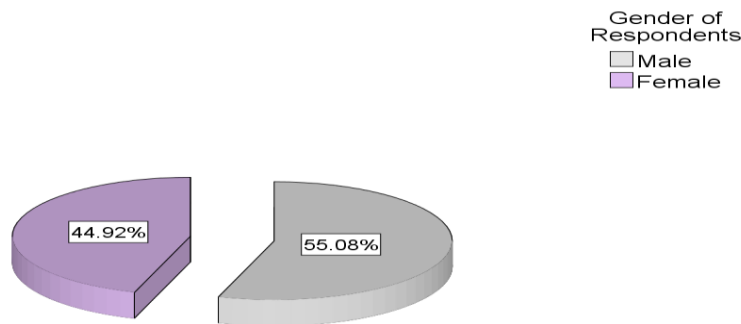
feelings from the respondents. The researcher got direct perceptions, observations, respondents' feelings and Quotations about the respondents 'attitude, belief, feelings and experience.

### 4.3 Background of the Respondents

This describes the background of respondents in terms of position, gender, age, level of education, marital status, employment status and length of time the respondents had spent working with Stanbic bank Uganda Limited. This information was helped the researcher get the right information from the most important respondents in the study.

#### 4.3.1 Distribution of Respondents by Gender

**Figure 2: Distribution of respondents by gender**



**Source: Primary data**

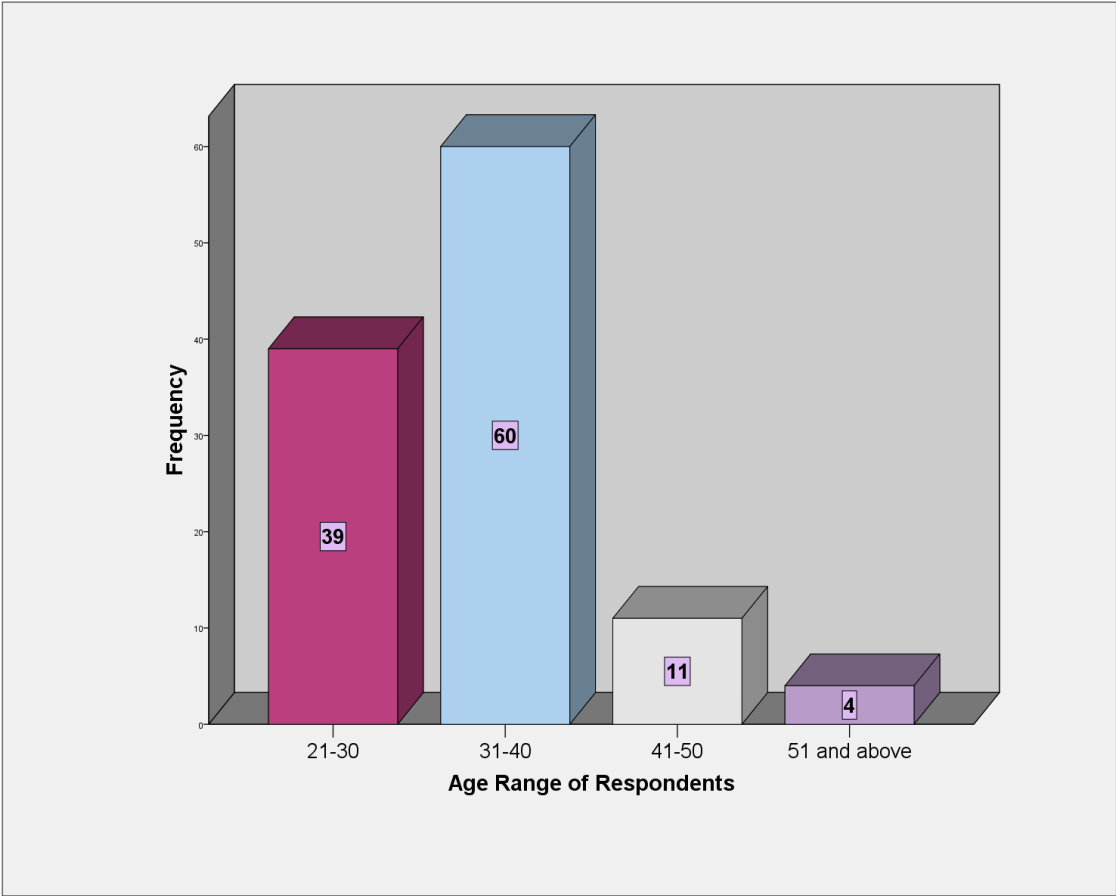
The figure 2 shows that 65 respondents were male who constituted 55.08% while Females were 53 constituting 44.92%. From this it is seen that most of the employees are males. This indicated that in most cases women have a lot responsibility and when they are absent for maternity leave or they are attending their children in hospital or anything else, the service suffers and this could also explain the big numbers of men employed by the bank that are committed their jobs. The researcher interviewed one female and 3males, therefore views of both sexes were captured



which is so important in understanding reward management and employee commitment at Stanbic bank Uganda. This shows that gender significantly explains the effect of reward management on employee commitment.

### 4.3.2 Distribution of Respondents by Age

**Figure 3: Bar Chart showing the various age categories of the respondents at Stanbic bank Uganda**



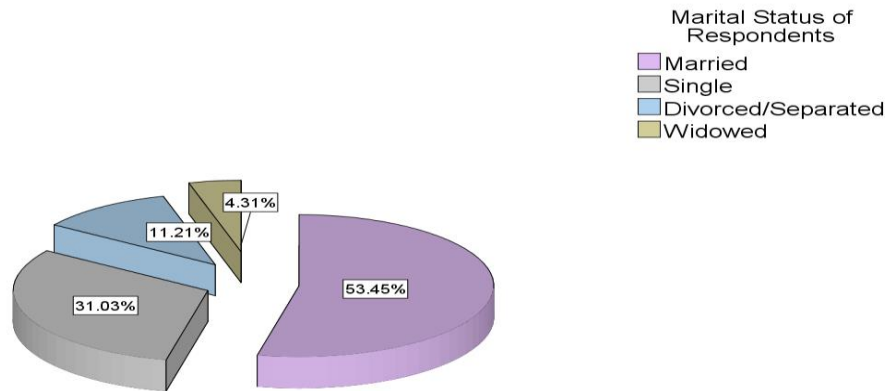
**Source: Primary data**

The bar graph above indicates that 60 respondents representing 52.6% of employees at Stanbic bank Uganda are in the age 31-40 years. 39 respondents representing 34.2% are between the age of 21-30 years. 11 respondents 9.7% of the employees are of the age 41-50 years. While 4 respondents are 51 years and above which constitutes 3.5% of the respondents. This implies that

age significantly determines the relationship between reward management and employees' commitment at SBUL.

### 4.3.3 Distribution of Respondents by Marital Status

**Figure 4: Pie Chart showing marital status of respondents at Stanbic bank Uganda**

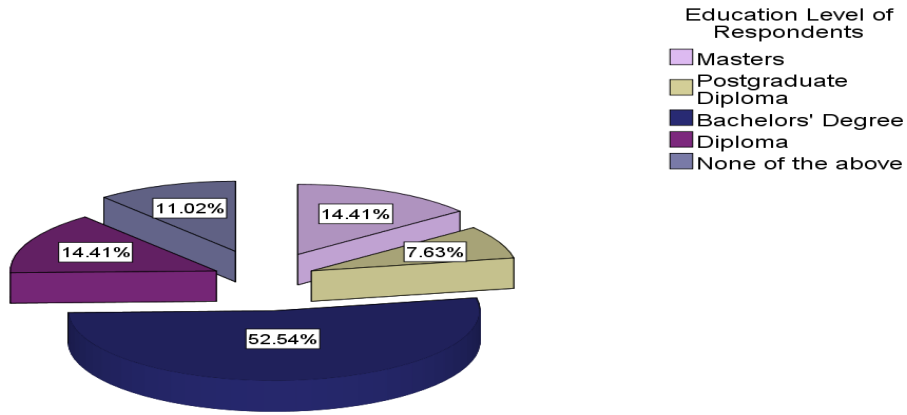


**Source: Primary data**

Figure 4 above, shows 53.45% representing 61 of the respondents are married, 31.03% (35 members) are single, 11.21% (13 members) are divorced/ separated while 4.31% (5) are widowed. This shows that majority of the respondents (61) are married. This implied that marital status has a significant effect on employee commitment at SBUL.

#### 4.3.4 Distribution of Respondents by Education level

Figure 5: Pie Chart showing the distribution of respondents by their level of education

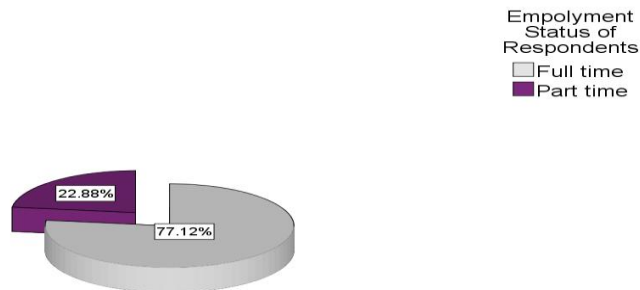


**Source: Primary data**

Response shows that majority of employees at Stanbic bank Uganda hold bachelors' degree shown by 60 respondents representing 52.54%, 14.41% representing 16 respondents have diplomas, 14.41% representing 16 respondents have Masters degrees, 7.63% representing 9 respondents have postgraduate diplomas and 11.02% representing 13 respondents have none of the mentioned qualifications. This implies that the bank mostly employs people with and above bachelor's degrees (105). This statistic indicates that the bank had qualified staff and had the appropriate skill and knowledge in handling the bank services and give it a competitive edge in the industry. This can increase performance of the bank given that highly educated staff understand the procedures well and are easy to adjust to new challenges and increase performance and this may explain the level of employee commitment.

### 4.3.5 Distribution of Respondents by Employment Status

**Figure 6: Pie Chart shows the distribution of respondent's employment status**

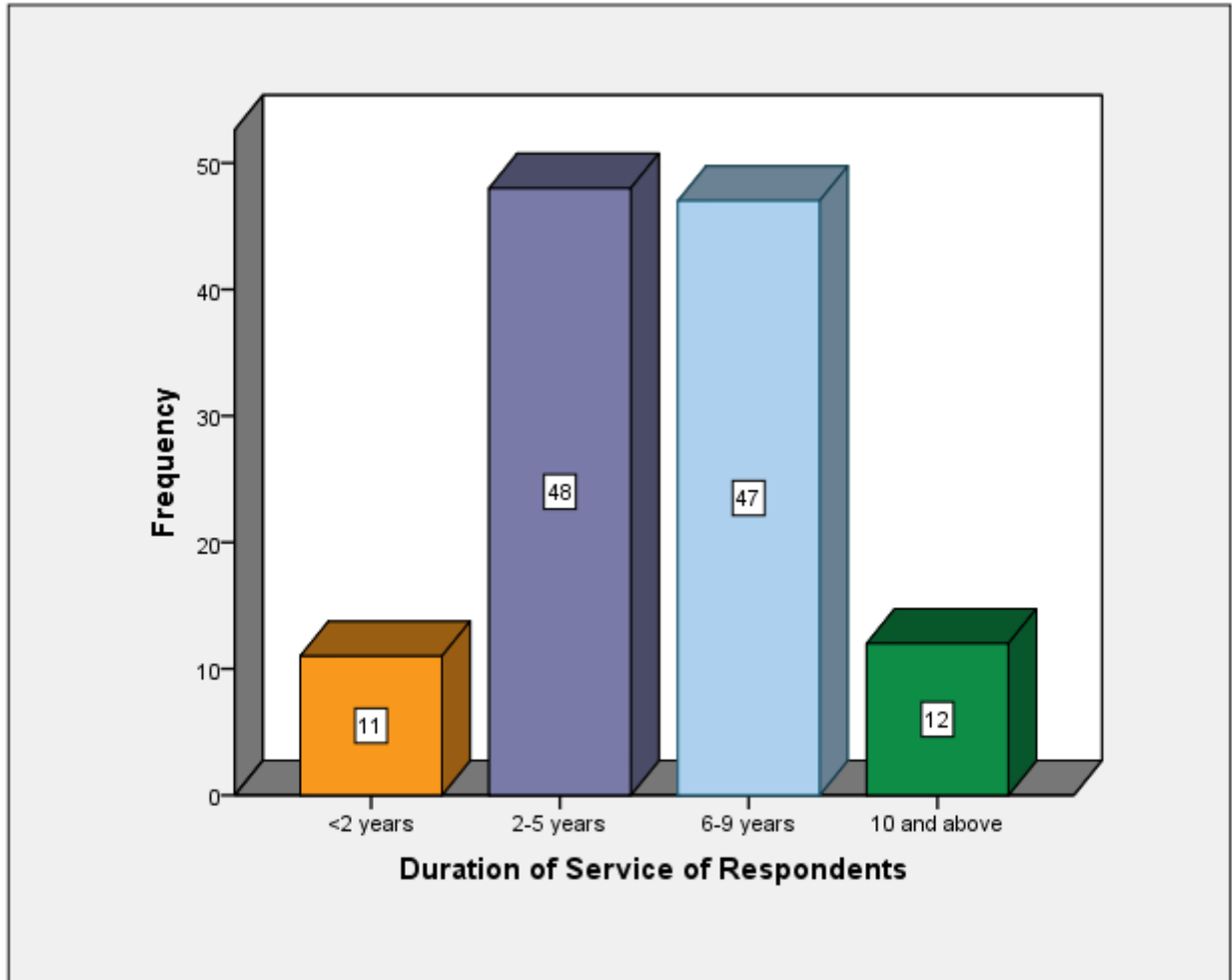


**Source: Primary data**

Pie chart 4.5 above shows that 77.12% representing 91 of the respondents are full time employees while the remaining 22.88% representing 27 are on part time. This therefore implies that employee status has a significant effect with employee commitment. The majority of respondents are full time employees hence are able to give the bank enough time to enable it meet its targets in time.

#### 4.3.6 Distribution of Respondents by Length of Service

**Figure 7: Bar Chart showing the distribution of respondents by the length of service at Stanbic bank Uganda**



**Source: Primary data**

Figure 7 above indicate that most respondents worked in the service for 2-5 years showing 40.68% representing 48 respondents, 39.83% representing 47 respondents spent 6-9 years. Those over 10years were represented by 10.17% representing 12 respondents and the last category which had spent in less than 2 years in service was represented by 9.32% showing 11

respondents. This therefore, implies that the employees who have worked for 2-9 years were satisfied with the reward management and are committed employee commitment at Stanbic Bank Uganda Limited.

#### 4.4 Presentation of the study findings.

This section provides results of the research objectives upon which this study was based. The presentation shows the testing of research objectives and presents views of respondents from the questionnaires and face to face interviews providing the descriptive statistics inform of frequency distribution and percentage to aid comparison and interpretation of results.

##### 4.4.1 Objective One: To assess the effect of Extrinsic rewards on employee commitment at Stanbic bank Uganda Limited.

Objective one examined the effect of Extrinsic Rewards on Employee Commitment. The findings about this objective were summarized on a Linkert scale as seen in table 4.

**Table 4: Distribution of respondents on Extrinsic Rewards and Employee Commitment**

Item	1	2	3	4	5	$\bar{X}$	Standard Deviation
	SD	D	UD	A	SA		
Pay structure at my bank is appropriate and reasonable.	22 (18.6%)	46 (39.0%)	5 (4.2%)	29 (24.6%)	16 (13.6%)	2.7542	1.37086
The pay I receive is about equal to others doing similar work in other banks	5 (4.2%)	30 (25.4%)	8 (6.8%)	53 (44.9%)	22 (18.6%)	3.4831	1.18201
My Salary is fair for my responsibilities at Stanbic Bank	11 (9.4%)	54 (46.2%)	6 (5.1%)	41 (35.0%)	6 (4.3%)	2.7863	1.15093
Salary is gradually increased periodically for all employees.	8 (6.8%)	7 (5.9%)	5 (4.2%)	71 (60.2%)	27 (22.9%)	3.8644	1.05341
Salary is always paid on time.	8 (6.8%)	18 (15.3%)	18 (15.3%)	51 (43.2%)	23 (19.4%)	3.19	1.269
Staff at the same level earn the same salary	7 (6.0%)	11 (9.4%)	12 (10.3%)	75 (62.4%)	14 (12.0%)	3.61	1.062

I benefit from the retirement benefit scheme put in place by the Bank	7 (6.8%)	17 (11.9%)	5 (4.2%)	75 (66.1%)	14 (11.0%)	3.87	0.833
There are allowances given to staff on top of salary in the Bank	3 (2.5%)	6 (5.1%)	13 (11.0%)	77 (65.3%)	19 (16.1%)	4.08	0.564
A fair per diem is paid to staff for out of station duty	6 (5.1%)	16 (13.6%)	6 (5.1%)	75 (63.6%)	15 (12.7%)	3.65	1.033
The Bank provides medical insurance for employees.	8 (6.8%)	19 (16.1%)	41 (34.7%)	49 (41.5%)	1 (0.8%)	3.71	0.725
The bank gives lunch allowances at the place of work.	1 (0.9%)	6 (5.3%)	27 (23.7%)	71 (62.3%)	9 (7.9%)	4.10	0.749
High-performing employees are always given compensation packages and benefits yearly.	3 (2.5%)	9 (7.6%)	7 (5.9%)	69 (68.5%)	27 (22.9%)	3.94	0.920
I count on making more money if i do good work.	5 (4.5%)	14 (12.6%)	10 (9.0%)	67 (60.4%)	15 (13.5%)	3.50	1.416
Annual bonus is paid to staff whenever performance exceeds set target	23 (20.2%)	5 (4.4%)	3 (2.6%)	58 (50.9%)	25 (21.9%)	4.37	0.729
The Bank pays overtime to staff who work beyond normal working hours	2 (1.7%)	11 (9.3%)	5 (4.2%)	55 (46.6%)	42 (35.6%)	4.08	0.975
I take an active role in my team's success for a better reward.	1 (0.9%)	2 (1.8%)	4 (3.5%)	94 (83.2%)	12 (10.6%)	4.01	0.543
At the bank, best performing employees are given bonuses monthly.	3 (2.5%)	7 (5.9%)	8 (6.8%)	83 (70.3%)	12 (10.2%)	4.20	0.662

Response on whether pay structure at my bank is appropriate and reasonable; 22(18.6%) respondents strongly disagreed, 46(39.0%) disagreed, 5(4.2%) were undecided, 29(24.6%) agreed while 16(13.6%) strongly agreed. These have revealed that majority of the employees are not satisfied with the level of pay for their services which calls for the need to change remuneration package by management.

Contrary to this, in the interview conducted one respondent said that the salary has been structured while considering a number of factors and feels that the earning an employee receives is commensurate to the time offered for work and the magnitude of one's task".

This implied that the pay structure is well thought and fits the duty load on employees and this results into employee commitment to the bank.

On the issue of whether the amount of salary received for the job is about equal to what others doing similar work in other banks receive; 5(4.2%) strongly disagreed, 30 (25.4%) disagreed, 8(6.8%) were undecided, 53(44.9%) agreed and 22(18.6%) respondents strongly agreed. Most of the respondents had information on how much other banks pay their employees and were quite contented that their services are appreciated for similar jobs elsewhere so they feel not worse off comparably. In addition, one of the respondents was quoted

*"Stanbic is one of the best paying banks in the banking industry and on top of that at least am very sure that my salary will be on my account by the 24<sup>th</sup> of every month"*

This implied that the employees at the bank are committed to their employer because salary paid by SBUL is reasonably competitive in the industry and so they would not wish to join other banks.

Responses on whether my Salary is fair for my responsibilities at Stanbic Bank, 66 respondents (55%) and 54(45.8%) strongly disagreed and disagreed respectively. 6(5.1%) were undecided, while 46 respondents, 41(35.0%) and 6(5.1%) agreed and strongly agreed respectively. This indicated that most of the respondents were contesting mismatch between salary and the size of



responsibility. Management is therefore faces the task undertake measures to ensure that these gap are narrowed to avoid complaints.

In agreement with this, an interviewee had this to say;

*“the salary we give is enough though human nature is known to be insatiable that one will want a pay that is high though they can’t qualify what is high but we have tried our best to give a good pay though not much as one would you want to fulfill their expectations”.*

This implied that Stanbic management has tried their best to have a competitive pay though it is not yet to the level that satisfies their employees.

Respondents gave their views on whether salary is gradually increased periodically for all employees and 8(6.8%) of them strongly disagreed, 7(5.9%) disagreed, 5(4.2%) were undecided, 71(60.2%) agreed while 27(22.9%) strongly agreed. Most of the respondents appreciated the fact that their salary rises annually which is an attractive motivation mechanism towards maintaining the services of employees with Stanbic bank Uganda.

This implied that the employees at the bank are well compensated for the duties which is an incentive for employee commitment

However, one respondent said that it’s true the increment is there but not so attractive because a percentage of between 2-4% of the salary which is seen as too low to be appreciated.

On whether salary is always paid on time; 7(6.8%) strongly disagreed, 17(11.9%) disagreed, 5(4.2%) were undecided, 75(66.1%) agreed and 14(11.0%) strongly agreed which meant that though sometimes salary payment is delayed; in most cases it’s paid on time.

This was also confirmed from one interviewee who strongly stressed that by 24<sup>th</sup> of every month, you are certain of your salary and if 24<sup>th</sup> falls on a weekend, then it’s paid before

Therefore, the expectations and morale of the employees is kept high which enhances their concentration and commitment to assigned tasks. This implied that paying employees on time results into employee commitment.

Response on whether staff at the same level earn the same salary 7(6.0%) strongly disagreed, 11(9.4%) disagreed, 12(10.3%) were undecided, 75(62.4%) agreed while 14(12.0%) strongly agreed. These figures reflect that there is a narrow financial gap created in the payment of staff which is likely to reduce tension and social conflicts over earnings. This implied that the salary policies are good and enhance employee commitment.

The issue concerning benefits from the retirement benefit scheme put in place by the Bank, 8(6.8%) respondents strongly disagreed, 14(11.9%) disagreed, 5(4.2%) were undecided, 78(66.1%) agreed, 13(11.0%) strongly agreed. This showed that majority of respondents who are employees of Stanbic bank Uganda are aware and they benefit from the retirement benefit scheme at the bank and therefore their work effort is stimulated which encourages their commitment with the bank.

Response on whether there are allowances given to staff on top of salary, 3(2.5%) respondents strongly disagreed, 6(5.1%) disagreed, 13(11.0%) were undecided, 77(65.3%) agreed while 19(16.1%). Most respondents recognized the additional pay they receive in excess of their salary which facilitates the satisfaction of their basic requirements and encourages them to stay committed to the job and they can always go extra mile to fulfill the bank's objectives. One interviewee confirmed that some of the additional benefits include lunch allowance for staff, medical insurance is provided. He however noted that there are still gaps in these allowances for example for lunch, the bank contributes only half and for medical only one option of the service provider is given. Management should do a lot to improve.

Statistics on whether a fair per diem is paid to staff for out of station duty; 6(5.1%) respondents strongly disagreed, 16(13.6%) disagreed, 6(5.1%) were undecided, 75(63.6%) agreed while 15(12.7%) strongly agreed. Truly according to majority responses, employees are satisfied with the facilitation that the offers them for any duty outside the work station. This implies that they are able to facilitate and sustain their needs in ensuring that the work requirements are fulfilled to the satisfaction of the Bank.

Opinions on whether the bank provides medical insurance for employees 8(6.8%) respondents strongly disagreed, 19(16.1%) disagreed, 41(34.7%) were undecided, 49(41.5%) agreed while 1(0.8%) strongly agreed. A big number of employees have been found out to be offered medical insurance which is a good step the bank has taken in ensuring a healthy workforce. This shows that the bank minds of the wellbeing of its staff.

However, we cannot ignore the fact that most people were undecided. From the interview most respondents were also not very contented with the medical insurance since there are so many challenges cited out for example limitation on the options of the service providers.

Also on whether the bank gives lunch allowances at the place of work; 1(0.9%) strongly disagreed, 6(5.3%) disagreed, 27(23.7%) were undecided, 71(62.3%) agreed while 9(7.9%) strongly agreed. These showed that the bank provides fringe benefits to employees in addition to the salary. This implies that work is never employees are committed. However, some interviewees argued management to provide full lunch instead of part payment to all staff.

Respondent's views were sought on whether high-performing employees are always given compensation packages and benefits yearly had 2(1.7%) strongly disagreed, 3(2.6%) disagreed, 6(5.2%) were undecided, 75(65.2%) agreed and 29(25.2%) strongly agreed. The results showed

that Stanbic bank Uganda has created a budget which recognizes and appreciates high performance among its employees as a way of encouraging others to work harder and aid the bank hit its targets. This is an incentive that has ensured employee commitment.

The question on whether if I do good work, I can be sure of earning some more money, 5(4.5%) strongly disagreed generated 14(12.6%) disagreed responses, 10(9.0%) were undecided, 67(60.4%) agreed and 15(13.5%) strongly agreed. By majority response, Stanbic bank Uganda has piece rate work system incorporated in its payment methods which favours the hardworking employees at the expense of their less hard working counterparts. This implies that employees are encouraged to work hard for money rewards and this leads to employee commitment.

Views on whether annual bonus is paid to staff whenever performance exceeds set target; 23(20.2%) strongly disagreed, 5(4.4%) disagreed, 3(2.6%) were undecided, 58(50.9%) agreed and 25(21.9%) strongly agreed. Most of the respondents accepted there is an annual bonus in place to reward exceptional employees which encourages them to work harder towards achieving organization objectives. This was confirmed in an interview with another bank employee who said;

“as a bank, we give bonuses at every end of year and also sometimes monthly depending on availability of resources, to the staff that produced exceptional performances for that period so as to encourage them and also motivate others”. These incentives have yielded wonderful results for the bank.

Respondent’s views on whether the bank pays overtime to staff who work beyond normal working hours; 2(1.7%) strongly disagreed, 11(9.3%) disagreed, 5(4.2%) were undecided, 55(46.6%) agreed while 42(35.6%) strongly agreed. These statistics showed the efforts put by management of Stanbic bank Uganda towards meeting its objectives with ease.

Ideas of respondents on i take an active role in my team's success for a better reward; 1(0.9%) strongly disagreed, 2(1.8%) disagreed, 4(3.5%) were undecided, 94(83.2%) agreed and 12(10.6%) strongly agreed. These results indicated that much the work is possibly driven by the team leaders without much involvement of the team members which creates backlog. However, work load can easily be cleared only with the involvement of each and every member in the team.

At the bank, best performing employees are given bonuses monthly 0(0.0%) strongly disagreed, 0(0.0%) disagreed, 3(2.7%) were undecided, 96(85.0%) agreed and 14(12.4%) strongly agreed. The majority response agreed with the fact that the bank recognizes best performers regularly on monthly basis and this was further affirmed by one of the interviewees who said that the bank offers monthly bonus to the best performing employee. This compels the employees to excel in their tasks thereby enabling the Stanbic bank Uganda to meet its monthly targets.

#### Correlations

Responses on team work showed that there is a strong spirit of team work where the tasks and achievements of the team are a collective responsibility of every member. This generates a sense of belonging and hence employee commitment.

On whether the best performing employees are given bonuses monthly, 3(2.5%) respondents strongly disagreed, 7(5.9%) disagreed, 8(6.8%) were not decided, 83(70.3%) agreed while 12(10.2%) strongly agreed. This implied that the motivation strategy in place is an enabling factor for employees to strive for the best work output hence employee commitment.

#### 4.4.4 Testing Hypothesis One

Extrinsic rewards have a significant relationship with Employee commitment at Stanbic Bank Uganda Limited. In verifying this hypothesis, a Pearson’s correlation Co-efficient (r) method was adopted in assessing the degree of the relationship depicted by (r)

Table 5 below gives Pearson’s correlation Coefficient for the two variables.

**Table 5: Correlation results for extrinsic rewards and employee commitment**

		Extrinsic Rewards	Employee Commitment
Extrinsic Rewards	Pearson Correlation	1	0.246
	Sig. (2-tailed)		0.002
	N	118	118
Employee Commitment	Pearson Correlation	0.246	1
	Sig. (2-tailed)	0.002	
	N	118	118

\*\*. Correlation is significant at the 0.05 level (2-tailed).

**Source: Primary data**

These study findings show a weak but positive correlation of (0.246) between extrinsic rewards and employee commitment. These findings were significant at (P <0.05 level). Therefore the earlier hypothesis which stated that “extrinsic rewards have a significant effect on employee commitment at Stanbic Bank Uganda Limited” was accepted. Thus, extrinsic rewards have a significant effect with employee commitment at 24.6% and therefore a need to develop a reward system that also considers extrinsic rewards.

**Table 6: Model Summary of extrinsic rewards and employee commitment at Stanbic bank Uganda**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.246 <sup>a</sup>	0.060	0.006	0.1667

a. Predictors: (Constant), Extrinsic Rewards

**Source: Primary data.**

In the table 6 above extrinsic rewards had R Square ( $R^2= 0.060$ ), which explains the degree to which a set of independent variables lead to variations in the dependent variable according to Mugenda and Mugenda (1999). This implies that extrinsic rewards which the independent variable is responsible for 6.0% variation in employee commitment (dependent variable) therefore the remaining 94.0% was contributed by intrinsic rewards and reward policies.

#### 4.4.5 Objective Two: To assess the relationship between Intrinsic Rewards and Employee Commitment at Stanbic bank Uganda Limited.

The findings of the objective were also derived from the questionnaires administered and interviews conducted. The measures of intrinsic rewards which consisted of employee recognition, job security, training and development were indicated in Table 7 below.

**Table 7: Distribution of respondents by their views on extrinsic rewards and employee commitment**

Item	1	2	3	4	5	$\bar{X}$	Standard Deviation
	SD	D	UD	A	SA		
There is a well-organized training program at the Bank	2 (1.7%)	2 (1.7%)	4 (3.5%)	61 (53.0%)	46 (40.0%)	4.28	0.767
The training programs at work have empowered all employees.	7 (6.0%)	12 (10.3%)	13 (11.2%)	51 (44.0%)	33 (28.4%)	3.78	1.148
The Bank provides training to improve on the employee skills.	15 (13.3%)	16 (14.2%)	13 (11.5%)	68 (60.2%)	1 (0.9%)	3.21	1.130
Employee training increases on the employee commitment.	1 (0.9%)	2 (1.8%)	3 (2.6%)	61 (53.5%)	47 (41.2%)	4.32	0.698
There is employee training regularly at the bank.	8 (6.8%)	10 (8.5%)	6 (5.1%)	55 (46.6%)	35 (29.7%)	3.87	1.156
Training and development programs are consistently	7 (5.9%)	11 (9.3%)	8 (6.8%)	53 (44.9%)	34 (28.8%)	3.85	1.143

evaluated.							
I take pride in my work and I feel valued on my team.	6 (5.1%)	24 (20.3%)	8 (6.8%)	47 (39.8%)	30 (25.4%)	3.62	1.1225
Management takes time to recognize my effort at the Job.	2 (1.7%)	1 (0.9%)	3 (2.6%)	57 (48.7%)	54 (46.2%)	4.37	0.738
Certificate of merit is given in recognition of staff for outstanding performance in different fields.	20 (17.1%)	41 (35.0%)	10 (8.5%)	35 (29.9%)	11 (9.4%)	2.79	1.297
The Bank organizes team building events for staff periodically.	5 (17.1%)	10 (35.0%)	9 (7.7%)	54 (29.9%)	38 (10.3%)	3.95	1.070
There is a monthly recognition of staff with outstanding performance.	7 (5.9%)	13 (11.0%)	10 (8.5%)	53 (44.9%)	33 (28.0%)	3.79	1.154
I feel a sense of satisfaction when my job is well done.	11 (9.6%)	23 (20.0%)	4 (3.5%)	68 (59.1%)	9 (7.8%)	3.36	1.171
Employees are always protected against unfair or unjustified dismissals.	10 (8.8%)	29 (25.7%)	9 (8.0%)	46 (40.7%)	19 (16.8%)	3.31	1.268
There is a disciplinary committee in place to hear out staff before a decision is taken regarding staff conduct	7 (6.0%)	20 (17.2%)	13 (11.2%)	63 (54.3%)	13 (11.2%)	3.47	1.091
Management often involves staff in decision making.	4 (3.4%)	18 (15.5%)	6 (5.2%)	72 (62.1%)	16 (13.8%)	3.91	1.095
There is free communication between management and staff.	7 (6.0%)	23 (19.7%)	4 (3.4%)	54 (46.2%)	29 (24.8%)	3.9744	0.90460
Employees are sometimes sacked for not meeting the set target	2 (1.7%)	7 (5.9%)	3 (2.5%)	59 (50.0%)	46 (39.0%)	4.64	1.221

Perception of respondents on whether there is a well-organized training program in the company

2(1.7%) strongly disagreed, 2(1.7%) disagreed, 4(3.5%) were undecided, 61(53.0%) agreed



while 46(40.0%) strongly agreed. This showed that Stanbic bank Uganda does not overly depend on the qualifications of its employees but rather put in more resources to enhance their skills so that the predetermined targets are easily attained. The position from an interviewee seemed to agree with what most respondents in the questionnaire indicated.

An interviewee had this to say;

*“Actually in the banking industry, Stanbic Bank known as the training ground for other banks. An evaluation is made after every training and a pass mark of 80% should be attained by staff or you are reschedule for another training”.*

When they were asked whether the training programs at work have empowered all employees 7(6.0%) strongly disagreed, 12(10.3%) disagreed, 13(11.2%) were undecided, 51(44.0%) agreed while 33(28.4%) strongly agreed. This implied that the employees have been able to benefit from the training programs organized by the bank, still on, a manager who was interviewed had this to say ‘we as managers always try to arrange for enough trainings of the staff because that’s the only way how we can empower them to strengthen our business in these volatile situations’

Data collected on whether the bank provides training to improve on the employee skills, 15(13.3%) strongly disagreed, 16(14.2%) disagreed, 13(11.5%) were undecided, 1(0.9%) agreed and 33(28.4%) strongly agreed. This implied that the bank is committed to fulfill its objectives by enrolling key employees in refresher trainings to boost their knowledge and work confidence.

When respondents were asked whether employee training increases on the employee commitment; 1(0.9%) strongly disagreed, 2(1.8%) disagreed, 3(2.6%) were undecided, 61(53.5%) disagreed while 47(41.2%) strongly disagreed and whether there is employee training regularly at the bank 8(6.8%) strongly disagreed, 10(8.5%) disagreed, 6(5.1%) was undecided,

55(46.6%) agreed while 35(29.7%) strongly agreed. These indicated that management is committed to ensuring that employees do their work effectively and in an efficient manner which is to the bank's benefit.

In an interview had with one of the managers,

*'ever since the bank started organizing trainings for the staff; it has had tremendous improvement in services'.*

This implied that the commitment of employees has increased, however the training seemed not to apply to all employees which leaves out many making them to be unhappy.

Response on whether training and development programs are consistently evaluated, 7(5.9%) respondents strongly disagreed, 11(9.3%) disagreed, 8(6.8%) were undecided, 53(44.9%) agreed while 34(28.8%) strongly agreed. These meant that management keenly assesses the outcome of the organized trainings to determine the costs in relation to the intended benefits. Thus the bank continues investing resources in such programs whenever it sees that the benefits outweigh its expenses.

When asked whether they take pride in their work and feel valued on their team, 6(5.1%) respondents strongly disagreed, 24 (20.3%) disagreed, 8 (6.8%) were undecided, 47 (39.8%) agreed while 30 (25.4%) strongly agreed. The majority indicated that most employees are proud and feel valued in the work they do.

Response views on whether management takes time to recognize my effort at the job; 2(1.7%) respondents strongly disagreed, 1(0.9%) disagreed, 3(2.6%) were undecided, 57(48.7%) agreed and 54(46.2%) strongly agreed and on whether a certificate of merit is given in recognition of staff for outstanding performance in different fields 20(17.1%) strongly disagreed, 41(35.0%) disagreed, 10(8.5%) were undecided, 35(29.9%) agreed while 11(9.4%) strongly agreed.

These are in support of the interview remarks from a supervisor who said that

*“our bank appreciates all categories of employees and recognizes their efforts in many ways including a merit certificate given to good performers”.*

When asked whether the bank organizes team building events for staff periodically; 5(17.1%) respondents strongly disagreed, 10(35.0%) disagreed, 9(7.7%) were undecided, 54(29.9%) agreed while 38(10.3%) strongly agreed. Most of the respondents disagreed that the bank organizes team building events, this is however contrary to the information collected from the interview where a supervisor said that the bank organizes annual ‘get together’ events to bring all staff on board, build team spirit, enjoy together and forget their past experiences.

On whether there is a monthly recognition of staff with outstanding performance; 7(5.9%) strongly disagreed, 13(11.0%) disagreed, 10(8.5%) was undecided, 53(44.9%) agreed, 33(28.0%) strongly agreed. Most respondents confirmed that the bank actually does recognize its outstanding staff as a way of applauding morale towards attainment of monthly targets, which is a motivation strategy to employee commitment.

Views were sought on whether employees feel a sense of satisfaction when the job is well done; 11(9.6%) respondents strongly disagreed, 23(20.0%) disagreed, 4(3.5%) were undecided, 68(59.1%) agreed while 9(7.8%) strongly agreed. The results showed a strong desire by the employees to perform well given the rewards attached which shows commitment to the bank.

On whether employees are always protected against unfair or unjustified dismissals; 11(9.6%) respondents strongly disagreed, 23(20.0%) disagreed, 4(3.5%) were undecided, 68(59.1%) agreed while 9(7.8%) strongly agreed. These responses indicate that a large section of staff enjoy their job because there is security at the Job which motivates them to stay committed at work. However the protection mechanisms need to be extended to the other categories of staff that are

highly susceptible to the risks of job loss. Information from one of the interviews conducted quoted one respondent saying that “here at Stanbic bank, all our employees sign 2 years renewable contracts to guard the interest of both the employer and the employees”

There is a disciplinary committee in place to hear out staff before a decision is taken regarding staff conduct 7(6.0%) strongly disagreed, 20(17.2%) disagreed, 13(11.2%) were undecided, 63(54.3%) agreed and 13(11.2%) strongly agreed. Most of the respondents agreed that there are normally subjected to fair hearing before decisions pertaining employee behavior are taken. This committee comprises of representatives from management, senior staff, support staff and other banking officers.

Responses on whether Management often involves staff in decision making, 4(3.4%) respondents strongly disagreed, 18(15.5%) disagreed, 6(5.2%) were undecided, 72(62.1%) agreed while 16(13.8%) strongly agreed and on whether there is free communication between management and staff; 7(6.0%) strongly disagreed, 23(19.7%) disagreed, 4(3.4%) was undecided, 54(46.2%) agreed while 29(24.8%) strongly agreed. This clearly showed that management is flexible and are always ready to listen and help to manage issues that create discontent among its employees. It also implies that views of the employees are seriously considered which makes them valued at work.

On whether employees are sometimes sacked for not meeting the set target 2(1.7%) strongly disagreed, 7(5.9%) disagreed, 3(2.5%) was undecided, 59(50.0%) agreed while 46(39.0%) strongly agreed. The results showed that employees are encouraged to work hard in order to continue enjoying benefits given by the bank. However, it was noted from one respondent that an employee can get sacked after serious warning and being put on performance improvement plan but cannot change

#### 4.4.6 Testing Hypothesis Two

From the findings, it was noted that there is a significant relationship between intrinsic rewards and Employee commitment at Stanbic Bank Limited.

Pearson correlation coefficient was computed to verify the hypothesis as shown in the table 8

**Table 8: Correlations results on intrinsic rewards and employee commitment**

		Intrinsic Rewards	Employee Commitment
Intrinsic Rewards	Pearson Correlation	1	0.819
	Sig. (2-tailed)		0.026
	N	118	118
Employee Commitment	Pearson Correlation	0.819	1
	Sig. (2-tailed)	0.326	
	N	118	118

\*\* . Correlation is significant at the 0.05 level (2-tailed).

#### Source: Primary data

The study findings noted a strong correlation ( $r=0.819$ ) between intrinsic rewards and employee commitment. These findings were significant at ( $P < 0.05$  level). Thus the hypothesis which states that; “There is a significant relationship between intrinsic rewards and employee commitment at Stanbic Bank Limited” was accepted. Thus, intrinsic rewards have a significant influence, 81.9 on employee commitment. The implication of the findings was that intrinsic rewards have a significant causal effect on employee commitment. So an improvement in intrinsic rewards causes a significant positive change in employee commitment.

**Table 9: Model Summary of intrinsic rewards and employee commitment**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.819 <sup>a</sup>	0.6708	0.012	0.1537

a. Predictors: (Constant), Intrinsic Rewards

From table 9 above intrinsic rewards had R Square ( $R^2 = 0.6708$ ), which explains the degree to which a set of independent variables lead to variations in the dependent variable according to Mugenda and Mugenda (1999). This implies that intrinsic rewards contributed (67.08%) towards variations in the dependent variable (employment commitment) so the remaining change of 32.92% in employee commitment was due to extrinsic rewards and reward policies.

#### **4.5 Summary**

The overall purpose of the study was to explore the effects of reward management on the employee commitment at Stanbic Bank Uganda Limited. The whole study was directed by the three research objectives: to assess the effect of extrinsic rewards (financial rewards) on employee commitment at Stanbic bank Uganda Limited and to establish the effects of intrinsic rewards (non-financial rewards) on employee commitment at Stanbic bank Uganda Limited. From the study, Extrinsic rewards have a significant effect on employee commitment at Stanbic bank Uganda and intrinsic rewards have a significant effect on employee commitment at Stanbic bank

Therefore Stanbic bank management should focus on extrinsic rewards and intrinsic rewards as the study variables since have a direct significant effect on employee commitment.

This chapter was arranged in three parts; presentation, analysis and interpretation of findings. Presentation was done using tabular, bar and pie Charts to provide a good analysis of data.

Analysis was done using the Alpha Coefficients and regression analysis to bring out the effect of independent to the dependent study variables.

Interpretations were done by analyzing the study objectives in relation to analyzed data. The data helped to verify the hypotheses

In this study, it was established that Extrinsic and Intrinsic rewards have a significant effect on employee commitment at Stanbic bank Uganda. Therefore, Stanbic bank management could focus on Reward policies, Extrinsic and Intrinsic Rewards as these have a direct positive significant effect on employee commitment.

## CHAPTER FIVE

### SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

The section provides summarizes the findings, discusses the results in relation to set research objectives and relates the findings with similar findings in other researches. Conclusions are drawn and recommendations made for further studies on the subject of employee commitment.

#### 5.2 Summary

The findings of the study were that extrinsic and intrinsic rewards significantly affect employee commitment at Stanbic Bank Uganda Limited.

##### 5.2.1 Extrinsic rewards and Employee Commitment

Pearson's Correlation Coefficient for extrinsic rewards and employee commitment revealed a weak positive correlation shown by  $r = 0.246$ , probability ( $p = 0.0005$ ) less than  $\alpha = 0.01$  (1%) level of significance. The hypothesis which states that; "Extrinsic rewards have a weak effect on employee commitment at Stanbic Bank Uganda Limited" was accepted.

The adjusted R square value of 0.006 implied that employee commitment at Stanbic Bank Uganda Limited is dependent on extrinsic rewards by 0.6%.

##### 5.2.2 Intrinsic rewards and employee commitment

Pearson's Correlation Coefficient for Intrinsic rewards and employee commitment revealed a strong relationship shown by  $r = 0.819$ , probability ( $p = 0.005$ ) less than  $\alpha = 0.01$  (1%) level of significance. Employee commitment is significantly affected by intrinsic rewards. The adjusted R square value of 0.012 implied that employee commitment is dependent on intrinsic rewards



1.2%. Hence the hypothesis which asserts that intrinsic rewards have a major impact on employee commitment at Stanbic Bank Uganda Limited” was accepted.

### **5.3 Discussion**

In this section, the researcher gives an evaluation on the outcomes in relation to different research objectives and questions which were earlier presented.

#### **5.3.1 Extrinsic rewards and Employee Commitment**

The respondents were asked many questions and their feedback indicated is a significantly positive relationship between Extrinsic rewards and employee commitment. The results are in line with the Equity Theory (1969) which postulates that if employees are equitably rewarded extrinsically, it motivates them to work for the organization because they receive equal benefits and therefore, they are committed to the work place. The assumptions of the equity theory agree with the findings in the conducted study at Stanbic Bank Uganda Ltd. The study findings are also related to the findings of Tsai (2005) who noted that monetary incentives cater for employee expectations the hence committing them . He identified pay for performance as the most effective incentive to maximize the commitment of employees though he also noted that management should know that this is short lived. Further emphasis was made by Mendonca, (2002) who in his study also observed that rewards need to be based on the principle that employees perform better if they perceive existing rewards to be linked to performance and commitment. Similarly, results from a study by Guest, (2002) concluded that the reward system is a key motivator for employees if they are to meet performance expectations by management. Carraher et al, (2006) in their study found that if highly performing employees are to be retained by the organization, there must be a good reward system with ability to meet their expectations.

Conclusively, the implication of the findings was that extrinsic rewards have a direct positive relationship with employee commitment therefore a favorable change in extrinsic rewards results into increased employee commitment.

### **5.3.2 Intrinsic rewards and Employee Commitment**

Findings revealed a strong connection between Intrinsic rewards and employee Commitment. This shows that, there was a significant effect of the intrinsic rewards on employee commitment. Therefore, Stanbic Bank Uganda Limited requires equitably distributing and improving its intrinsic rewards allocation in order to enhance employee commitment. The above findings agreed with the Adams Equity theory which stated employees sought equity between what the offer to the organization in terms of experience, skill and what they get out in terms of increased payments, promotion and recognition against perceived inputs and outcomes of other employees either within or outside the organization. Hellriegel et al (2008:276) noted in their research that dissatisfied employees may behave that can harm the organization which results into lack of commitment. Further studies findings about intrinsic rewards which relate with these findings are by Mercer (2003) who reported that staff can stay in the organization if they are rewarded well and may decide to leave if not rewarded as expected. (Davies, 2001) noted that employees will stay in the organization where their efforts are better appreciated.

### **5.4 Conclusions**

The study explored the effect of reward management and employee commitment at SBU. As afore said, from the words of (Meyer & Herscovitch 2001, 299), Organizational effectiveness and employees' well-being has potential to influence employee commitment in organizations and it is important to understand these constructs and what affects them. It is nightmare for Human Resource managers to have and maintain a committed work force for their organizations. It is

understood that there are various factors that in today's world that can shape organizational commitment, especially now that organizations need to have a committed workforce to gain a competitive advantage as posited by (Meyer & Parfyonova 2010, 283.).

From the foregoing, it is so challenging for SBUL to maintain and have its work force committed especially that banks need more of young employees than the old ones. It even becomes harder that young labour force is always migrant especially in the banking industry. In the words of (Laurinolli 2010), it has been in the world media that it is more challenging to get younger employees committed to the organization. From the study, the conclusions were derived from the results of the hypotheses tested to ground the basis for reward management measures at Stanbic Bank Uganda Limited.

#### **5.4.1 Extrinsic Rewards and Employee Commitment**

It was revealed that extrinsic rewards significantly affect employee commitment. This then, calls for employees to be equitably rewarded using extrinsic reward approaches; pay, training and allowances, then they would feel satisfied and motivated to work for Stanbic Bank Uganda. The contrary might lead to staff turnover and employees de-motivation hence lack of commitment to the job. This can be implemented through budgeting and putting in place extrinsic rewards that fit all job descriptions.

#### **5.4.2 Intrinsic Rewards and Employee Commitment**

The findings revealed that intrinsic rewards significantly affect employee commitment. This was revealed from the questionnaires and interviews conducted about intrinsic rewards; appreciation, recognition and job security. This therefore calls for a strategy in Stanbic Bank Uganda to improve their intrinsic reward distribution and allocation. It is also be concluded that there are could be other determinants to employee commitment other than training, employee recognition

and job security. It is important that management of Stanbic bank Uganda make adjustments on their rewarding system if they are to boost commitment of employees to work.

The study conclusions detailed above are based on the different research objectives, questions and hypotheses;

**There is a significant correlation between Extrinsic Rewards and Employee Commitment.**

Study findings revealed that Extrinsic Rewards play a crucial role in having employees satisfied and committed to the organization. Respondents expressed the need for higher salary pay and reflected that extrinsic rewards influence employee commitment.

**There is a significant correlation between Intrinsic rewards and Employee Commitment.**

Respondents revealed that other motivation measures are necessary to induce their commitment to the job other than salary pay. They explain that a salary is mandatory and well laid down in their contracts but to generate commitment other factors (intrinsic) are necessary.

## **5.5 Recommendations**

**The researcher recommended that;**

### **5.5.1 Intrinsic Rewards and Employee Commitment**

- a) Management of SBU should design clear terms and conditions on how to offer the intrinsic reward to their employees such that employees understand it clearly and later feel contented and committed to their job.
- b) The Human resource department is advised to manage intrinsic rewards consistently, fairly and equitably.

### **5.5.2 Extrinsic Rewards and Employee Commitment**

- a) The bank gives employees some kind of pension/gratuity savings should be increased in relation to the bank profit margin and maintained and this make the employees to get committed because as the earns profit, they will also be earning.
- b) Secondly, all employees should be given consideration for these rewards depending on their levels in the organization structure.

### **5.6 Limitations to the study**

The study faced the following limitations; -

1. The study focused on reward management and employee commitment and the variables included reward policies, Intrinsic and extrinsic rewards at Stanbic Bank Limited. The data collection instruments were drawn in line with the objectives hence some vital information that may influence employee commitment was missed out and this could have negative impact on the study results. Consistency in gathering data in line with the study variables may have omitted some useful data.
2. The case study design which was used also limited a wide range of areas of study and so findings are basically limited to Stanbic Bank Uganda Ltd.

### **5.7 Contributions of the study**

The study has had a number of contributions and among these are; - It has highly contributed to the body of literature and knowledge in as far as employee commitment is concerned and the study variables. It also provided the management of Stanbic bank with new impression and ways of handling employees to ensure they get committed. In addition, the study will lead to new strategies of managing employee commitment. To the researcher, the study improved her understanding of the concept of employee commitment hand in hand with Extrinsic rewards and

Intrinsic rewards. To the employees it helped them to learn better ways of improving and acknowledging that also intrinsic rewards are rewards therefore they should not only focus on extrinsic factors to feel committed to their job at Stanbic Bank.

## **5.8 Areas for further Research**

This study explored the effect of reward management and employee commitment at SBU.

Further research may investigate areas as;

- i. Employee commitment and Stanbic Bank Uganda performance.
- ii. What makes Stanbic Bank Uganda the best employer in the industry in Uganda?
- iii. There is a need for future research to replicate the findings employing a multidisciplinary measure of employee commitment and a wider coverage of employee commitment in other commercial banks.

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## APPENDICES

### Appendix I: Research Questionnaire

UGANDA MANAGEMENT INSTITUTE (UMI)

**A Questionnaire on Reward management and employee commitment in commercial banks in uganda. A case of Stanbic Bank Uganda Limited.**

Dear Respondent,

Am Nalugya Miriam a student undertaking a Masters of Business Administration at Uganda Management Institute (UMI), Kampala, Uganda. Am undertaking a research on “**Reward management and employee commitment in commercial banks in uganda; a case of Stanbic Bank Uganda limited**”. As a participant, you were carefully chosen to participate in this study since the kind of service provided to the bank is relevant to this study and information required. This information is entirely academic and will be treated as confidential. You are kindly requested to spare some time and answer the questions by giving your views or marking on alternatives given. Your name and address are not required for this purpose to ensure confidentiality.

Thank you so much for your time .

## SECTION A. BACKGROUND INFORMATION

Please tick the appropriate response against your choice and fill in the relevant black spaces below

1. What is your sex?

- (1) Male   
(2) Female

2. What is your age group?

- (1) 20-30 years  (2) 31- 40 years   
(3) 41 – 50 years  (4) 50 and above.

3. What is your marital status?

- (1) Married  (2) Single   
(3) Divorced/Separated  (4) Widowed

4. What is your length of service within SBU?

- (1) Less than 2 years  (2) 2-5 years   
(3) 6-9 years  (4) 10 and above years.

5. What is your highest education level?

- (1) Master's Degree  (2) Postgraduate Diploma   
(3) Bachelor's Degree  (4) Diploma   
(5) None of the above

6. Employment status:

- (1) Full time   
(2) Part time

8. What is your job title?

- (1) Manager  (2) Supervisor   
(3) Banking officer  (4) Support staff

**SECTION B:**

**In this section please tick in the box that corresponds to your opinion/view according to a scale of 1 = Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree, 5 = Strongly Agree**

<b>REWARD MANAGEMENT</b>						
<b>Extrinsic rewards</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<i>Pay or salary</i>					
<b>1.</b>	Pay structure at Stanbic Bank Uganda is appropriate and reasonable.					
<b>2.</b>	The salary i receive for my job is about equal to others doing similar work in other banks					
<b>3.</b>	The Salary I receive is fair for my responsibilities at Stanbic Bank Uganda					
<b>4.</b>	Salary is gradually increased for all employees.					
<b>5.</b>	Salary is always paid on time.					
<b>6.</b>	Staff at the same level earn the same salary.					
	<i>Compensation packages &amp; benefits</i>					
<b>1.</b>	I benefit from the retirement benefit scheme put in place by the Bank					
<b>2.</b>	There are allowances given to staff on top of salary in the Bank					
<b>3.</b>	A fair per diem is paid to staff for out of station duty					
<b>4.</b>	The Bank provides medical insurance for employees.					
<b>5.</b>	The bank gives lunch allowances for its employees.					
	<i>Bonuses</i>					
<b>1.</b>	If I meet my target, am sure I will receive bonus.					
<b>2.</b>	Annual bonus is paid to staff whenever performance exceeds set target					
<b>3.</b>	The Bank pays overtime to staff who work beyond normal working hours					
<b>4</b>	I take an active role in my team’s success for a better reward.					
<b>5.</b>	At the bank, best performing employees are given bonuses periodically.					
<b>6</b>	Bonus payment keeps me motivated and committed to the bank					
	<b>Intrinsic rewards</b>					
	<i>Employee Training</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

1.	There is a well-organized training program at Stanbic bank Uganda					
2.	The training programs at work have empowered all employees.					
3.	The Bank provides training to improve on the employee skills.					
4.	The bank sponsors its employees for continuous Professional development courses.					
5.	Training and development programs are consistently evaluated					
6.	The training programs organized by the bank have kept me motivated and committed to the bank.					
	<b><i>Employees Recognition</i></b>					
1.	I take pride in my work and I feel valued on my team.					
2.	Management takes time to recognize my effort at the Job.					
3.	A Certificate of merit is given in recognition of staff for outstanding performance in different fields.					
4.	The Bank organizes team building events for staff periodically in recognition of their efforts.					
5.	There is a monthly recognition of staff with outstanding performance.					
6.	Am committed to working for Stanbic bank because Top management takes off time to recognise my efforts					
	<b><i>Job security</i></b>					
1.	I feel a sense of satisfaction when my job is well done.					
2.	Employees are always protected against unfair or unjustified dismissals.					
3.	There is a disciplinary committee in place to hear out staff before a decision is taken regarding staff conduct					
3.	Management often involves staff in decision making.					
4.	There is free communication between management and staff.					
5.	Employees are sometimes sacked for not meeting the set target					

**SECTION C:**

**In this section please tick in the box that corresponds to your opinion/view according to a scale of 1 = Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree, 5 = Strongly Agree**

A)	<b>EMPLOYEE COMMITMENT</b>	1	2	3	4	5
1	I feel proud and happy to be working for Stanbic bank Uganda.					
2	I am glad that my bank is one of the best employers.					
3	I work for this bank because there are study opportunities					
4	Am willing to work beyond normal working hours without extra pay.					
5	Given other opportunity to work elsewhere, I would still choose this bank to work for.					
6	I work for this Bank because I do not want to lose my employment benefits					
7	I have no intention of leaving Stanbic bank Uganda Limited soon.					
8	I am committed because Stanbic bank Uganda's reward policies are the best in the banking industry in Uganda.					

**Thank you so much for cooperation and time**

## **Appendix II: Interview Schedule**

### **UGANDA MANAGEMENT INSTITUTE (UMI)**

#### **An Interview Guide on Reward management and employee commitment in commercial banks in Uganda; A case of Stanbic Bank Uganda Limited.**

Dear Respondent,

Am Nalugya Miriam a student undertaking a Masters of Business Administration at Uganda Management Institute (UMI), Kampala, Uganda. Am undertaking a research on “**Reward management and employee commitment in commercial banks in uganda; a case of Stanbic Bank Uganda limited**”. As a participant, you have been carefully selected to participate in this study because the kind of service provided to the bank is relevant to this study and information required. This information is entirely academic and will be treated with confidentiality .You are kindly requested to spare some time and answer the questions by giving your views. Your name and address are not required for this purpose to ensure confidentiality.

Thank you so much for your time

#### **Background Information**

1. What is your position in Stanbic Bank Uganda Limited?
2. In which department/section do you belong?

#### **Extrinsic Rewards**

1. How is basic pay determined and in your view, does the current salary compete with offers made by other competitor banks for employees to be commitment?

2. Do staff get Bonuses? And if yes when and in your view, is this Bonus pay competitive enough to cause employee commitment?
3. Apart from basic pay and bonus, what other financial benefits do you offer to employees in your organization?

### **Intrinsic rewards**

1. Is there Job security in Stanbic Bank Uganda Limited? If yes, what measures have been put in place to ensure Job security?
2. Are your employees recognized for good performance? If yes, How?
3. Is there staff development in your organization? If yes, how does the organization ensure that this program makes employees committed to the organization?

### **Employee Commitment**

1. Do you think the reward system in place is effective in ensuring employee commitment? And as compared to other banks or organizations, how can the bank enrich its reward policy?
2. Do you receive any complaints about staff behaviors? If yes, how and what kind of complaints?
3. What is the rate of staff turnover at Stanbic Bank Uganda limited and what has management done to retain staff?

**Thank you for your response and time.**



### Appendix III: Estimated Budget for the Research

NO	PARTICULARS	QUANTITY	UNIT COST	AMOUNT(UG.SHS)
1	Stationery (Photocopy, printing, Box file, and stapling machine)	-	-	200,000
2	Laptop	1	1,200, 000	1,200,000
3	Transport costs ( movements to and from the supervisor)	-	-	50, 000
4	Internet( Wi-Fi)	2 month	180,000	360,000
5	Airtime	-	-	50,000
6	Refreshments	-	-	200,000
	<b>Total</b>	-	-	<b>2,060, 000</b>

**Appendix II: Table for determining sample size from a given population**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	<b>220</b>	<b>136</b>	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

**Note: “N” is population size “S” is sample size.**

Krejcie, Robert V., Morgan, Daryle W., “Determining Sample Size for Research Activities”, Educational and Psychological Measurement, 19

## **Appendix III: Introductory Letter**

## **Appendix IV: Field Research Letter**

## **Appendix v: Anti- Plagiarism**