

**LEADERSHIP DEVELOPMENT AND EMPLOYEE COMMITMENT IN THE
BANKING SECTOR IN UGANDA: A CASE STUDY OF BANK OF AFRICA**

UGANDA Ltd.

BY

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DECLARATION

I, Deniz NAKANWAGI, declare that this dissertation is a result my personal effort in research and investigation and has not been produced anywhere else before for any kind of award. Where other people's work has been referred to, due acknowledgment has been done.

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APPROVAL

We certify that Deniz NAKANWAGI has done this work under our guidance and supervision. We confirm that this is the researcher’s own original work and has not been submitted anywhere else before for an academic award.

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DEDICATION

I dedicate this dissertation to God who created a way where there was no way for me to achieve this award.

ACKNOWLEDGEMENT

I am greatly indebted to all my family members, my relatives, my friends and my colleagues whose great support in the entire research process is invaluable to me.

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ABBREVIATIONS

- DV - Dependent Variable
- IV - Independent Variable
- MV - Moderating Variable
- BOA-U - Bank of Africa Uganda Ltd
- UMI - Uganda Management Institute
- SPSS - Statistical Package for Social Scientists

ABSTRACT

The purpose of the study was to investigate the relationship between leadership development and employee commitment in the banking sector, using a case study of Bank of Africa Uganda Ltd. The study used a case study research design. Primary data were collected using three tools questionnaires, interview guide and observation. Secondary data were gathered through review of related literature from BOA-U HRM Manuals, published reports in the UMI library and research reports on the internet. A sample of 138 BOA-U staff were chosen. The response rate was 100%. The quantitative data were edited, coded and entered into the SPSS data analyzed, after which it was described and summarized using descriptive statistics (frequencies and percentages). To show whether there was relationship between the variables and measure the magnitude of that relationship, Pearson correlation coefficient was used. The findings revealed that there was a weak positive correlation ($r = .260$, $p = .010$) between career development and employee commitment. There was a significant correlation ($r = .173$, $p = .002$) between team building and employee commitment. There was a significant correlation ($r = .189$, $p = .001$) between communication and employee commitment. Renumeration weakened the relationships between leadership development and employee commitment. Based on the findings, it is recommended that for career development and employee commitment, management increases the sponsorship slots available for staff to study and develop their career, give subsidized study loans to staff and encourage them to go for further studies. On team building and employee commitment, management should organize functions that call for staff teamwork in order to achieve a common goal such as customer care week, staff durbar and end of year parties, when drawing the annual training programs, all staff should be involved in the needs assessment exercise, so that they are given chance to point out their training needs, also management should have particular interest in ensuring that these programs are implemented instead of just staying on paper. On communication and employee commitment: management should establish proper and effective communication channels in order to improve both upward and down ward communication. On pay and rewards and employee commitment: management should adopt a more transparent remuneration system and employee benefit system so that rewards and incentives are commensurate to staffs performance.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study investigated the relationship between leadership development and employee commitment in the banking sector, using the case study of Bank of Africa Uganda Ltd. In this study, leadership development was the independent variable while employee commitment was the dependent variable. Given the current competitive environment in the banking industry, a clear understanding of the relationship between the Leadership development and employee commitment would help top management to attract and retain their valuable employees. This chapter presented the background to the study, statement of the problem, objectives of the study, research questions, hypotheses, conceptual framework, significance of the study, justification of the study, scope of the study, operational definitions, assumptions and limitations.

1.1 Background to the study

1.1.1 Historical Background

The construct of employee commitment has occupied a prominent place in organizational behavior research. Employee commitment is of interest to both behavioral scientists and practicing managers. For example, employee commitment is quite evident if one considers prior research into the relationship between commitment and job satisfaction (Basterman & Organ, 1983), work place justice (Moorman, Nehoff & Organ, 1992), trust in and loyalty to the leader (Deluga, 1994) and perceptions of supervisor fairness (Niehoff & Moorman 1993).

Employee commitment in developed countries was badly damaged in the late 20th century during corporate re-organization and downsizing in the Western Countries, which

undermined job security and resulted in fewer promotion opportunities. This led to the renegotiation of the psychological contract and the need to develop strategies for increasing commitment. These included among others team development in form effective communication, team building and career development (Hailey, 2001).

Organizations in Africa have not been left behind on the issue of employee commitment. This has been because of the various changes such as restructuring, liberalization and down sizing that organizations have been experiencing over time and have lead to employees becoming less committed to their organizations.

Like else where on the African continent, the banking sector in Uganda has been evolving, with the key milestone being the liberalization of the financial sector by the Central Bank in 1991 hence attracting new players in the market (www.bou.com/banks). Much as this has led to creation of new jobs, it has also led to loss of experienced employees that are headhunted by the new banks. This has weakened employees' commitment to their organizations.

1.1.2 Theoretical Background

The theory of Change Evaluation explains that leadership development programmes typically hold the expectations that individual level changes will lead to employee commitment (Gutienez & Tasse, 2005). The theory explains that when employee's abilities, skills and knowledge are enhanced, it would lead to more employee commitment. This may help to explain employment commitment in Bank of Africa Uganda (BOA-U) in relation to leadership development.

Another theory that can explain the relationship between leadership development and employee commitment is Theory X. McGregor (1960) in his book, "The Human Side of Enterprise" he examined theories on behavior of individuals at work, and formulated two models, which he calls Theory X and Theory Y. It is theory X that is related to this study, which this study adopted to explain employee commitment. Theory X focuses on employee's dislike of work, an indicator of no or low employee commitment. According to McGregor (1960), in such a situation, an employer has to act to make the employee become committed. Related to this study, this brings in the aspect of employers providing leadership development to enhance employee's commitment.

1.1.3 Conceptual Background

There are several definitions of leadership development. For example, Bhambra (1999) defines leadership development as a process of enhancing knowledge, skills, abilities of existing and potential leaders with the aim of developing their capacity at all levels of the organization (Bhambra 1999). Leadership development is the process of building leadership qualities within individuals, regardless of whether or not they will become future leaders. It includes aspects such as, the improvement and enhancement of interpersonal skills, the ability to communicate effectively, as well as the ability to share, discuss, organize and encourage other individuals within the group through positive social influences. (Internet-bbcymca.org, 06.03.2009, 11:00am). Leadership development focuses on training individuals within a group, helping them understand when to step forward, when to step back, when to lead and how to be an effective part of a group.

Leadership development essentially involves stewardship roles. This means the strategic direction the line management avails the support staff. This must be directed towards attainment of various corporate and organizational goals (Bhambra, 1999). Leadership

development programs build on employees' career development as an individual and in the organization, in addition, they also focus on the interpersonal linkages between the individuals in the convergent and divergent teams, they further enhance both upward and down ward communication within the organization. In the belief that the most important resource that an organization possesses is the people that comprise the organization, some organizations address the development of these resources.

Basing from these definitions, leadership development will be conceptualized as activities such as career development, team building and communication that enhance the knowledge, skills, abilities of existing and potential leaders with the aim of developing their capacity at all levels of the organization. Thus, in this study, career development, team building and communication were investigated in relationship to employee commitment.

Employee commitment is defined by Allen and Meyer (1990) as “the psychological state that binds the individual to the organization”. Commitment is further defined as the strength of an individual's identification with and involvement in an organization (Mowday et al., 1979). Brown and Dodd (1994) define employee commitment as the psychological bond of an employee to an organization, the strength of which depends on the degree of employee involvement, employee loyalty, and belief in the values of the organization. Thus, in this study employment commitment will include the affective commitment, normative commitment and continuance commitment.

According to Meyer and Allan (1991), employee commitment reflects at least to general themes: affective attachment to the organization, the perception of costs associated with leaving it and the obligation to remain with it. These three approaches are referred to as

affective, continuance and normative commitment. Common to these views is that commitment is a psychological state that characterizes the employee's relationship with the organization and has implications for the decision to continue membership with it.

Affective commitment refers to the employee's emotional attachment to, identification with and involvement in the organization. It relates to issues such as identity relevance, shared values and personal involvement. Employees with a strong affective commitment continue employment with the organization because they want to. Continuance commitment refers to an awareness of the costs associated with leaving the organization. The potential costs of leaving an organization include threat of wasting time and efforts spent acquiring non-transferable skills, lack of alternative employment opportunities, losing active benefits, giving up seniority-based privileges, or uproot family and disrupt personal relationships. Employees whose primary link to the organization is based on continuance commitment remain because they need to. Normative commitment reflects a feeling to continue employment. Employees with a high level of normative commitment feel that they appreciate what they have received from the organization and they ought to remain with the organization as a way of reciprocation. Normative commitment may occur when an organization provides employees with necessary requirements such as leadership development as is the case in this study.

1.1.4 Contextual Background

No organization in today's competitive environment can perform at the peak levels unless each employee is committed to the organization's objectives and work as effective team member. A good number of employees feel they are victims of broken promises when organizations undergo changes such as downsizing, restructuring and transformation and thus creating a less secure organizational climate contributing to the lowering of

employee commitment. Thus, one of the challenges facing modern organizations involves maintaining employee commitment in the current business environment. In today's working environment, employees face more ambiguity in their daily activities and decreased job security (Bergmann, Lester, De Meuse & Grahn, 2000). With no assurance of continued employment, workers have now raised their expectations in other areas.

Organizations are faced with ever-increasing competition and as they prepare for new challenges, one of the key components is maintaining and upgrading the organizations' ability to use human resources effectively and efficiently. According to Katz (2001), employee behavior essential for organizational effectiveness include employees 1) entering and remaining with an organization, 2) carrying specific role requirement, and 3) engaging in innovative and spontaneous activity that goes beyond specific role prescriptions.

What has been presented in the previous two paragraphs has not been exception to the Ugandan banking context, especially Bank of Africa Uganda (BOA-U). In BOA-U, a number of leadership development initiatives were designed for a number of reasons among which was to improve employee commitment. For example, there has been in-house and institutional training to enhance employees' career development and departmental initiatives have been conducted to enhance convergent and divergent team building (HR Annual Report, 2008). In addition, there have been suggestion boxes, appraisal systems and staff committees to enhance upward and down ward communication (HR Annual Report, 2008). Other leadership development initiative have included mentoring, offering tailor made courses to staff according to their desk needs, seminars, workshops, staff sponsorship programs and self-improvement activities (HR Annual Report, 2008).

Whereas such attempts have been put into place to solve the problem of lack of employee commitment in BOA-U, the problem persists. The challenges of employee commitment range from frequent and voluntary exits among top executives and middle managers, senior and junior banking officers as well as the support staff from their jobs. For example, there is frequent absenteeism from work – a minimum of four out of twelve employees at the branch, especially tellers, are absent in a week (HR Annual Report, 2008). There is frequent sick leave yet 80% of these are not genuine and high rates of turnover, which on average is 18% per annum compared to the 14% turnover rate in the banking industry in Uganda (HR Annual Report, 2008). For example, BOA-U has lost three (3) executive directors within a period of one year, two of these voluntarily resigned (HR Annual Report, 2008). Other indicators of low employee commitment have been frequent employee complaints about BOA-U, low output and increased mistakes at work especially cash shortages by tellers hence causing losses (HR Annual Report, 2008). The tenure of employees at the bank is also another indicator of low employee commitment. To date, the number of employees in BOA-U with over ten years banking experience is very thin (HR Annual Report, 2008). For example, out of the eight (8) executive committee members, only three (3) have been with the bank for the last ten years. On average, 70% of employees in BOA-U do not stay for more than five years, especially the junior staff (HR Annual Report, 2008).

From these facts, the available leadership development programs in BOA-U do not seem to be having any lasting positive impact on employee commitment. Thus, this study was carried out to find out how leadership development influences employee commitment in BOA-U.

1.2 Statement of the problem

Employee commitment at BOA-U is still low as reflected in high turn over rates, frequent absenteeism (HR Report 2008), short employee tenure despite the several leadership development initiatives. Among the leadership initiatives that have been put in place to enhance employee commitment include in-house and institutional training, employees' career development, team building, communication, suggestion boxes, mentoring, succession planning, offering tailor made courses to staff, seminars, workshops, staff sponsorship programs and self improvement activities. This shows that efforts in terms of time and resources might have been wasted in providing these leadership development initiatives to enhance employee commitment. Thus, there was need to investigate why employee commitment is still lacking despite the leadership development provided at BOA-U.

1.3 General Objective

The purpose of this research was to investigate the relationship between leadership development and employee commitment in BOA-U.

1.4 Specific Objectives

The following objectives guided the study;

- 1.4.1 To examine the relationship between career development and employee commitment in BOA-U
- 1.4.2 To explore the relationship between team building and employee commitment in BOA-U
- 1.4.3 To find out the relationship between communication and employee commitment in BOA-U

1.4.4 To establish the influence of pay and rewards on the relationship between leadership development and employee commitment in BOA-U

1.5 Research Questions

1.5.1 What is the relationship between career development and employee commitment in BOA-U?

1.5.2 What is the relationship between team building and employee commitment in BOA-U?

1.5.3 What is the relationship between communication and employee commitment in BOA-U?

1.5.4 What is the influence of pay and rewards on the relationship between leadership development and employee commitment in BOA-U?

1.6 Research Hypotheses

The following hypotheses were tested in this research:

Hypothesis 1: There is positive relationship between career development and employee commitment in BOA-U.

Hypothesis 2: There is a positive but weak relationship between team building and employee commitment in BOA-U.

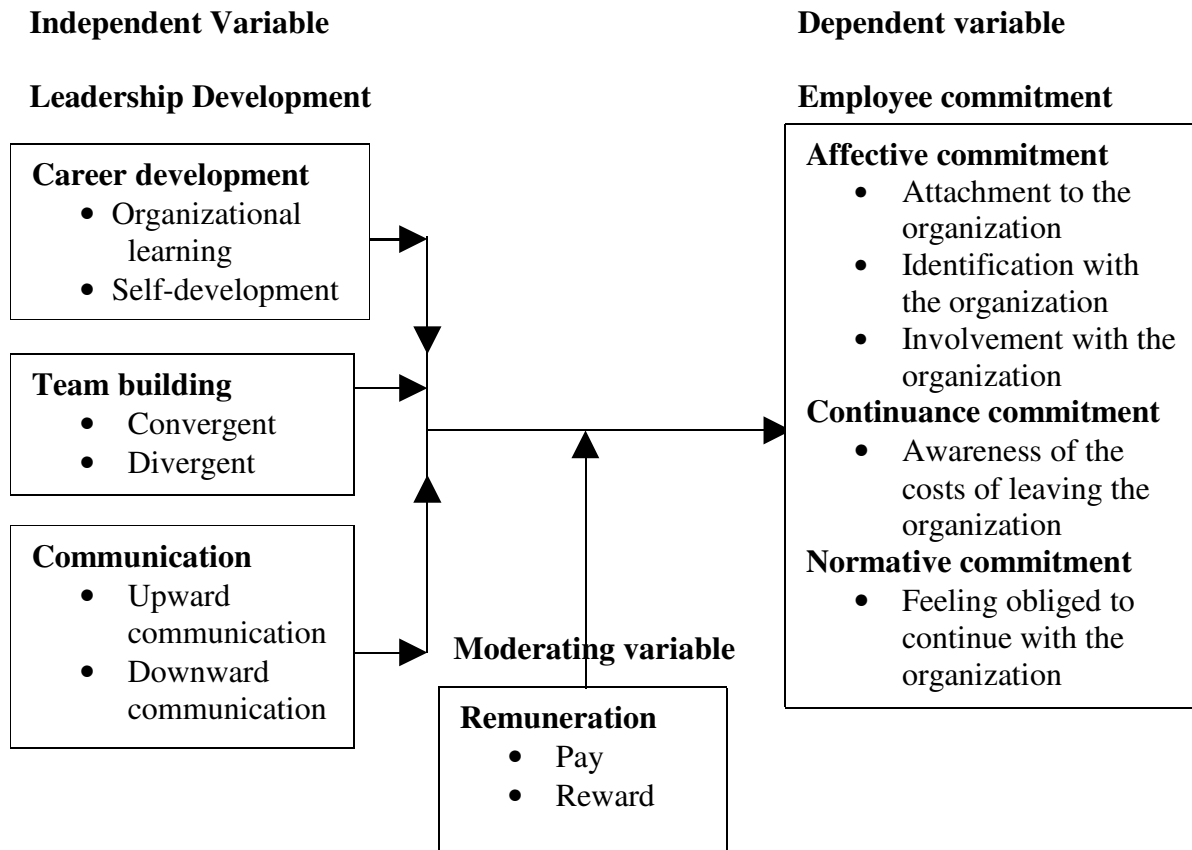
Hypothesis 3: There is a positive relationship between communication and employee commitment in BOA-U.

Hypothesis 4: Remuneration enhances the relationship between leadership development and employee commitment in BOA-U.

1.7 Conceptual framework

The conceptual framework shows that the dependent variable for this study is employee commitment. It was hypothesized in the study that organizational commitment could be achieved if there was adequate and effective leadership development.

Figure 1: Conceptual framework: Leadership development and employee commitment



Source: Adapted from Cassel and Hiegbener (1975)

From the conceptual framework in Figure 1 above, leadership development - the independent variable was conceptualized to be related to employee commitment - the dependent variable, which is the researcher's variable of primary interest (Amin, 2005). Leadership development was operationalized into three dimensions namely, career development, team building and communication. Employee commitment was operationalized into three dimensions namely, affective commitment, continuance commitment and normative commitment. The model further explained that when career development, team building, and communication are enhanced, employee commitment

would be achieved or enhanced. On the other hand, when leadership development was not achieved or enhanced through career development, team building and communication, employees would not feel committed to their work. The model further explained that apart from career development, team building and communication, there are moderating factors that indirectly influenced the relationship between leadership development and employee commitment and in this study, this was remuneration such as pay and rewards.

1.8 Significance of the Study

The study will help managers and other key staff to possess an understanding of the value of leadership development and employee commitment. In this way, the study will help managers to understand that employees should be treated as a precious resource to be nurtured and retained for the benefit of all members of the organization.

This study will contribute to the leadership development literature by providing information on the relationship between leadership development and employee commitment in the banking sector in Uganda. Managers of banks will also benefit from the study because faced with the current competitive, turbulent and unpredictable banking business environment, continuous, fundamental and lasting leadership development programs with the aim of enhancing employee commitment are critical.

The findings will also help researchers and students interested in understanding the relationship between leadership development and employee commitment. This will be achieved by the study enriching the literature about leadership development and employee commitment.

1.9 Justification of the Study

There is a shortage of research that specifically addresses leadership development and employee commitment, especially in the context of banking institutions in Uganda. Given the sensitivity of the banking sector in any economy, it is appropriate to explore the existing relationship between leadership development and employee commitment.

The benefits of highly committed employees because of adequate and effective leadership development in an employment situation are many and diverse, ranging from employees becoming motivated, lower costs of turnover, absenteeism, sickness, a highly ethical staff, high morale and higher level of creativity among employees. Having committed employees will enable the company to beat its competitors.

Studies on leadership have indicated that leadership development can be a great predictor of employee commitment, but much of the research has focused on leadership styles and motivation. Very little has been done on leadership development and employee commitment, specifically in the context of the banking sector in Uganda.

1.10 Assumptions and Limitations

1.10.1 Assumptions

This study assumed that organizational commitment will continue to be a very important aspect of management more so with increasing competition amongst banks due to the liberalization of the economy, thus necessitating research on how to improve employees' commitment to the organization by focusing on leadership development.

1.10.2 Limitations

This study faced problems specifically associated with non-response because of sensitivity of the area under consideration. However, sensitizing the respondents before questionnaire administration reduced the non-response problem.

1.11 Scope of the Study

Because BOA-U was located within Kampala City Centre in Uganda, the study was carried out in the eight Kampala branches of BOA-U. These included Kampala Road branch, Main branch, Head Office, Equatoria branch, Park branch, Ndeeba branch, Nalukolongo branch and Ntinda branch.

The study focused on the period between 2006 and 2009 (4 years) - the period when BOA-U took over the majority shares in the former Allied Bank and when leadership development initiatives under BOA-U were started and the time when indicators of low employee commitment were recorded.

The content scope focused on leadership development (the independent variable) with career development, team building and communication as dimensions and employee commitment (the dependent variable) with affective commitment, continuance commitment and normative commitment as dimensions. Pay and rewards was treated as the moderating variable.

1.12 Operational Definitions

Leadership

Leadership is a process by which an employee influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent.

Leadership Development

Leadership development is considered as the relationship through which an employee influences the behavior or reactions of fellow employees. It is a process of influencing the activities of an organized group in its effort towards goal setting and goal achievement (Bryaman, 1999). In this study, it was operationalized as career development, team building and communication.

Career development: It referred to the interaction of work roles and other life roles over a person's lifespan, including both paid and unpaid work in an individual's life.

Team building: It referred to a process that helps a work group to evolve into a cohesive unit.

Communication: It referred to a two-way process in which there is an exchange and progression of thoughts, feelings or ideas towards a mutually accepted goal or direction.

Employee commitment

Employee commitment referred to the psychological bond of an employee to an organization and it was operationalized as affective commitment, continuance commitment and normative commitment

Affective commitment: It referred to an employee's emotional attachment to his or her organization

Continuance commitment: It referred to an employee's perception of the costs and risks associated with leaving his or her current organization.

Normative commitment: It referred to a moral dimension, based on an employee's felt obligation and responsibility to his or her employing organization.

Pay and rewards: This referred to a return for performance of a desired behavior; positive reinforcement in monetary terms.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presented the theoretical review and review of related literature. The review of related literature dealt with the variables of leadership development operationalized into career development, team building, communication and variables of employee commitment which were operationalized into affective commitment, continuance commitment, and normative commitment. It also reviewed pay and rewards in relation to the relationship between leadership development and employee commitment. The literature review was organized according to the research objectives/research questions/research hypotheses of the study as follows; a) career development and employee commitment, b) team building and employee commitment, c) communication and employee commitment, d) pay and rewards and employee commitment.

2.1 Theoretical Review

Research has linked leadership development to employee commitment (Warrick, 1981; Meyer and Allen, 1997). It was noted that employees whose abilities and skills were developed had higher levels of commitment to the organization and also that when employees were treated with consideration, they displayed greater levels of commitment (Brown, 2003). Thus, this shows that employee commitment is a result of an individual-organizational relationship, where individuals attach themselves to the organization through the influence of management as shown in the following theories.

McGregor's (1960) Theory X focuses on behavior of individuals at work, such as employee commitment. The theory explains that employees are not willing to be loyal to the organisation unless management finds a way of enhancing their commitment.

According to Theory X, the average human being has an inherent dislike of work and will avoid it if he can. Related to this study, dislike of work captures employee's commitment. This then implies that an average human being has an inherent lack of commitment to work. Theory X further assumes that because of the human being's dislike for work, most people must be controlled before they will work hard enough. The average human being prefers to be directed, dislikes responsibility, is unambiguous, and desires security above everything. In this sense, controlling human beings is called for and this can occur through a number of ways but the focus in the context of this study are those leadership development efforts provided to employees to enhance their commitment to the organisation.

Theory X assumptions lie behind most organizational principles today, and give rise both to "tough" management with tight controls which aims at harmony at work. Theory X demonstrates the potential, which is present in man and which organizations should recognize in order to become more effective.

2.2 Review of Related Literature

2.2.1 Career development and employee commitment

A major contributor to a committed workforce is career development which organizations provide through opportunities that advance their employees' future career prospects (De Vos, Dewettinck & Buyens 2008; Sturges, Guest, Conway & Mackenzie Davey 2002). Dissatisfaction with career prospects is a major cause of turnover. Career opportunities can be provided by an employer by providing employees with wider experience, introducing more systematic procedures for identifying potential such as assessment or development centers, encouraging promotion from within, developing more equitable promotion procedures, providing advice and guidance on career paths (Eisenberger, Fasolo & Davis-LaMastro 1990).

Puah and Ananthram (2006) suggest that career development has a direct influence on the achievement of career commitment. Johns (2005) suggests that employees who have advanced would put more effort into their work. Employees must be trained so they can perform the new behaviors expected from them.

Efforts to force change without support and training for the individual will fail. Similarly, Sugarman (2001) asserts that employee performance and the effective use of knowledge depend on organizational learning. A key characteristic of a learning organization is its openness toward sharing new ideas between all members of the organization. There must be a sharing of failures as well as successes and employees must trust that their bosses will not discipline them for revealing mistakes or asking for assistance with difficult problems. Organizational learning occurs through routines that are repeated over time. The organizations' systems and culture defines how it approaches every activity. These routines are however, complex and develop over long periods of time to the point where what is done is "just the way it has always been done" so these routines are difficult to change. Existing routines are repeated using old solutions for new problems even when the old routines do not lead to higher performance (Newman, 2000).

Arnold (2005) observes that career development provided by the organization enhances employee perceptions of being supported and, in turn, lead to affective commitment, the perceived support mediates the career development-affective commitment relationship. Similarly, career development by the organization as an investment in the employee development can make the employee feel obliged to reciprocate, in turn creating normative commitment, the perceived need to reciprocate mediates the career development-normative commitment relationship. Finally, career development that offers employees benefits which are perceived as non transferable to another organization

makes it too costly to leave, the perceived cost of loss mediates the training-continuance commitment relationship. Herriot et al. (1997) argue that employees who register a satisfactory exchange between themselves and the organization may be intrinsically motivated by perceived personal development opportunities and hence report more commitment to their work and organization.

Sugarman (2001) further asserts that employees who have greater knowledge or information about their career development are thought to experience higher levels of commitment than employees who are provided with unclear information or no information about the organization. Secrecy and vague communications practices tend to leave ample room for perceptions of bias, inequity, and thus, lower commitment levels. It is believed that if an employee has a high level of procedural knowledge, then a strong sense of belonging will result. Thus, the employee's level of affective commitment is expected to be high. If an employee has no other employment alternatives, or the financial loss due to defection is of great concern, then a high degree of knowledge becomes irrelevant and no significant relationship will occur between procedural knowledge and continuance commitment. Similarly, procedural knowledge is not expected to significantly predict normative commitment due to the fact that feelings of obligation to remain with the organization are thought to be formed prior to entry into the organization (Ogilvie, 1987). In a study carried out in Australia among hospital employees, data collected from 196 managers showed that organizational career development (OCD) practices, were positively related to employee perceptions and the three components of commitment. On the other hand, career self-management was negatively correlated with normative commitment. These results have implications for the career development alternatives that organizations provide to employees.

According to Brockner and Lee (1995), the trend is for employers to offer formal interventions, such as training, to help employees learn to manage their own careers. Organizations gain greater flexibility and minimize their internal labour market costs if they devolve career management to the employee (Van Buren 2003; Baruch 2006, Lips-Wiersma & Hall 2007). However, this practice may undermine employee commitment to the organization since in several cases, employees who have gained career advancement through training tend to leave their organizations in search of better placement. So the question of career advancement and employee commitment still remains an enigma, thus calling for further research.

There is a lack of direct evidence that career self-management impacts negatively on commitment, although indirect evidence points to this effect. For example, studies examining commitment levels of employees with a careerist orientation (i.e. those who pursue career advancement through self-interest and are assumed to manage their own careers) have found that this orientation is negatively related to organizational commitment (Feldman & Ng, 2007) In addition, research shows that employees with a history of career mobility (employees who frequently change jobs) and who are assumed to manage their own careers, tend to have low normative commitment (i.e. lower obligation to stay; Kondratuk et al. 2004). These findings imply a negative relationship between career self-management and organizational commitment.

The above literature revealed that there was lack of research evidence on the effect of employee career development on commitment to an organisation. In particular, there was lack of research comparing employee commitment and career development. Such were the knowledge gaps that the study sought to close.

2.4 Team building and Employee commitment

Team building is a leadership development process that helps a work group evolve into a cohesive unit. The team members not only share expectations for accomplishing group tasks, but trust and support one another and respect one another's individual differences.

With good team-building skills, you can unite employees around a common goal and generate greater productivity. Without them, you limit yourself and the staff to the effort each individual can make alone. The team builder's role is to lead a team toward cohesiveness and productivity. A team takes on a life of its own and one has to regularly nurture and maintain it, just as you do for individual employees.

Effective leaders 'desire to be' and have the 'willpower to make it so', they develop through a never ending process of self-study, education, training, and experience. Effective leaders inspire others to higher levels of personal performance and teamwork. Effective leaders are continually working and studying to improve their leadership skills. At the ground level, leadership is all about relationships - growing connections among and between individuals that permit collective, collaborative thinking and action. (Source: www.questia.com/leadership).

With good team-building skills, you can unite employees around a common goal and generate greater productivity. Without them, you limit yourself and the staff to the effort each individual can make alone. Employee involvement, team building and employee empowerment enable people to make decisions about their work. This employee involvement, teambuilding and employee empowerment increases loyalty and fosters ownership. Although there was some literature on team building and employee commitment, it did not appear to significantly explain the relationship between team

building and employee commitment, the study sought to find out this missing information.

2.5 Communication and Employee commitment

Putti, Aryee and Phua (1990) found that an employee's satisfaction with the amount of available information enhanced commitment. This was thought to occur because satisfaction with information may encourage a sense of belongingness and identification with the values and objectives of the organization. They defined communication as the extent to which available information fulfills the individuals' requests for being informed about organizational activities. Results from their study indicate that there is a strong relationship between communication and organizational commitment. If an organization wants to improve employee commitment, satisfaction, and retention, it should evaluate how it communicates with its employees. Clearly, Employees value effective communication with their employers. It affects their overall commitment and satisfaction, and is a factor in their decisions to stay with or leave an employer (B. L. R.com, 09/ 03/ 09 11:10 am)

One of the major barriers to employee commitment and communication is employees not knowing what is exactly expected of them. Research shows that employee commitment and communication has a direct link to business performance. The results are, exceptional performance, soaring profits and a growing business and employees are focused, feel committed and proud to work for your business (Bass; 1985).

Goal clarity and direction are identified as factors that can influence an Employee's level of communication (Lynch, Eisenberger & Armeli, 1999). Employees perform well when they are clear with their goals and objectives, and know how to go about achieving them.

As a result, employees tend to be motivated and committed to the organization. Hence, communication of clear goals and direction from the leader becomes crucial. When employees are provided with more complete and accurate information about prospective jobs, they are able to make informed choices.

Among established employees, expectations can be influenced by or altered by opportunity factors such as changes in the job market, which may erode job satisfaction and therefore ignite high turnover, if the organization does not have proper communication channels in place. Communication helps supervisors to resolve employee problems quickly because they may fear higher-level investigations or complaints to higher management that reflect negatively on them. Top management's reactions to complaints demonstrate to lower-level management and employees alike whether the higher echelons care about the way employees are treated. When top management wants the decisions to be fair and is willing to investigate and review lower-level decisions, its credibility is enhanced (Wiedmer, 2006).

However, the question still remains; to what extent does communication influence employee commitment? What kind of communication influences employee commitment? Such are the issues that the reviewed literature does not address, therefore, calling for further investigation.

2.6 Pay and rewards and employee commitment

Newstrom and Davis (2002) Griffeth et al. (2000) noted that pay and pay related variables have a modest effect on employee commitment. They concluded that when high performers are insufficiently rewarded, their commitment to the organization eventually deteriorates and they end up leaving the organization. Martinez and Martineau (2000),

add that pay is a major issue, though not the only factor that triggers the commitment of employees. Armstrong (2001) further adds that salary is a price indicator of the value or service of the employee to the employer but it may not be a determinant of their commitment.

In the face of the different arguments concerning pay, it is worth noting that employees care about their pay, this greatly determines their decision to be committed, stay or leave the organization. Robbins (2001) also asserts that pay and rewards only motivate some people under some conditions - it must be important to the individual. If jobs provide adequate incentives, then employees are likely to be committed to the organization and vice versa.

In a study carried out by Harvard Business School (2004), it was discovered that of all the drivers of employee commitment, pay levels had the smallest impact. Employee commitment was affected far less by an employee's current pay level than by how much his pay had grown in the recent past. The team found that, other things being equal, improving the company's pay position by 10% compared to market rates would do little to keep employees from leaving the company. Yet increasing the growth of employees' pay by say 10% - in effect, making their pay trajectories steeper—would produce a fourfold reduction in their chances of leaving. Again, it seemed that employees were more concerned with their career progress over time than they were with current rewards. According to Armstrong (2006, pp380), reasons for leaving an organization include more pay, better prospects, more security, more opportunity to develop skills, better work conditions, and poor relationships with manager, colleagues, bullying or harassment, among others. When employees leave the Organization, they take with them their knowledge, skills and abilities that helped contribute to goals, profit and performance of the organization. A high rate of turnover means increased recruiting, selection and

training costs. It can also mean the disruption in the efficient running of an organization when knowledgeable and experienced personnel leave (Robbins, 1991). In view of all this, the literature did not really specify the level of pay and rewards that can buy one's commitment to the organization. It was such intriguing issues that posed the need for further research, in order to find out the extent to which pay and rewards can lead to employee commitment in BOA-U, Uganda.

2.7 Summary of Literature review

A committed employee is someone who is motivated, finds personal worth in his work and committed to the accomplishment of goals. He considers his contribution to the organization as essential to achieving organizational goals. Effective leadership development is key to developing and maintaining employee commitment. Coaching can be a valuable tool to help employees feel involved and committed through providing support, guidance and helping them think on their own on how to accomplish goals. To ensure and maintain employee commitment leaders must know what factors influence an employee's sense of involvement, motivation and commitment to their job and to the organization. Leadership development does not happen by chance. It requires systematic development. Exceptional leaders generate more committed employees. Exceptional development help create exceptional leaders (Patrick& Stephen, 1999).

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presented the methodological research design that was used in the process of conducting the study. The chapter therefore, described and discussed the research design that was adopted, the study population, the sample size, sampling techniques, data collection instruments, validity and reliability, data collection procedure, data analysis and ethical considerations.

3.1 Research design

A case study design was used. This was because it allows for in depth investigation, which helps to bring about deeper insights and better understanding of the problem at hand (Kombo & Tromp 2006). The research was also both qualitative and quantitative. This was because some research techniques and measures did not produce discrete numerical data but rather the data was in form of words that were grouped in categories; and the research was quantitative because some designs, techniques and measures produced discrete numerical or quantifiable data (Kombo and Tromp, 2006; Orodho, 2003; Sekaran, 2003). The advantages of the above are that both methods supplement each other in that qualitative methods provide the in-depth explanations while quantitative methods provide the hard data needed to meet the required objectives (Ormrod, 2001). Since both methods have some bias, using both types of approaches helped to avoid such bias in that each method was used to check the other (Sekarn, 2003).

3.2 Study population

The study population included all the staff members of BOA-U Kampala branches. The total sample population was 160. Out of these, 10 were senior managers, 20 were middle managers, 95 were banking officers and 35 were support staff.

3.3 Sample size and selection

Selecting an appropriate sample size is a critical aspect in research. With particular reference to this study, the sample size was determined using Krejcie & Morgan tables as cited in Amin (2005) whereby 10 senior managers, 20 middle managers, 76 banking officers and 32 support staff were selected. In total, 138 respondents were selected. Key informants were two key people from the HR department. Senior managers were selected because they are at the strategic level of the bank; they plan, initiate and approve leadership development programmes to be adopted by the bank. Middle managers were selected because they implement the leadership development programmes. Banking officers and support staff were selected because they are the targets of these leadership development programmes.

Probability sampling methods such as simple random sampling and non-probability sampling methods such as purposive sampling were used. Simple random sampling was used to select a sample from categories that had large populations in order to give an equal opportunity to each employee in these categories to participate in the study (Amin, 2005). Census was used to select all senior and middle managers as dictated by Krejcie & Morgan method of selecting a sample from a small population. Table 1 summarizes the population, sample, method of determining the sample and sampling technique

Table 1: Population, sample, method of determining the sample and sampling technique

Category	Population	Sample size	Method	Technique
Senior managers	10	10	Krejcie& Morgan	Census
Middle managers	20	20	Krejcie& Morgan	Census
Banking officers	95	76	Krejcie& Morgan	Simple random
Support staff	35	32	Krejcie& Morgan	Simple random
Total	160	138		

Source: Krejcie & Morgan as cited in Amin (2005)

3.4 Data Type

Primary data: This consisted of information obtained from respondents in the field. It was collected to get first hand information directly from the respondents instead of relying on some other researcher/writer in order to answer the research objectives/questions/hypotheses. It was obtained through questionnaires and interviews.

Secondary data: It comprised of data obtained from documents of other researchers/writers. It was obtained to help write the background, statement of the problem, literature review and methodology. It was obtained from documents accessed from BOA-U, UMI library, Bank of Uganda library and the internet.

Quantitative data: It was data presented in numerical form. It was obtained to ease data analysis given that it was data collected from a large category of respondents. It was collected through questioning the respondents using a closed-ended structured questionnaire that was pre-tested and standardized.

Qualitative data: It was non-numeric data, which was in text format. It was obtained because the researcher wanted in-depth information that would clearly explain the findings. It was collected through interviewing using a structured interview guide.

3.5 Data collection instruments

A self-administered questionnaire (*See Appendix A*): This is a carefully designed instrument for collecting first hand data from a large group of respondents in accordance with the specifications of the research question and hypotheses. It consists of a set of questions to which the subject responds in writing (Amin, 2005). Questionnaires were used since the study was concerned mainly with variables that cannot be directly observed such as views, opinions, perceptions and feelings of the respondents. The questionnaire was divided into two sections. Section A contained items that covered personal or biographical information of the respondents. Section B had items measuring the relationship between career development and employee commitment, Section C had questions related to team building and employee commitment, Section D dealt with communication and employee commitment and section E contained questions related to pay and rewards and employee commitment. The questionnaire was a self-scoring data collection instrument where responses were rated on a 5 point Likert scale with anchors labeled 1= strongly disagree, 2= disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree. The Likert scale was used to ease coding and quantify the data from a large group of respondents for easy analysis. It is also effective in the sense that it saves the respondent's time, there by yielding / capturing a large number of respondents. The self-administered questionnaire was used because it ensures quantifiable responses for the same items from all respondents. Furthermore, it saves both time and cost to distribute and analyze.

Interview guide: It was also used to collect the first hand data but from a small group of respondents. Interviews involved face-to-face meetings with respondents; therefore, it required maximum cooperation between the researcher and the respondent in order get reliable information. As cited by Sekaran (2003), interviews allow probing; provide in-

depth information and clarification of unclear issues, which can be done when using the questionnaire. It was used to generate in-depth information to supplement data collected by the questionnaire. The interview guide was specifically applied to senior staff and 2 key informants in the human resource department because they had information that could not be easily got from banking officers and support staff.

Documentary Review: This method involved deriving information by carefully studying written documents (Kothari, 2004). The researcher reviewed documents at BOA-U, the Uganda Management Institute Library, Bank of Uganda Library and internet. The documents comprised reports from meetings and workshops, journals and articles, books and organizational manuals.

3.6 Pre-testing of research instruments

This was important to determine the validity and reliability of the questionnaires and interview guide in collecting the required data.

3.6.1 Validity

According to Amin, (2005) validity refers to the appropriateness of the instrument, while reliability refers to the instrument's consistency in measuring whatever it is intended to measure. Instrument validity was ascertained in a number of ways, which included discussing questions in the questionnaire and interview guide with colleagues in the department to determine the construct validity – that is, the way the questions were constructed/phrased (Amin, 2005). Thereafter, the instruments were submitted to two lecturers to rate the relevancy of the items and content validity ratio (CVI) was computed to determine content validity – that is to determine whether the instrument had enough relevant questions.

Formula used to compute the content validity ratio:

$$\text{CVI} = \frac{\text{Number of rated items}}{\text{Total rated items}} = \frac{\text{RR}}{\text{TRI}}$$

The content validity ratio was 0.80 relative to the recommended at 0.70 (Amin, 2005).

All these helped to assess the sentence construction, comprehensiveness of instruments and language clarity. Comments obtained from those who reviewed the instruments were helpful in constructing questions for the final instruments that were used to collect data.

3.6.2 Reliability

Reliability of an instrument is the consistency of an instrument in measuring what it is intended to measure (Amin, 2005). Reliability was established by carrying out pilot study. The pilot study was conducted among 20 respondents. These were given questionnaires to fill in and thereafter, the questionnaires were collected. To measure the reliability of variables and measures of leadership development and employee organizational commitment, Cronbach's alpha (δ) was calculated using the following formula:

$$\delta = \frac{k}{k-1} \left(1 - \frac{\sum SD^2_i}{SD^2_t} \right)$$

Where δ = Cronbach's alpha

k = number of items in the instrument

$\sum SD^2_i$ = summation of variance of individual items

SD^2_t = variance of the instrument

The Cronbach's alpha was 0.80 relative to the recommended at 0.70 (Amin, 2005). This high coefficient signified high reliability.

3.7 Data collection Procedure

The research was conducted using the following procedure:

The researcher obtained an introductory letter from the Uganda Management Institute that helped her to conduct the study. Using the letter, permission was sought from the HR department and each respective branch to conduct the study. The researcher then circulated the questionnaires to employees in their respective categories noting down their names for easy follow up. The distribution of questionnaires to the respective branches took one day. The respondents were given three days to fill the questionnaires. After two days, the researcher made follow-up calls to find out those respondents who had finished filling in the questionnaires. The researcher then collected the filled in questionnaires herself. The questionnaires would then be checked to ensure that all questions were answered. Respondents who had not finished filling in their questionnaires were encouraged to do so. The process of data collection took one week.

3.8 Measurement of Variables

The variables were measured by operationally defining concepts. For instance, the questionnaire was designed to ask for responses about the leadership development and employee commitment at BOA-U. These were channeled into observable and measurable constructs to enable the development of an index of the construct. A five-Likert scale namely strongly disagree, disagree, neither agree nor disagree, agree and strongly agree was used to measure both the independent and dependent variables. Socio-economic features like sex, marital status, position held at BOA-U, tenure, age, and education level were measured at nominal, ordinal, internal ratio scales.

3.9 Data management and analysis

Data analysis was both qualitative and quantitative.

3.9.1 Quantitative Data Analysis

After quantitative data collection, raw data were coded, edited and entered into the data editor of SPSS. Data were summarized, organized and analysed, using 5-Likert scale. Quantitative data was analyzed using percentages and frequencies. In addition, correlation analysis was used to determine the relationship between leadership development and employee commitment.

3.9.2 Qualitative Data Analysis

For qualitative data, results from the interviews were reviewed thoroughly, transcribed, sorted and classified into themes and categories. The information from the interviews was analyzed and presented in form of paraphrase or quotations.

3.10 Summary

This chapter presented the methodology used in the study. It focused on the research design that was adopted, the study population, the sample size, sampling techniques, data collection instruments, validity and reliability, data collection procedure, data analysis and ethical considerations. The following chapter is the presentation, analysis and interpretation of findings.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter is about presentation, analysis and interpretation of the findings. The purpose of this research was to investigate the relationship between leadership development and employee commitment in BOA-U. This chapter is divided into two major sections. The first section presents results on the background characteristics of the respondents. The second section presents the empirical findings according to the objectives/research questions/hypotheses of the study.

4.1 Background Characteristics of the Respondents

In the work place, employees are categorized by demographic factors and these can determine whether the findings can be generalized to be representative of the population (Amin, 2005). The findings about demographic characteristics of the respondents included respondents' category in terms of position at BOA-U, age, gender, education level, marital status, and tenure at BOA-U. The findings are presented in the following sub sections.

4.1.1 Category of Respondents

The respondents were put into categories of senior managers, middle managers, banking officers and support staff. This was done in order to ensure that each staff member in his or her respective BOA-U rank is given a chance to participate in the study. A summary of the respondent's categories is presented in the following table.

Table 2: Category number and percentage of respondents

Category	Number of Respondents	Percentage response
Senior Managers	10	100%
Middle Managers	20	100%
Banking Officers	76	100%
Support Staff	32	100%
Total	138	100%

Source: Primary data

From the response rate in the table, the percentage rate for each category of selected respondents shows that all (100%) the intended sub-sample participated in the study. Thus, this shows that the findings were representative of the population of the categories of staff at BOA-U.

4.1.2 Age of the Respondents

The respondents' age was important in that it determines the maturity of respondents, which can be used to determine whether the findings can be relied upon basing on the maturity of the respondents. The following table summarizes the respondents age.

Table 3: Frequencies and percentage of respondents by age

Gender	Frequency	Percent (%)
Under 26	32	23.2
26-35	85	61.6
36-45	21	15.2
Total	138	100

Majority of the respondents that is one hundred six (76.8%) were in the age bracket of 26 years and above. This shows that the study endeavored to get respondents who were mature and could provide information that could be relied upon. In addition, the findings show that BOA-U is mainly constituted of young people who are not above 35 years and who were most likely to provide reliable information relating employee commitment in

terms of leaving the organization but not because of retirement. Furthermore, information gathered through documentary review from the HR department shows that employees' lack of commitment to the organization was highest in the age bracket of 26 to 35 years, at a rate of 18% per annum (HR Annual Report, 2008). Lack of commitment to the organization is mainly exhibited in the frequent and voluntary resignation of staff who join other banks (HR Annual Report, 2008).

4.1.3 Respondents' Gender Distribution

The researcher established the gender distribution of the respondents in order to establish whether information obtained was not gender biased. Results are presented in the following table.

Table 4: Frequencies and percentage respondents by gender

Gender	Frequency	Percent (%)
Male	81	58.7
Female	57	41.3
Total	138	100

The findings revealed that eighty-one (58.7%) of the respondents were men while fifty-seven (41.3%) of the respondents were women. This clearly indicates that the banking profession in Uganda is characterized by nearly the same proportion of male and female workforce. Thus, the findings suggest that information obtained from the sample was not gender biased.

4.1.4 Education of the Respondents

The education level of the respondents was studied in order to find out whether the respondents were in position to understand the questions about leadership development

and employee commitment. This is because if an individual does not understand a question, he or she is likely not to give a correct response. Respondents were categorized as under graduate degree, postgraduate degree, and others. The following table summarizes the findings.

Table 5: Frequencies and percentage of respondents by education level

Education Level	Frequency	Percent (%)
Ordinary level	2	1.5
Advanced level	1	0.7
Certificate	4	2.9
Diploma	9	6.5
Undergraduate degree	81	58.7
Postgraduate degree	41	29.8
Total	138	100.0

Source: Primary data

From table 5, it was found out that the largest proportion of respondents 122 out 138 (88.5%) had undergraduate and a postgraduate degrees. The results show that the majority of the respondents were highly educated and were in position to understand the questions about leadership development and employee commitment, hence providing reliable information.

4.1.5 Marital Status of the Respondents

The researcher studied the marital status because findings would help determine if such information about employee commitment was captured based on the respondents' marital status. Findings are presented in the following table.

Table 6: Frequencies and percentage of respondents by marital status

Marital status	Frequency	Percent
Married	53	38.4
Single	85	61.5
Total	138	100.0

Source: Primary data

The results showed that 53 (38.4%) of the respondents were married whereas 85 (61.5%) were single. Based on these findings, married individuals have more responsibilities and because of this, they may not easily leave an organization if there is no immediate job elsewhere compared to single individuals. Single people are very flexible and hence, their commitment to the organization is very low given the fact that they do not have obligations that can hold them back as compared to the married who shoulder a lot of responsibility. Thus, with a large percentage of respondents who are single, it is most likely the information obtained from respondents indicating low commitment was reliable.

4.1.6 Duration/Years of Service with BOA-U

To find out the years of an individual's service with BOA-U, the researcher categorized this as less than 1 to above 5 years of service. Tenure of the respondents was important in determining the reliability of information provided by respondents in that those who had stayed with BOA-U for a long time would be in better position to know about leadership development and employee commitment in the bank. The following table presents the results.

Table 7: Frequencies and percentage of respondents by duration of service with BOA

Duration of service	Frequency	Percent (%)
Less than a year	38	27.6
1 year	13	9.4
2 years	13	9.4
3 years	6	4.3
4 years	18	13
5 years and above	50	36.3
Total	138	100.0

Source: Primary data

The results indicated that 51 (37%) of the respondents were still very new in BOA-U as they have served for less than a year while 87 out 138 (63%) had stayed in bank longer for over 2 years. The statistics indicated that those who had stayed for a short time might not have been in position to provide reliable information about leadership development and employee commitment while those who had stayed with the bank for a long time were in position to provide reliable information; these were the majority of the respondents.

4.2 Empirical findings

This section examines the relationship between leadership development and employee commitment in BOA-U. The findings are arranged according to the research objectives which include establishing the relationship between; (1) career development and employee commitment in BOA-U (2) team building and employee commitment in BOA-U (3) communication and employee commitment in BOA-U (4) The influence of pay and rewards on the relationship between leadership development and employee commitment in BOA-U.

4.2.1 Leadership development and Employee commitment in BOA-U

The purpose of the study was to establish the relationship between leadership development and employee commitment. Under leadership development, three dimensions were explored, that is; career development whose indicators were organizational learning and self-development, team building whose indicators were convergent and divergent, and communication whose indicators were upward and downward communication. The dimensions of leadership development were related to employee commitment whose dimension included affective commitment, continuance commitment and normative commitment. In the study, it was conceptualized that when career development, team building, and communication were not enhanced, employee commitment would not be enhanced. In addition, it was conceptualized that when pay and reward were not commensurate with to the work employees do, this further worsen the above relationship between leadership development and employee commitment. Junior staff were in agreement with this; most of them pointed out that career development, team building and communication were still lacking in BOA-U and that the pay and rewards are not commensurate to the work they do. However, senior managers emphasized the fact that commitment is mutual; management puts in place structures that enhance employee commitment and staff have to respond by showing their commitment. Support staff seemed to have no choice; to them maintaining a job where you get a monthly income was very important, this shows that they displayed continuance commitment (staying with an organization because it is too costly to leave). These findings are supported with quantitative statistical tested findings obtained from questionnaire in the following subsections.

However, according to Plonsky (2007), it is advised that when presenting the results of statistical tests, the researcher should give descriptive statistics before the corresponding

inferential statistics. In other words, the researcher should give means and/or percentages (perhaps referring to a table or figure), before talking about the results of any statistical tests performed. Thus, in this chapter, this advice was adopted and descriptive statistics used included frequencies and percentages, which were used to describe the four variables (that is career development, team building, communication and employee commitment) the study focused on. The following are the results.

4.2.1.1 Career Development at BOA-U

Six questions about career development were presented to respondents who were supposed to respond by selecting one of the following responses: "1= Strongly Disagree" or "2 = Disagree" or "3= Neither Agree nor disagree" or "4 = Agree" or "5 = Strongly Agree". Findings are presented in the following table followed by an analysis and interpretation.

Table 8: Descriptive results on items about career development (N =138)

Item	1	2	3	4	5
I do expect to change organizations in my career	5.8%	10.1%	14.4%	31.1%	38.4%
There are many career opportunities I expect to explore after I leave my job	0.7%	6.5%	22.6%	34.3%	35.7%
I am really looking for an organization to spend my entire career with	21%	27.5%	23.91%	13.7%	13.7%
My job has good career prospects	5.8%	11.5%	34%	28.2%	20.2%
I get support when I want to learn new skills	8.7%	6.5%	30.4%	42%	12.3%
My employer considers my goals and values	12.3%	12.3%	33.3%	35.5%	5.8%

Source: Primary data

Analysis of the findings involved summing the percentages of strongly disagree and disagree for each question to represent respondents who were opposed to the question and summing the percentages of strongly agree and agree for each question to represent respondents who concurred with the questions. The categories of respondents opposed to

the questions were then compared to categories of respondents concurring with the questions in order to interpret the findings. This procedure is applied to the rest of the descriptive statistics in this chapter. The following is the analysis of the findings in Table 8:

1. Fewer respondents (15.9%) opposed that they expected to change organizations in their career compared 69.5% of the respondent who concurred.
2. Fewer respondents (7.2%) opposed that there were many career opportunities they expected to explore after they left their job compared 70.0% of the respondent who concurred.
3. More respondents (48.5%) opposed that they were really looking for an organization to spend their entire career with compared 27.4% of the respondent who concurred.
4. Fewer respondents (17.3%) opposed that their job had good career prospects compared 48.4% of the respondent who concurred.
5. Fewer respondents (15.2%) opposed that they got support when they wanted to learn new skills compared 54.3% of the respondent who concurred.
6. Fewer respondents (24.6%) opposed that their employer considers their goals and values compared 41.3% of the respondent who concurred.

The following is the interpretation of the analysis. From the analysis, it can be observed that more respondents answered in affirmative to most of the questions about career development compared to questions answered negatively. This shows that there is career development in BOA-U.

4.2.1.2 Employee Commitment at BOA-U

Fifteen questions about employee commitment were presented to respondents who were supposed to respond by selecting one of the following responses: "1= Strongly Disagree" or "2 = Disagree" or "3= Neither Agree nor disagree" or "4 = Agree" or "5 = Strongly

Agree". Findings are presented in the following table followed by an analysis and interpretation.

Table 9: Descriptive results on items about employee commitment (N =138)

Attitude	1	2	3	4	5
I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful	2.17%	3.6%	13%	46.3%	34.7%
I talk up this organization to my friends as a great organization to work for	2.9%	6.5%	14.4%	48.5%	27.5%
I feel very little loyalty to this organization	36.2%	25.3%	22.4%	13%	2.9%
I would accept almost any type of job assignment in order to keep working for this organization	18.8%	27.5%	28.9%	13%	11.5%
I find that my values and the organization's values are very similar	5.8%	19.5%	26.8%	34.7%	13%
Am proud to tell others I am part of this organization	5%	5.8%	17.3%	36.9%	34.7%
I could just as well be working for a different organization as long as the type of work was similar	17.3%	26%	31.1%	17.3%	7.9%
This organization really inspires the very best in me in the way i perform my job	5%	17.3%	31.1%	34%	12%
It would take very little change in my present circumstances to cause me to leave this organization.	7.9%	29.7%	32.6%	21.7%	7.2%
I am extremely glad that I chose this organization to work for over others I was considering at the time I joined	3.6%	13.7%	28.9%	29.7%	23.9%
There is not much to be gained by sticking with this organization indefinitely	24%	34.3%	27%	8.7%	5.8%
Often, I find it difficult to agree with this organization's policies on important matters relating to its employees	15.9%	36.2%	33.3%	10.8%	3.6%
I really care about the fate of this organization	1.4%	10.8%	15.9%	40.5%	31.1%
For me, this is the best of all possible organizations for which to work	6.5%	29.7%	33.3%	18.8%	11.5%
Deciding to work for this organization was a definite mistake on my part	64.4%	24.6%	5%	5%	0.7%

Source: Primary data

The following is the analysis of the findings in Table 9:

1. Fewer respondents (5.77%) opposed that they were willing to put in a great deal of effort beyond that normally expected in order to help the organization be successful compared to 81% who concurred.

2. Fewer respondents (9.4%) opposed that they talked up the organization to their friends as a great organization to work for compared to 76% who concurred.
3. More respondents (61.5%) opposed that they felt very little loyalty to the organization compared to 15.9% who concurred.
4. More respondents (46.3%) opposed that they would accept almost any type of job assignment in order to keep working for the organization compared to 24.5% who concurred.
5. Fewer respondents (25.3%) opposed that they found that their values and the organization's values were very similar compared to 47.7% who concurred.
6. Fewer respondents (10.8%) opposed that they were proud to tell others they were part of the organization compared to 71.6% who concurred.
7. More respondents (43.3%) opposed that they could just as well be working for a different organization as long as the type of work was similar compared to 25.2% who concurred.
8. Fewer respondents (22.3%) opposed that the organization really inspired the very best in them in the way they performed their job compared to 46% who concurred.
9. More respondents (37.6%) opposed that it would take very little change in their present circumstances to cause them to leave the organization compared to 28.9% who concurred.
10. Fewer respondents (17.3%) opposed that they were extremely glad that they chose the organization to work for over others they were considering at the time they joined compared to 53.6% who concurred.
11. More respondents (58.3%) opposed that there is not much to be gained by sticking with the organization indefinitely compared to 14.5% who concurred.

12. More respondents (52.1%) opposed that often, they found it difficult to agree with the organization's policies on important matters relating to its employees compared to 14.4% who concurred.
13. Fewer respondents (12.2%) opposed that they really cared about the fate of the organization compared to 71.6% who concurred.
14. More respondents (36.2%) opposed that for them, this was the best of all possible organizations for which to work compared to 30.3% who concurred
15. More respondents (89%) opposed that deciding to work for the organization was a definite mistake on their part compared to 5.7% who concurred.

The following is the interpretation of the analysis. It can be observed that nine out of fifteen questions (1, 2, 6, 9, 10, 11, 12, 13 and 15) show that most respondents indicated more commitment to BOA-U while for other remaining six out of fifteen questions (3, 4, 5, 7, 8 and 14), most respondents indicated low-commitment to BOA-U. This shows that although most employees of BOA-U were committed to it, some were not committed to it.

Having presented the descriptive statistics on career development and employee commitment, Pearson correlation statistical test results were produced to test the following first hypothesis:

Hypothesis 1: There is a positive relationship between career development and employee commitment in BOA-U.

For purposes of interpretation, the symbol (r) is the correlation coefficient, which is used to determine the strength of the relationship between career development and employee commitment while the sign of the correlation coefficient is used to determine nature of

the relationship. The significance of the correlation coefficient (p) is used to test the hypothesis. The symbol for the sample is “ n ”. Results are presented in Table 10 followed by an analysis and interpretation of the results.

Table 10: Correlations between career development and employee commitment

	Career development	Employee commitment
Career development	$r = 1.000$ $p = .$ $n = 138$	
Employee commitment	$r = .260$ $p = .008$ $n = 138$	$r = 1.000$ $p = .$ $n = 138$

Source: Primary data

From Table 10, the correlation ($r = .260$) between career development and employee commitment is positive but weak. This was subjected to testing, which showed that the correlation is significant at the 0.01 level (2-tailed), thus indicating a 99% level of confidence to confirm the relationship. Hence, the alternative hypothesis that career development significantly influences employee commitment in BOA-U was accepted. The positive nature of the relationship implied that more and better career development is related to more employee commitment. Generally, the findings indicate that low employee commitment in BOA-U is related to poor career development. The findings are supported by Arnold (2005) who observes that career development provided by the organization enhances employee commitment.

4.2.1.3 Team Building and Employee Commitment

Data on the relationship between team building and employee commitment were collected using a five point Likert scale. Thus, respondents were supposed to respond by selecting one of the following responses: "1= Strongly Disagree" or "2 = Disagree" or "3= Neither Agree nor disagree" or "4 = Agree" or "5 = Strongly Agree". Team building was

measured using a total of 9 questions, which solicited the respondents' opinions. The findings are presented in the table below.

Table 11: Descriptive results on items about team building (N =138)

Attitude	1	2	3	4	5
We have such good work relations at the work place that I would not easily conceive the idea of leaving	3.6%	18.8%	34.7%	31.1%	11.5%
My relationship with the supervisors is so good that I am always motivated to do my work	2.9%	8.7%	34%	39.8%	14.4%
In our department, we have been trained to work as a team	1.4%	7.9%	13%	50.7%	26.8%
I really feel as if this department's problems are my own	23.9%	14.4%	21.7%	26%	13.7%
My supervisor instills pride in me for being associated with him/her	7.9%	13.7%	33.3%	34.7%	10.1%
I do not feel like "part of the family" in my department	42.7%	32.6%	12.3%	9.4%	2.9%
I do not feel a strong sense of "belonging" to my department	36.2%	33.3%	15.9%	9.4%	5%
My department has a great deal of personal meaning to me	5.8%	20.2%	26.8%	32.6%	13.7%
I do not feel "emotionally attached" to this department	34.7%	21.7%	14.4%	21%	7.9%

Source: Primary data

The following is the analysis of the findings in Table 11:

1. Fewer respondents (22.4%) were opposed that they had such good work relations at the work place that they would not easily conceive the idea of leaving compared to 42.6% who concurred.
2. Fewer respondents (11.6%) were opposed that their relationship with the supervisors was so good that they were always motivated to do their work compared to 54.2% who agreed.
3. Fewer respondents (9.3%) were opposed that in their department, they had been trained to work as a team compared to 77.5% who concurred.
4. Fewer respondents (38.3%) were opposed that they really felt as if the department's problems were their own compared to 39.7% who concurred.

5. Fewer respondents (21.6%) were opposed that their supervisor instilled pride in them for being associated with him/her compared to 44.8% who concurred.
6. More respondents (75.3%) were opposed that they did not feel like "part of the family" in their department compared to 12.3% who concurred.
7. More respondents (56.4%) were opposed that they did not feel a strong sense of "belonging" to their department compared to 14.4% who concurred.
8. Fewer respondents (26%) were opposed that their department had a great deal of personal meaning to them compared to 46.3% who concurred.
9. More respondents (56.4%) were opposed that they did not feel "emotionally attached" to the department compared to 28.9% who concurred.

The following is the interpretation of the analysis. It can be observed that seven out of nine questions (2, 3, 4, 5, 6, 7, and 9) show that most respondents indicated that team building took place at BOA-U while for the two out of nine questions (1 and 8), respondents indicated that team building did not take place at BOA-U. This shows that in most cases team building took place at BOA-U.

Having presented the descriptive statistics on team building, Pearson correlation statistical test results were produced to test the following second hypothesis:

Hypothesis 2: There is a positive relationship between team building and employee commitment in BOA-U.

Results are presented in Table 12 followed by an analysis and interpretation of the results.

Table 12: Correlations between team building and employee commitment

	Team building	Employee commitment
Team building	$r = 1.000$ $p = .$ $n = 138$	
Employee commitment	$r = .173$ $p = .001$ $n = 138$	$r = 1.000$ $p = .$ $n = 138$

Source: Primary data

From Table 12, the correlation ($r = .173$) between team building and employee commitment is positive but very weak. This was subjected to testing, which showed that the correlation is significant at the 0.001 level (2-tailed), thus indicating a 99% level of confidence to confirm the relationship. Hence, the alternative hypothesis that team building significantly influences employee commitment in BOA-U was accepted. The positive nature of the relationship implied that more frequent and better the team building, the more employee commitment. These findings are supported by the assertion that employee involvement, teambuilding approach, and Employee empowerment increases loyalty and fosters ownership ([www.questia.com/ leadership](http://www.questia.com/leadership)). Generally, these findings suggest that the greater the effort toward team building, the greater the level of employee commitment at BOA-U.

4.2.1.4 Communication and Employee Commitment

Data on the relationship between communication and employee commitment was collected using a five point Likert scale. Communication was measured using a total of 6 questions, which solicited the respondents' opinions. Thus, respondents were supposed to respond by selecting one of the following responses: "1= Strongly Disagree" or "2 = Disagree" or "3= Neither Agree nor disagree" or "4 = Agree" or "5 = Strongly Agree". The findings are presented in the table here below.

Table 13: Descriptive statistics on communication (N =138)

Item	1	2	3	4	5
Management is open, free and transparent to all staff	11.5%	21.7%	28.2%	27.5%	10.8%
Employees in my organization are free to express themselves	7.2%	24.6%	27.5%	31.1%	9.4%
In my organization, communication is followed by feed back	4.3%	22.4%	29.7%	34%	9.4%
Am satisfied with the communication system in my organization	6.5%	27.5%	22.4%	31.1%	12.3%

The goal, objectives and values of the organization are very clear to me	2.9%	5%	21.7%	48.5%	21.7%
I know exactly what is expected of me, my tasks are clear	2.1%	10.8%	15.9%	44.2%	26.8%

Source: Primary data

The following is the analysis of the findings in Table 13:

1. Fewer respondents (33.2%) were opposed that management was open, free and transparent to all staff compared to 38.3% who concurred.
2. Fewer respondents (31.8%) were opposed that employees in their organization were free to express themselves compared to 40.5% who concurred.
3. Fewer respondents (26.7%) were opposed that in their organization, communication was followed by feed back compared to 43.4% who concurred.
4. Fewer respondents (34%) were opposed that they were satisfied with the communication system in their organization compared to 43.4% who concurred.
5. Fewer respondents (7.9%) were opposed that the goal, objectives and values of the organization were very clear to them compared to 70.2% who concurred.
6. Fewer respondents (12.9%) were opposed that they knew exactly what was expected of them, their tasks were clear compared to 71% who concurred.

The following is the interpretation of the analysis. It can be observed that all the six questions show that most respondents indicated that communication at BOA-U was good. Despite this, some employees did not receive adequate and effective communication at BOA-U.

Having presented the descriptive statistics on communication, Pearson correlation statistical test results were produced to test the following third hypothesis:

Hypothesis 3: There is a positive relationship between communication and employee commitment in BOA-U.

Results are presented in Table 14 followed by an analysis and interpretation of the results.

Table 14: Correlations between communication and employee commitment

	Communication	Employee commitment
Communication	R = 1.000 p = . n = 138	
Employee commitment	r = .189 p = .020 n = 138	r = 1.000 p = . n = 138

Source: Primary data

From Table 14, the correlation ($r = .189$) between communication and employee commitment is positive but weak. This was subjected to testing, which showed that the correlation is significant at the 0.05 level (2-tailed), thus indicating a 95% level of confidence to confirm the relationship. Hence, the alternative hypothesis that communication significantly influences employee commitment in BOA-U was accepted. The positive nature of the relationship implied that good communication is related to more employee commitment. This is strengthened by the assertion that employees are committed when they are clear with their goals and objectives, and know how to go about achieving them (Lynch, Eisenberger & Armeli, 1999).

4.2.1.5 Effect of Remuneration on the Relationship between Leadership Development and Employee Commitment

The fourth objective of this study was to establish whether there was a significant moderator effect of remuneration (pay and rewards) on the relationship between leadership development and employee commitment in BOA-U. In this study, remuneration was measured using a total of 7 questions, which solicited the respondents' opinions. This was done based on the five Likert scale. Thus, respondents were supposed to respond by selecting one of the following responses: "1= Strongly Disagree" or "2 =

Disagree" or "3= Neither Agree nor disagree" or "4 = Agree" or "5 = Strongly Agree".

Results are presented in the following table.

Table 15: Descriptive statistics on remuneration (N= 138)

Item	1	2	3	4	5
My pay is fair compared to staff doing similar work in other organizations	14.4%	19.5%	28.2%	30.4%	7.2%
I get fair pay for the responsibilities in my job	15.9%	26%	18.8%	34%	5%
My pay increases to maintain my standard of living	24.6%	28.9%	27.5%	15.9%	2.9%
I am content with level of pay	24.6%	31.1%	28.9%	10.8%	4.3%
My pay is adequate reflection of my performance	21.7%	34.7%	28.2%	13%	2.1%
The salary is low, does not suffice, even with benefits	13.7%	25.00%	28.2%	25.60%	7.2%
I will continue working in BOA-U because my pay is fair	13.7%	26.8%	34%	18.1%	7.2%

Source: Primary data

The following is the analysis of the findings in Table 15:

1. Fewer respondents (33.9%) were opposed that their pay was fair compared to staff doing similar work in other organizations compared to 37.6% who concurred.
2. More respondents (41.9%) were opposed that they get fair pay for the responsibilities in their job compared to 39% who concurred.
3. More respondents (53.5%) were opposed that their pay increased to maintain their standard of living compared to 18.8% who concurred.
4. More respondents (55.7%) were opposed that they were content with level of pay compared to 15.1% who concurred.
5. More respondents (56.4%) were opposed that their pay was adequate reflection of their performance compared to 15.1% who concurred.
6. Fewer respondents (32.5%) were opposed that the salary was low, did not suffice, even with benefits compared to the 39% who concurred.
7. More respondents (40.5%) were opposed that they would continue working in BOA-U because their pay was fair compared to 25.3% who concurred.

The following is the interpretation of the analysis. It can be observed that six out of seven questions (2, 3, 4, 5, 6, and 7) show that most respondents indicated that remuneration at BOA-U was poor. It is question one on which most respondents indicated that remuneration at BOA-U was good. Thus, the findings show that remuneration at BOA-U was not satisfactory.

Having presented the descriptive statistics on remuneration, Pearson correlation statistical test results were produced to test the following forth hypothesis:

Hypothesis 4: Remuneration enhances the relationship between leadership development and employee commitment in BOA-U.

Results are presented in Table 16 followed by an analysis and interpretation of the results.

Table 16: Correlations between leadership development and employee commitment while controlling remuneration (pay and rewards)

Control variable	Dependent variable	Independent variables		
Remuneration		Career development	Team building	Remuneration
	Employee commitment	r = .240 p = .005 n = 138	r = .148 p = .085 n = 138	r = .164 p = .056 n = 138

Source: Primary data

From Table 16, when remuneration (pay and rewards) was controlled, the correlations between career development and employee commitment, team building and employee commitment, communication and employ commitment reduced from .260 (see Table 10) to .240 (see Table 16), from .173 (see Table 12) to .148 (see Table 16), and from .189 (see Table 14) to .164 (see Table 12). These were subjected to testing, which showed that the correlation is significant at the 0.05 level (2-tailed), thus indicating a 95% level of confidence for the relationship between career development and employ commitment. There was no significant relationship between team building and employ commitment,

and communication and employee commitment. Hence, the alternative hypothesis that remuneration enhances the relationship between leadership development and employee commitment in BOA-U was accepted in respect to the relationship between career development and employee commitment but rejected in respect to the relationship between team building, communication and employee commitment.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents, discusses the summary, conclusions and recommendations from the investigation on the relationship between dimensions of leadership development, remuneration and employee commitment in BOA-U. The chapter is thus divided into three chapters. The first presents the summary of findings. The second presents the conclusions. The third presents the recommendations.

5.1 Summary of findings

The problem that aroused interest to this study was that despite several leadership development initiatives at BOA-U to enhance employee commitment, low employee commitment persisted in the form of absenteeism, short tenure, and high turnover. This necessitated investigating why by looking at the relationship between the dimensions of leadership development and employee commitment taking into consideration the influence of remunerations on this relationship. The study was guided by the following hypotheses:

Hypothesis 1: There is positive relationship between career development and employee commitment in BOA-U.

Hypothesis 2: There is a positive but weak relationship between team building and employee commitment in BOA-U.

Hypothesis 3: There is a positive relationship between communication and employee commitment in BOA-U.

Hypothesis 4: Remuneration enhances the relationship between leadership development and employee commitment in BOA-U.

5.1.1 Respondents' Background Characteristics

The findings revealed that the banking profession in Uganda is characterized by a male dominated workforce but the difference in gender was not big. Most employees were single and thus most likely they did not have more domestic responsibilities that would negatively influence their commitment to the organization. Most of them are undergraduate degree holders who could demand more remuneration commensurate to their education for them to be committed to the organization. A big percentage of the employees in BOA were still in the age bracket of 26 – 35, yet this age bracket is characterized by individuals striving to fulfil their physiological/basic needs of food, shelter, clothing and health care, which BOA-U should facilitate them to achieve if the employees are to remain committed to it. To employees in this group, money still plays a central role, they are always on the move looking for better paying jobs. This has a negative impact on employee commitment to the organization. Netswera et al (2005) also argue that young and enthusiastic employees can only stay in an organization where there were opportunities for advancement.

5.1.2 Empirical Findings

5.1.2.1 Leadership Development and Employee Commitment

In this study, leadership development was looked at as a process of building and or enhancing knowledge, skills, abilities of individuals with the aim of developing their capacity at all levels of the organization in order to attain various corporate and organizational goals, attract and retain their valuable employees (Bhambra 1999). Leadership development was studied under three dimensions, that is; career development, team building and communication, and their relationship with Employee commitment. Employee commitment was looked at as the psychological state that binds the individual

to the organization and the strength of an individual's identification with and involvement in an organization (Mowday et al., 1979). Thus, in this study employment commitment included the affective commitment, normative commitment and continuance commitment. The study investigated the relationship between career development, team building, communication and employee commitment. The following is the summary of the findings.

5.1.2.2 Career Development and Employee Commitment

The bank mainly trains staff in areas that are in corporate strategy for example the Bank's present strategy is targeting small and medium enterprises, so it is putting all its resources to train the sales team this line of business, this implies that training is one sided. Trainings are majorly done in areas where the bank mostly benefits. Concern is not mainly on individual achievements that is why the bank staff sponsorship is for only three people per year in an institution of one hundred ninety eight staff. After the scholarship, the beneficiary is required to work with the bank for four years from the year of graduation, if they have to leave the bank before the expiry of the four years, then they are required to refund the money before exit. This leads to Normative commitment where people remain loyal to the bank due to costs involved in leaving the bank.

It was revealed that BOA-U has fostered career development through internal job adverts, where people are given an opportunity to compete for a created or vacant post.

Some staff are identified by management, trained and gloomed along a particular field of responsibility to ensure good succession planning. This is done through delegation, acting on behalf of someone who is away on leave and giving special assignments or projects to be handled. This leads to continuance commitment where people remain loyal to the bank due to perceived benefits of staying with the organisation or a fore seen opportunity.

Interviews with the senior managers revealed that BOA subscribes its senior managers to British Council library to access educational resources like books, tapes and videos and giving managers full day access rights to use internet but the onus is on the individual to use these resources, no monitoring is done to ensure that such resources are put to effective use.

Related to the above findings, [Brooks & Harfield, \(2000\)](#); Herriot et al (1997) argue that employees that register a satisfactory exchange between themselves and the organization may be intrinsically motivated by perceived personal development opportunities and hence report more commitment to their work and organization. Consequently, one could conclude, basing on the findings, that the low employee commitment to BOA-U could be explained by other factors, other than training and career development.

5.1.2.3 Team building and Employee Commitment

A senior manager in an interview noted that teamwork within departments is not very strong, he said that ‘without him standing up to request some one to lend a hand to a colleague, no one takes the initiative, people do work individually and they often do not want interruptions, when they finish what is at their desks, they slowly pack their bags and clock off’. He however acknowledged the fact that the bank management has tried to build teams through organizing end of year staff parties where all staff celebrate the year’s achievement, this is done by staff participating in different tasks like competitive games, dinner, music and dance, social retreats / events. The findings from the survey indicated that there is a positive relationship between team building and employee commitment in BOA-U. This is further confirmed by Meyer and Allen, (1997), who found out that employees that have a good relationship with their immediate work group had higher levels of employee commitment. They discussed the idea that if employees are

directly committed to their group, their commitment to their overall organization will be higher. Lio (1995) further supports that workers' organizational commitment is significantly correlated to their sense of belonging to the group.

5.1.2.4 Communication and Employee Commitment

Interviews with middle managers revealed that there was a lot of informal communication instead of formal communication amongst staff. Most instructions were done on phone calls hence could not be referred to. One of the managers lamented about the phone instructions he normally gets to make funds transfers, he said that this was a risky practice as it had no fall back position in case of any problems.

One of the banking officers noted that generally, there was no feedback, people had to do a lot of follow-up to get feedback. Most junior staff were complaining of decisions being made without management first consulting them. This shows that top-bottom communication is still lacking.

The interview with the HRM revealed that staff have not taken the initiative to use all the communication channels in the bank. She gave an example of the on-line communication via intra-net where department-folders have been created and guiding manuals for each department posted but staff never take time to read them. Communication is the life-blood of an organization and once it is not properly handled, it leads to demotivation and consequently low levels of commitment of employees to the organization.

5.1.2.5 Remuneration and Employee Commitment

From the result, it is evident that monetary rewards are a yardstick in determining the level of employees' commitment. It can therefore be said that pay and rewards have a

major influence on employees if they are to remain loyal to the Bank. Hypothesis 4 predicted that there is a positively strong influence of pay and rewards on the relationship between Leadership Development and Employee commitment in BOA-U. This was found to be positive but with a weak correlation as shown in table5. This suggests that pay and rewards determine the commitment levels of employees to the Bank and that pay and rewards are needed as a means of fulfilling and meeting the needs of employees. This is because with out pay, employees will not be able to meet their basic needs as outlined by Maslow (1954) who asserts in his theory that employees are motivated to work when their needs are fulfilled. The findings further support the assertion of Vroom (1964:134) that the expectation (reward) of employees on tasks performed motivates and encourages them to be committed. From the results, it is evident that the level of employees' commitment increases if it is backed up with monetary reward, and this in turn brings greater performance and productivity the organization.

In an interview with the HRM, she clearly pointed out that BOA-U has a fairly good pay structure compared to the other banks of the same rank, she however noted that employees have not taken the initiative to survey and compare with their other colleagues in the same industry. Contrary to this, the employees noted that their input and output is not commensurate to the pay and rewards they get and that this demotivates them.

The findings of this study show that monetary rewards affect the commitment of employees irrespective of their gender, work tenure and education level. Therefore inadequate monetary reward system is seen as a major set back of employee commitment and this can bring about increase in absenteeism, lateness, low performance, feeling of grievances and employee turnover ([Meyer & Allen, 1997](#)).

According to social exchange theory ([Shore & Barksdale, 1998](#)), a productive employment relationship exists where there is a degree of balance in perceived employee-

employer obligations. In a balanced and mutually supporting relationship, employees freely exchange their skills, effort and commitment in return for desired monetary and socio-emotional rewards provided by the organization or its agents ([Meyer & Allen, 1997](#)).

5.3 Conclusions

5.3.1 Leadership development and employee Commitment

Armstrong (1999) asserts that creating commitment includes communication, increasing the individual's access to correct information, education, training programmes, and initiatives to increase ownership and the development of performance. Employee commitment is said to be a result of an individual-organisational relationship, where individuals attach themselves to the organisation, in anticipation of certain valued rewards or pay. The study found out that the bank has a number of leadership development programmes but the problem of lack of employee commitment to the organisation still persists, interviews revealed that over 70% of employees display normative (staying with an organisation because of a feeling of moral obligation) and continuance (staying with an organisation because it is too costly to leave).

5.3.2 Career development and Employee Commitment

Though the bank carries out staff training and has annual training and succession planning strategies, respondents noted that these good plans only stay on paper, the actual implementation does not take place, where training is done, it is very basic and general especially in-house training. Respondents also pointed out that the succession planning strategy is not convincing given that the bank keeps sourcing out people to fill managerial and key posts instead of promoting its old and faithful employees, this reduces their moral and commitment to BOA-U forcing them to look out for greener pastures.

5.3.3 Team building and Employee Commitment

Much as most senior managers had reported good team work within the units they head, the junior employees maintained that team spirit was more said than done, one only goes an extra mile to help after they have been required by their superiors to do so, they strongly noted the issue of back stabbers amongst themselves, where some corporate rats spied on them and gave a feed back to management. This, they said, creates a lot of tension and suspicions. Most support staff maintained that they did not feel a sense of belonging to BOA-U as most of them felt like they were treated as inferior. Asked why they were still working in an organization where their presence was not felt, they replied that they did not have a better choice and the costs involved in leaving BOA-U with out a better offer were very high. This clearly showed continuance commitment (i.e staying with the organization due to awareness of costs associate with leaving).

5.3.4 Communication and Employee Commitment

Even though the results indicate a positive relationship between communication and employee commitment, there is need for a more transparent approach in the way management communicates to the employees. When key people in managerial positions were being interviewed, the impression was that there is very good top to bottom communication yet when junior staff were being interviewed, the impression was that management is not open in the way it handles affairs that concern staff. This discrepancy leads to dissatisfaction among employees resulting into low levels of commitment to BOA-U.

5.3.5 Remuneration and Employee Commitment

Interviews with respondents clearly revealed that bank's pay and reward system was not clear, it was pointed out that staff holding the same post were on different salary scales,

that some trainees earned twice as much as their trainers. Some staff complained of working past the standard working hours and working over the weekend yet to get their due overtime one had to beg to be paid, the amount paid was then subject to taxation. One staff said that she would rather be with her children over the weekend than come to work and be seen as a non performer who cannot finish all that she is required to do with in the official banking hours. Such feelings lead to a negative attitude towards work and the organization hence leading to low employee commitment to the organization as supported by Martinez & Martineau (2000), who noted that pay is a major issue, though not the only factor that triggers the commitment of employees.

5.4 Recommendations

It is necessary that organizations develop strategies for enhancing employee commitment, the following recommendations are suggested.

5.4.1 Career development and Employee Commitment

The following recommendations are suggested:

- a) Increase the sponsorship slottings available for staff to study and develop their career.
- b) Giving subsidized study loans to staff and encouraging them to go for further studies.
- c) Bank should Interact more with institutions that offer training so that through the already established relationships, the bank refers its staff to them for training or hires trainees to the bank to come and train all staff.
- d) When drawing the annual training programmes staff should be involved in the needs assessment exercise, so that they are given chance to point out their training

needs, also management should have particular interest in ensuring that these programmes are implemented instead of just staying on paper.

5.4.2 Team building and Employee Commitment

The following recommendations are suggested:

- a) Management should clearly communicate its expectations for the team's performance and expected outcomes so that team members understand why they are participating as a team, understand how the strategy of using teams will help the organization attain its communicated business goals. This will help the team members to define their team's importance to the accomplishment of corporate goals, and also understand where the team's work fits in the total context of the organization's goals, principles, vision and values.
- b) Management should positively accept the views and voices of staff for the betterment of the bank instead of suppressing them.
- c) Management should contact professionals that train team building skills so that staff are trained in team building activities. This will enhance their loyalty to the bank.
- d) Management should increase the number of staff functions to allow for more interactions and sharing of ideas. This will increase the bond between the organisation and its staff.

5.4.3 Communication and Employee Commitment

Proper and effective communication channels should be established in order to improve both upward and down ward communication. The interviews revealed that communication between supervisors and supervisees was perceived as a one way with out feed back, there was also a general perception of majority of the employees that their

employer does not treat them with respect. The following recommendations are suggested:

- a) Proper and effective communication channels should be established in order to improve both upward and down ward communication. Clear, positive communications from supervisor to supervisee. Effective communication enables all staff to clearly understand the organisation's goals and work toward the achievement of the stated objectives.
- b) People should be encouraged to share views without criticism, this will help management gather a lot of information from staff.
- c) Performance indicators should be put in place so that people know what their performance will be appraised against.
- d) Need for continuous job evaluation exercises instead of one offs and feed back should be given to staff. The bank should contact professionals who do the veting of best employers and see what these organizations do to qualify for this award. For example MTN was rated the best employer of 2008, the bank should find out what MTN does that is exceptional. Also management should freely talk to staff so that management gets to know what staff want.

5.4.4 Remuneration and Employee Commitment

- a) Based on the findings of this study, it is recommended that management should always be alive to the monetary reward system. This can be done through periodic increase in the employees pay and rewards. This system should favour employees who are the engine and the oil that keeps the wheels of the organization working.
- b) Management should adopt a more transparent remuneration system and employee benefit system so that rewards and incentives are commensurate to staffs performance.
- c) Management should bench mark other corporate companies on renumerations in order

to establish a reasonable scale.

- d) The pay and rewards system should grow with the growth of the balance sheet and it should cater for the existing inflation rate in the country.

5.5 Limitations

The researcher would like to introduce a 5% margin of error for these findings. Given that the researcher is a staff in BOA-U, its highly possible that staff were suspicious that the researcher is being used by the new management to find out about their commitment to BOA-U and that there was possibly a way of tracking who gave what response. Though respondents were assured that the survey was purely academic, majority viewed the commitment as a sensitive issue which management would have keen interest. In the researcher's opinion, respondents tried to balance their responses.

Coincidentally, this research was done a few months after BOA-U doing its very first sponsored job evaluation exercise, therefore staff may not have been able to distinguish clearly between the two exercises much as the issue of confidentiality was assured in the data collection instruments.

Measuring employee commitment was done by asking respondents the extent to which they felt they were committed to BOA-U. This is a subjective measure which is methodologically biased by its very nature. Because of this, it may be difficult to rule out the fact that some of the responses were biased.

Gathering of the relevant secondary data was quite challenging. Most Internet based electronic libraries required subscription and user access.

The Project was costly in terms of time and money. The financial constraint necessitated a credit facility.

Despite these limitations, the study investigated the relationship between Leadership Development and Employee commitment in BOA-U and the findings and recommendations should be viewed against these limitations.

5.6 Contributions of the study

The study will help to build on the existing body of knowledge in the area of the leadership development and employee commitment. This will help management to put in place policies and activities that encourage staff loyalty and stability, which will be integrated into the culture and everyday life of the organization, so that committed employees are the norm, rather than the exception.

This study will contribute to the leadership development literature by providing information on the relationship between leadership development and employee commitment in the Banking sector in Uganda. Managers of banks will also benefit from the study because faced with the current competitive, turbulent and unpredictable banking business environment, continuous, fundamental and lasting leadership development programmes with the aim of enhancing employee commitment are critical in order to avoid the painful reality of loss of qualified and experienced staff that leads to related consequences such as head-hunting and training substitutes.

5.7 Areas for further research

Given that this study was carried out only in BOA-U, it is recommended that a more extensive study is carried out in all commercial banks in Uganda. This will give a broad

range of results and allow for comparison of the findings in order to fully understand and enrich the concept of leadership development and employee commitment. Further research could be carried out on other variables that the researcher did not pay attention to for example the relationship between management style, personality traits and employee commitment, as well as other moderating factors like age, experience and level of education.

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