CONTRIBUTION OF MANAGERIAL REWARDS TO EMPLOYEE PERFORMANCE IN FINANCIAL INSTITUTIONS.

CASE STUDY: STANBIC BANK, ENTEBBE BRANCH

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A DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE BACHELOR'S DEGREE IN BUSINESS ADMINISTRATION AND MANAGEMENT OF UGANDA MARTYRS UNIVERSITY NKOZI

BY

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2011-B021-10303

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DEDICATION

I hereby dedicate this work to my dear family for without them I don't think I would have been able to reach this far as regards to my level of academic qualification. My beloved father Lt. Col Godfrey Wababa, my mum Josephine Wababa, sisters Wazemba Sharon, Angole Juliet, brothers Muboki Mathew and Wababa Andrew, nephew Akankwasa Keizronie and my niece Philomena Mukasa for their love and care has molded me into who I am right now.

I also dedicate this study to my dear friends for they have been by my side through soft and hard times of my life and for that I'm greatly thankful to Dellitah Bakhita, Makumbi Bushra, Nkahebwa Claire and Dujang Margret.

Above all I thank my Almighty God for the gift of life He gave to me and the continuous protection he provides to me everyday, I thank Him for the gift of wisdom He gives me for it is with that wisdom that I was able to write this dissertation.

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ABSTRUCT

Managerial rewards are one of the ways organizations use to attract and retain suitable employees as well as facilitate them to improve their performance. The study seeks to examine the contribution of managerial rewards on performance of employees in financial institutions and Stanbic bank was the case study. Specifically the study aims at examining the relationship between managerial rewards and employee performance and also examining the effect of both intrinsic and extrinsic rewards on the performance of employees. The study was carried out using the case study research design that has both the qualitative and quantitative approach. A study population of 20 employees with a sample size of 19 respondents was considered in the data collection process. Data was collected using administered questionnaires and analyzed with the help of Statistical Package for Social Sciences (SPSS) computer program which outputs frequency tables with percentages and pie charts among others.

The findings of the study from both managers and employees showed that managerial rewards have a strong relationship with employee performance. Managerial rewards were seen to be interdependent and vital to employee performance. Both extrinsic and intrinsic rewards had a positive effect on employee performance.

The conclusions of the study were that managerial rewards were an effective method of improving employee performance. For a managerial reward system to be balanced there has to be both intrinsic and extrinsic rewards. Intrinsic rewards in employees were evidenced by competence, improved knowledge and skills, attainment of a supportive organizational culture, among others. Extrinsic rewards were noted to basically motivate employees to increase their output levels.

The recommendations of the study were to involve employees in reward determination, formulate rewards while considering cost effective methods. Employees should be trained to improve their skills and they should also be given meaningful work. Good leadership from the managers and teamwork should be emphasized by the bank. Allowances should be added to employees especially housing, transport and lunch and the organization should motivate employees mainly individually before considering a big group.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

Rewards are used by several organizations to stimulate the performance of employees . In essence, a well rewarded employee gets the feeling that he or she is being valued by the organization they are working for. Employees are mainly the driving force of organizations while rewards act as their fuel hence for an organization to achieve its stated objectives the employees have to be taken care of.

Consequently, failure by the organization to award suitable rewards leads to a diminishing performance of employees. Basing on that and with reference to Stanbic Bank Limited, as the case for the study, this research study sets out to examine the contribution of managerial rewards to the performance of employees.

This chapter presents the introduction, the background of the study and the problem statement. The chapter further discusses the general or the purpose of the study, specific objectives, the research questions, and the scope of the study. The justification for the research study, the significance of the study, the conceptual framework that guided the research study and the conclusion is also presented.

1.1 Background to the Study

Managerial Rewards are one of the important elements that motivate employees so as to contribute their best effort to produce high levels of output for an organization. The origin of reward management roots from the basis of psychologists' research who started studying behavior in the early 1900's. One of the first psychologists to study behavior was Sigmund Freud and his work was referred to as the psycho-analytical theory. Later on many more psychologists added on to his work and improved it. With a series of improvements of research and theories psychologists then begun looking at how people reacted to rewards and what motivated them to work. As a result of that psychologists begun creating motivational theories which are closely affiliated with reward management. According to Dewhurst et al (2010), there are a number of other means to reward employees that do not just focus on financial compensation. Some of these include praise that employees are able to acquire from their managers, the opportunity to take on important projects or tasks, and even leadership attention.

Essentially, an employee gives their maximum when they are sure that their efforts are going to be rewarded by the organization. There are several factors that affect employee performance among these are favorable working conditions, employer-employee relationship, training and development, job security, and not leaving out rewards. Among all those motivation that comes with rewards is of at most importance.

Motivation is an accumulation of different processes which influence and direct our behavior to achieve some specific goal (Baron, 1983). Rewards can be extrinsic or intrinsic in nature, extrinsic rewards are tangible rewards and these rewards are external to the job or task performed by the employee. Extrinsic rewards can be in terms of salary/pay, incentives, promotions, overtime payment, job security, and many others. Intrinsic rewards are intangible rewards or psychological rewards like appreciation, meeting new challenges at a job, positive feed back from employers, and job rotation after attaining a goal.

According to Luthans (2000), there are two basic types of rewards, financial and non-financial and both can be utilized positively to enhance performance behaviors of employees. Financial rewards mean pay-for performance such as performance bonus, job promotion, commission, paid for trips, gifts among others. Non financial rewards are non monetary such as recognition, offering of challenging tasks, certificates, and genuine appreciation etc. The non financial rewards are also called materials award (Neckermann and Kosfeld, 2008). For that reason, desired employee performance can only be achieved efficiently and effectively, if an employee gets a gain from the organization after the attainment of a defined target or goal.

An organization must carefully design a rewards system to evaluate the employee's performance at all levels and then reward them with either pay for performance or invisible satisfaction. For performance management to become effective there has to be a rewards system which contains; needs and goals alignment between the organization and employees and it has to be rewarding employees both extrinsically and intrinsically. The system also suggests the presence of training and development of employees in order to complete the defined goals. This training and development and need assessment of employees gives them an intrinsic motivation. Frey (1997) argues that once pay exceeds a subsistence level, intrinsic factors are stronger motivators, and staff motivation requires intrinsic rewards such as satisfaction at doing a good job and a sense of doing something worthwhile.

Another important aspect is determining which type of reward is more effective to increase employees' performance. According to Perry et al (2006) financial rewards are not the most motivating factor and financial results have a de-motivating effect among employees. Several studies have found that among employees surveyed, money is not the most important motivator, and in some instances managers have found money to have a de-motivating effect on employees. On the other hand, Ryan (2011) points out that non monetary types of rewards can be very meaningful to employees and very motivating for performance improvement. According to him, creative use of personalized non-monetary rewards reinforces positive behavior and improves employee retention and performance. He continues to say that these types of recognition can be inexpensive to give, but priceless to receive.

Hence the importance of managerial rewards to the performance of employees cannot be ignored especially rewarding them for a job well done.

1.1.1 Background to the case study

The case study for the research is Stanbic bank, Entebbe branch. Stanbic Bank is part of Africa's leading banks under Standard bank whose main headquarters are found in Johannesburg, South Africa. It employs about 35,000 people worldwide and it is found in 17 sub-Saharan countries plus 21 other countries in other continents of the world. In Uganda it started off as National bank of India in 1906, it later attained a series of names until it was bought off by Standard bank group in 1993 October and that is when it got to be called Stanbic bank, Uganda. Stanbic bank has over 90 branches in different areas of the country. Stanbic bank Entebbe has been in existence since the 1970's to date. It is along the Entebbe-Kampala road on Teacher's house Suite 302 and its adjacent to Entebbe Grade B hospital on its right, National Water and Sewerage Corporation on its left and above it is the National State House of Uganda.

1.2 Statement of the Problem

According to Dewhurst et al (2010), there are a number of ways through which employees can be rewarded. Dewhurst et al (2010) also assert that rewards to employees can directly influence and stimulate their level of performance.

Presently several financial institutions have designed reward systems for their employees. This has been done by provision of salaries, allowances, job promotions, opportunities to take on challenging tasks, paid for trips, recognition and employee gratuity among others. According to Entwistle (1987), if an employee performs successfully, it leads to organizational rewards and as a result the motivational effect to employees is left to the organization to provide satisfying rewards to acknowledge and appreciate employee talents and abilities.

Despite the companies' efforts to reward employees, the level of performance has continued to diminish. This is highlighted by the decrease in the level of profitability and drop in the sales to customers among others. Hence this research endeavors to examine the contribution of managerial rewards both intrinsic and extrinsic on the performance of employees in financial institutions.

1.3 Objectives of the Study

1.3.1 General Objective

To examine the contribution of managerial rewards on the performance of employees in financial institutions

1.3.2 Specific Objectives

i. Examine the relationship between managerial rewards and employee performance in financial institutions.

ii. Examine the effect of intrinsic rewards on the performance of employees in financial institutions.

iii. Examine the effect of extrinsic rewards on the performance of employees in financial institutions.

1.4 Research Questions for the Study

i. What is the relationship between managerial rewards and employee performance in financial institutions?

ii. What is the effect of intrinsic rewards on the performance of employees in financial institutions?

iii. What effect do extrinsic rewards have on the performance of employees in financial institutions?

1.5 Scope of the study

The scope of the research study is based on the content scope, the geographical scope and the time scope.

The content scope of the research study aims at examining the contribution of managerial rewards to the performance of employees at Stanbic Bank Uganda Limited, Entebbe Branch. Specifically the study aims at finding out the relationship between managerial rewards and employee performance at the bank, the effect of intrinsic rewards on the performance of employees and the effect of extrinsic rewards on employee performance at Stanbic Bank, Entebbe Branch.

The geographical scope of the research study is Stanbic Bank Uganda Limited, Entebbe Branch. The Bank Branch is located in Entebbe, Wakiso district. The area of the research study has been specifically identified because of its location in Entebbe town along Entebbe-Kampala road which made it convenient for conducting the research study.

The time scope of the research study is focused on examining the contribution of managerial rewards to the performance of employees at Stanbic Bank Uganda Limited, Entebbe Branch for the years 2013-2014.

1.6 Justification of the Study

A well-organized reward system motivates and energizes employees because it recognizes their efforts and achievements. In essence, reward systems implemented by organizations influence employee behavior and attitude towards their job if the rewards satisfy their needs and help them fulfill their personal goals and objectives.

The following are the justifications for this study:

- It brings up the need to reexamine the contribution of managerial rewards on the performance of employees at Stanbic Bank Uganda Limited, Entebbe Branch.
- It finds out the various managerial rewards that are given to employees at Stanbic Bank, Uganda Limited Entebbe Branch.
- It seeks to establish the contribution of extrinsic and intrinsic motivation on the performance of employees. It was essential to assess the impact of both extrinsic and intrinsic motivation on employee level of motivation and performance.
- It is a partial requirement for the completion and award of the Bachelor's Degree of Business Administration and Management of Uganda Martyrs University, Nkozi.

1.7 Significance of the Study

The study sets out to get results that can be used by the financial institution under study in improving their managerial rewards to employee performance. In this, the management of the institution under study can be in position to use the results from this study as a basis for reviewing and improving their rewards systems to better the performance of their employees.

The study also contributes to the already existing literature and knowledge about the effects of rewards on the performance of employees specifically the intrinsic and extrinsic rewards. Various researchers have conducted similar studies and this is set to add on the already existing literature.

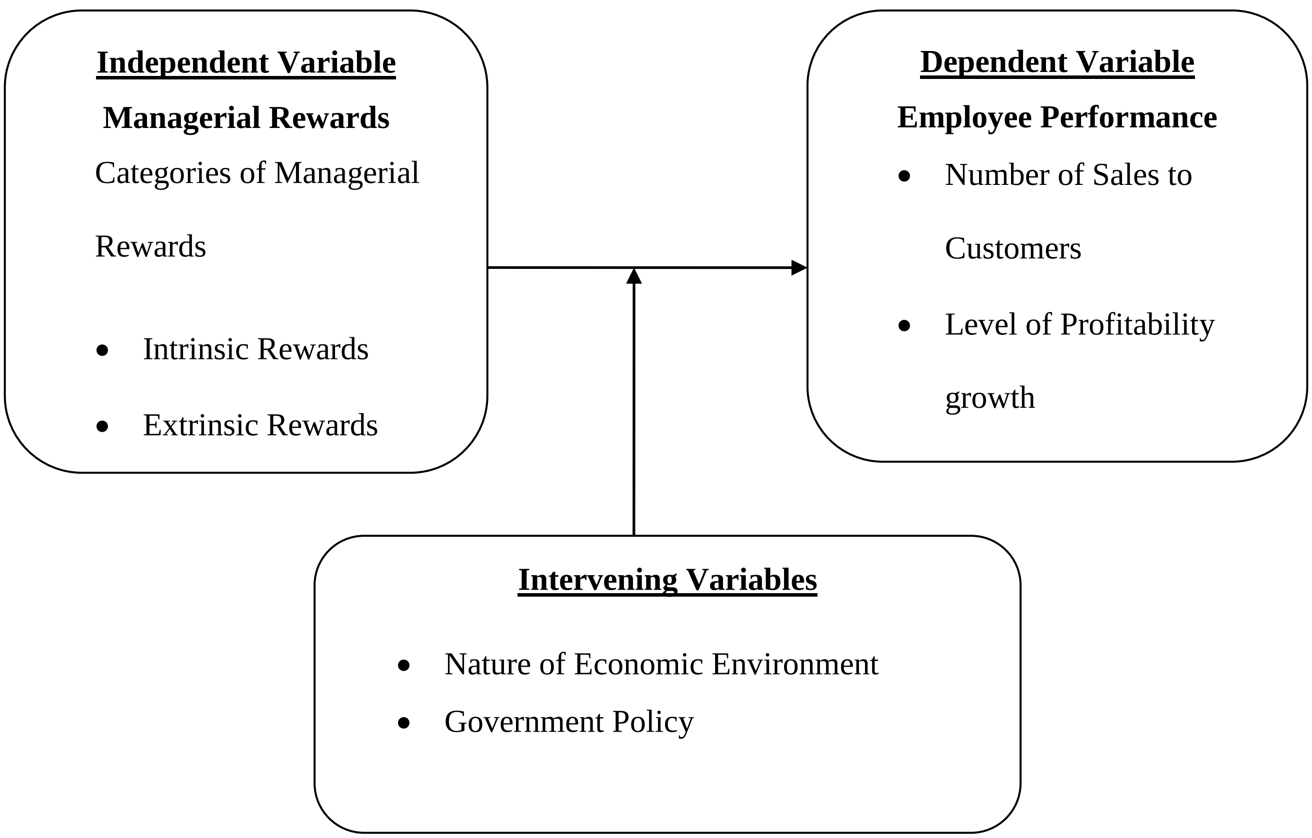
From the study, the researcher is able to acquire important skills of conducting future research studies like interviewing, observation, data analysis, compilation and presentation.

Lastly, the study leads to the compilation of the research report to make a dissertation which is a partial fulfillment for the award of the Bachelors Degree of Business Administration and Management of Uganda Martyrs University-Nkozi.

1.8 Conceptual Framework for the Study

The conceptual framework is based on the relationship between managerial rewards and the performance of employees. In essence the independent variable for the study are the categories of managerial rewards that is the intrinsic and extrinsic rewards, the dependent variable of the study is the performance of employee that is the number of sales to customers and the level of profitability growth and the intervening variables are the nature of economic environment and government policy.

Figure 1. Conceptual Framework for the Research Study



Source: Researcher 2014

The conceptual framework above shows the dependent and independent variables of the study. It shows that favorable government policies such as low tax holidays enable companies to accumulate money which they use to run their businesses and this aids in providing better managerial rewards which motivates employees and hence brings about growth in the level of profits . The nature of the economic environment for example low interest rates offered by banks enables companies to borrow money to run their businesses hence provide better managerial rewards which leads to an increase in the number of customers served hence an increase in sales.

1.9 Definition of key terms

A manager is a person whose job is to oversee employees, divisions or volunteers to ensure that they carry out their duties to meet specific goals, the manager oversees other employees as he also carries out activities such as organizing, controlling, planning , making reports and communicating information to employees or higher management.

An employee is anyone who has agreed to work under a contract and they provide a service for a form of payment such as salaries, allowances, overtime among others.

Performance is the act of carrying out a function or a task.

Kerr (1985) defines managerial reward system as an essential integrating mechanism through which the efforts of individuals are directed toward an organisation' strategic objectives

1.10 Conclusion

This introductory chapter gives a general overview of what the research is about and where it was carried out and why. It is also elaborates the objectives of the study, research questions, the historical background of the study and case study, the scope of the study as well as the conceptual framework

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This second chapter of the research study presents the scholarly assumptions, thoughts and arguments of different authors and researchers from different sources of scholarly materials about the contribution of managerial rewards on the performance of employees in an organization. The chapter discuses major concepts such as the evaluation of concepts that give a brief summary of the essence of the entire chapter, the chapter then presents the objectives of the study in depth by presenting the different categories of managerial rewards and how they affect employee performance then finally the conclusion.

2.1 Evaluation of concepts

2.1.1 Managerial Rewards

Kerr (1985) defines managerial reward system as an essential integrating mechanism through which the efforts of individuals are directed toward an organisation' strategic objectives. According to Lawler and Worley (2006), human resource is one of the most important resources of gaining competitive advantage over competitors for a firm; human resources can be retained and optimally utilized through motivating them using different techniques among which rewards are of significant importance. Carraher et al (2006) advocates that there should be an effective reward system to retain the high performers in the organization and that rewards should be related to their productivity. A lot of work is being done to evaluate the relationship between rewards and employee performance and there exists a large number of studies in the literature describing the contribution of managerial rewards on employee performance.

Gross and Friedman (2004) assert that in order to maximize the performance of the employees organizations must make policies and procedures and formulate a reward system under which employee motivation can be managed they further note that many organizations have gained immense progress by fully complying with their business strategy through a well balanced reward and recognition program for employees.

Deeprose (1994) notes that the motivation of employees and their productivity can be enhanced through providing them with effective intrinsic and extrinsic rewards which ultimately result in improved performance of organizations..

2.1.2 Nature of Managerial Reward Systems

According to Lawrence and Specter (2004), a reward is defined as anything that is extrinsically or intrinsically reinforced to maintain and improve the employee's behavior in an organization. Balkin and Gomez (1990) note that essentially, the term reward is broader than compensation and it encompasses everything given by the organization that satisfies the employee needs.

According to Azasu (2009) reward systems and incentives often exist from the inception of an organization. Azasu (2009) continues to present examples of reward systems and incentives to employees which include salary, variable allowances and employee stock ownership plans which can be used to reward achievements of employees. Further, Bardwell and Holden (2004) assert that rewards are not simply expressed in monetary form but also include those that are difficult to measure in monetary currencies. Several examples given are comfortable working conditions, involvement in decision making process and future growth opportunities (Bardwell and Holden, 2004).

In relation to the above literature reward management is seen as a crucial aspect to attract and retain employees who are competent, knowledgeable and skillfully. They are also helpful in aiding to achieve the organization's strategic goals and creating a supportive culture.

2.1.3 Managerial Reward Systems

These are presented in forms of benefits such as car loans, medical insurances, job security, ample office space, parking slots and company cars are ways of rewarding employees by their organizations. Recognition and appreciation are other important components of an effective strategic reward system. According to Armstrong (2009), recognition is appreciation of performance by the organization of an act done by the team or team member. Appreciation on the other hand is showing gratuity to an employee for his or her action well done. Its those rewards that also help employees to weigh their performance levels. Consequently, managerial rewards can broadly be classified into two categories and these are extrinsic rewards and intrinsic rewards.

2.1.4 Intrinsic Rewards

Intrinsic rewards are non-financial rewards included in the job itself such as challenging and interesting jobs and training possibilities, giving each job a meaningful purpose, these are all discussed by various authors. Nelson (2004) notes that praise and recognition are the most efficient intrinsic rewards that make employees feel that they are making a contribution at their workplaces. He further notes that compensation is a right; recognition is a gift and that recognition, especially if showed in public in the presence of other employees sends favorable signals to them. According to Jensen et al. (2007) it is the intangible rewards which determine why an employee would choose one company over another as compared to the effect of the tangible rewards. This is a way organizations are using to stand out of a crowd. A number of researchers believe that intrinsic rewards are more efficient than the extrinsic rewards although these rewards compliment themselves usually. Mottaz (1998) emphasizes the importance of intrinsic rewards but captured the significance of extrinsic rewards as few, if any; workers can continue to work on a job for very long time if extrinsic rewards are completely inadequate. Also Buckman (1991) argued that the monetary rewards act on the background but what really makes the difference in employee's organizational behavior are the intrinsic rewards.

2.1.5 Extrinsic Rewards

According to Cruz and Perez (2009), extrinsic rewards are usually referred to as the monetary rewards that are provided by an organization to a person who has a high performance in a particular organization. Essentially, the uses and effects of extrinsic rewards are different from those of intrinsic rewards. According to Lincoln and Kallaberg (1990), extrinsic rewards can be categorized as a set of monetary rewards which are given directly to employees through salary and incentives provided indirectly through contributions to employees, benefits such as medical benefits and life insurance. Other examples of extrinsic rewards are pay and fringe benefits, paid for trips, promotions to mention but a few.

Gagne and Deci (2005) developed a model to distinguish four types of extrinsic rewards which are; external regulation, introjections, identification and integration. According to Gagne and Deci's model, external regulation is a classical extrinsic reward where the individual's behavior is being altered and controlled on the other hand, introjections mean a relatively externally controlled form of extrinsic reward which affects and influences regulation within an individual.

The third type of extrinsic reward introduced by Gagne and Deci (2005) is identification; it refers to an individual's perspective with the value of a behavior based on the individual's personal goals and identity. The individual feels the cause of the behavior comes from him or herself. It is classified as an extrinsic reward because the behavior is still instrumental instead of spontaneous enjoyment.

The last type of extrinsic motivation is an integration of internalization of extrinsic rewards. This reward means an individual fully identifies the value of a behavior and integrates the identification with other aspects. Locke (2004) points out that there is an enhanced attention to various forms of extrinsic rewards because of the activities involved by people are not inherently attracting and interesting. According to Ryan (1995), most organizations activities are not intrinsic rewards but greater focus is on extrinsic rewards and in particular the emphasis on different types of extrinsic rewards is essential for better understanding of the importance of rewards to employee behavior in organizations.

Ryan (1995) points out that monetary reward will extrinsically motivate employees because they satisfy their needs. In line with Ryan's assertion, even Caldwell and Chatman (1990) argue that financial rewards offered by management are very important and have significant influences on employees' working behavior hence providing monetary rewards has greater effects than solely using goal setting and job enrichment in motivating employees.

2.1.5.1 Cash Bonus

Cash bonus is an example of extrinsic rewards that organizations use to reward employees for exemplary performance that is, if they have performed higher or exceeded their set targets, this hence makes them eligible (Finkle, 2011). The amount of cash is determined by how high the employees can exceed stated targets or they can also be based on ranks or job groups. Performance bonuses are used by a variety of organizations because of the need of linking performance to rewards by managers.

In many cases managers ignore the likelihood of the bonuses remaining as a motivating factor for employees' performance in the future. 'Employees who receive large bonuses expect to continuously receive them. On the other hand, employees who receive a miserable bonus from the organization after their performance has been assessed might consider improving the next year'. (Finkle, 2011).

2.1.5.2 Pay Performance

Pay performance refers to rewarding employees according to their level of performance for a task done. This is a common practice in most organizations and the main aim is to recognize the high levels of effort employees are contributing in the organization. Criticism has been presented towards pay performance practices and that there are other options managers can undertake to make employees work efficiently. Pfeffer (1998) stated that this kind of reward practice has also negative impacts on employee performance: "Despite the evident popularity of this practice, the problems with individual merit pay are numerous. It has been shown to undermine teamwork performance."

The Hay group's study indicated that only 40% of the employees believe that increased efforts are derived from increased compensation. An alternative model for pay performance has been presented to mostly emphasize collective rewarding than individual rewarding. Organizations that are able to reward the employees on a collective level are having more committed and productive teams than those that are not truly rewarded on a collective basis (Pfeffer, 1998).

2.2 Actual Review

2.2.1 The relationship between Managerial Rewards and Employee Performance

Managerial rewards according to Kerr (1985) are an essential integrating mechanism through which the efforts of individuals are directed toward an organisation' strategic objectives. This means there is an exchange relationship between the organization and employees for their performance. The purpose of reward systems is to motivate and reward employees for achievement of a desirable behavior. Rewarding the excellent and outstanding performance is a way of appreciating contributions of employees and acknowledging their efforts to the organization.

The empirical research conducted by Bardwell and Holden (2004) found out that organizations that introduce the total rewards strategy have better performance than companies that do not apply the strategy. Moreover, Lawler and Worley (2006) propose that there is a positive relationship between reward system strategy and organization performance. This proposition is supported by Stonich (1984) because a reward system is needed to motivate performance and encourage employees and organization to improve their skills and capabilities.

Reward systems can be developed to motivate and improve both the short-term and long-term performance of an organization (Stonich, 1984).

Similarly, O'Reilly and Chatman(1986) adds that reward like expressions of appreciation from top management intrinsically motivate employees and influence their behavior. This is important to help the organization move towards reaching its strategic objectives. Lincoln and Kullberg (1990) describes that motivation is a strong incentive for employees to achieve excellent performance achievement in their daily work so that they will get the predicated commend.

Gagne (2005) argues that in order to enhance morale and motivation of employees, rewards and recognition should be provided instantly when employees achieve the required performance. Gagne (2005) declares that no inherent relationship exists between employees' satisfaction and performance because their performance is usually influenced by particular reward contingencies that are in force. Ryan (2009) notes that the employee satisfaction is the magnitude of an employee's effective orientation toward their job in the organization when their needs are fulfilled.

"Azasu (2009) further adds that the imbalance between employees' contributions and the returns of their performance causes them to become unsatisfied with the workplace hence demonization. If the reward system is perceived to be attractive by the employees then they will change their behavior and tend to exert more effort into their work in order to achieve the required performance". "When employees are motivated they are more willing to contribute vigor and dynamism to the organization. This improves the quality and quantity of work performed and subsequently brings significant improvement to the productivity and competitive advantages of the organization" (Prendergast, 2009).

Bonner and Sprinkle (2002) suggest that organizations should recognize employees' satisfaction as a vital goal to achieve because it affects the organization's profitability, productivity, employee retention and customer satisfaction. It is believed that satisfied and motivated employees will generate better customer satisfaction and subsequently bring positive impact to the organizational performance**.**

2.2.2 The effect of Intrinsic Rewards and Employee Performance

According to Bonner and Sprinkle (2002), Organizations with positive ambitions could make available a framework within which high levels of motivation could be accomplished through non financial reward systems by the provision of opportunities for learning and development. Nevertheless, Bonner and Sprinkle (2002) note that personal management skills still have a key role to play in deploying their own motivation skills to get individuals within their organization to give their best performance by making good use of the motivational systems and processes provided by the company.

According to Armstrong (2009), recognition is appreciation of performance by the organization of an act done by the team or team member. In common language, Armstrong (2009) argues that recognition is sometimes expressed as “I caught you doing something right”. Generally, Gross (2005) asserts that recognition is an approach of expressing gratitude for the special or extra effort done by an employee within an organization. Gross and Friedman (2004) continues to point out that recognition has two essential goals: to encourage the employees or team to repeat or continue the behavior and to encourage other employees to do the same.

“Most team recognition plans fall into celebrating organizational objectives habitually as an event, designed to acknowledge the successful completion of important company goals. This is to create a greater awareness or to remind people of the importance of the goals achieved within the company . Recognition, either informal (oral) or formal (written remarks and events), has been the most cost effective way to strengthen required actions for performance within an organization. Feedback in particular constructive criticisms is necessary for the expansion and development of the employee”. (Gross and Friedman 2005)

According to Wexley and Yukl (1984), negative reinforcement such as indicating mistakes and threatening employees with job loss, causes employees to adjust their behavior just enough to avoid punishment. Wexley and Yukl (1984) argues that this often gets to produce a positive result at the job but it won’t generate enthusiasm. In line with Wexley’s and Yukln’s assertion, Harpaz (1990) also points out that negative reinforcement produces responses like “That’s not

my job” or “I don’t know.” On the other hand, periodic positive performance re-views generate extra or discretionary effort on the part of the employees (Harpaz, 1990). Consequently, Wexley and Yukl (1984) and Harpaz (1990) concur that positive feedback motivates the employees to function as a team. Employees are likely to produce responses like “I don’t know but I will find out” or “That’s not my job but I can find someone who can help you. According to Herzberg (1987), managers do not motivate employees by awarding employees higher wages, more benefits or status symbols. Rather, employees are motivated by their own inherent need to accomplish something at a challenging task (Herzberg, 1987). The manager’s job then is not to motivate employees to get their tasks achieved; rather, the manager should provide opportunities for people to achieve their task so that they can be motivated (Marchington & Wilkinson, 2005).
“Moving employees through a diversity of jobs, departments or functions is particularly an excellent approach to expose the employees to challenging task. This is very suitable to employees who have been doing a job for a long time and are no longer challenged by the job but rather who have a strong need for activities or change. By giving the employees the opportunity to change jobs, the manager has definitely exposed the employees to new challenges and enabled the employees to put in their best in order to meet the company’s expectations” (Stone, 2003). Hence this effort by the organization creates an enabling environment for greater performance of employees.

2.2.3 The effect of Extrinsic Rewards and Employee Performance

Many types of extrinsic/financial rewards exist in organizations. Some of the common rewards are cash bonuses based on performance, allowances, salaries, paid for vacations, among others. “Managerial rewards by bonuses have become popular in some companies as a means of providing employees with an immediate morale for completion of a project or activity. While the number of companies delivering cash awards has increased, only 7 percent actually use such rewards at present" (Ulrich & Lake 2000).

According to Havaldar & Cavale 2007 most companies make use of the financial rewards to motivate their employees. He notes that sales contests are also a common incentive used and these are short term incentive that motivate employees to work harder. For a sales contest to be effectively designed it should have a precise purpose, such as to increase short term sales of products that take long to get sold or to get new customers. The prizes have to be equally attractive and this motivates employees to perform better. Care is taken to ensure that employees do not use undesirable methods such as using pressure tactics to reach their targets he concludes by suggesting that in order to reduce the undesirable methods, there shouldn't be any announcements for the contest period in advance

"High level executives of most companies have separate compensation programs and plans. These programs are anticipated to reward executives for their performance and for the performance of the company. The senior executives group their compensation in two forms. One is a base salary as the case maybe with the staff member or professional member of the company. The basic salary is a definite amount that the employees are paid. Above the basic salary, most executives also receive one or more forms of incentive pay. The conventional manner of incentive pay for executives is in the form of bonuses. The bonuses in turn are generally determined by the performance of the company. Thus, at the end of the year, some fraction of the corporation's profits is diverted into a bonus pool. Senior executives then receive a bonus expressed as a percentage of this bonus pool. The company executives receive other kinds of compensation as well; this is in form of stocks. Stock option plan has been established to furnish senior managers with the option to buy company stock in the future at a predetermined fixed price. The idea behind this is that for managers to contribute to a high level of the company performance, and then the company stock should increase in value." (Griffin, 2006).

2.3 Conclusion

From the literature analyzed it is clear that implementation of a reward system often proves to have an adverse relationship with employee performances of various organizations and that intrinsic rewards satisfy and motivate employees to perform better. When there's value creation and continuous improvement of employees then there is better overall business performance.

Besides providing monetary rewards companies have to align the reward system with intrinsic rewards more in order to motivate and improve employees' job performance. A carefully designed reward system links with better performance which is essential for the long-term success of organization.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents a description of the plan that was used in carrying out the research study. The chapter analyses the process of data collection which involves the research design, study of the population, area of study, sample size and selection, sampling techniques, procedure for data collection, data management analysis, reliability and validity of the data and finally the limitations to the research study and the ethical considerations.

3.1 Research Design

A research design is a plan and a "blue print" used to carry out a research study (Amin, 2005). The researcher used the case study design to carry out the research. The case study design is one which involves the application of both the qualitative and quantitative approach for conducting the research study. The case study assisted the researcher to examine individuals and groups in greater depth than other methods, it helped challenge traditional theories, it allowed the researcher to study the complex relationship between phenomena, context and people, it allowed the researcher to adopt ideas and produce hypotheses which could be used for later testing and it also allowed the merging of scientific experiments for example SPSS.

Qualitative approach is a form of scientific inquiry that spans different disciplines, fields and subject matter. The qualitative research helped to gain an understanding of underlying reasons, it helped in getting hypotheses for later quantitative research, it also helped uncover prevalent thoughts and opinions and it also was useful in answering questions that were relevant but difficult to address with experimental research because the researcher needed facts. The approach however was so subjective.

Quantitative research is where the researcher used the figures in the organization to compile the relevant and important information to help in fulfilling the research requirements. It was relevant because the researcher was able to quantify data and generalize results from a sample to the population of interest and it helped in measuring the incidence of various views and opinions in a chosen sample.

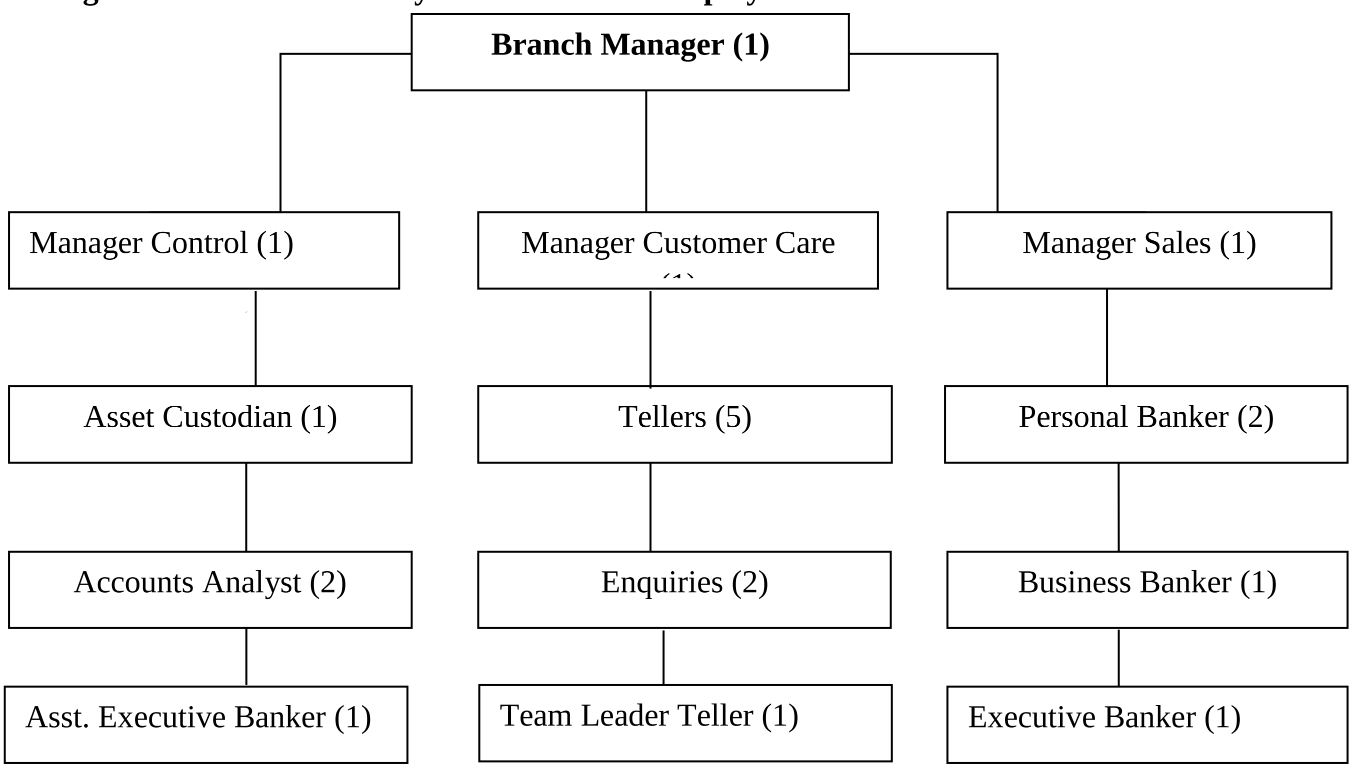
3.2 Area of the Study

The research study was conducted at Stanbic Bank Uganda Limited, Entebbe Branch. The Bank Branch is located in Entebbe town found in Wakiso District, it operates on Teacher's House Suite 302. It is adjacent to Grade A hospital to the right, National Water and Sewerage Corporation to the left and behind it is the Uganda State House. The area of the research study was specifically identified because of its location in the town center, it also had a relatively big number of employees to collect data from compared to the other branches which made it convenient for conducting the research study.

3.3 Population of the Study

Sekaran and Bougie (2003) asserts that a population of a research study is the entire group of people, events, or things of interest that the researcher will generalize while conducting a research study. The whole population consisted of all employees of Stanbic Bank Uganda Limited, Entebbe branch plus the support staff. A total of 34 people work with the Stanbic Bank branch. 20 managers and employees whereby there are four managers and 16 employees and there are 14 support staff of whom are 8 security guards who work in shifts i.e. 4 at night and 4 during day to ensure maximum security, 5 cleaners and 1 cook. But the study population consisted of 20 people of whom are mangers (4) and employees (16). Of these are comprised of mostly individuals of 35 years and below, 10 females and 9 males whereby 9 were married and 10 were single. There were 3 main departments that is sales, control and customer service that the employees belonged to and they were headed by the branch manager. Most of the employees had stayed in the organization for 2 years and above and all of them had attained academic qualification from the university level and above, they provided information that aimed at examining the contribution of managerial rewards on the performance of employees. Below is the summary of the levels of employment.

Fig 2: Below is a Summary of the Different Employees at the Bank



Support Stuff

- 5 cleaners
- 8 Security staff
- 1 Cook

3.4 Sample Size and Selection

A sample refers to a small part of the population which is chosen to represent the whole event. The researcher used samples because they enabled the researcher get data from a small group that represented a bigger group and they were both time and cost effective.

The researcher managed to get 19 respondents who comprised the sample size for this research study. The researcher used Slovin's formula to determine the sample size as illustrated below;

n is the sample size

N is the total population

e is the error which is either 0.05 or 0.01, in this case the researcher used 0.05

Therefore n=N/1+Ne^2

$$n = \frac{N}{1+Ne^2}$$

$$n = \frac{20}{1 + 20(0.05)^2}$$

$$n = \frac{20}{1.05}$$

$$n = 19.05$$

Therefore since human beings can't be a fraction we round off the fraction to the nearest whole number which is 19 people.

3.4.1 Sampling Techniques

According to Amin (2005), sampling is the process of selecting elements from a population in such a way that the sample elements selected represent the population for data collection. For this research study, the researcher used the purposive sampling technique to select study sample elements (research respondents) for the study. The technique was chosen because the respondents were expected to have the relevant information, knowledge and professional judgment needed for the study. It is also a simple technique to use.

3.5 Sources and Methods of Data Collection

3.5.1 Sources of Data Collection

Data collection refers to the systematic process of gathering research data or facts about a given phenomenon (Amin, 2005). Data for this research study was collected from both primary and secondary sources of data. The primary sources of data collection are original and unique basis for data collection comprising of data collected from the actual research field. The source of the research data included facts collected from administered questionnaires to the research participants who comprised the sample size of both employees and managers.

The primary source for gathering such research data were the administered questionnaires. The secondary sources of data collection refer to those foundations of research data that have been gathered from already existing and written research materials. The secondary sources of research data used for this research study therefore included text books, journals and the internet.

3.6 Methods and Instruments of Data Collection

According to Amin (2005) the methods of data collection refer to the techniques and approaches that were used to gather and collect the research data while in the field of the study. The following was the approach used;

3.6.1 The Questionnaire Method of Data Collection

Sekaran (2003) defines it as a pre–formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. The researcher distributed written questionnaires to the respondents who answered the questions accordingly. The questionnaires secured original and unique results that were tabulated and treated statistically using the SPSS software. The administered questionnaires had both the open and closed ended questions. The closed ended questions required respondents to tick in specific spaces that represented sections of strongly disagreeing, disagreeing, and neutrality, agreeing or strongly agreeing. The questionnaires were used because of the degree of anonymity they provide and they present an honest reply of the respondent because they know that they are not going to be traced and held answerable for any negative view about the company.

3.7 Data Management and Analysis

Data analysis is a process of gathering, modeling, and transforming data with the goal of highlighting useful information suggesting conclusions, and supporting decision making. Therefore, the data obtained was properly managed and analyzed qualitatively and quantitatively in order to avoid making wrong conclusions.

As part of the analysis, the data collected was first categorized and edited for accuracy and completeness to ensure that all questions were answered. Questionnaires that were incomplete were noted. Upon analysis of areas where information was not given, the questionnaires were not counted. Each section or area, which would lead to an answer of a given question, was dealt with separately. The data collected was then critically analyzed using the SPSS (Statistical Package for Social Sciences) program in order to get the frequency and percent of the collected data that was later interpreted to get the findings for the study. The reason for using this program was because data could easily be retrieved when needed, the data could also be easily adjustable to make changes and there was no need of computation manually because data was automatically transformed was entered into the computer system. Data was also analyzed by pie charts, tables and bar graphs in order to develop a clear and understandable form for readers and future researchers.

3.8 Reliability and Validity

Reliability is the extent to which the instrument consistently gives accurate information inform of results where as validity is the ability of the research instruments to produce findings that actually represent the phenomena under study. The questionnaires were used to show the validity of the research. They were distributed to two different people those were a secondary school teacher of economics and an entrepreneur. The teacher found 2 items irrelevant and the entrepreneur found 3 items irrelevant. When combined there was a total of five irrelevant items. The researcher then used the Coefficient of validity index to test for reliability. Out of the 49 questions in the questionnaires given to both managers and employees, 5 items were rated irrelevant and 44 relevant hence the computation of validity was as follows;

$$CVI = \frac{\text{items rated relevant}}{\text{Total number of items}} \times 100\%$$

$0 \leq 50$ is rated unreliable $50 \geq$ is reliable

Items rated relevant = 44

$$CVI = \frac{\text{items rated relevant}}{\text{Total number of items}} \times 100$$

$$CVI = \frac{44}{49} \times 100$$

$$= 89.79\ \%$$

3.9 Ethical Considerations

The identity of individuals from whom information was obtained in the course of the research was strictly kept confidential. The information collected was meant for academic purposes only and it was not displayed anywhere or published without the consent of the organization. No information revealing the identity of any individual was included in the final parts of the dissertation or in any other communication prepared in the course of the research without the concerned individual's consent this was done to maintain the respondents' safety. Also, no individual became a subject of the research without their freely given consent that they agreed to participate. No pressure or inducement of any kind was applied to encourage an individual to become a subject of research. Non participants were not included in any way because their participation could have caused bias. No one was/ forced to answer those that didn't want to answer were left alone. Self respect and self esteem of the respondents was not violated in any way.

3.10 Limitations of the study

It was hard to get information from the staff of Stanbic bank because of their busy nature for example school fees paying period whereby there were so many people in the ques and the employees could not get time to fill in the questionnaires.

Busy nature of the employees. Most of the employees were so busy that they misplaced the questionnaires and the researcher had to printout new copies so as to meet the set number of respondents.

Private policy of the of the bank. The researcher wanted to analyze the employee appraisal reports and the staff pay-roles as part of the secondary source of information but due to the company's strict private policy they couldn't be obtained. The researcher therefore had to forego that bit and offer them the only the questionnaires.

3.11 Conclusion

This chapter has precisely given a plan on how the research study was conducted. The chapter highlighted the design/methodology that was used for data collection, the population and sampling technique for the research study, the sources and tools for data collections and the data management technique for the study. The chapter also highlighted the research reliability and validity for cohesion in the research findings. The chapter ends with the ethical considerations that were followed while conducting the research study were also discussed.

CHAPTER FOUR

PRESENTATION OF FINDINGS, ANALYSIS AND INTERPRETATION OF EMPIRICAL DATA

4.0 Introduction

This chapter presents the findings from the research carried out at Stanbic Bank, Entebbe branch as the case study. The researcher used the case study design that entails the use of two approaches i.e quantitative and qualitative. The researcher analyzed data using the SPSS computer program and obtained findings from both the managers and employees of the bank taking a sample of 19 people. The bank has three main departments that is to say sales, customer service, and control, under them are employees of different positions such as tellers, enquiry, asset custodians, account analysts, customer consultants, personal bankers and executive bankers. Both managers and employees filled in questionnaires that provided relevant data for the research. The data collected was analyzed and interpreted and presented in two sections of this chapter i.e biographical data that gives data about their respondents'' personal information and section 2 has data that corresponds with the objectives of this research.

4.1 Biographical Data

4.1.1 Gender of the Respondents

Following the questionnaires that were distributed the following information was obtained about the gender of the respondents as seen in the table .

Table 4.1: Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	9	47.4	47.4	47.4
	Female	10	52.6	52.6	100.0
	Total	19	100.0	100.0	

Source: Primary data 2014

According to the above table 47.4% of the respondents were male whereas 52.6% of them were female. The percentages were similar leaving a little difference between the males and females. With the above information the researcher noted that there was equal distribution of tasks in the organization and there was no bias job allocation as different positions were taken up by different genders of the employees. Females were seen to take up either managerial roles or different positions under different departments and the same applied for the males.

4.1.2 Age of Respondents

The table below shows the different age brackets of the respondents at Stanbic Bank following the questionnaires that were distributed to them.

Table 4.2: Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25yrs	1	5.3	5.3	5.3
	26-35yrs	15	78.9	78.9	84.2
	36-45yrs	3	15.8	15.8	100.0
	Total	19	100.0	100.0	

Source: Primary data 2014

With the information provided above it was noted that respondents in the age bracket of 18-25 years were 5.3%, those between 26-35 years were 78.9%, and between 36-45 years were 15.8%. It was noted that the workers at Stanbic Bank, Entebbe branch were between 18-45 years majority falling between 26-35 years and the least coming from 18-25years. The majority of the respondents were mature people hence contributing greatly to the productivity levels of the bank since they were young and very energetic people; they also were focused to their work since they had basic needs to provide for themselves.

4.1.3 Marital Status

According to the information gathered from the questionnaires the marital status of the respondents was tabulated and analyzed as seen in the table below.

Table 4.3: Marital Status of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	9	47.4	47.4	47.4
	Single	10	52.6	52.6	100.0
	Total	19	100.0	100.0	

Source: Primary data 2014

Using the above information it was noted that 47.4% of the respondents were married and 52.6% of them were single. It was noted that there were no separated or divorced respondents. Majority of the respondents were single which makes them work effectively without distractions from their families although the percentage of those that were married is not significantly different from that of those that were single which means the bank employees people of different marital statuses.

4.1.4 Departments of the Bank

The table shows the different departments in the bank that various employees and managers belong to, as shown below;

Table 4.4: Departments of the Bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sales Department	6	31.6	31.6	31.6
	Customer Service Department	8	42.1	42.1	73.7
	Control Department	4	21.1	21.1	94.7
	Branch Management	1	5.3	5.3	100.0
	Total	19	100.0	100.0	

Source: Primary data 2014

Basing on the table above it was noted that 31.6% of the employees belonged to the sales department, 42.1% belonged to the customer service department, 21.1% belonged to the control department and 5.3% is the percentage for the branch manager. The biggest percentage (42.1%) belonged to the customer service department as the bank aims at providing service to its clients such as depositing and withdrawal of money, payment of bills such as electricity and water bills, paying school fees, among others. The tasks were done by the tellers and enquiry being headed by the manager of customer service. The second largest percentage was the sales department which (31.6%), comprising of the executive bankers, personal bankers, business bankers and the manager. The control department comprised of the asset custodian, accounts analyst and the manager and lastly is the branch manager who manages the various tasks in the bank.

4.1.5 Duration of Service

According to the questionnaires filled in by the respondents information was collected about the duration or the length of time spent by different employees and managers at the bank as some spent a short while as others a longer while as shown in table.

Table 4.5: Duration of Service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 1year	1	5.3	5.3	5.3
	2-4years	10	52.6	52.6	57.9
	5-7years	4	21.1	21.1	78.9
	8 years and above	4	21.1	21.1	100.0
	Total	19	100.0	100.0	

Source: Primary data 2014

Following the information provided in the table above 5.3% of the respondents had worked in the bank for less than 1 year, 21.1% of them had worked for 5-7 years, 21.1% of them had also worked for years and above and 52.6% of them had worked for 2-4 years. It was noted in the field by the researcher that managerial roles were mostly awarded to long serving workers

(8 years and above) because they had attained more experience compared to the rest and the respondents. The respondents between 5-7 years were given positions of control such as the asset custodians and account analysts and also positions in the sales department. The respondents

ranging between 4 years and below were mainly found in the customer service department as tellers and enquiry.

4.1.6 Level of Academic Qualification

The information in the table below is a representation of the actual findings got from the respondents showing the different levels of achieved education.

Table 4.6: Level of Academic Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Master degree	7	36.8	36.8	57.9
	Post Graduate Diploma	1	5.3	5.3	94.7
	University degree	11	57.9	57.9	100.0
	Total	19	100.0	100.0	

Source: Primary data 2014

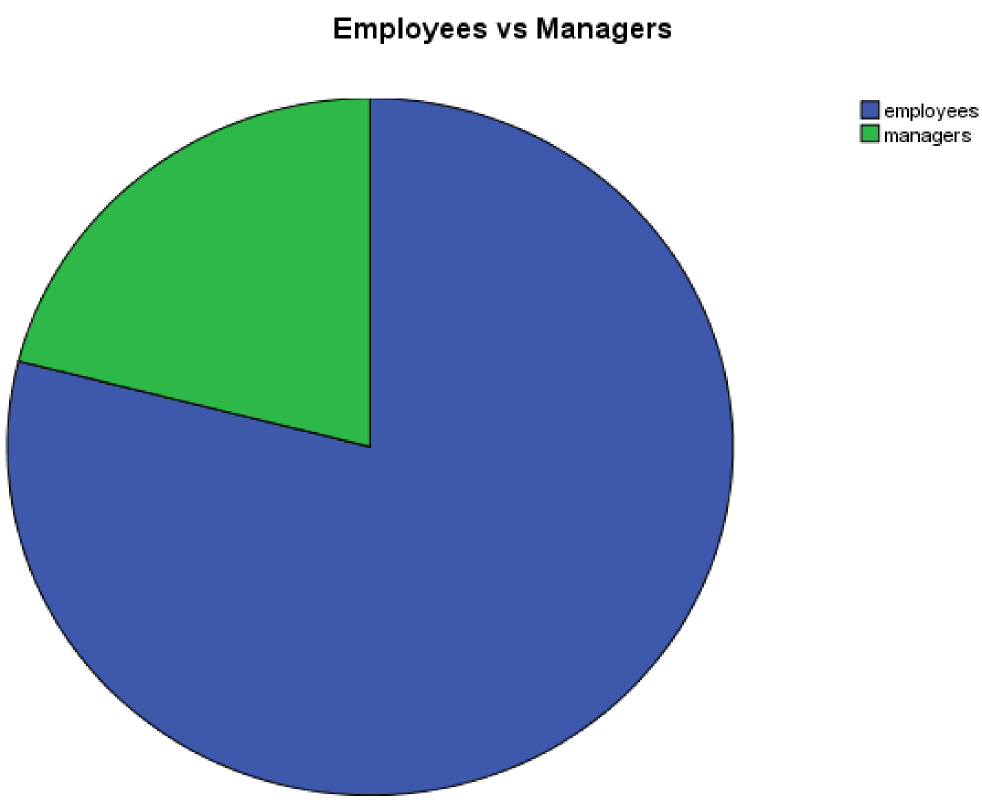
Provided the above information, 57.9% of the respondents attained a university degree, 36.8 a master's degree and 5.3% of them got a post graduate diploma. The majority were noted to have stopped at degree level and followed by those who went on and got a master degree then those with a postgraduate diploma are the least number. It was noted that the managers held mostly master degrees or a post graduate according to the information gathered and basing on that fact performance is effective because they have a wide range of knowledge about their roles. The employees in various departments such as customer service were noted to have university degrees as they have more to learn both at the work place and in any other institutions.

4.1.7 Employees Vs Managers

According to the collected data this is the summary of employees in the organization against the managers that exist in Stanbic Bank, Entebbe Branch.

The illustration shows the percentage of employees in the organization against that of the managers.

Figure 3 Employees Vs Managers



Source: Primary Data 2014

Basing on the above pie chart it was noted that employees took up the largest proportion(80%) in the bank making their influence very significant. However the managers took up a very small proportion(20%) hence with effective and efficient handling and control of the employees by the managers a targeted performance could be reached. And that leads to the next section of the chapter.

4.2 Discussion of the Objectives of the Study

4.2.1 Employees' Findings

4.2.1.1 Relationship between Managerial Rewards and Employee Performance.

The table below shows the findings got from employees who filled in questionnaires showing their opinion about the strength of the relationship between managerial rewards and employee performance.

Table 4.7: Relationship between Managerial Rewards and Employee Performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	6.7	6.7	6.7
	Agree	12	80.0	80.0	86.7
	strongly agree	2	13.3	13.3	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

With the above information it was noted that employees who agreed are 80%, those that strongly agreed are 13.3%, and those that were neutral are 6.7%. There was no employee who disagreed or strongly disagreed because none of them filled in the spaces provided for that in the questionnaires. Basing on the above information it was clear that most employees acknowledged the fact that there was a strong relationship between managerial rewards and employee performance. These findings were in line with Lawler and Worley (2006) who proposed that there was a positive relationship between reward system strategy and organization performance.

4.2.1.2 Role of Managerial rewards to Employee Performance

The table below shows the findings from the employees' questionnaires that present their views about managerial rewards being very vital in improving employee performance.

Table 4.8 Role of Managerial Rewards to Employee Performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	2	13.3	13.3	13.3
	Agree	7	46.7	46.7	60.0
	strongly agree	6	40.0	40.0	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

The employees who agreed that managerial rewards were very vital in improving employee performance were 46.7%, those that strongly agreed were 40% and those that were neutral were 13.3%. The highest percentages (86.7%) were from those who agreed and also strongly agreed leaving the least percentage (13.3%) to those that were neutral. None of the employees either disagreed or strongly disagreed which meant that the biggest number of them approved the fact that managerial rewards were very vital in improvement of employee performance as in line with the authors Gross and Friedman (2004) who asserted that in order to maximize the performance of the employees, organizations must make policies and procedures and formulate a reward system under which employee motivation can be managed.

4.2.1.3 Level of Dependency of Managerial rewards and Employee Performance

The table below shows the responses from the questionnaires showing findings from employees about whether managerial rewards are inter-dependent with employee performance.

Table 4.9 Level of Dependency of Managerial Rewards and Employee Performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	3	20.0	20.0	20.0
	Agree	8	53.3	53.3	73.3
	strongly agree	4	26.7	26.7	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

According to the above table it was noted that respondents who agreed were53.3%, those that strongly agreed were 26.7%, and those that were neutral were 20%. No respondents disagreed or strongly disagreed. With the above information it was clear to the researcher that most employees (80%) agreed that managerial rewards were greatly dependant to employee performance to the level that they are interdependent as Stonich (2002) who stated that a reward system is needed to motivate performance and encourage employees in the organization to improve their skills and capabilities therefore with the rewards comes good performance.

4.2.1.4 Effect of Managerial Rewards to Motivation of Employees.

Different employees had different opinions about the effect of managerial rewards and the table showed the different responses from them.

Table 4.10 Effect of Managerial Rewards to Motivation of Employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	8	53.3	53.3	53.3
	Strongly agree	7	46.7	46.7	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

It was noted that the employees who agreed were 53.3% and whereas those that strongly agreed were 46.7%. No employees were noted to be neutral, disagree or strongly disagree and this meant that they all understood the effect of managerial rewards towards their motivation and that it has a positive effect on their performance and it made them perform better. Authors such Lawler and Worley (2006) concurred with the findings when they asserted that human resources can be retained and optimally utilized through motivating them by using different techniques among which rewards are of significant importance.

4.2.1.5 Employee Satisfaction and Managerial Rewards

The table shows the employees opinion about their satisfaction of the managerial rewards given to them and below is an illustration on a pie chart.

Table 4.11 Employee Satisfaction and Managerial Rewards

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	12	80.0	80.0	80.0
	No	3	20.0	20.0	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

Basing on the provided information 80% of the employees were satisfied with the managerial rewards given to them whereas 20% of them were not satisfied. It was clear that most of them were contented with the rewards received and they even increased their productivity because of that which was in Deeprose (2004) who noted that the motivation of employees and their productivity can be enhanced through providing them with effective intrinsic and extrinsic rewards which ultimately result in improved performance of organizations.

4.2.2 Manager's Findings

The following responses were derived from questionnaires of the managers of Stanbic Bank, Entebbe as shown below.

4.2.2.1 Existence of an Effective Reward System at Stanbic Bank

The table shows the information attained from the managers that shows whether the reward system at Stanbic bank is effective.

Table 4.12 Existence of an Effective Reward System at Stanbic Bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	25.0	25.0	25.0
	Neutral	1	25.0	25.0	50.0
	Agree	1	25.0	25.0	75.0
	Strongly agree	1	25.0	25.0	100.0
	Total	4	100.0	100.0	

Source: Primary data 2014

With the above information it was noted that 25% of the managers strongly disagreed whereas 25% of them were neutral, 25% of them agreed and 25% of them strongly agreed. No response was given for those that disagreed. The biggest number of the managers after merging their responses agreed and strongly agreed which gave a similar response and understanding to the researcher. This implied that most managers considered the rewards in the bank effective although others were nuetral and strongly disagreed. With the above information it was noted that although rewards existed in the bank there was still need for improvement or implementation of new rewards by management in the bank so as to motivate employees. These findings were seconded by Carraher et al (2006) who advocated that there should be an effective reward system to retain the high performers in the organization and that rewards should be related to their productivity.

4.2.2.2 Effect of a Reward to Productivity and Efficiency

The table shows findings from managers about their opinions on whether an effective reward system can enhance employee productivity and efficiency.

Table 4.13 Effect of a Reward System to Productivity and Efficiency

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	25.0	25.0	25.0
	Agree	1	25.0	25.0	50.0
	Strongly agree	2	50.0	50.0	100.0
	Total	4	100.0	100.0	

Source: Primary Data 2014

Basing on the information given above it was noted that 50% of the managers strongly agreed, 25% of them agreed and 25% of them also disagreed. Non of the managers was either neutral or strongly disagreed. The biggest percentage of the managers strongly agreed and those that agreed too were categorized together leaving the lowest percentage to those that disagreed. Therefore most managers accepted that an effective reward system can enhance employee productivity and efficiency as Prendergast (1999) analyzed that motivated employees are more willing to contribute vigor and dynamism to the organization and this improves their quality and quantity of work performed which subsequently brings significant improvement to the productivity and competitive advantages of the organization.

4.2.2.3 Impact of a Recognition Program to the Balancing of a Reward System.

For a reward system to be well balanced there should not only be a monetary reward policy but also recognition. The table shows the findings from the managers about their opinions on whether a well balanced system should align with an effective recognition programme for employees.

Table 4.14 Impact of a Recognition Program to the Balancing of a Reward System

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	25.0	25.0	25.0
	Agree	3	75.0	75.0	100.0
	Total	4	100.0	100.0	

Source: Primary data 2014

From the table above the percentage of the managers that agreed was 75%, and that of the neutral was 25%. No manager strongly agreed, disagreed or strongly disagreed was noted. The majority agreed that a well balanced employee reward system should align with an effective recognition program for employees. With recognition programs included in the reward system, employees got more motivated since they felt that management acknowledged their efforts hence better productivity that was in agreement with Nelson (2004) who noted that praise and recognition are the most efficient intrinsic rewards that make employees feel that they are making a contribution at their workplaces. He further noted that compensation is a right; recognition is a gift and that recognition, especially if showed in public in the presence of other employees sends favorable signals to them hence recognition has to exist alongside monetary rewards for a reward system to be balanced.

4.2.2. 4 Existence of Intrinsic and Extrinsic Rewards at the Bank

For a reward system to be effective there has to exist both intrinsic and extrinsic rewards hence the table shows the findings from managers about the existence of both of the rewards.

Table 4.15 Existence of Intrinsic and Extrinsic Rewards at the Bank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	25.0	25.0	25.0
	Agree	3	75.0	75.0	100.0
	Total	4	100.0	100.0	

Source: Primary data 2014

Relating to the table above 75% of the managers agreed and 25% of them disagreed. No responses were made to the neutral ones, those who strongly disagreed and strongly agreed. Since the majority came from those who agreed then it means that there exist both intrinsic and extrinsic rewards in the reward system at the bank. The percentage that disagreed should however not be ignored but also considered because the managers feel there are some rewards lacking in the reward system. Basing on the majority who agreed Stanbic banks' reward system is effective because for a reward system to be beneficial to the organization it must have both the extrinsic and intrinsic rewards which this is in line with Deeprose (2004) who noted that the motivation of employees and their productivity can be enhanced through providing them with effective intrinsic and extrinsic rewards which ultimately result in improved performance of organizations.

4.3 Effect of intrinsic rewards to employee performance

4.3.1 Employees' findings

4.3.1.1 The Influence of Intrinsic Rewards on performance.

The table shows the response obtained from employees about the influence on employee performance.

Table 4.16 The Influence of Intrinsic Rewards on Performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	6.7	6.7	6.7
	Neutral	2	13.3	13.3	20.0
	Agree	10	66.7	66.7	86.7
	Strongly agree	2	13.3	13.3	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

It was noted that 66.7% of the employees agreed, 13.3% strongly agreed, 13.3% also were neutral and 6.7% disagreed. No employees strongly disagreed. The biggest percentage of employees (66.7%) agreed that intrinsic rewards influence employee performance whereas those that were neutral and strongly agreed had equal percentages (13.3%) and the least percentage came from those that disagreed. It was analyzed that most employees (66.7%) agreed that intrinsic rewards influence employee performance and that employees do not only work for monetary rewards but also non monetary ones as Bardwell and Holden (2004) assert that rewards are not simply expressed in monetary form but also include those that are difficult to measure in monetary currencies. Several examples given were comfortable working conditions, involvement in decision making process and future growth opportunities as intrinsic rewards that influence employee performance.

4.3.1.2 Recognition and Employee Competence

The table shows the results provided by employees showing whether recognition as intrinsic rewards builds self competence.

Table 4.17 Recognition and Employee Competence

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	5	33.3	33.3	33.3
	Agree	6	40.0	40.0	73.3
	Strongly agree	4	26.7	26.7	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

The table shows that 40% of the employees agreed 33.3% of them were neutral and 26.7% of them strongly agreed and 33.3% were neutral. None of them strongly disagreed or disagreed. Grouping those that both agreed and strongly agreed 66.7% was the biggest percentage of the respondents and it's from this that the researcher decided that most of them agreed that recognition builds self confidence. These findings were in line with Nelson (2004) who noted that praise and recognition are the most efficient intrinsic rewards that make employees feel that they are making a contribution at their workplaces. He further noted that compensation is a right; recognition is a gift and that recognition, especially if showed in public in the presence of other employees sends favorable signals to them and for employees to keep recognized they ought to remain competent

4.3.1.3 Opportunity to Change Jobs in Relation to Devotion and the Sense of Belonging of employees

The table shows the different responses from employees showing whether opportunity to change jobs brings about devotion and a sense of belonging to the organization.

Table 4.18 Opportunity to Change Jobs in Relation to Devotion and the Sense of Belonging of employees.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	6.7	6.7	6.7
	Agree	10	66.7	66.7	73.3
	strongly agree	4	26.7	26.7	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

With the above information it was noted that 66.7% of the respondents agreed, 26.7% strongly agreed and 6.7% disagreed. No respondents either strongly agreed or were neutral. The biggest percentage rose from those that agreed followed by those that strongly agreed then those that disagreed are the least percentage. Hence the majority of the employees agree that opportunity to change jobs brings about a sense of belonging to the organization and this is in line with Stone (2003) who said that by giving the employees the opportunity to change jobs, the manager has definitely exposed the employees to new challenges and enabled the employees to put in their best in order to meet the company's expectations with this in place the employee gains devotion and a sense of belonging to the organization.

4.3.1.4 Opportunity to Participate in Decision Making and Employee Confidence

The table below shows the responses from employees showing findings of whether participation in decision making offers job satisfaction

Table 4.19 Opportunity to Participate in Decision Making and Employee Confidence

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	6.7	6.7	6.7
	Agree	9	60.0	60.0	66.7
	Strongly agree	5	33.3	33.3	100.0
	Total	15	100.0	100.0	

.**Source: Primary data 2014**

With the above data it was noted that 60% of the employees agreed, 33.3% of them strongly agreed and 6.7% were neutral. None of them either disagreed or strongly disagreed. It was from this that the researcher concluded that the majority of them agreed and strongly agreed making their percentage 93.3% leaving those that were neutral with the least percentage (6.7%). It therefore ought to be concluded that since most of the employees agreed that participating in decision making offers employee confidence, it is in concurrence with Wexley (2007) and Harpaz (2010) who assert that positive feedback motivates the employees to function as a team. Employees are likely to produce responses like “I don’t know but I will find out” or “That’s not my job but I can find someone who can help you and by so doing the employee is helping management to make decisions.

4.3.1.5 Satisfaction with Intrinsic Rewards availed by Management.

Majority of the employees(86.7%) agreed that they were really satisfied with the intrinsic rewards offered whereas 13.3% were not satisfied which meant that Stanbic bank creates a conducive environment for employees to receive intrinsic rewards. That is seconded by Jensen et al. (2007) who asserted that the intangible rewards (intrinsic) are the ones that determine why an employee would choose one company over another as compared to the effect of the tangible rewards but there were a few employees who were not satisfied and their needs have to be taken into consideration by management.

4.4.1 Managers' Findings

4.4.1.1 Intrinsic rewards greatly influence the performance levels of employees

The table below shows findings from managers showing whether intrinsic rewards greatly influence the performance levels of employees.

Table 4.20 The Influence of Intrinsic Rewards on Performance Levels

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	25.0	25.0	25.0
	Agree	2	50.0	50.0	75.0
	Strongly agree	1	25.0	25.0	100.0
	Total	4	100.0	100.0	

Source: Primary Data 2014

Basing on the above table 50% of the managers agreed, 25% of them strongly agreed while 25% of them were neutral. None of them disagreed nor strongly disagreed. The biggest percentage (50%) agreed and these were grouped together with those that strongly agreed making them 75% as the majority whereas the least percentage came from those that were neutral(25%). With the above data the researcher decided that majority of the managers agree that intrinsic rewards greatly influence the performance levels of employees hence managers ought to present the employees favorable rewards to improve their performance and that is in accordance with Bardwell and Holden (2004) who asserted that rewards are not simply expressed in monetary form but also include those that are difficult to measure in monetary currencies. Several examples given are comfortable working conditions, involvement in decision making process and future growth opportunities as intrinsic rewards that influence employee performance with all these rewards in place performance of employees could be high. The above findings were in concurrence with those of employees.

4.4.1.2 The Influence of Feedback to the Organization's Culture

The table below shows the findings from managers concerning whether intrinsic rewards such as feedback create a supportive culture from employees in the organization.

Table 4.21 The Influence of Feedback to the Organization's Culture

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	3	75.0	75.0	75.0
	strongly agree	1	25.0	25.0	100.0
	Total	4	100.0	100.0	

Source: Primary Data 2014

Managers that agreed were 75% whereas those that strongly agreed were 25%. None of them were neutral, neither disagreed nor strongly disagreed. All managers agreed that intrinsic rewards such as feedback created a supportive culture from employees in an organization. Employees therefore have to be given intrinsic rewards for a supportive culture to be derived in the organization which is in concurrence with Willson (2003) who stated that feedback in particular, constructive criticisms is necessary for the expansion and development of the employee hence they end up providing a supportive culture.

4.4.1.3 Intrinsic Rewards and the Organization's Strategic Goals.

The table shows the findings from managers as regards the aspect of intrinsic rewards aiding in strengthening the organization's strategic goals.

Table 4.22 Intrinsic Rewards and the Organization 's Strategic Goals

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	25.0	25.0	25.0
	Agree	1	25.0	25.0	50.0
	strongly agree	2	50.0	50.0	100.0
	Total	4	100.0	100.0	

Source: Primary data 2014

Basing on the above data it was noted that managers that strongly agreed were 50%, those that agreed were 25% and those that were neutral were 25% also. No managers either disagreed or strongly disagreed. The biggest percentage rose from those that strongly agreed. From the data collected majority of the managers seconded the subject of intrinsic rewards aiding in strengthening the organization's goals. These findings are in line with Lawler and Worley (2008) propose that there is a positive relationship between reward system strategy and organization performance which strategy consists of rewards such as intrinsic rewards.

4.4.1.4 Intrinsic Rewards and Employees' Attitude

The table shows manager's views about recognition as an intrinsic reward and whether it creates a positive attitude for employees.

Table 4.23 Intrinsic Rewards and Employees' Attitudes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	2	50.0	50.0	50.0
	strongly agree	2	50.0	50.0	100.0
	Total	**4**	**100.0**	**100.0**	

Source: Primary Data 2014

Basing on the above information 50% of the managers agreed that intrinsic rewards had an effect on employee attitudes while 50% of them strongly agreed. None of them were neutral, neither disagreed nor strongly disagreed. All the managers supported the fact that recognition created a positive attitude for employees hence recognition is a very important aspect to consider as far as intrinsic rewards are concerned and its by this that management should include it in the formulation of an effective reward system as Gross and Friedman (2004) points out that recognition has two essential goals: to encourage the employees or team to repeat or continue the behavior and to encourage other employees to do the same. Hence with the encouragement comes a positive attitude from employees.

4.4.1.5 Impact of Intrinsic Rewards on Employee Competence, Knowledge and Skills

The table below shows findings from managers about whether intrinsic rewards build employee competence, knowledge and skills.

Table 4.24 Impact of intrinsic Rewards on Employee Competence, Knowledge and Skills

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	25.0	25.0	25.0
	Agree	3	75.0	75.0	100.0
	Total	4	100.0	100.0	

Source: Primary data 2014

Basing on the above information 75% of the mangers agreed and 25% of them were neutral. None of the managers disagreed, strongly disagreed or strongly agreed. The biggest percentage of them (72%) agreed whereas the smallest percentage (25%) was neutral and it was from this that the researcher noted that the majority of the managers agreed that intrinsic rewards build employee competence, knowledge and skills as in line with Marchington & Wilkinson(2005) who stated that the manager should provide opportunities for people to achieve their task so that they can be motivated and when employees are provided different opportunities they gain more knowledge and skills hence they become more competent.

4.4.1.6 Intrinsic Rewards and Employee Performance

The table shows the views from various managers about the relationship between intrinsic rewards and the performance of employees, they gave their views about the strength of the relationship and below the table is an illustration on a pie chart.

Table 4.25 Intrinsic Rewards and Employee Performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	3	75.0	75.0	75.0
	No	1	25.0	25.0	100.0
	Total	4	100.0	100.0	

Source: Primary data 2014

Basing on the above information it was noted that 75% of the managers agreed that there's a strong relationship between intrinsic rewards and employee performance and 25% of the managers did not agree. The biggest percentage of the managers agreed (75%) and the smallest percentage (25%) didn't agree to that hence the biggest number of managers agreed that with the presence of intrinsic rewards employees could perform to their best as in line with Bonner and Sprinkle (2002) who stated that organizations with positive ambitions could make available a framework within which high levels of motivation could be accomplished through non financial reward systems (intrinsic rewards). These findings concurred with those of employees.

SECTION C

4.5 Effect of Extrinsic Rewards on Employee Performance

4.5.1 Employee's Findings

4.5.1.1 Impact of Salaries on Performance

The table shows the findings from employees about the effect of extrinsic rewards such as salaries and their influence on the performance on employees.

Table 4.26 Impact of Salaries on Performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	2	13.3	13.3	13.3
	Agree	12	80.0	80.0	93.3
	Strongly agree	1	6.7	6.7	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

With the above information it was noted that 80% of the employees agreed, 13.3% of them were neutral and 6.7% strongly agreed. None of the employees either disagreed or strongly disagreed. It was with this information that the researcher decided that majority of the employees agreed that extrinsic rewards such as salary significantly influence good performance as 80% of them agreed and 6.7% of them strongly agreed making them 86.7%. The other percentage of the employees (13.3%) were neutral meaning they neither agreed nor disagreed hence the biggest percentage agreed that salaries significantly influenced good performance as in line with Azasu (2009) who presented examples of reward systems and incentives to employees which included salary and that it can be used to reward achievements of employees. Hence employees will work expecting pay at the end and hence this brings about their overall good performance.

4.5.1.2 Bonus Payments and Employee Morale

The table shows the findings from employees concerning extrinsic rewards such as bonus payments and whether they improve morale at the work place.

Table 4.27 Bonus Payments and Employee Morale

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	9	60.0	60.0	60.0
	Strongly agree	6	40.0	40.0	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

Basing on the above information it was noted that 60% of the employees agreed and 40% of them the strongly agreed. None of the employees was neutral, disagreed or strongly disagreed. All the employees either agreed or strongly agreed which meant that they all accepted that bonus payments improve employees' morale at the work place as in line with Finkle (2011) who stated that employees are rewarded for exemplary performance with cash bonuses that is, if they have performed higher or exceeded their set targets, this makes them eligible hence increasing their morale to work harder.

4.5.1.3 Allowances and Employee Performance.

The table is about findings from employees showing whether allowances provided create comfort at the work place hence good performance.

Table 4.28 Allowances and Employee Performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	2	13.3	13.3	13.3
	Agree	8	53.3	53.3	66.7
	Strongly agree	5	33.3	33.3	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

Basing on the above information the employees that agreed were 53.3%, those that strongly agreed were 33.3% and those that were neutral were 13.3%. None of them either disagreed or strongly disagreed. The biggest percentage came from the employees that agreed and the smallest percentage came from those that were neutral. With the information given it was noted that the biggest number of employees strongly agreed and agreed hence most of them accepted that allowances create more comfort at the work place hence good performance as a result of the allowances. This is in line with Azasu (2009) who pointed out that rewards such as allowances can be used to reward achievements of employees hence with allowances provided employees tend to get comfortable at the work place hence performing well.

4.5.1.4 Overtime payments and Productivity Level

The table shows the responses from employees about whether extrinsic rewards such as overtime payments increase the productivity level.

Table 4.29 Overtime payments and Productivity Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	6.7	6.7	6.7
	Agree	8	53.3	53.3	60.0
	Strongly agree	6	40.0	40.0	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

With the above information the employees that agreed were 53.3%, those that strongly agreed were 40% whereas those that were neutral were 6.7%. No employees either disagreed or strongly disagreed. The biggest percentage was that of employees that agreed whereas the smallest percentage came from those that were neutral. The employees that agreed and strongly agreed grouped together, made up the biggest percentage (83.3%) hence most of the employees agree that overtime payments increase the productivity level as according to Finkle (2011) who stated that employees who receive a miserable bonus from the organization after their performance has been assessed might consider improving the next time which makes employees increase their productivity in order to receive the overtime payment.

4.5.1.5 Employee Rewards and Motivation of Employees

The table shows findings from employees that have were tabulated about whether extrinsic rewards motivate employees to be more competent

Table 4.30 Extrinsic Rewards and Motivation of Employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	6.7	6.7	6.7
	Agree	10	66.7	66.7	73.3
	Strongly agree	4	26.7	26.7	100.0
	Total	15	100.0	100.0	

Source: Primary data 2014

Basing on the above information 66.7% of the employees agreed, 26.7% of them strongly agreed while 6.7% of them were neutral. None of them disagreed or strongly disagreed. The biggest percentage of them agreed whereas the smallest percentages were neutral. Most of the employees agreed i.e. most of them either agreed or strongly agreed which made the majority accept that extrinsic rewards motivate employees to be more competent for example for group bonuses each employee has to work hard for the group to benefit as Pfeffer (2008) organizations that are able to reward the employees on a collective level are having more committed and productive teams than those that are not truly rewarded on a collective basis hence these employees tend to be more motivated to work harder.

4.5.1.6 Employee Satisfaction and Extrinsic Rewards

All the employees (100%) were noted to be satisfied by the extrinsic rewards given to them. None of the respondents wasn't satisfied by the extrinsic rewards given to them. The researcher noted that since everyone was satisfied by the extrinsic rewards given to them, then management implemented an effective reward system with favorable extrinsic rewards to its employees. Such effectiveness enhances high productivity level expected from employees as in line with Mottaz

(2008) who emphasized that few if any workers would continue to work on a job for a long time if extrinsic rewards were completely inadequate. Employees are therefore satisfied with the extrinsic rewards is an important aspect.

4.6.1 Managers' findings

4.6.1.1 Extrinsic Rewards and the Performance Levels of Employees.

The table below shows findings from managers that present their opinions about whether extrinsic rewards greatly contribute to the high performance levels of employees.

Table 4.31 Extrinsic Rewards and the Performance Levels of Employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	1	25.0	25.0	25.0
	Agree	1	25.0	25.0	50.0
	Strongly agree	2	50.0	50.0	100.0
	Total	4	100.0	100.0	

Source: Primary data 2014

With the above information it was seen that managers that strongly agreed were 50%, those that agreed were 25% and those that disagreed were also 25%. The highest number of respondents comprising a percentage (50%) strongly agreed; those that agreed comprised 25%. This implied that the managers that agreed to the fact that extrinsic rewards greatly contribute to high performance levels of employees were the most which was in line with Mottaz (2008) who emphasized that few if any workers would continue to work on a job for a long time if extrinsic rewards were completely inadequate hence with extrinsic rewards in place employees will continue performing. Despite the above those that disagreed (25%) thought that there are other rewards that contribute to high performance levels of employees.

4.6.1.2 Influence of Salaries on the Commitment and Retention of Employees in the organization.

The table shows managers’ views about whether extrinsic rewards such as salaries to employees build employee commitment and retention in the organization.

Table 4.32 Influence of Salaries on the Commitment and Retention of Employees in the organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	25.0	25.0	25.0
	Agree	1	25.0	25.0	50.0
	Strongly agree	2	50.0	50.0	100.0
	Total	4	100.0	100.0	

Source: Primary data 2014

Managers that strongly agreed were 50%, those that agreed were 25% whereas those that were neutral were also 25%. None of them either disagreed or strongly disagreed. The biggest percentage of them strongly agreed(50%) plus those that agreed(25%) implied that most of the managers(75%) agreed that extrinsic rewards such as salaries to employees build employee commitment and retention in the organization as the author Azasu (2009) who presented examples of reward systems and incentives to employees which included salary and that it can be used to reward achievements of employees Hence with an effective system of implementing salaries employees tend to get committed and retained in the organization.

4.6.1.3 Performance Bonuses and Productivity.

The table below shows the findings from managers about whether extrinsic rewards such as performance bonuses to employees can enhance their productivity by increasing output capacities.

Table 4.33 Performance Bonuses and Productivity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	25.0	25.0	25.0
	Agree	2	50.0	50.0	75.0
	Strongly agree	1	25.0	25.0	100.0
	Total	4	100.0	100.0	

Source: Primary data 2014

With the provided data it was seen that 50% of the managers agreed, 25% of them strongly agreed and 25% of them also were neutral. None of the managers disagreed or strongly disagreed. 50% of the managers agreed and 25% strongly agreed making them the biggest percentage when added together(75%) hence most of the managers agreed that performance bonuses to employees could enhance their productivity by increasing output capacities as in line with Finkle (2011) who stated that employees are rewarded for exemplary performance with cash bonuses that is, if they have performed higher or exceeded their set targets, this hence makes them eligible hence this increases their productivity by increasing output capacities.

4.6.1.4 Overtime payments and Employees' Morale

It was established that all the managers (100%) agreed that employees' morale is derived from extrinsic rewards such as overtime payments. None of the managers disagreed or was neutral. It was noted that all the managers understood well the influence of overtime payments on employees and that with the overtime payments employees' morale is derived as noted Finkle (2011) who stated that employees who received a miserable bonus from the organization after their performance has been assessed might consider improving the next time which makes employees have more morale to work harder for better overtime payments.

4.6.1.5 Extrinsic Rewards and Satisfaction

The table below shows findings from managers showing whether extrinsic rewards enhance satisfaction amongst employees in Stanbic bank.

Table 4.34 Extrinsic Rewards and Satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	25.0	25.0	25.0
	Strongly agree	3	75.0	75.0	100.0
	Total	4	100.0	100.0	

Source: Primary data 2014

With the above information it was noted that 75% of the managers strongly agreed and 25% of them were neutral. None of the managers disagreed. It was clear that majority of the managers agreed that extrinsic rewards enhance satisfaction amongst employees at Stanbic bank and this was in line with Mottaz (2008) who emphasized that few if any workers would continue to work on a job for a long time if extrinsic rewards were completely inadequate hence employees' get satisfied at a work place because they are being offered rewards like salaries, overtime, promotions among others.

4.6.1.6 Extrinsic Rewards as a Solution To Performance Improvement.

The table below shows findings from managers showing results of whether extrinsic rewards are the best rewards managers can offer to employees to improve their performance as illustrated in the table below.

Table 4.35 Extrinsic Rewards as a Solution To Performance Improvement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	1	25.0	25.0	25.0
	No	3	75.0	75.0	100.0
	Total	4	100.0	100.0	

Source: Primary data 2014

With the above information 75 % of the managers said no whereas 25% of them agreed that extrinsic rewards are the best rewards managers can offer to employees to improve their performance. The biggest percentage (75%) said no whereas the smallest percentage (25%) said yes which meant that managers had other suggestions to rewards that improve employees' performance. These findings were seconded by Buckman (2011) who argued that the monetary rewards act on the background but what really makes the difference in employee's organizational behavior are the intrinsic rewards.

4.7 Conclusion

The chapter presented the findings from both employees and managers regarding the contribution of managerial rewards to employee performance. It set off by presenting the biographical data of the respondents then the relation of the findings with the objectives of the study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMENDATIONS

5.0 Introduction

This chapter presents the summary of the findings, the conclusions and recommendations for the management of Stanbic bank so as to have an effective reward system that's favorable for their employees. The researcher also presents suggestions for further study that should be dealt with by other researchers in the future and the implications of the study.

5.1 Summary of the findings

The researcher used questionnaires as the tool for collecting data from the respondents. The questionnaires were given to both the employees and managers of Stanbic bank and they contained both open ended and closed ended questions. The reason for doing that was to get independent responses from managers and employees. The researcher also did that because of the desire to know whether managers understood well the rewards and their effects on the employees , the employees also provided suggestions for any improvements in the rewards offered to them. Employees were seen to take up the biggest percentage in the organization over that of the managers hence they are the determinants for the organization's performance levels. Below are the summaries of the findings for each objective;

The first objective of the study was to examine the relationship between managerial rewards and employee performance in financial institutions. Most of the employees (93.3%) agreed that there's a strong relationship between managerial rewards and employee performance and 86.7% also believed that the rewards were vital in improving employee performance. 80% of the employees agreed that the rewards were interdependent with employee performance, 86.7% also accepted that rewards result into high employee performance whereas all of them (100%) also agreed that the rewards motivated them to perform better. 80% of employees were satisfied with the rewards given to them whereas 20% of them didn't agree. 50% of the managers agreed that there's an effective reward system for employees at Stanbic bank whereas 25% of them disagreed and 25% also were neutral. 75% of them agreed that an effective reward system can enhance employee productivity and efficiency whereas 75% of them also accepted that a well balanced reward system should align with an effective recognition program for employees though 25% were neutral. 75% of the managers agreed that Stanbic bank provides both intrinsic and extrinsic rewards for their employees. All the managers (100%) agreed that they understood the influence of rewards on employee performance at the bank.

The second objective of the study was to examine the effect of intrinsic rewards on the performance of employees in financial institutions. 80% of the employees agreed that intrinsic rewards influenced employee performance, 66.7% agreed that recognition builds employee competence, 93.4% of them also agreed that opportunity to change jobs brings about devotion and a sense of belonging to the organization. 93.3% of the employees also agreed that opportunity to participate in decision making offered employee confidence. 86.7% of the employees were satisfied by the intrinsic rewards given to them by management them whereas 13.3% said no. 75% of the employees agreed that intrinsic rewards greatly influenced the performance levels of employees whereas 25% were neutral. All the employees (100%) accepted that intrinsic rewards such as feedback create a supportive culture from employees . Furthermore 75% of the managers agreed that intrinsic rewards aid in strengthening the organization's strategic goals, 100% of them agreed that recognition creates a positive attitude for employees and 75% of the managers agreed that intrinsic rewards build employee competence, knowledge and skills. Lastly 75% of the managers agreed that there's a strong relationship between intrinsic rewards and performance of employees at Stanbic bank.

The third objective was to examine the effect of extrinsic rewards on the performance of employees in financial institutions. The findings from employees showed that 96.7% agreed that salaries significantly influence good performance, 100% agreed that extrinsic rewards such as bonus payments improve morale at the work place and 86.6% agreed that allowances provided create more comfort at the work place hence good performance. 93.3% of the employees agreed that overtime payments increased the productivity level and 93.4% agreed that extrinsic rewards motivated employees to be more competent. All the employees (100%) were satisfied by the extrinsic rewards given to them. The findings from the managers showed that 75% of them agreed that extrinsic rewards greatly contribute to high performance levels of employees as 25% disagreed. 75% agreed that salaries build employee commitment and retention in the organization while 25% were neutral. 75% also agreed that performance bonuses to employees enhance their productivity by increasing their output capacities whereas 25% were neutral. All managers agreed that employees' morale was greatly derived from extrinsic rewards such as overtime payments. 75% of the managers also agreed that extrinsic rewards enhanced satisfaction amongst employees as 25% were neutral. 75% of the managers agreed that extrinsic rewards were the best rewards managers could offer to employees to improve their performance whereas 25% said no.

5.2 Conclusions

The conclusions of the study are;

There was a strong relationship between managerial rewards and employee performance. For a reward system to be balanced it must contain both extrinsic rewards and intrinsic rewards. An effective reward system with both intrinsic and extrinsic rewards included is interdependent with employee performance therefore for high performance of employees to be attained there must be an effective reward system. Managerial rewards were vital because they motivated employees to increase their productivity levels and perform both effectively and efficiently. Managers at Stanbic bank understood the influence of managerial rewards and employee performance whereas most but not all employees were satisfied by the rewards given to them. The different rewards at the bank were promotions, overtime payment, 13^{th} cheque (salary), paid for vacations, recognitions in forms of awards for best performers, monthly parties among others. Intrinsic rewards possitively influenced employee performance. It's the intrinsic rewards attained by an employee that made them choose their current organizations over others. Intrinsic rewards in employees were evidenced by the built employee competence, knowledge and skills. They also created a supportive culture from employees and also aided in strengthening the organization's strategy. When employees were recognized in an organization they gained a positive attitude of doing things and when given the opportunity to change jobs they gained devotion and a sense of belonging to the organization. With the opportunity to participate in decision making employees gained more confidence in their daily tasks. It was analyzed that there was a strong relationship between intrinsic rewards and employee performance and that most of the employees at Stanbic bank were satisfied by the rewards such as recognition of best performers annually, opportunity to change jobs and opportunity to participate in decision making whereas a few felt that they lacked some rewards. Some employees suggested that recognition should be done on a monthly basis and it should be done in all aspects because recognition in Stanbic bank was done only annually.

Extrinsic rewards were also seen to possitively influence the performance of employees. Extrinsic rewards offered to employees by management motivated them to perform better. Salaries were seen to encourage employees to perform better hence increased productivity because they got to know that they were working for payment in return and if they didn't produce work they wouldn’t be paid and their needs wouldn’t be met. The bonus payments such as overtime and allowances improved their morale to work harder and also increase their comfort at the work place as they believed they were to be catered for by management after a piece of work carried out. Extrinsic rewards mainly enhanced productivity by increasing output levels. Most employees were satisfied by the extrinsic rewards such as the 13^{th} cheque whish is their salary, overtime payments whereby they receive shs20,000 for each extra working hour on weekends because they were expected to work only half a day, promotions, monthly parties although some weren’t and suggested to be given allowances for transport, housing and lunch.

5.3 Recommendations

The recommendations from the study were as follows;

Rewards facilitation provided to the employees should be compared with that of other organizations in the same industry and this is referred to as benchmarking. The various rewards other organizations have in place should be analyzed and the different methods they used to reward staff should also be taken into consideration. By so doing the management staff of Stanbic bank would derive cost effective ways of implementing a favorable reward system.

The employees of Stanbic bank should be allowed to participate in reward determination by choosing which rewards are most satisfying to them than others. This could be done through meetings held by managers and staff or through, evaluation reports or by the help of suggestions from researchers that study their organization for academic purposes.

Motivation of employees should begin at a personal level even if there’s an effective reward system the organization should not fore go employee’s personal needs. The management of Stanbic bank should base on motivating employees according to Maslow’s hierarchy of needs for an employee. He stated that to motivate employees there must be the presence of physiological needs which include food, water among others, there should be safety needs regarding the well being of the employee at the work place i.e are there security guards, there should be also social needs which are a sense of belonging in the work place, there should also be esteem needs which are based on the way an employee is perceived by other workers and at last self actualization that is a continuous process in one's life because a person continues to desire more and more in life. Basing on that employees should be granted additional allowances of food, housing and transportation.

Good leadership should be administered to employees by managers. Leadership is having the authority to direct people to achieve a specific objective or goal. Leaders make people achieve necessary qualities (Price, 2011) hence for high performance to be met the managers ought to be good. The action of a higher authority to a minor determines their reaction hence managers ought to listen to employee pleas and take them into consideration; they ought to also give positive reactions to employees while they carry out their tasks at the work place. With constant encouragement and correction when work is wrongly done employees can perform to their best ability.

There should be more training and development of employees' skills so as to increase the quality of their output. Training is the process of equipping people with new skills so as to fit specific standards whereas development is the process of growing or becoming more advanced in an aspect. When employees are trained about various aspects they cannot fail to deliver what is required of them. Hence this can help employees improve the way they carry out their tasks and also help the less skilled employees to gain more skills and grow in terms of knowledge.

The organization should not forego its main objectives while achieving employees' interests. For some rewards to become implemented may require a lot of revenue from the organization hence making the organization operate in losses. For a reward to get implemented there should be considerations made for the level of sales growth, the profit margin and the volume of revenue available.

Teamwork and collaboration should be enforced. Teamwork is the combination of two or more minds to carryout a task. In a team there should be a leader that gives other employees a sense of direction and organization. Employees tend to get intrinsic rewards of a sense of belonging to the organization and it breaks down tasks into manageable units by different employees.

Employees should be made to believe that they are carrying out meaningful work to the organization. Whether they are directors or cooks they all are of great importance to the organization. Discrimination should be discouraged in the bank and its with this that intrinsic rewards are derived.

5.4 Implications of the study

The following are the implications of the study;

When the organization benchmarks other organizations and looks at the way they reward their staff then Stanbic bank will derive effective ways of creating rewards and administering them to employees. A cost effective method will also be derived so that the organization doesn't incur losses while trying to make employees contented.

Employee participation in reward determination helps the organization choose which rewards should stay or be removed from the reward system. This helps add relevant rewards that had been neglected by management and irrelevant rewards will also be removed as they are of no significant value to employees.

Basing on motivating employees personally, the organization gets to fulfill an individual need before looking at a group's needs which is important. This makes a person comfortable at work and leaves them with little or lees complaints.

With good leadership implemented at the bank there will be an improvement in the quality of the work done by their continuous encouragement. Leaders are viewed as drivers if they are bad then employee performance will crash or be poor if they are good then employee performance will be relatively good hence there should be good leadership at the bank so as to reach high performance levels of employees.

Training and development of employees' is very important as they are constantly increasing on their knowledge and skills in the department they are operating in or even getting broader information about the banking sector for example training employees about the use of specific information systems.

Implementing reward systems that are in line with the organization's objectives of cost reduction will help the organization choose rewards that are not costly to implement hence this will prevent risks of rewarding employees at the expense of organizational activities.

When employees team up they share different ways of solving problems and this fastens the whole problem solving process. In the teams employees also get corrected if they carried out a task wrongly hence increasing on their knowledge. Teams also create a sense of responsibility amongst workers in the bank.

For an employee to carryout a task that they know is meaningful to the company they feel appreciated and useful. The feeling of being useful motivates the employees to keep working harder and deliver whatever task is required of them effectively.

5.5 Areas for further study

Implementation of managerial rewards while considering organizational objectives of cost reduction.

Training employees and managers as a way of improving their skills and competences so as to achieve high performance levels

Employee participation in determination of rewards as a way of developing effective and efficient reward systems.

The role of teamwork and collaboration of employees in an organization.

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APPENDICES

Appendix I: Letter to go to the Field

Uganda
Martyrs
University

making a difference

Office of the Dean
Faculty of Business Administration and Management

Your ref.:
Our ref.:

Nkozi, 16th April, 2014

To Whom it may Concern

Dear Sir/Madam,

Re: Assistance for Research:

Greetings and best wishes from Uganda Martyrs University.

This is to introduce to you Nanyama Anastasia who is a student of Uganda Martyrs University. As part of the requirements for the award of the Degree of Bachelor of Business Administration and Management of the University, the student is required to submit a dissertation which involves a field research on a selected case study such as a firm, governmental or non governmental organization, financial or other institutions.

The purpose of this letter is to request you permit and facilitate the student in this survey. Your support will be greatly appreciated.

Thank you in advance.

UGANDA MARTYRS UNIVERSITY
16 APR 2014
FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT
SIGN...

Yours Sincerely,

Mr. Moses Kibrai
Dean

Appendix II: Research Questionnaire: Stanbic Bank Employees

Dear Respondent

I am Nanyama Anastansia, a student of Uganda Martyrs University, Nkozi campus, faculty of business Administration and Management. I am carrying out research on '***"The Contribution of Managerial Rewards to Employee Performance"*** with special reference to Stambic Bank, Entebbe Branch as the case for the study. You are humbly requested to contribute by filling in this questionnaire. All information given will remain confidential and solely for academic purpose.

Background Information of the Respondent

Section A

(a) Gender

(1) Male ☐ (2) Female ☐

(**b**)Age

(1**)** 18-25 ☐ (2) 26-35 ☐ (3) 36-45☐ (4)46-55 ☐ (5)56 and above ☐

(**c**)Marital Status

(1) Married ☐ (2) Single ☐ (3)Separated ☐ (4)Divorced ☐

Section B

(**a**) Department:………………………………………

(b) Position:…………………………………………..

(c) Duration of Service with the Bank

(1)Less than 1 year ☐ (2) 2-4 Years☐ (3)5-7 Years ☐

(4) 8 years and above ☐

(**d**) Level of academic Qualification

(1) Certificate and Below ☐ (2) Diploma ☐ (3) University Degree ☐

(4) Master Degree ☐ (5) Post Graduate ☐

Section C: Relationship between Managerial Rewards and Employee Performance

Specify Your View As Appropriate

1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree

	Relationship between managerial rewards and employee performance	1	2	3	4	5
1	The relationship between managerial rewards and employee performance is strong.					
2	Managerial rewards are very vital in improving employee performance.					
3	Managerial rewards are inter-dependent with employee performance.					
4	Managerial rewards result into high employee performance					
5	Managerial rewards motivate employees to perform better.					

(6)Are you satisfied with the managerial rewards given to you?

Yes ☐ No ☐

(7) Are there any other suggestions of rewards you feel should be provided at the work place?

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Section D: Effect of Intrinsic Rewards to Employee Performance

Specify Your View As Appropriate

1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree

	Effect of Intrinsic rewards to employee performance	1	2	3	4	5
1	Intrinsic rewards influence employee performance.					
2	Intrinsic rewards such as recognition build employee competence.					
3	Intrinsic rewards such as opportunity to change jobs brings about devotion and comfort of an employee.					
4	Intrinsic rewards such as events to celebrate achievements give employees a sense of belonging to the organization.					
5	Intrinsic rewards such as opportunity to participate in decision making offer job confidence.					

(6)Are you satisfied by the intrinsic rewards given to you by management?

Yes ☐ No ☐

(7)If no, what other rewards do you suggest management to implement?

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Section E: Effect of Extrinsic Rewards on Employee Performance

Specify Your View As Appropriate

1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree

	Effect of Extrinsic Rewards to Employee Performance	1	2	3	4	5
1	Extrinsic rewards such as salaries significantly influence good performance.					
2	Extrinsic rewards such as bonus payments improve morale at the work place.					
3	Allowances provided create more comfort at the work place hence good performance.					
4	Extrinsic rewards such as overtime payments increase the productivity level.					
5	Extrinsic rewards motivate employees to be more competent.					

(6) Are you satisfied by the extrinsic rewards offered to you by management?

Yes ☐ No ☐

(7) If no, what can management do or implement to improve or enhance your work performance?

(i)……………………………………………………………………………………………....

(ii)……………………………………………………………………………………….......

(iii)………………………………………………………………………………………........

Thanks For Your Participation

Appendix III: Research Questionnaire: Stanbic Bank Managers

Dear Respondent

I am Nanyama Anastansia, a student of Uganda Martyrs University, Nkozi campus, faculty of business Administration and Management. I am carrying out research on '***"The Contribution of Managerial Rewards to Employee Performance"*** with special reference to Stanbic Bank, Entebbe Branch as the case study. You are humbly requested to contribute by filling in this questionnaire. All information given will remain confidential and solely for academic purpose.

Background Information of the Respondent

Section A

(a) Gender

(1) Male ☐ (2) Female ☐

(**b**)Age

(1) 18-25 ☐ (2) 26-35 ☐ (3) 36-45 ☐ (4)46-55 ☐ (5)56 and above ☐

(**c**)Marital Status

(1) Married ☐ (2) Single ☐ (3)Separated ☐ (4)Divorced ☐

Section B

(**a**) Department:……………………………………

(b) Position:…………………………………………..

(c) Duration of Service with the Bank

(1)Less than 1 year ☐ (2) 2-4 Years ☐ (3)5-7 Years ☐

(4) 8 years and above

(**d**) Level of academic Qualification

(1) Certificate and Below (2) Diploma (3) University Degree

(4) Master Degree (5) Post Graduate

Section C: Relationship Between Managerial Rewards and Employee Performance

Specify Your View As Appropriate

1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree

	Relationship Between Managerial rewards and Employee Performance	1	2	3	4	5
1	There is an effective reward system for employees at Stanbic Bank, Entebbe Branch					
2	An effective managerial reward system can enhance employee productivity and efficiency					
3	A well balanced employee reward system should align with an effective recognition program for employees					
4	Stanbic Provides both intrinsic and extrinsic reward systems to their employees					
5	Managerial rewards encompass not only monetary incentives to employees but also other non-monetary rewards					

(6) Do you understand well the influence of rewards on employee performance at Stanbic Bank?

(1) Yes (2) No

(7) List three (3) managerial rewards provided to employees at Stanbic Bank?

(i)……………………………………………………………………………………………....

(ii)……………………………………………………………………………………………..

(iii)……………………………………………………………………………………………..

Section d: Effect of Intrinsic Rewards to Employee Performance

Specify Your View As Appropriate

1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree

	Effect of intrinsic rewards to employee performance	1	2	3	4	5
1	Intrinsic rewards greatly influence the performance levels of employees.					
2	Intrinsic rewards create a supportive culture from employees in an organization.					
3	Intrinsic rewards aid in strengthening the organization's strategic goals					
4	Intrinsic rewards such employee recognition create a positive attitude of employees.					
5	Intrinsic rewards build employee competence, knowledge and skills.					

(6) There is a strong relationship between intrinsic managerial rewards and the performance of employees at Stanbic Bank

(1) Yes ☐ (2) No ☐

(7) List the three (3) most important intrinsic rewards that can enhance the performance of employees at Stanbic Bank

(i)…………………………………………………………………………………………....

(ii)…………………………………………………………………………………………..

(iii)………………………………………………………………………………………….

Section e: Effect of Extrinsic Rewards on Employee Performance

Specify Your View As Appropriate

1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree

	Effect of intrinsic rewards to employee performance	1	2	3	4	5
1	Extrinsic rewards greatly contribute to high performance levels of employees.					
2	Extrinsic rewards such as salaries to employees build employee commitment and retention in an organization					
3	Extrinsic rewards such as performance bonuses to employees can enhance their productivity by increasing output capacities					
4	Employees' morale is greatly derived from extrinsic rewards such as overtime payments.					
5	Extrinsic rewards enhance satisfaction amongst employees in Stanbic Bank.					

(6) Extrinsic rewards are the best rewards managers can offer to employees to improve their performance.

(1) Yes ☐ (2) No ☐

(7)If they are not then list other rewards managers should implement to improve employee performance.

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Thanks For Your Participation