REWARD MANAGEMENT AND EMPLOYEE TURNOVER IN SELECTED
FINANCIAL INSTITUTIONS IN
KAMPALA UGANDA

BY:
SARRAH ABDINOUR NOUR
MHR/31622/143/DF

A THESIS REPORT PRESENTED TO THE COLLEGE OF ECONOMICS AND
MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE AWARD OF DEGREE OF MASTERS OF ARTS OF
HUMAN RESOURCE MANAGEMENT OF
KAMPALA INTERNATIONAL
UNIVERSITY

NOVEMBER, 2016
ABSTRACT

The study was set to assess the effect of reward systems on the employee turnover in selected financial institutions in Uganda. The study was based on three research objective which included establish effect of Pay management on employee turnover, effect of benefits management on employee turnover and the influence of promotions on employee turnover in selected commercial banks in Kampala Uganda namely centenary, housing finance and Crane bank. The research adopted the cross sectional research design based on qualitative research and quantitative. The data was attained from the employees of the studied commercial institutions who were 161 and returned the questionnaire. The respondents were interacted with using the research questionnaire. The study findings reveal that payments management affect the employee turnover, the results reveal that the payments by the studied banks were poor. It was found that there existed a relationship between payments and financial performance of banks though the prevalence of a non significant relationship indicated that payments did not account for employee turnover, the researcher concluded that payments seem to not to be explaining the employee turnover in financial institutions. The second research objective reveals that benefits management in the studied financial institutions was reasonable though not sound. The researcher further established that a positive but not significant relationship was detected between benefits and employee performance meaning that the state of benefits do not guarantee turnover though there exist a link. Finally the researcher concludes that the relationship between promotions and employee turnover was positive showing that promotions guaranteed employee turnover of the financial institutions. It is prudent that interventions into financial assessment can graduate into employee turnover. Based on the study findings the researcher recommends that there is need for improving payments through bonuses increases, improve the payment terms so as to improve payments for the employees, payment times need to be adjusted in order to enable the employees receive their remunerations in a period early enough to enable the provisions of individual wants for their operations. There should also be rewards based on the profitability of the organization. There should be also open system of communication. Compensation system of rewarding employees, this refers to the assessment of employee’s contributions towards the organization. Promotions need to be based on performance of the junior staff in order to enable them perform well and all promotions should be for a trial period to ascertain whether the promoted person is found capable of handling the job or not.