

**REWARDS AND EMPLOYEE PERFORMANCE.**

**A CASE STUDY OF CAIRO BANK**

A Thesis

Presented to the School of  
Postgraduate Studies and Research  
Kampala International University  
Kampala Uganda

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In Human Resource Management

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By:

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August, 2010

### DECLARATION A

I MATOVU JOSEPHINE, declare that this work is as a result of my own research and it has never been submitted to any other institution for any academic award.


Signature.....

MATOVU KIWUMULO JOSEPHINE

Date.....


## DECLARATION B

"I/WE conform that the work reported in this dissertation was carried out by the candidate under my/our supervision."

  
MUGAALGA.C

Name and signature of supervisor

\_\_\_\_\_  
Date 28 Jul 2010

  
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### APPROVAL SHEET

This Thesis entitled "An investigation into the impact of Rewards on Employee Performance in Cairo Bank." Prepared and submitted by Matovu Kiwumulo Josephine in partial fulfillment of the requirement of the degree of Masters in Human Resource Management has been examined and approved by the panel of oral examination with a grade of PASS

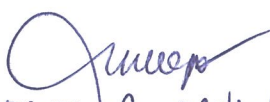
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Name and signature of DVC, SPGSR \_\_\_\_\_

**APPROVAL**

I hereby present my report for approval.

By Supervisor:

Signature.....

**MR MUGANGA CHRISTOPHER**

Remarks.....

.....

.....

Date.....

## **DEDICATION**

I wish to dedicate this research work to my Parents who have always believed in me, my Husband for his support during the entire study and to all my children. This work is a banner of significance that you can get where you want to be with determination and as a beacon that this stage was attained for them. It is a land mark of success they too can grasp.

### **ACKNOWLEDGEMENT**

I would like to extend my sincere gratitude to Mr. Christopher Muganga for his invaluable supervision and guidance which helped me to complete this thesis. I am indebted to my friends, husband and children, My sister and brother, the Kasemaki family who gave me encouragement in times of difficulties and again to my Parents for their Love. Many thanks also go to all those lecturers who imparted professionalism into my work.

## **ABSTRACT**

The purpose of this study was to establish the relationship between rewards and employee's performance. The objectives were to establish the relationship between rewards and employee commitment and rewards and time management.

The researcher used descriptive survey designs and purposive research designs. Both qualitative and quantitative designs were used. The researcher used random sampling technique and handled a sample of 57 employees out of 200 populations. The researcher used both interviews and questionnaire instrument to collect data.

The findings indicated that there was a positive relationship between rewards and employee performance. There was also a positive relationship between rewards and employee commitment. There was also a positive relationship between time management and rewards.

The researcher recommended Cairo bank should reward its employees equitably without discrimination. The researcher also recommended Cairo bank to adopt policies that can help in increasing employee commitment and time management.

According to Mugenda & Abel Mugenda (2003) descriptive research is a process of collecting data to test a hypothesis. It is used to determine and report the way things are. It is a research which attempts to describe things like possible behaviour, attitudes, values and character.



## TABLE OF CONTENT

DECLARATION A.....	i
DECLARATION B.....	ii
APPROVAL SHEET.....	iii
APPROVAL .....	iv
DEDICATION.....	v
ACKNOWLEDGEMENT .....	vi
ABSTRACT .....	vii
TABLE OF CONTENT .....	viii
1.0 CHAPTER ONE .....	1
1.1 Introduction .....	1
1.2 Background to the study .....	1
1.3 Problem statement.....	2
1.4 Purpose of the study .....	2
1.5 Research Objectives.....	2
The study shall be guided by the following objectives .....	2
1.6 Research questions .....	2
1.7 Significance of the study .....	2
1.8 Scope of the study .....	3
1.8.1 Geographical scope .....	3
1.8.2 Content scope.....	3
Conceptual Framework .....	4
2.0 CHAPTER TWO .....	5
LITERATURE REVIEW .....	5
2.1 Introduction .....	5
Theoretical Review .....	5
2.2 Literature review.....	5

2.3 Rewards and employee performance.....	6
2.3.1 Relationships between Rewards & Employee Performance .....	10
2.3.2 Concept of Employee Performance Management. ....	11
2.3.3 Impact of Rewards on employee performance leads to job satisfaction.....	12
METHODOLOGY .....	16
Introduction .....	16
Research design .....	16
Area of study.....	16
Study population. ....	16
Sampling Procedure and Sampling Size .....	16
Research procedure .....	17
Data collection instruments .....	18
Questionnaire.....	18
Interviews and observation methods.....	18
Data analysis and presentation .....	19
Limitations of the Study .....	19
Ethical Consideration .....	19
CHAPTER FOUR.....	20
PRESENTATION ANALYSIS AND DISCUSSION OF THE FINDINGS .....	20
Introduction .....	20
DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS .....	28
Introduction .....	28
DISCUSSION .....	28
CONCLUSIONS .....	29
RECOMMENDATIONS.....	29
Areas for further studies .....	30
APPENDIX I: Questionnaire .....	30
APPENDIX II: Reference .....	35

## **1.0 CHAPTER ONE**

### **1.1 Introduction**

This research examined the impact of reward and reward systems of Cairo Bank on its employee performance. This chapter presents the background, problem statement, the purpose of the study research, study objectives, research questions, hypotheses, scope and significance of the study.

### **1.2 Background to the study**

Cairo International Bank is a limited company of Egyptian origin which started in Uganda ten years ago to strengthen the relations between Egypt and Uganda, and to promote business between the two Nile countries .Cairo International Bank is a profit making organization located at Greenland Tower along Kampala road.

Cairo International bank has expanded and developed mainly in the area of human resource through training employee and sponsoring employees for further studies. However, the bank has failed in its reward system which has left a number of employees dissatisfied hence affecting job performance. (Employee Report, 2009). In the study there was a need to explore the relationship between reward and its impact on job performance; I needed to determine if there was a direct positive relationship between job performance and the established remuneration practices of Cairo Bank. Scholars say that the higher the reward is, the higher an employee's Job Satisfaction and the higher will be their performance, (Fry, Stoner and Hattwick (1998) using a case study of the bank I needed to affirm whether the statement's conclusive or not. Not all rewards are satisfactory; hence, all people need to get involved in deciding what should be rewarded for employees' efforts for an effective team. One of the manager's major responsibilities is to ensure that subordinates consistently and dependably portray the desired behaviours. Rewards are vital sources of the "positive reinforcement" to employees and are used widely by all kinds of organisations. I needed to determine whether Cairo International Bank has appropriate rewards and whether these rewards are appropriate enough to cause the desired behaviour to occur in work performance.

### **1.3 Problem statement**

Cairo bank has continuously experienced poor performance due to poor rewards such as low wages and low incentive. The bank has neglected the issue improving on the reward system of its employees which has resulted into absenteeism, high labour turnover, and low morale, late coming and hence affecting employee performance in Cairo bank.

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

To establish the relationship between rewards system on employee job performance in Cairo International Bank.

### **1.5 Research Objectives**

The study shall be guided by the following objectives

To establish the relationship between rewards and employee performance.

To establish the relationship between the rewards and time management in Cairo Bank.

To establish the relationship between rewards and commitment.

### **1.6 Research questions**

- What is the relationship between rewards and employee performance?
- What is the relationship between the rewards and time management in Cairo Bank?
- What is the relationship between rewards and commitment?

### **1.7 Significance of the study**

- The study will help Cairo Bank International and other comparable organizations within the industry to come up with clear and equitable reward system and policies to promote employee job performance.
- The study will help Cairo International Bank in adopting and implementing policies which can streamline the effective reward in the bank.
- The study will enable management balance employer – employee expectations.
- The study will help Cairo Bank internal management compare its remuneration rates with other players in the market.

## **1.8 Scope of the study**

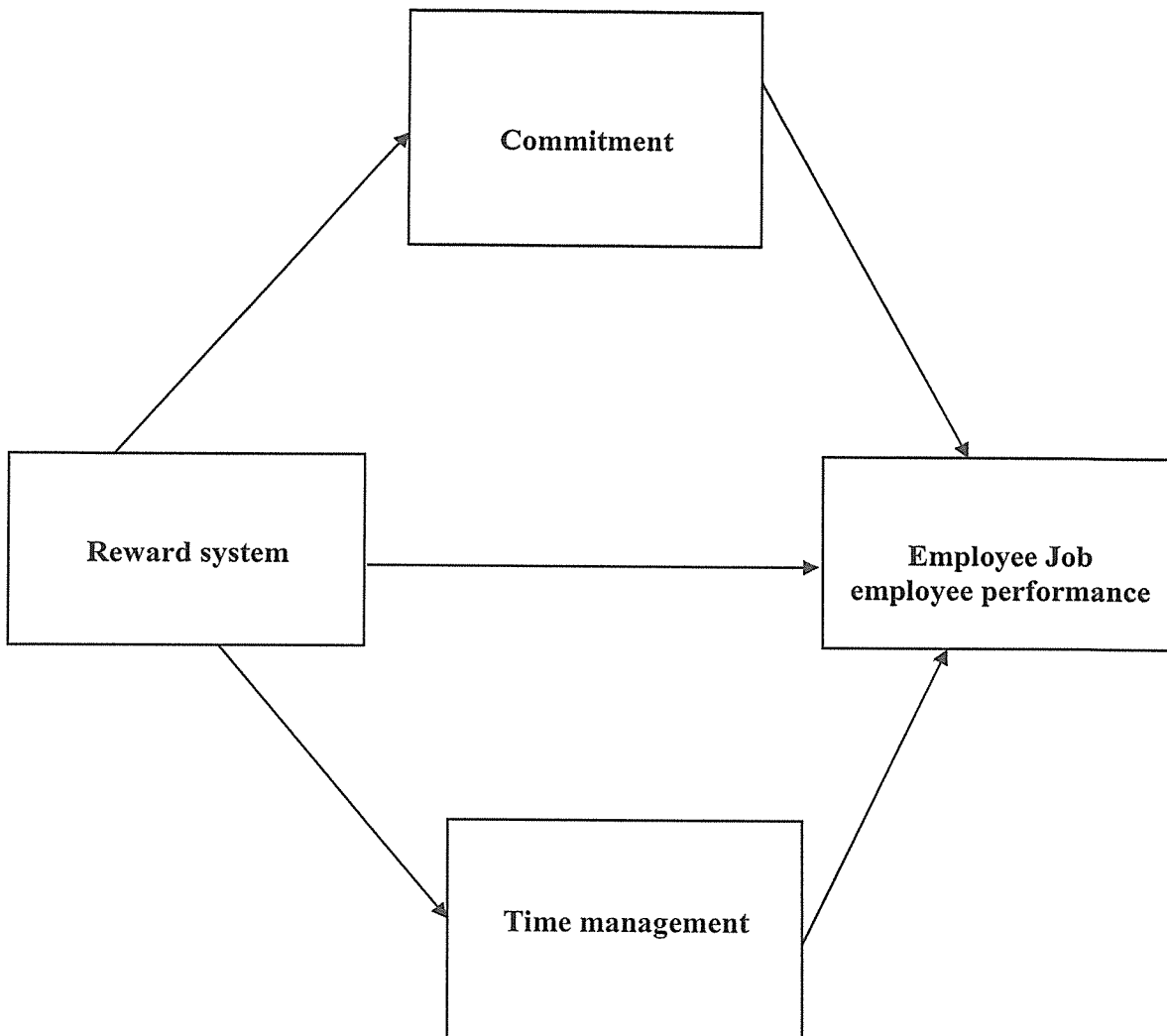
### **1.8.1 Geographical scope**

The study was conducted at Cairo International Bank found at Green Land Towers along Kampala road.

### **1.8.2 Content scope**

The study focused on rewards as the independent variable and job performance as the dependent variable in trying to examine the relationship between rewards, rewards system and job performance. The study targeted all Cairo Bank staff. Cairo Bank was chosen because it may have different rewarding system from the traditional indigenous based banks like Post Bank and Centenary Bank. The immediate questions included whether Cairo Bank had in place a system which promotes individuals with equitable pays, caters for their welfare i.e. lunch, leave, health and whether it dealt with conflicts in a way that motivates employees. Job performance in this research we define it to as exceeding set targets. The research carried out a critical examination, to determine if possible an effective solution of how Cairo Bank can use the reward system as an effective tool of management to better promote work performance.

### Conceptual Framework



The above framework explains the relationship between variables. The independent variable is rewards and dependent is employee commitment and time management. The framework shows that rewards have a positive relationship with employees performance, when employees are rewarded the work become more committed and hence improving employee performance

## **2.0 CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter will review related literature on rewards and employee performance. It established the relationship between rewards and academic performance of the employees. To establish the relationship between rewards and commitment and relationship between rewards and time management.

#### **Theoretical Review**

The study is based on The Adams' Equity Theory which states that employees need to be treated equally in the way they are rewarded at work place. The theory states that when people feel fairly or advantageously treated they are more likely to be motivated; when they feel unfairly treated they are highly prone to feelings of disaffection and demotivation. The way that people measure this sense of fairness is at the heart of Equity Theory (Adam Smith, 1956).

Equity, and thereby the motivational situation we might seek to assess using the model, is not dependent on the extent to which a person believes reward exceeds effort, nor even necessarily on the belief that reward exceeds effort at all. Rather, Equity, and the sense of fairness which commonly underpins motivation, is dependent on the comparison a person makes between his or here reward/investment ratio with the ratio enjoyed (or suffered) by others considered to be in a similar situation. This is clear submission that aside rewards, other factors may affect performance.

Adams Equity Theory goes beyond - and is quite different from merely assessing effort and reward. Equity Theory adds a crucial additional perspective of comparison with 'referent' others (people we consider in a similar situation).

#### **2.2 Literature review**

Cairo Bank an Egyptian founded Bank started in Uganda 10 Years ago, its located on Kampala Road and it has no other branches in Uganda. The objective of this research work is to find out

how the reward system of Cairo Bank is operated and the views about any future plans and improvement to enhance work performance to meet the organizational goals.

Rewards can be defined as anything that attracts an employee's attention and stimulates him to work (Cole, 2002). Rewards can be classified into direct compensation and indirect compensation. Whereby direct compensation means basic salary or wages that the individual is entitled to for his job. Indirect compensation includes protection programs (Insurance plans, pensions), pay for time not worked, services and perquisites in order to cause job satisfaction. Job satisfaction can be defined as the extent of positive feelings or attitude that individuals have towards their jobs (Robbins, 2002). When a person says that he has high job satisfaction, it means that he really likes his job, feels good about it and values his job highly. Job satisfaction usually indicates or results in satisfaction in life in general, which is necessary for contentment and happiness. Job satisfaction concerns employee attitude to the rewards system, employee perception of the leadership system, employee perception of work environment and employee commitment to tasks and the resultant performance.

### **2.3 Rewards and employee performance**

Pay and compensation is important feature of the employment contract, after all, it is the main reason why people work. It is a sensitive and controversial area that has been extensively debated at both practical and theoretical levels. 'Compensation' is used to encompass everything received by an employed individual in return for work. For example, Milcovich et al (2001: 6) state that: "Employees may see compensation as a return in exchange between their employer and themselves, as an entitlement for being an employee of the company, or as a reward for a job well done." Cole, 2002 defined rewards as anything that attracts an employee's attention and stimulates him to work. It can be classified into direct compensation and indirect compensation. Whereby direct compensation includes the basic salary or wage that the individual is entitled to for the job and indirect compensation includes protection programs (insurance plans, pensions), pay for time not worked, services and perquisites. The reward or compensation people receive for their contribution to an organization includes monetary and non-monetary components. Remuneration does not simply compensate employees for their efforts - it also has an impact on the recruitment and retention of talented people.



While both these authors have correctly defined remuneration, but their approach neglects to talk about the following:

There are two basic types of direct pay schemes, although many organizations have systems which include elements of both:

- **Fixed levels of pay.** Wages or salaries which do not vary from one period to the next except by defined pay increases, generally on annual basis. These can be regarded as the direct pays. The scales of payments maybe determined by age, responsibility or seniority. Most 'white-collar' jobs were paid in this way until recently.
- **Reward linked to performance.** The link may be daily, weekly, monthly or annualized. Payment for any one period varies from that for any other period, depending on quantity or quality of work. This is also direct pay, and sales functions for example are commonly paid on the basis of turnover; manual and production workers may be paid according to work completed or items produced. Catering staff typically rely on direct payment from satisfied customers in the form of service charges or tips (gratuities).

Reward management is about understanding individuals' motivating factors, and determining the level of pay, bonus and other rewards they receive. Performance management is concerned with measuring individuals' effectiveness in their roles, understanding their aspirations and determining which development actions would be most appropriate. The term 'reward management' covers both the strategy and the practice of pay systems. Traditionally, human resource or personnel sections have been concerned with levels and schemes of payment.

Reward strategy sets out what an organisation intends to do in the longer-term to develop and implement reward policies practices and processes which will better performance and further achievement of business goals. According to Michael Armstrong (2006) an effective reward system typically has the following characteristics; it enables an organisation to attract and retain qualified, competent workers; it motivates employee performance, foster a feeling of equity and provides direction to their efforts; It supports, communicates, and reinforces an organisation's culture, values, and competitive strategy; Its cost structure reflects the organisation's ability to pay and it complies with government regulations

Armstrong, (2000) points out that rewards consist of organizations integration policies process and practice for rewarding its employee in accordance with their contribution, skills, competence and their market worth. The framework of the organization rewards philosophy, strategies and policies: and contains arrangements in the form of process, practice, structures and procedures appropriate, types and level of pay benefits and other forms of rewards.

Financial rewards include pay in monetary terms like incentives, salaries, wages, benefits, profits sharing and overtime premier. Non –financial include, praise, career development, job security, promotion, job enrichment, job enlargement, employee empowerment and participation.

According to Cole (1997) it is suggested that the single most important obligation owed by an employer to an employee is to pay minimum wage. Typically wagers salaries and related costs make up about 60% of the cost of running a major business.

Financial rewards according to Atikoro, (1996) suggested that they comprise of recognition given to employee in form of money / cash such as salary, wage, incentives, overtime pay, profits share, and other employee benefits. Whereas Dave (1993) argues that an effective rewards program consists of a basic to employee in form of money/ cash such as salary, wage, incentives, overtime pay, profit share, and other employee benefits that compares salaries and wage prevailing outside and within an organization for similar job, which presents a long-term value of desired conduct and performance of employees in an organization. Floppo, (1980) defines salary as inventory or monthly remuneration to workers paid at fixed rate. It is right of employees to be paid whether worked or not worked. While Cole (2002) argues that salaries involve money paid periodically to persons whose out put can not be easily measured such as clerical staff as well as supervisory and management staff, salaries are usually paid to white – collar personnel whose tasks are technical , management and clerical , that is kind of work , which is cognitive in nature. Stoner (2002) argues that wages are paid to workers on an hourly rate or piece rate wages are normally paid to blue color workers mainly to unskilled and semi-skilled workers involved in manual tasks. Cole, (2002). Time rate system are payments made basing on time worked that is hourly , daily , weekly or monthly . The rate is determined in

advance at time the worker is employed because the employee's wages can be easily calculated. The method also eliminates performance of every one in an organization. However, the method requires close supervision of employee otherwise they may not work hard to achieve company targets. Piece rate systems employees are paid per unit of production or the units that has been completed. This method may not require close supervisor which manager an easily way to determine the cost per unit of production and it encourage and it encourage employee job satisfaction (Stoner, 2002).

Fringe benefits are payments or service rendered to employees to supplement their wages and salaries they can be in form of overtime pay, housing allowances, medical allowance, transport allowance, airtime and lunch allowance (Davarm1976) whereas Subba Rao (2002) defines incentives as payment offered to employees as a way of stimulating increased output that is rewarding performance that is up to and beyond performance expectations. Incentives schemes are managerial tools, which includes employee's bonuses aimed at increase productivity of employees in an organization. Incentive pay plan depends on the average amount of output that is necessary for adequate job performance and the fair equitable for this average amount of work. Monetary incentives can be categorized into individual incentives or group incentives under individual payment is made according to time spent in the production process and task accomplished. Beardwell, (1994) states that *work premium* provide extra compensation for work efforts that is normally considered hazardous or distressful. This premium cover areas such as pay overtime work, weekend or holiday works. Workmen and clerical employees are generally paid overtime which at time results in their slowing sown during normal hours to earn the extra payment of overtime. Commission are payments made to a person according to his level of sales and takes form of financial rewards and it is mostly practiced with contract workers and media houses and insurance companies where your payment will depend on the level of out put (Atikoro. 1996). Non financial rewards, According to Armstrong (2001) are those that are related to our internal experience with successful performance such as feeling of achievement, challenges and growth. These can include *Recognition* which is considered as an important non-financial reward because many people have strong feelings that they must be recognized and appreciated for their work done. In order to increase performance of employees, employers must keep on appreciating work done by the employees through

praising good performance. Another important non- financial reward is *Job security* which brings employee loyalty to the organization. Most workers prefer job security , which guarantees employees' income as a result of stability on the job .It is provided by the managers as every one in the organization is interested in knowing that tomorrow is assured (Schuler ,1993).

### **2.3.1 Relationships between Rewards & Employee Performance**

The importance of an organization having a reward policy culminates in equipping an organization with qualified and competent personnel. A candidate decides upon their career in a particular organization mostly on the basis of the amount of remuneration the organization offers. Qualified and competent people join the best –paid organizations (Gomez –Mejia 2002). The organization's salary levels must compare favourably with other organizations, if they do not compare favorably with that of other similar organizations, according to (Subba, Rao, 20002), employees quit the present employment and join other organization

When developing a reward policy we need to ensure equity. Rewards lead to internal and external equity in the organization which also results into high, job satisfaction. Internal equity means payment of similar wages for similar jobs within the organization. External equity implies payment of similar wages to similar jobs in comparable organization (Subbo Rao, 2000). Research further reveals that rewards management strives for internal and external equity, whereby “internal equity requires that pay is related to the relative worth of jobs, so that similar jobs get similar pay where as external equity means paying workers what comparable workers at other firms in the labor market pay” (Aswathappa, 2001). In Cairo International Bank, we need to establish whether this is being observed and adhered to, and in case it is not what recommendations can be made to gain relative equilibrium.

Currently on the basis of comprehensive review evidenced, we can state that an equitable reward system leads to satisfaction. When goods work is done, employees intrinsically feel good about it and about it and they expect rewards from the organization in respect of the work performance, which include recognition, high pay levels and probabilities or promotion. The rewards in turn will increase job satisfaction (Robbins, 2002).

Employees want pay systems and promotion policies that they perceive as being just and in line with their expectations. When one perceived pay to be fair based on job demands, individual skills and community pay standards; satisfaction is likely to result and high levels of performance are aroused. Similarly employees, who perceive that promotion decisions are made in fair and just manner, are likely to experience satisfaction from their jobs.

Therefore work related reward systems contribute to the determination of performance levels of staff. The impendence indicates that reward is one of the most important factors that lead to individual high performance among other factors like; organizational factors, work environment factors, factors related to work itself and personal factors. How deeply reward impacts on organizational performance are what we want to determine in Cairo Bank.

### **2.3.2 Concept of Employee Performance Management.**

Performance Management is the systematic process for improving the performance of institutions through improving the performance of individuals and teams. The definition stresses getting the very best of results by understanding and managing performance within an agreed framework of planned goals, standards and pre-determined competencies. Performance Management is a tool designed to improve attitudes of staff and help them to be more motivated about doing their jobs. Attitude is everything when it comes to service delivery.

Performance Management approach is used most often in the workplace and applies wherever people interact—schools, organizations, banks, churches, community meetings, sports teams, health setting, governmental agencies, and even political settings. Performance Management principles are needed wherever in the world people interacts with their environments to produce desired effects. Cultures are different but the expected laws of behavior at the work place are the same world-wide.

This management process can involve self-management (e.g., lone workers using the same tools as found in formal management structures) or the formal chains of management typically found in most organizations where people work in groups or teams.

Management under this Performance Management definition is about arranging the conditions of the workplace for individual, group, unit, division, regional, and corporate success. Management requires that systems, processes and structures are arranged carefully according to the laws of behavior to support the necessary direction, skills, resources, and motivation people need to do a job well, whether at the executive level or at the shop floor, in all types of industries and across all kinds of business drivers of success (e.g., merger/acquisitions, managing culture during rapid change, strategic initiatives turned into solid implementations, ensuring safe practices while meeting objectives, reducing waste, and so on). Performance Management is about individual managers truly understanding how to ensure the development of skills and provide sufficient training and coaching resources so that each manager can be fairly measured by the success of his or her direct reports, not by business results only or on kindness factors.

How well an organization does in applying the scientific elements of Performance Management is found in the success of its employees in serving customer needs, meeting their targets, producing desired impact and creating a culture of respect and commitment, with a focus on active learning, inclusion, and shaping—a culture where the predominate method of building habits of success involving knowing when and how to “carve mistakes in sand and success in stone” (Benjamin Franklin quote).

Performance Management works best for companies that understand that technology creates high and steady rates of discretionary effort by all—they model ‘best practices’ and take measures on their work from customers and employees, using the feedback openly to make improvements.

### **2.3.3 Impact of Rewards on employee performance leads to job satisfaction**

According to Richard L.(2000), rewards gives meaning and significance to goals and help commit employees to achieve goals. Cole (2002) highlighted that high level of job satisfaction reflects a highly favorable organizational climate resulting in attracting and retaining better workers.

According to Cole (2002) rewards play a significant role in determining the level of job satisfaction irrespective of the level of position that an employee holds in the organization.

Locke (1981) if you offer people, a greater reward, then they will do more of whatever is being rewarded, everything else being equal.

- **Retention of employees** according to Gomez Mejia (2002), employees may quit when compensation levels are not competitive resulting in higher turnover. The organization should keep the rewards levels at the competitive level, in order to prevent such quits .this implies that rewards are handcuffs to employees as they view them as a source of satisfaction.
- **Equity**  
Rewards lead to internal and external equity in the organization which also results into high, job satisfaction. Internal equity means payment of similar wages for similar jobs within the organization. External equity implies payment of similar wages to similar jobs in comparable organization (Subbo Rao, 2000).
- **Desired behavior**  
Good rewards reinforce desired behavior like peak performance, loyalty accepting new responsibilities and good industrial relations; and this achieved only when employees are satisfied with their rewards (Gareth R. Jones et al, 2000).
- **Rewards and Job Satisfaction**  
Armstrong (2001) defines job satisfaction as pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. According to Robbins, (2002), job satisfaction refers to the extent of positive feeling or attitude that individuals have towards their jobs. When a person says that he has high job satisfaction, it means that he really likes his job, feels good about it and values his job highly. Job satisfaction usually indicates or results in satisfaction in life in general, which is necessary for contentment and happiness.

The effects of Job Satisfaction among employees toward their work performance according to Robbins (2002) are experience in mainly 3 folds:

- **Productivity**

Job satisfaction is a great concern to management since there seems to be a relationship between job satisfaction and performance. Job satisfaction produces high morale among workers and high morale at work is highly desirable accordingly, managers must be constantly watching for any signs of high morale and job satisfaction and take corrective actions as soon as possible to keep it high as it leads to high productivity in the organization.

- **Reduced absenteeism**

Job satisfaction is highly related to absenteeism. Studies have indicated that high satisfied employees are not likely to be absent from work due to avoidable reasons'. Absenteeism is costly and managers are constantly on the look out for ways to reduce it.

- **Rewards and employee commitment**

Rewards greatly influence employee's performance. Rewards increase employee commitment, Job satisfaction and performance. Armstrong (2006) contends that an employee rewards greatly increase dual identifies himself /her self with the organization and the way he/she is commitment to the organizational goals. Both performance and satisfaction are significantly correlated with organizational commitment. Managers are advised to increase rewards for performance result and means of enhancing job satisfaction.

On this basis of need to conduct a comprehensive review to establish whether an equitable reward system leads to satisfaction in Cairo International Bank. According to Robbins, 2002 when goods work is done, employees intrinsically feel good about it and they expect rewards from the organization in respect of the work performance, which include recognition, high pay levels and probabilities or promotion. The rewards in turn will increase job satisfaction

Employees want pay systems and promotion policies that they perceive as being just and in line with their expectations. When pay is perceived to be fair based on job demands, individual skills and community pay standards; satisfaction is likely to result. Similarly employees, who



perceive that promotion decisions are made in fair and just manner, are likely to experience satisfaction from their jobs.

All in all, work related reward systems determine job satisfaction. The impendence indicates that the most important factors that lead to job satisfaction include; organizational factors, work environment factors, factors related to work it and personal factors.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **Introduction**

This chapter described the methodology and techniques that were to collect and analyze data. It included the research design, area of study, the study population, sampling design, data collection instruments, processing and analysis and limitation of data.

#### **Research design**

The researcher used non- experimental descriptive methods to determine whether Cairo Bank adheres to HRM principles of using reward management as a tool for maintaining competitive advantage in attaining peak performance at the work place. The researcher used both qualitative and quantitative methods of data collection analysis.

#### **Area of study**

The study was carried out in Cairo International Bank, Green Land Towers on Kampala Road

#### **Study population.**

The population under study was comprised of 200 employees from different departments of the bank. The population comprised of Management, middle management, support group which comprised of clerical workers and drivers.

#### **Sampling Procedure and Sampling Size**

The researcher has used purposive sampling technique to collect data from various departments. Stratified sampling techniques were applied to include all departments to be represents within the sample as depicted below. This technique enabled the researcher to get accurate information. The researcher selected a sample of 57 employees out of 200 employees of Cairo bank.

**Table depicting the stratified samples basing on departments:**

<b>CATEGORIES</b>	<b>POPULATION</b>	<b>SAMPLE</b>
ADMIN. MANAGERS	2	1
FINANCIAL MANAGERS	3	1
OPERATIONS MGT	30	8
H/RESOURCE DEPARTMENT	15	4
ACCOUNTS DEPARTMENT	10	2
BANKING OFFICERS	60	15
BANKING ASSISTANTS	45	12
DRIVERS	12	6
CLEANERS	13	4
SECURITY	10	4
TOTAL	200	57

### **Research procedure**

The researcher got an introductory letter from school of post graduate which was presented to the Manager of Cairo International Bank for permission to carry out research in the bank. Questionnaires were presented to the manager who assigned an officer to liaise with the researcher especially in the stratified sampling procedures which were deemed necessary. Questionnaires were developed and these comprised of both structured and unstructured questionnaires. Section A comprised of structured questions and matrix questionnaires were developed in section B. This was aimed at probing deeply in an easy manner and also to keep the respondent focused and interested on the next coming questions. Section C tackled the area of effective performance management; commitment and time management, a Likert scale of 1-5 were used to depict the respondents' response category of the presence/absence of the desired characteristics.

### **Data collection instruments**

The researcher used self administered questionnaires, one on one interviews and documentary review.

### **Questionnaire**

The researcher used self administered questionnaire. It is believed that self administered questionnaires save time and are convenient to the respondent because they are filled in at their own timing. This was the case where the top management team was concerned, as well as middle management up to the level of assistant banking officers. Their level of comprehension of the exercise was found to be high and having explained to them what was required of them, they felt well able to the task. They were required to take the forms for their private study and answer the questions as they felt most appropriate to be their individual view and to submit to the researcher when they were through. A date to pick up the form was agreed upon to be two weeks from the date of receipt of the questionnaire. The advantage the researcher wanted to realize through the use of this method was to reduce bias as the research is not monitoring the respondent's views. The questionnaire was designed and could be stored for further references, and the questions were tailored so the respondent would give straight forward answers.

### **Interviews and observation methods**

Both structured and unstructured interviews were be used to collect data from employees because the researcher had face to face interaction with the respondents especially of the support group category. The researcher had to allay fears that there would be no job losses for truthful answers and that the researcher was independent from the management team. According to Piamont (1996) Observation is the primary technique for collecting data on non – verbal behavior. Observation research method contains sight or visual data collection via senses like touch hearing and touching. Piamont says there two types of observation method, the participant observation method whereby the respondent are fully aware that they are under observation and non participant observation meaning that the researcher watches but the subject under study is not aware they are under observation.

### **Data analysis and presentation**

Of the 57 questionnaires given out, 51 were well filled in and 6 had gaps, although what available information given was also used. The data collected from the field was analyzed both qualitatively and statistically in order to describe the results properly in a neat way. Data was analyzed using the statistical package for social scientists (SPSS).

### **Limitations of the Study**

The researcher came up with the following limitations during the study;

- The bank had never conducted a social research before, and the air was suspicious and somehow fearful, bias could be experienced because of this element.
- The bank still employs certificate holders as well as degree holders at some job category with salary differentials, yet similar work; this was asked about from the research and termed as an unfair phenomenon.
- The time frame to fill in the questionnaires were given as two weeks from the time of receiving the form but two weeks stretched into months with several remainders and losses of forms which had to be re submitted again and again.
- The lower cadre officers were not convinced that they could talk freely without their answers getting back to management.

### **Ethical Consideration**

The researcher ensured privacy of respondents when filling the questionnaire. The researcher was ethical in carrying out research. The researcher started by seeking permission and clearance from all the headers of schools in accordance with local protocol so as to allow him conduct research. The researcher only considered respondents' views without manipulation of data. The researcher has given true information.

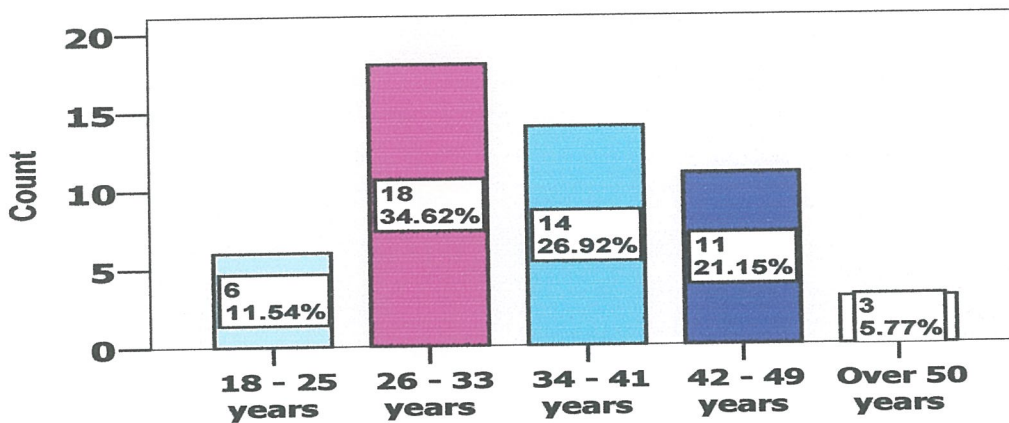
## CHAPTER FOUR

### PRESENTATION ANALYSIS AND DISCUSSION OF THE FINDINGS

#### Introduction

In this chapter of the report, the researcher presents and discusses the findings from data analysis. The researcher presents the result of the study in relation to the research questions and objectives.

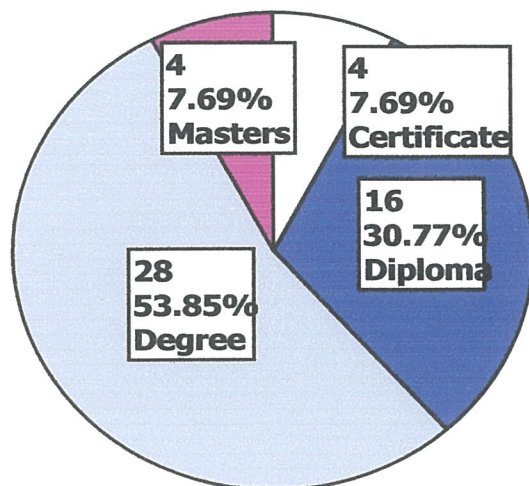
**Graph: 1 Employee category by age**



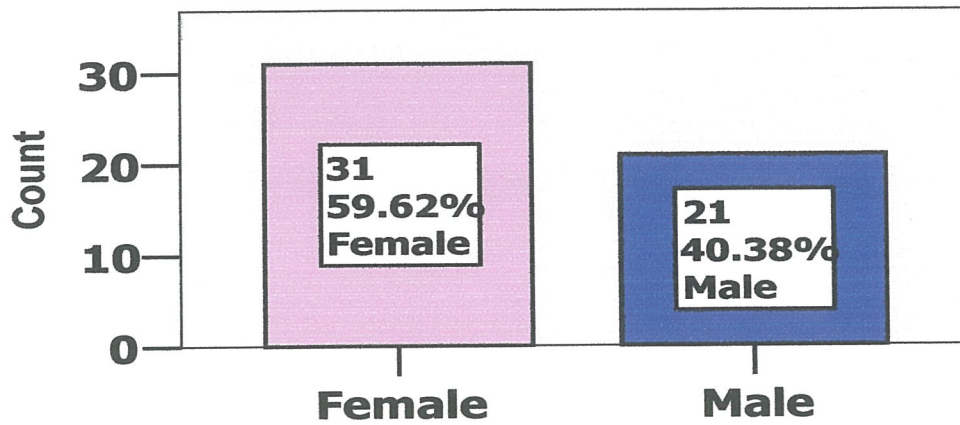
**Fig. 4.2: Employee category by Age**

The above table indicates majority of the respondents were between 26-33 years with 34.62, 34-41 were between 26.92, 42-49 with 21.15 18-25 with 11.54 and over with 5.77%. This implies that majority of the employees in Cairo bank were 26-33 years there young and committed to serve the bank.

**Fig. 4.1: Employee category by education level**



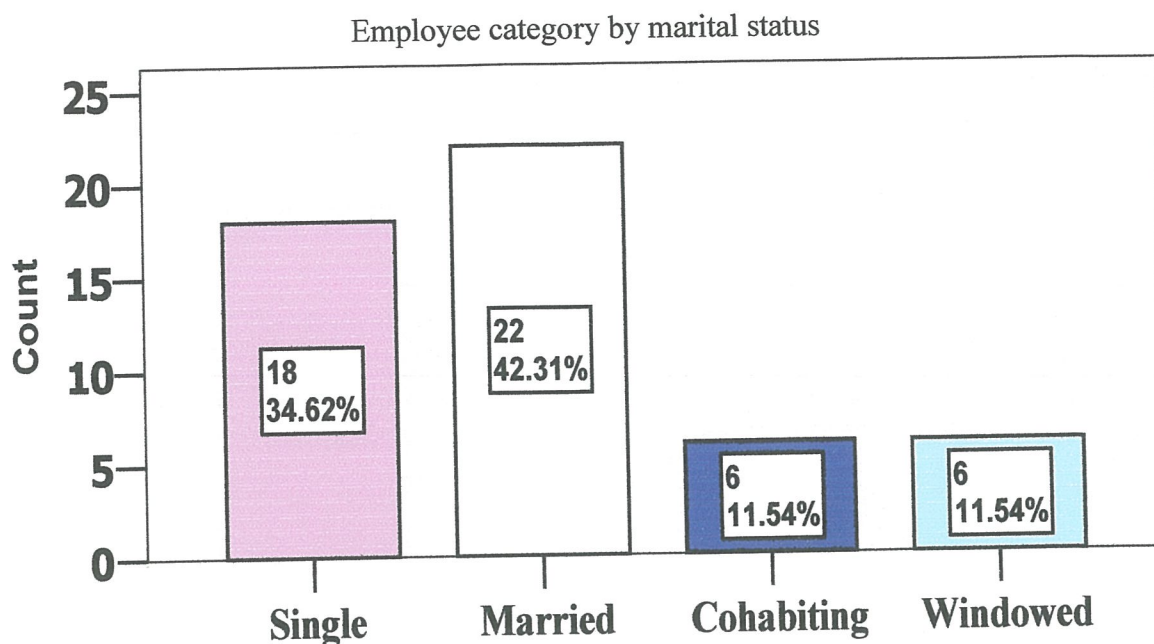
The above table indicates majority of the respondents were degree holders with %, masters with 53.85, years with 7.69%, Diploma holders are 30.77% and certificate holders are 7.69%. This implies that majority of the employees in Cairo bank are now graduates by policy and the certificate holders are becoming fewer and mainly for support category and lower ranks.



**Fig. 4.3: Employee category by sex**

The above table indicates majority of the respondents were degree holders with %, masters with 53.85, years with 34.62, 34-41 were between 26.92, 42-49 with 21.15 18-25 with 11.54 and over with 5.77%. This implies that majority of the employees in Cairo bank were 26-33 years.

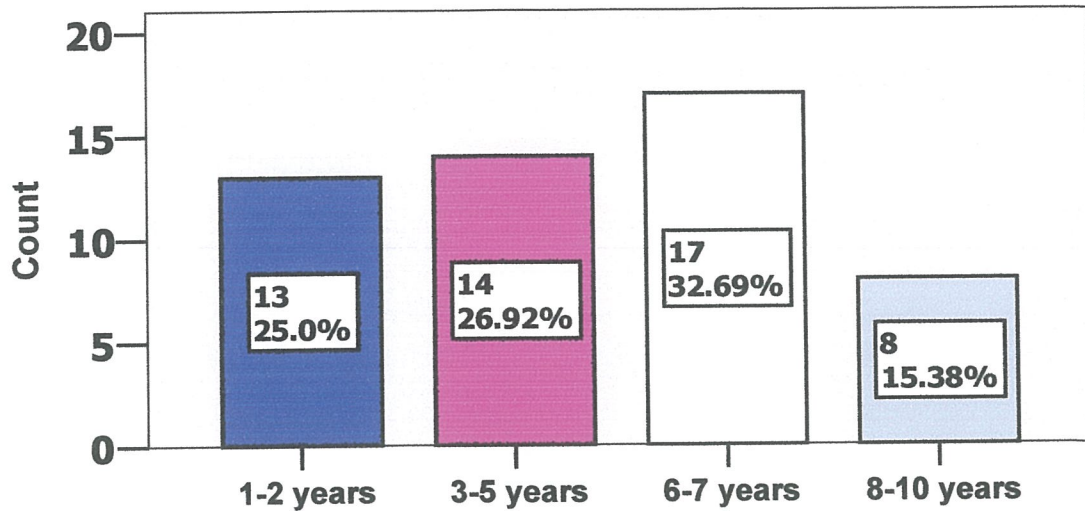




**Fig. 4.4: Employee category by Marital status**

The above table indicates majority of the respondents were married with 42.31%, seconded by single/unmarried who were 36.62 %, the widows and cohabiting employees had the same results of 11.54%. This implies that majority of the employees in Cairo bank are married people, or had been married and are now widowed as compared to the other categories. This increases their commitment at work. Most married women once they have a job where their families are located they don't want to transfer easily and the widow if they have security at the job they don't transfer.

### Employees Category by Length of Service



**Fig. 4.5: Employee category by period served**

The above table indicates majority of the respondents had served between 6 to 7 years with 32.69%, 3 – 5 years with 26.92%, between 1-2 years with 25.0% and 8-10 with 15.38%. This implies that majority of the employees in Cairo bank have served between 6-7 years. This indicates a sign of maturity in service.

**Table 1: Employee rewards**

Indicator of employee rewards	N	Mean
Reward system in bank is effective	51	1.80
The management of Cairo rewards its employees effectively	51	1.98
Rewards in the bank are determined according to work and position	52	1.79
Rewards increase employees performance	52	2.54
Cairo bank provides monthly rewards	52	2.00
Cairo bank reward system acts as a motivator.	52	2.08
Rewards empower employee and increase managerial participation	52	1.71
Reward increase Labour relation	52	1.60
Cairo bank has a positive impact on employee performance	52	2.10

Management is slow in rewarding employees	52	1.98
Cairo bank promotes its employee basing on performance	52	1.77
Cairo bank employees are complaining of low rewards	52	2.29
High organizational productivity and service quality is a result of effective reward system	52	1.92

The independent variable was rewards, measured with eleven qualitative questions in the questionnaire. Each question was Likert scale with responses between one to four (1-4), where 1=strongly disagree; 2 disagree; 3=agree and four =strongly agree. Employees were required to tick the number in the box which best corresponded to them. Their responses were analyzed using SPSS's summary statistics showing the means and standard deviations, as indicated in table above. The computed mean was agreed (mean  $\approx$ 1) which came out to have a mean of 1.92. This implied that majority of the employees in Cairo Bank are not well rewarded which affects their academic performance and employee morale.

**Table 2: Indicator of employee performance**

Indicator of employee performance	N	Mean
Quality of the work you do	52	2.33
Number of tasks you accomplish per year (productivity)	52	2.00
Advanced and modernized ways of doing work	52	1.85
Adopted skills and knowledge	52	1.54
binding your self to a course of action	52	2.06
sincerity and steadfastness to the activities of the Cairo bank	52	1.87
Dedication to activities of the Cairo bank	52	2.83
Your level of engagement in the activities of Cairo bank	52	1.94
The level of Supporting activities of Cairo bank	52	2.48
The way you feel Obligated to the activities of Cairo bank	52	2.13
Your level of confidence in the activities of the Cairo bank	52	2.35
Your level of Cooperation in the activities of the Cairo bank	52	2.83
Your level of coordination in the activities of the Cairo	52	3.00

bank		
Time tabling the activities and tasks of Cairo bank	52	2.96
Determining what bank activity to do and when	52	3.15
Fulfilling schedules of bank activities	52	2.25
Putting up time saving measures	52	3.08
Timely planning all your bank activities	52	3.56
Your setting of goals that can be quickly achieved	52	3.71
Your level of making decisions quickly	52	4.06
Your level of Completing bank tasks on time	52	3.94
Your level of meeting bank deadlines and appointments	52	3.69
Your speed in serving bank clients	52	4.23
Your speed in responding to changes in the bank	52	4.40
Your speed in responding to clients needs and complaints	52	3.13
Timely attending meetings	52	3.25
Your regularity at work	52	3.38
The quantity or number of tasks you accomplish	52	3.77

The independent variable was rewards, measured with eleven qualitative questions in the questionnaire. Each question was Likert scaled between one to eleven (1-28), where 1=strongly disagree; 2 disagree; 3=agree and four =strongly agree. Employees were required ticking their level of performance relevant number in the box. Their responses were analyzed using SPSS's summary statistics showing the means and standard deviations, as indicated in table above. The computed mean was agreed (mean  $\approx 3$ ).which came out to have a mean of 3.77. This implied that majority of the employees in Cairo Bank agreed that they perform to their best.

**Table 3: Pearson's Linear Correlation Coefficient results correlating rewards and employee performance**

Variable (indices)	Sample	Mean	Std. Deviation	r value	Sig.
REWARDS	52	1.96	0.51138		
QUALITY	52	1.93	0.28152	0.322	0.020
COMMITMENT	52	2.39	0.52370	0.252	0.071
TIMEMGT	52	3.51	0.42807	0.306	0.027
PERFORMANCE	52	2.61	0.28097	0.420	0.002

The above table indicates that r value suggested that there was positive relationship between rewards and employee performance ( $r = 0.420$  sig. =  $0.000 < 0.05$ ). Thus, leading to a conclusion that rewards greatly impacts on employee performance. When employees are rewarded they can perform better hence achieving organizational goals. The significantly correlated, was at 0.05 level of significance.

## **CHAPTER FIVE**

### **DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

#### **Introduction**

This chapter focuses on the discussions of the findings, conclusions and recommendations. Finally, the chapter ends with suggestions for further research. The findings were based on the research objectives as follows:

- To establish the relationship between rewards and employee performance
- To establish a relationship between the rewards and time management in Cairo Bank.
- To establish the relationship between rewards and commitment.

#### **DISCUSSION**

##### **To establish the relationship between rewards and employee performance**

The findings revealed that there was a positive relationship between rewards and employee performance. This implies that when employees are rewarded well they can perform better. The findings also indicate that rewards also increases employees commitment and time management. The findings revealed a significant correlation between rewards, commitment, and time management and employee performance.

##### **Relationship between the rewards and time management in Cairo Bank**

The findings revealed a positive significance between rewards and time management. The findings revealed that when employees are rewarded they keep time as compared with employees who are not rewarded. Indicated that most of the employees can only work when they are rewarded. It is noted that without properly structured and rewards system employees cannot be in position to work.

### **Relationship between the rewards and commitment in Cairo Bank**

The findings indicated revealed a positive correlation between rewards and employee commitment. This implies that when employees are rewarded they can work effectively and there levels of commitment will high. The findings showered that highly committed employee work hard, there morale is high and exhibit high degree of committed.

### **CONCLUSIONS**

The findings revealed a significant relationship between rewards and employee performance. This implies that when employees are rewarded they can perform effectively than those who are not rewarded. The findings also revealed a positive relationship between rewards and time management. This implies that when employees are rewarded there in better position to keep time and work towards achievement of organizational goals. In the research analyzed we have seen a clear positive relationship between financial rewards on employee performance , their commitment and time management of results, the bank needs to understudy the industry if it is to remain competitive as well as keep working out and updating motivating non financial rewards.

### **RECOMMENDATIONS**

The researcher has given the following recommendation

- The study shall be used by Cairo bank to adopt a clear policy of rewarding its employees.
- The management of the bank should also motivate its employees in order to increase their commitment.
- The management of Cairo bank should also adopt clear policies on time management to ensure performance management.

- The management of Cairo bank should provide incentives to its employees in order to improve their performance

#### **Areas for further studies**

- The same research can be conducted for other banks in Uganda or even other sectors of the economy.
- Further research to assess the impact of training on employee performance should be conducted.
- HR. function to utilize the information collected in this research to determine how particular HR practices correlate with better business results;



**APPENDIX I**  
**QUESTIONNAIRE**

Dear Respondent,

This is a questionnaire designed to assist the researcher to complete the academic research project on rewards on employee's performance which is in partial fulfillment for the award of a master's degree in human resource management. Results of this study will be confidentially treated and only used for research purposes. Your participation is voluntary, and your name may not be required.

**SECTION A: Background Information**

Please encircle the applicable answer, and kindly be as objective as possible.

**1. What is your highest level of education? (Please tick the highest)**

(1) Secondary (2) Certificate (3) Diploma (4) Degree (5) Masters

**2. What is your age range?**

(1) 18 – 25 (2) 25 – 33 (3) 33 – 41 (4) 41 – 50 (5) Over 50 years

**3. What is your sex?**

(1) Female (2) Male

**4. What is your marital status?**

(1) Single (2) Married (3) Cohabiting (4) Windowed (5) Divorced

**5 . How long have you served the bank?**

1) 1-2 years (ii) 3-5 years (iii) 6-7 (iv) 8-10 years

## SECTION B

Employee Rewards In this selection please indicate your response by Ticking the suitable number for each item in the corresponding column below (e.g. 1 for strongly disagree, 2 for Disagree, 3 for Not sure, 4 for Agree, and 5 for strongly Agree)

Items	Strongly disagree (1)	Disagree (2)	Not Sure (3)	Agree (4)	Strongly agree(5)
Reward system in bank is effective					
The management of Cairo rewards its employees effectively					
Rewards in the bank are determined according to work and position					
Rewards increase employees performance					
Cairo bank provides monthly rewards					
Cairo bank reward system acts as a motivator.					
Rewards empower employee and increase managerial participation					
Reward increase labor relation					
Cairo bank has a positive impact on employee performance					
Management is slow in rewarding employees					
Cairo bank promotes its employee basing on performance					
Cairo bank employees are complaining of low rewards					
High organizational productivity and service quality is a result of effective reward system					

Items	Strongly disagree (1)	Disagree (2)	Not Sure (3)	Agree (4)	Strongly agree (5)
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### Effective Performance Indicator

#### Effective Performance

Quality of the work you do	1	2	3	4	5
Number of tasks you accomplish per year (productivity)	1	2	3	4	5
Advanced and modernized ways of doing work	1	2	3	4	5
Adopted skills and knowledge	1	2	3	4	5

#### Commitment

binding your self to a course of action	1	2	3	4	5
sincerity and steadfastness to the activities of the Cairo bank	1	2	3	4	5
Dedication to activities of the Cairo bank	1	2	3	4	5
Your level of engagement in the activities of Cairo bank	1	2	3	4	5
The level of Supporting activities of Cairo bank	1	2	3	4	5
The way you feel Obligated to the activities of Cairo bank	1	2	3	4	5
Your level of confidence in the activities of the Cairo bank	1	2	3	4	5
Your level of Cooperation in the activities of the Cairo bank	1	2	3	4	5
Your level of coordination in the activities of the Cairo bank	1	2	3	4	5

<b>Time management</b>					
There is a clear time table for all employees in	1	2	3	4	5
I can determining what Cairo Bank activity to do and when	1	2	3	4	5
I fulfilling schedules of Cairo Bank activities on time	1	2	3	4	5
Putting up time saving measures in my work schedules	1	2	3	4	5
Timely planning all your Cairo Bank activities	1	2	3	4	5
Your setting of goals that can be quickly achieved	1	2	3	4	5
I feel empowered to make decisions quickly	1	2	3	4	5
Your level of Completing Cairo Bank tasks on time	1	2	3	4	5
Your level of meeting Cairo Bank deadlines and appointments	1	2	3	4	5
Your speed in serving clients of Cairo Bank	1	2	3	4	5
Your speed in responding to change in Cairo Bank	1	2	3	4	5
Your speed in responding to clients needs and complaints	1	2	3	4	5
Timely attending meetings	1	2	3	4	5
Your regularity at work	1	2	3	4	5
The quantity or number of tasks you accomplish	1	2	3	4	5

## APPENDIX II

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