

**THE IMPACT OF REWARD SYSTEMS ON EMPLOYEE PERFORMANCE: A
CASE STUDY OF EQUITY BANK KIREKA**

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DECLARATION

As the author of this dissertation, I, KOBUSINGE BASARA PRISCA, affirm that all the content in this document is entirely unique and has not been previously submitted for academic recognition or accreditation at any other academic institution. This work is my own, and any sources utilized have been appropriately cited and acknowledged. I take full responsibility for the accuracy and authenticity of the information presented in this dissertation.

Signature

KOBUSINGE BASARA PRISCA

Date:

APPROVAL

I confirm that KOBUSINGE BASARA PRISCA has done her study under my supervision and is now ready for submission with my approval.

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Date: 20th September, 2024.

DEDICATION

I want to extend my sincere thanks to my parents, Mr. Nuru Malanga Basara and Ms. Jeanne Kardzai Ligasi, who have been my rock throughout my academic journey. I am grateful for their unwavering love, support, and guidance, which have played a vital role in me achieving this great milestone in my life. I cannot put into words the extent of their contribution to my academic success. They have been my source of inspiration and motivation, and without them, I would not have been able to complete my dissertation successfully.

I also want to acknowledge my dear and supportive friends who have been with me through thick and thin. Their unwavering encouragement and support have given me the strength and resilience I needed to persevere through challenging times. They have cheered me on, lent an ear to my complaints, and celebrated my victories. I dedicate this study to all of them, as a token of my appreciation for being my constant pillars of strength. Their contributions have been invaluable, and I am forever grateful for the role they have played in my academic success. Once again, thank you to my parents and my friends for being there for me every step of the way.

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ABSTRACT

This study was meant to establish the effect of reward systems on employee performance of Equity Bank Kireka. The objectives of this study were to investigate the influence of pay on the performance of employees in Equity Bank Kireka, to investigate the influence of training on the performance of employees in Equity Bank Kireka, and to examine the influence of promotion opportunities on the performance of employees in Equity Bank Kireka. The study provided immense input that was useful to the government of Uganda in making policies on reward systems and compensation packages for various industries. The study adopted a cross-sectional survey research design to establish the relationship that existed between reward system and employee performance.

The study population consisted of 41 employees at the branch but a sample size of 38 respondents was selected through purposive and random sampling techniques. Data is mainly collected through primary methods like self-administered questionnaires, personal interviews, and from secondary sources like journals and textbooks. Data so collected shall be analyzed using SPSS software and presented in tabular form. The questions were made valid by clarity and reliable through the pilot study. Based on the first objective: to find out the effect of pay on employees' performance in Equity Bank Kireka, the results indicated that a good pay system motivates personnel to perform well in their duties.

The study, done to find out how training affects the performance of Equity Bank Kireka employees, observed that the training programs which best suit the needs and expectations of employees and include components of on-the-job, practical, and social learning have a positive influence on employee commitment, performance, and productivity. Second, it looks at the influence of promotion opportunities on the performance of Equity Bank Kireka employees: studies have shown that when promotions are seen as achievable and well-deserved, the levels of engagement and performance are higher. It also recommended that, in Equity Bank Kireka, promotion processes should be as open and fair as possible through the provision of clearly spelled-out promotion criteria, as well as communications with regard to the opportunities for promotions.

ABBREVIATIONS

CEO - Chief Executive Officer

COO - Chief Operating Officer

COVID-19 - Coronavirus Disease 2019

CSR - Corporate Social Responsibility

CSRs - Customer Service Representatives

CTO - Chief Technology Officer

HRM - Human Resource Management

ICICI - Industrial Credit and Investment Corporation of India

IT - Information Technology

KPI - Key Performance Indicator

SHRM- Society for Human Resource Management

SMEs - Small and Medium-sized Enterprises

UK- United Kingdom

USA- United States of America

USD - United States Dollar

CHAPTER ONE: INTRODUCTION

1.0 Introduction

Chapter One showed the background of the study, the problem statement, the specific objective of the study, the objectives of the study and the research questions for the study. It also included the scope of the study, the significance of the study, justification of the study, and the limitations of the study.

1.1 Background of the study

Given that companies in the rapidly changing environment are faced with increased competition and demands for excellent results about performance, there is a need for comprehensive understanding of the concept of employee performance by scholars and managers. Alammari et al. (2021) defined employee performance broadly as a measure of the work output of employees, entailing effectiveness or doing the right thing and efficiency or doing the thing right. In fact, Alammari defined it in line with current research on employee performance, which recognises that it is a multi-dimensional construct that can therefore not be captured by any single measure. Instead, the performance should be measured across various dimensions such as job productivity, customer service, and teamwork (Kuvaas, 2020). In effect, carrying out effective performance management calls for clarity on these various dimensions and measures proper for measuring each of them. Besides, performance evaluation needs to be performed on the basis of the employees' measurable and verifiable criteria: for instance, sales figures, customers' feedback, among other data which can be verified or validated. This helps ensure that the evaluation of performance is anchored on real results rather than subjective opinion. Fairness in performance evaluations negates bias hence ensuring it does not negatively impact employee motivation and job satisfaction.

The researchers, such as Smith, 2017, state that during the last couple of decades, employee performance has been considered one of the prime indicators of the success or failure of an organization. Thus, a number of strategies have been formulated in order to deal with it, and reward system is one of them. The other experts add that these reward systems were developed to encourage and motivate workers to become more productive by awarding them with more salary, bonuses, increased rankings, or special recognition programs.

It is established that employee performance is related to a number of key company outcomes. According to Brown, 2018, one such outcome is increasing productivity because it may occur when employees are motivated and involved in their jobs. Likewise, high

performing employees are more likely to be loyal to the company, which reduces staff turnover and maintains preliminary costs. Moreover, increasing employee performance would also lead to higher profitability and increased company success.

According to the study by Meyer et al (2019), a well-designed reward system can meaningfully influence employee performance, job satisfaction, and organizational commitment.

The study indicates that rewards are designed in order to address individual employee needs; they can be offered in forms of intrinsic or extrinsic motivators. At the same time, the design of the reward system has to be firmly based on deep understanding of the employees' preferences and needs. Efficacious reward systems utilized in business help organize employees to improve production and workplace contentment while increasing efficiency. Gilmore et al. 2020 defined reward system as a scheme or plan which is developed for recognizing as well as appreciating performance, contribution, and conduction of the employees, and it operates under many types, such as financial rewards comprising bonus and pay raise, non-financial reward comprising recognition as well as work flexibilities and intrinsic reward comprising job satisfaction and personal growth.

In fact, studies have indicated that extrinsic compensations, such as bonus and salary, actually lower employee turnover. The assertion is supported by the understanding that fairly paid individuals are those likely to remain within the same company. That is, employees perceive these types of rewards as an appreciation of their efforts, which in turn leads to job satisfaction, thus giving rise to a sense of loyalty towards the employer.

Some theorists and practitioners have the feeling that reward systems are likely to have some unintended side effects if introduced.

Among the criticisms there are, and have been fairly frequently, made of these systems, one relates to the competitive and individualistic atmosphere they create, which is seen to run counter to cooperation and teamwork. Indeed, as Kaplan and Norton notice, "the reward systems often based on individual performances lead the employees to focus on their gain rather than the success of the companies, resulting in weak team cohesion and eventually decline in overall performance". This is worth noting for companies who use a reward system since ultimately, it should encourage teamwork and cooperation while still allowing superior performance and productivity to thrive. Nevertheless, despite these possible

downsides, many companies still use reward practices so that better employee performance is guaranteed.

Smith, 2018 contends that financial or non-financial rewards will create two diverging effects on employee performance. It is, therefore, incumbent upon every organisation to apply a reward system which is congruent with its goals and appropriate for its workforce if it is to ensure maximum motivation and performance from its employees. Based on the literature presented above, the researcher developed interest in studying how reward systems influence employees' performance.

1.2 Statement of the problem

Today many companies worldwide use reward systems as a tool to enhance employee performance, retain talent, and boost company results (Harter et al, 2020). Although reward systems have gained increasing research attention, a significant proportion of the literature is largely theoretical or based on anecdotal evidence. Consequently, little empirical research has been conducted to explore the key factors that influence the effectiveness of reward systems in practice. Therefore, there was a need for a comprehensive study to explore the impact of reward systems on employee performance in various contexts and identify the key factors that affect their effectiveness. Therefore, this study aimed to fill this empirical gap in the literature by providing empirical evidence on the impact of reward systems on employee performance, considering different contextual variables such as company culture, reward type, and frequency. Furthermore, the study aimed to provide a deeper understanding of the impact of reward systems on employee performance in the workplace.

1.3 Main objective

The purpose of this study was to understand the impact of reward systems on employee performance of Equity Bank Kireka.

1.4 Specific Objective

1. To investigate the influence of pay on the performance of employees at Equity Bank Kireka.
2. To investigate the influence of training on the performance of employees of Equity Bank Kireka.
3. To examine the influence of promotion opportunities on the performance of employees of Equity Bank Kireka.

1.5 Research questions

1. What is the influence of pay on the performance of employees at Equity Bank Kireka?
2. What is the influence of training on the performance of employees of Equity Bank Kireka?
3. What is the influence of promotion opportunities on the performance of employees of Equity Bank Kireka?

1.6 Scope of the Study

1.6.1 Content Scope

The study focused on understanding the impact of reward systems on employee performance of Equity Bank Kireka.

1.6.2 Time Scope

The study aimed to understand the impact of reward systems on employee performance of Equity Bank Kireka for the period of 2020 because that is when the bank had an opportunity to merge with Kireka and started operations in Uganda. This period was important since the bank started rooting its operations in Uganda amidst the COVID-19 effects.

1.6.3 Geographical scope

This study was conducted at Equity Bank Kireka on the Lico Holdings Building opposite Shell Kireka.

1.7 Significance of the study

Such a study would be useful to the government of Uganda as it provides insightful thoughts to the government in terms of policy making touching on reward systems. Just like Mujani, 2019 asserted, the government of Uganda would derive from this helpful insight and guidance regarding the development of efficient reward systems for the purpose of policy decision making. This study could possibly be used by the government to understand the various reward systems of employee groups found across industries, hence forming policies that would encourage employees to get more effective compensation packages.

The study was to be put into use by firms of the same caliber, since it offers considerable benefits to the firms. Companies can use the findings of the study to establish what kinds of reward systems have impacts on employee performance, retention, and satisfaction. This information could, in turn, be used by firms to design and implement effective reward systems thus leading to a more engaged and satisfied workforce.

The study was to act as existing literature to other researchers since it gives a dynamic analysis of the influence of the reward systems on employee performance. To this end, the study can act as a foundation for further studies on the subject. Other researchers may use the findings of the empirical studies found in this study to confirm or challenge the findings of this study. Hence, Tope et al., in 2021, conclude by providing a suggestion that other researchers can consider continuing this research for the enablement of contributions to the knowledge base regarding how the reward system will enhance performance effectively.

1.8 Justification

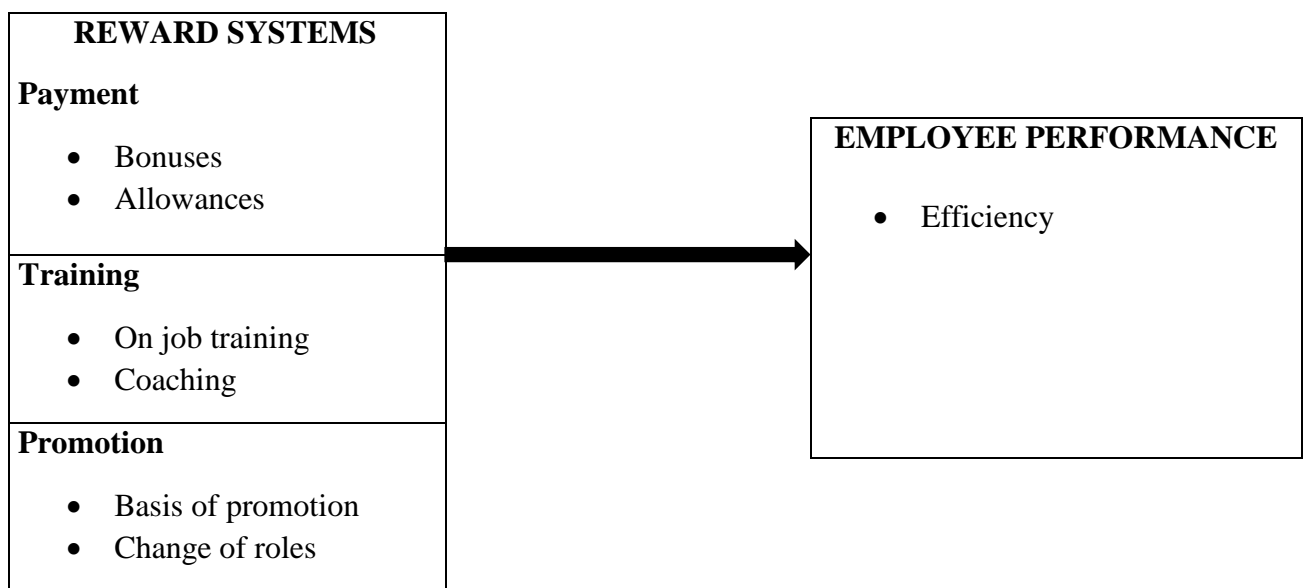
The business environment keeps on changing every day, and as such, it becomes imperative for companies to strive and seek ways in which employee performance can be enhanced in order to realize the intended business results. Indeed, various studies have established that reward systems could work as an effective tool in achieving this objective. However, many companies reported that the reward systems are not delivering what was expected of them and that the efficiency of reward systems is not straightforward but depends on a number of factors. Another justification for the study covered in this paper is growing interest in employee engagement and well-being. Valued and appreciated employees are more likely to be motivated show commitment and highly engaged with or for the company.

1.9 Conceptual framework

The conceptual framework showed the dependent and independent variables of the study as shown below.

INDEPENDENT VARIABLES

DEPENDENT VARIABLES



Source: Adopted from Gomez-Mejía et al (2016) and modified

This conceptual framework showed the independent and dependent variables that were examined in the study. The independent variables included payment, training, and promotion. Payment included both bonuses and allowances, training included on-job training and coaching, while promotion included both the basis of promotion and change of roles. The dependent variables in this study included time management, attendance, and efficiency and effectiveness. Time management referred to the ability of employees to prioritize their work and meet deadlines efficiently. Attendance referred to the reliability and punctuality of employees in showing up for work. Efficiency and effectiveness referred to the quality and quantity of work produced by employees.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Chapter two discussed the theoretical perspective of the research study as it includes the review of the literature including the influence of payment, training and promotion on the performance of employees. It also shows the theories related to the study, the research gap and a conclusion.

2.1 Key Definitions

Reward systems. According to Pulakos et al (2015), reward systems are the strategic tools that companies use to acknowledge and incentivize employees in recognition of their efforts, contributions, and accomplishments. Lawler, (2019) noted that these rewards can be both financial and non-financial in nature and are intended to foster employee motivation, enhance retention rates, and encourage desired behaviours and outcomes within the company.

Payment. According to Stone and Deane (2014), pay in the workplace denotes the money or rewards given to employees in return for their services, efforts, and contributions to the company. This typically involves a fixed salary or hourly wage, along with benefits such as insurance and retirement plans, and other incentives such as bonuses or commissions. Additionally, Ghazala Hameed et al (2017) discussed it as the compensation structure is shaped by a variety of factors, such as the industry, company, job title, and individual performance. Elements such as expertise, experience, market demands, competition and financial restrictions also affect pay rates.

Training. Werther and Davis (2020) describe training as the process of imparting knowledge, skills, and abilities to employees to prepare them for their job responsibilities, to improve their job performance, or to develop their potential for future opportunities. Training can take various forms and can be provided through in-person, online, or hybrid formats.

On-the-job training. According to Sweigart (2020), on-the-job training is a method of learning that involves performing a task with the guidance of a more experienced colleague or supervisor. The purpose of this training is to facilitate the learning process for new employees or individuals who are transitioning to new roles and responsibilities.

Promotion. Brown (2018) describes promotion as the practice of elevating an employee's job position within an company, often involving greater pay and responsibilities. This

advancement of an employee can be determined by various factors including seniority, skills, experience, qualifications, and performance. As indicated by Whiting (2016), promotions can either be horizontal or vertical, meaning that an employee may be transferred to a new position within the same level or elevated to a higher position with more complex duties.

Performance. Robbins and Judge (2019), performance is the degree to which an individual or a group meets their goals and objectives in an efficient and effective manner. Performance is measured by examining the quality, quantity, and timeliness of output or outcomes. This assessment can be applied to various areas such as work productivity, sales revenue, customer satisfaction, quality of work, and teamwork.

2.2 Theoretical review

This study was guided by Vroom's expectancy theory, Frederick Herzberg's two-factor theory and Frederick Taylor's Scientific Management Theory.

2.2.1 Expectancy theory

One of the established motivational theories is Vroom's Expectancy Theory, which explains how employees are motivated in performing their job and their anticipated rewards. Under the expectancy theory, motivation of an employee is affected through the three factors: Expectancy, instrumentality, and Valence. The core idea of the expectancy concept is that "an employee's motivation is based on the perception that putting more effort will lead to a better performance.". Subsequently, employees who perceive that their efforts may lead to a good performance are most likely to result in motivated exertions to work harder and thereby achieve better performances.

In instrumentality concept, as explained by Latham & Locke 2019, good performance motivations among the employees can be achieved when they believe that such good performance will result in desired outcome or reward. For that reason, reward systems are central in motivating employees, as they enable the employees to realize a link between performance and rewards. Smith (2021) comments that this suggests the reason companies must ensure that their designed reward systems are open, equitable, and are connected with the performance of the employees. This way, the employee is likely to put more effort into performing well.

The third component of the expectancy theory is called valence, or the value an individual attributes to the outcomes and rewards. If it is to be a motivator, the reward needs to be

highly valued by employees. In other words, the greater the value of the reward, the more motivated the employee will be to work hard to achieve it. Rewards offered to employees, therefore, need to be in line with their expectations and valued appropriately by the managers.

In fact, one study by Khan and Shagufta (2018) points out that a positive relationship between the reward system and employee performance does exist in the sense that those people who feel their efforts will produce better performance and rewards are generally more motivated to put additional effort into performing better. Such findings are supported by Vroom's expectancy theory, where perceived valence, expectancy, and instrumentality contribute positively towards motivation levels. In this regard, organizations should implement effective reward systems that enhance the motivation of employees to achieve a high level of job satisfaction and performance.

Almudarra added, "Understanding the role an effective reward system plays in enhancing employee motivation towards ensuring a positive work environment is vital in companies.". According to Nourian et al., the reward system should be designed with caution to match the expectations of the employees and their perception of linkage between performance and reward. Besides, the possibility of a reward for an outstanding performance may motivate the employees to work harder. Shafi & Irfan 2021 opined that pride in work and ownership of job responsibilities might arise when employees get appreciation for achieving the goals of the working place. Apart from this, non-monetary rewards can result in greater facilitation and cooperation in the workplace that will lead to a rise in job satisfaction along with a decline in the intention to quit the job Shahzadi et al, 2021. Hence, it is worth designing a diversified system of rewards that keeps a balance between monetary and non-monetary benefits because this will be mutually beneficial to both the employee and the company as a whole. Armstrong, 2018 went further to assert that it is equally relevant to have a flexible system of reward which has the capacity to satisfy the ever-changing expectations of the workers.

Since every individual has a different set of preferences and needs, the design of the reward system has to be done in a manner that is capable of aligning with unique requirements. Fahimnia et al (2015) also agrees that a customized reward system can improve employees' perception about instrumentality and motivate employees more towards higher performance. A reward program that is good will therefore make a big difference in motivating and involving the workforce toward work. In other words, personalization of the reward system

may lead to an increase in the engagement of employees and, consequently, an improvement in business outcomes.

2.2.2 Social learning theory

The Social Learning Theory focuses on the observation of learned behaviour, imitation, and reinforcement as the pivotal elements that enhance the likelihood of learning-and, therefore, behavior change. According to this theoretical framework, employees will learn new skills and behaviors through the observation of others around them in their workplace. The current study also relates to the Social Learning Theory as it examines reward systems in relation to employee behavior. This study brings into light that employees can learn new behaviors and skills using reinforcement and reward. Thus, reward systems are a vital means of shaping the behavior of an employee.

Social Learning Theory proposes that knowledge and skill acquisition comes through observation of the behaviors of others and consequently imitating those behaviors. Consequently, employees can be influenced by colleagues, particularly the highly competent and seasoned workers (Lefcourt 2018). It is also found that reward systems devised with the principle of transparency and clarity may influence employee motivation and behaviour. This suggests that the available rewards and the communication about these rewards can influence other people's behaviour. As suggested by the study made by Robbins et al (2019), reward systems devised on grounds of transparency and clarity may either motivate or cause a change in the behaviour of employees. This would imply that communication of rewards and their delivery has the potential to influence the behaviors of the employees.

The Social Learning Theory suggests that the learning of employees is influenced through social approval and feedback; Bandura, 1977, adds weight to this argument. This would therefore mean that regular performance feedback and rewards given through reward systems act to motivate employees by influencing changes in behavior. Rewards systems seen to be fair and consistent tend to have a greater influence on employee behaviour. Research studies conducted by Ghosh & Sharma, 2019 and Kucukergin et al 2020 find that the reward system which is considered equitable and reliable has a great influence on employee behavior.

As Ashton et al. (2014) commented on the social learning theory, employees could learn new behaviors and techniques by observing others. However, they experience reinforcement to perform the learning only when they face positive and negative outcomes personally. Hence,

they concluded that effective reward systems are necessary for encouraging employees towards motivational engagement in learning.

It is supported that linking reward systems to the preference and values of the employees can lead to a rise in motivation and performance, as evident from McLean's study. This supports the idea that the designing of reward systems should consider the employees' values and preference for its application to have an effect on behaviors.

As such, Makransky et al. (2019) have argued that social learning theory describes how rewards and consequences for the behaviors along with the outcomes attached to these can motivate and change employee behavior. For this reason, it is necessary first to connect the dots between rewards and desired outcomes with a view to creating learning and leveraging motives.

Fernandez et al. (2017) discussed that when rewards are not transparently and clearly explained, this negatively impacts employee motivation and workplace behavior. It is significant to understand this in communicating reward policies and their underpinning principles as a means to developing perceptions of fair and open remuneration. The researcher thus strives to achieve an understanding of the social learning theory for explanations of how the training of employees is going to influence their performance.

2.3 Conceptual review

2.3.1 Payment

Therefore, as a student, it is important to appreciate compensation and its impact on the performance and job satisfaction of employees. Evidence from studies indicates that payment through bonus, allowance, among other financial motives, is a very important part of any reward system. A correct transparent compensation system should be in a position to allow organizations to retain their employees by improving their levels of engagement and commitment to the organization. It is, therefore, very crucial to develop and institute a compensation system relating to their overall goals and satisfying the employees. This will boost performance and productivity of the organization whereby the entire firm will benefit.

Noted also is that having a job that pays fairly and reasonably is very important because this boosts confidence in employees. Based on my experience, when well compensated for a certain job, success seems not to be hard to work towards, and job satisfaction is well attained. In addition, it enables me to have enough time for studies without any stressful life of struggling to make ends meet. Moreover, it is not only about the monetary value of

compensation, but also about the benefits accompanying the job. For instance, a good benefits package including health, dental, and vision can increase the attractiveness of a job offer. Benefits offered by a company make the employer consider the well-being of its employees and, therefore, motivate them to want it more and be willing to stay with the company for a longer period. On the other hand, flexible working hours or simply options to work from home are equally attractive in nature, which enforces productivity and a better work-life balance. Bonus and allowances are vital in the development of work motives and commitment among workers, as explained by Pinder, 2014.

Therefore, it is essential to develop a reward system that incorporates performance-based pay, which will help the employees perform better by motivating them. On the other hand, bonus and allowance incentives may be useful in attracting and retaining top talented employees. Reward systems are, however, effective with the perceived fairness and transparency criteria in determining bonuses and allowances. Cameron & Pierce, 2019 noted that companies should ensure their reward system is not only performance-based but also equitable and transparent. In their study, Li and Qian, 2017, establish that payment standards must be clear, impartial, and transparent. As such, a compensation system perceived to be equitable and reasonable infers greater levels of job satisfaction and motivation among employees and, subsequently, even greater enhancement of job performance. Therefore, rewards ought to be attached to the job to be performed based on performance evaluations. Performance evaluation must thus be based on objective-based criteria as a matter of fairness and equity in reward delivery.

Robbins et al., 2019 recommended that consistency between employee performance and bonus or allowance given as reward must be effective.

All these factors must be put into consideration in terms of making sure the conception by the employees towards a reward system is fair and equitable. Consistency within a reward system would motivate employees to maintain or improve their performance and overall help the company. Apart from that, it would identify the expectation of work and the incentives attaching to good work results. Therefore, organizations need to design a related reward scheme for performance that matches the expectation of their employees. In this respect, Khan and Shagufta 2018 opine that paying well to the employees is very crucial because it makes them motivated and they work better.

Consider how you pay employees so they can feel rewarded by good payments for their hard work, skills, and experience. Of course, not only money but also opportunities to do something interesting or even to work in a more flexible mode can make them happy and work harder. In a study carried out by SHRM, recording incentives and bonuses was one of the leading five ways of increasing employee retention. The leading factor, according to a study by Payscale, was that "employees who received bonuses had higher intent to stay compared to employees who didn't receive a bonus.". Extra allowance, such as health benefits, vacation time, and flexible conditions of work, will also raise loyalty and reduce turnover rates . This benefit and incentive create a sense of value and job security among employees, which leads to increased job satisfaction and commitment to the company. Through the present study, the researcher aims to understand how payment information on bonuses and allowances influences the Equity Bank Kireka employee performance.

2.3.2 Training

According to Robbins, 2019, training encompasses coaching and on-the-job learning. It, therefore, forms a basis on which reward systems can be studied in determining performance among employees. In the study by Kumar et al. (2019), the aspect of training being presented as an independent variable denotes the very essence of employee development. Indeed, it was established that training of employees creates areas of personal development beyond just job-related skills and enables motivation toward performance. This, therefore, indicates that companies that invest their time and resources in training programs are likely to have productive results from their workers, including job satisfaction. Companies can facilitate their much-wanted growth and development by investing in training programs.

Robbins et al (2019), organizations can facilitate growth and a better work culture by providing their employees with opportunities to acquire skills and knowledge through training. Performance and productivity also increase, besides being productive, because employees can do their work in a more proficient and effective way. In simple terms, it equips them with the needed skills and knowledge to enhance their performance. In fact, it is the coaching that helps in clarifying the job expectations and goals to employees, which increases their job performance. Coaching is a method whereby individualized attention and feedback are accorded to employees, which may motivate and inspire them more in doing better. The authors Khan and Shagufta, 2018 expound that on the job training method benefits employees to enhance their motivation to work and perform better in their jobs.

Providing actual exposure can enable them to learn more and acquire additional knowledge and skills. The on-the-job training makes them understand concepts more and apply what they learned when actual situations confront them. This skill therefore makes them work effortlessly hence enhances their performance at the workplace. A similar suggestions by Almudarra 2015, workers with relevant and effective training programs can cause high job satisfaction and motivation.

This is because when employees are given the chance to develop their skills and knowledge, they feel appreciated by their company, hence become more committed not only to their current job but also to the company. The training will also enable employees to do their jobs more effectively, which will lead to a higher level of job satisfaction and motivation since individuals can accomplish what is required of them with increased ease. It will, therefore, be a win-win situation for the employer and the employees because through a training program one can enhance skill, job satisfaction, and motivational level of the employees while improving overall company performance. According to the study conducted by the Society for Human Resource Management, investment in employee development through training can facilitate job satisfaction, higher retention rates, and improvement in job performance. This would, in essence, suggest that not only would providing training opportunities enhance the skill of employees but also serve as a motivating factor in retaining them.

Career development is thus a very significant reason for employee satisfaction and long-term retention.

According to a 2019 survey by LinkedIn, 94% of employees said they would stay longer with a company if the company invested in their career development. This shows that training is a means of retaining employees and increasing job satisfaction. Hence, organizations that use training to develop careers are more likely to get commitments and higher performances from their employees. Collins and Smith (2018) emphasized that for the best achievement of results, the rewards system should be aligned with the training program.

Appropriate recognition and reward in the process will recommend the efforts put into practice by the employees, which increases motivation and, finally, enhances work performance. This shall, in turn, ensure a more effective training program and hence a positive impact on the overall success of the company. Others still argue that a reward system may also facilitate the creation of continuous learning and development culture by the employees. Despite the fact that many people think training can motivate employees, a study

by Robbins and his colleagues found that even complicated issues within a company may not be resolved by training.

Advantages and disadvantages of training are important in order to ensure that it works. If a training program is not well-put-together, then it has the potential to actually harm employee motivation and job performance. With that in mind, good practices must be followed when designing training programs. Wilson and Kim (2018) discuss how regular updates in employee training are of paramount importance for them to keep up with demands that change over time in a company. The authors have pinpointed that the training of employees to keep pace with new changes in technology and within the industry would definitely be matching the ever-changing expectations of the workplace.

A lapse in retraining opens the door for a shortage of skills, thereby potentially impacting employee performance and undermining company performance. The researcher, therefore, embarks on establishing whether training in the form of on-the-job training and coaching has an effect on employees' performance of Equity Bank Kireka.

2.3.3 Promotion

Soda, 2018, instituted that promotion would be a critical factor to establish how reward systems ensure effectiveness in influencing the performance of employees. This study has highlighted the importance of considering promotion as an independent variable while assessing reward impacts on employee behavior. Furthermore, the study has stated that incorporating opportunities for promotion will help increase the motivational effects of reward systems and consequently improve job performance. It has also emerged that promotions are a significant promoter of employee growth and development. Promotions, while acknowledging the hard work and talent of an employee, also lead to enhanced job satisfaction and motivation. Moreover, improved performance along with increased engagement with the company are definite traits associated with employees who receive promotion. Because promotions signify growth and an enlarged sense of responsibility, promotions are likely to boost morale, loyalty, and commitment among workers.

Companies that plan well regarding staff promotion can retain more staff members, with less need to spend money seeking new workers. Workers who see an employer have a clear and nondiscriminatory method of promoting employees will motivate those employees in performing to the best of their abilities and attaining much. Promotion, therefore, is a very

important feature within a company's set-up that contributes to the growth of employees and the company's overall success.

Promotion makes the working population feel that they are climbing the corporate ladder. It also acts as an indication of hard work and efforts put in by the employee. It can raise job satisfaction levels that often lead to better job performance. In regards to Lam and Zhang, 2016, promotional opportunities could have consequential effects on employees' performances as they offer new opportunities for learning and skill development. Along with greater responsibility often comes new skill sets and knowledge that will be required to be developed by the employee in order to undertake the new role. This may bring a greater sense of job satisfaction and engagement since the employees will feel that they have accomplished something in their new role. However, with promotion often comes new challenges and opportunities to test one's skills and abilities due to the higher level of job complexity. Therefore, promotion can be a powerful means of motivating workers to raise their level of performance and contribute more to the company at large.

Robbins et al. (2019) studied and established that getting promoted can motivate workers to improve their job performances. This is because once an opportunity to progress further and grow in their careers is open, employees are most likely to work harder and better, which may mean the overall productivity of the company improves. Once promotion opportunities are available, this encourages employees to learn more, develop themselves further, and continue growing; this may lead to an increase in job satisfaction and possibly retaining workers longer with the company.

Promotion also brings about employee satisfaction and retention. Workers who feel that their company rewards effort and provides opportunities for advancement are likely to stay longer with the organization. Principle promotion based on fairness and equality is also considerably associated with all other employees. When staff feel that they have been discriminated against, this can lead to lower motivation, resulting in poor job performance.

On the other side, Almudarra 2015 highlights that job expectations have relevance in streamlining the employees' career goals to be in line with those of the organization. The clear explanation of roles and responsibilities helps employees to gauge what role expectations are and work towards meeting them. With regard to employee promotion, regular reviews should offer great feedback on shortcomings in practice which provide opportunities for constructive discussions of career development.

A study by the Society for Human Resource Management found that employees who receive opportunities for professional development are more satisfied with their jobs and more likely to stay with their companies. Besides improving job performance, personal development opportunities can also bring a career promotion and raise an individual's marketability in general. Such opportunities may range from training programs, conferences to workshops that will benefit the employee and the company in the future. The society further recommended that a business should reward its workers a fair pay after a promotion. This means that the pay must be consistent with the responsibilities of the job. The pay should include reasonable increases in pay, bonuses and other fringe benefits. Giving adequate remuneration has also been proven to keep employees motivated and satisfied with their work, thus yielding better work with fewer people quitting.

2.4. Summary of study gap

The study of the impact of the reward system was of great importance because it may influence employees to be motivated and help increase performance in turn. The reviewed literature showed that there was an empirical research gap that this study aimed at filling, since from the literature review, it was indicated that studies have been made on reward systems and employee performance, but now this study aims to investigate how payment, training, and promotion of employees influences employee performance. The study also instituted a more profound understanding of reward systems on employees' performance using the case study of Equity Bank Kireka.

2.5 Conclusion

Chapter two showed the available literature related to the topic of study. Chapter three will show the research methodology in which the study will be conducted.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter broke down the method and procedures the researcher would follow in conducting both the collection and analysis of data to support the study; that is, the research design, study population, sample size and techniques, methods of data collection, tools used, procedure followed in data collection, analysis of data, presentations, and measurement of variables.

3.1 Research designs

A cross-sectional survey research design according to Noronha et al. (2020) was a method of collecting data at a single point in time from individuals within a population. This design was commonly used to explore the prevalence of a particular phenomenon or to determine the relationship between variables. A cross-sectional survey research design was used in this study in order to obtain in-depth information that was relevant to the study. This was because the study aimed to understand the relationship between reward systems on employee performance on Equity bank Kireka branch.

3.2 Study population

Johnson (2018) suggested that the researcher's attention was directed towards a particular set of individuals or objects who possessed notable shared characteristics, referred to as the study population. The study population then included the 41 employees from the Equity Bank Kireka branch.

3.3 Sample size

Simple random sampling methods were used where the researcher selected people randomly from the firm during the data collection. A random non-probability sampling technique was used in the study. The study used the Yamane (1967) formula to gain an overview of the sample size.

It was denoted by $n = \frac{N}{1+N(e)^2}$ Where n – is the desired sample size, N is the total number, and e is the margin of error. Using the area of study, $N = 41$, $e = 0.05$

$$n = \frac{41}{1 + 41(0.05)^2}$$

$$n = \frac{41}{1.08}$$

n = 38 respondents

3.3.1 Sample Size Selection Criteria

Respondents	Number of respondents	Sample size	Sampling technique
Department Leads	8	8	Purposive sampling
Customer care attendants	15	13	Random sampling
Tellers	18	17	Random sampling
TOTAL	41	38	

3.4 Sampling Method

The researcher used both purposive and random sampling techniques to gather data. The employees from which to get the respondents were purposively selected since they met the study population description. Furthermore, the respondents for the study were then selected randomly from the employees at the bank.

3.5.1 Data collection methods

3.5 Sources of data.

Data was collected through both primary and secondary sources. Personal interviews and questionnaires were used to gather primary data, which was necessary to obtain unique information not found elsewhere. Secondary data, including information from textbooks, journals, periodicals, and other published materials, was reviewed to supplement the primary data.

3.5.1 Primary data.

According to Kotler and Keller (2016), primary data referred to data that was collected firsthand by the researcher specifically for the research project at hand. Primary data was the data that a researcher acquired through means like surveys, interviews, and experiments, and which had not been circulated or reported beforehand by any other source.

3.5.2 Secondary data.

Secondary data, according to Saunders et al (2019), referred to data that had been previously collected by someone else for a different purpose than the one for which it was being used. Secondary data was data that had already been reported by other scholars and obtained from

studies, surveys, or experiments conducted by individuals or groups other than the current researcher.

3.6 Data collection methods

The researcher during the study used self-administered questionnaires, personal interviews and documentary review.

3.6.1 Questionnaires

Bryman (2016) suggested that questionnaires were a popular research tool used to collect data from a sample population by asking standardized questions that had pre-determined response options. Questionnaires guided the researcher in collecting the quantitative data. The questionnaire consisted of closed-ended questions. The questions in the survey had set answers to choose from. The respondents were the ones answering the questions on their own.

3.7 Validity and Reliability

3.6.1 Validity

Validity means making sure that the things we use to collect information for research are good at getting the right answers from the right people. In the study, the supervisor will check to make sure that the questions to be asked are good and don't ask the same thing over and over among the other experts who checked the tools. Finally, the study used a computer program to help us analyze the answers we collect known as the CV = Total number of items accepted and rated all respondents / total number of items in the research instruments.

3.6.2 Reliability

When conducting reliability studies, the researcher considered the validity and reliability of their data-gathering methods. These factors can be evaluated by scrutinizing the acquired results and assessing the study's quality. To ensure reliability, the researcher carried out a pilot study of the data collection instruments on a small sample before full-scale use. This helped identify and address any issues with the tool, statements, procedures, and ensures that they work as intended.

3.7 Data analysis

After the researcher obtained the necessary data from the field, the researcher analyzed and interpreted the information about the study objectives using the statistical package for the social sciences (SPSS) software. The researcher then presented the findings in tables for easy understanding of the data collected. The data was analyzed following the 5-point likert scale

starting with 1 strongly disagree, 2 disagree, 3 not sure, 4 agree and 5 strongly agree to understand the responses of the respondents.

3.8 Ethical consideration

For this study, the researcher ensured the complete confidentiality of the respondents. This involved presenting participants with comprehensive information about the study's purpose, methodology, associated risks, and their role as participants. Participants were also made aware of their right to withdraw from the study at any time. To ensure anonymity, the researcher did not collect identifying information, and code numbers were used instead. It was recommended to maintain confidentiality and to use codes by the author whose name was not provided.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS

AND INTERPRETATION OF THE FINDINGS

In this chapter, the collected data was analyzed and illustrated using tables and figures, and the conclusions drawn were based on the research aims. Additionally, it outlines the participants' respondents' information and the results of the research about the study objectives.

4.1 Rate of responses

Only 32 respondents responded to the researcher's survey, indicating that 6 questionnaires were left unanswered.

4.2 Reliability of the study

Cronbach's Alpha	N of items
0.839	29

A Cronbach's Alpha of 0.839 from the 29 items, indicates that the items have good internal consistency and reliably measure the same underlying concept, suggesting that the questionnaire was a dependable tool for assessing the impact of reward systems on employee performance.

4.3 Respondents Personal Data

The analysis section centred on examining the personal data of the respondents to understand whether it influences their behaviour.

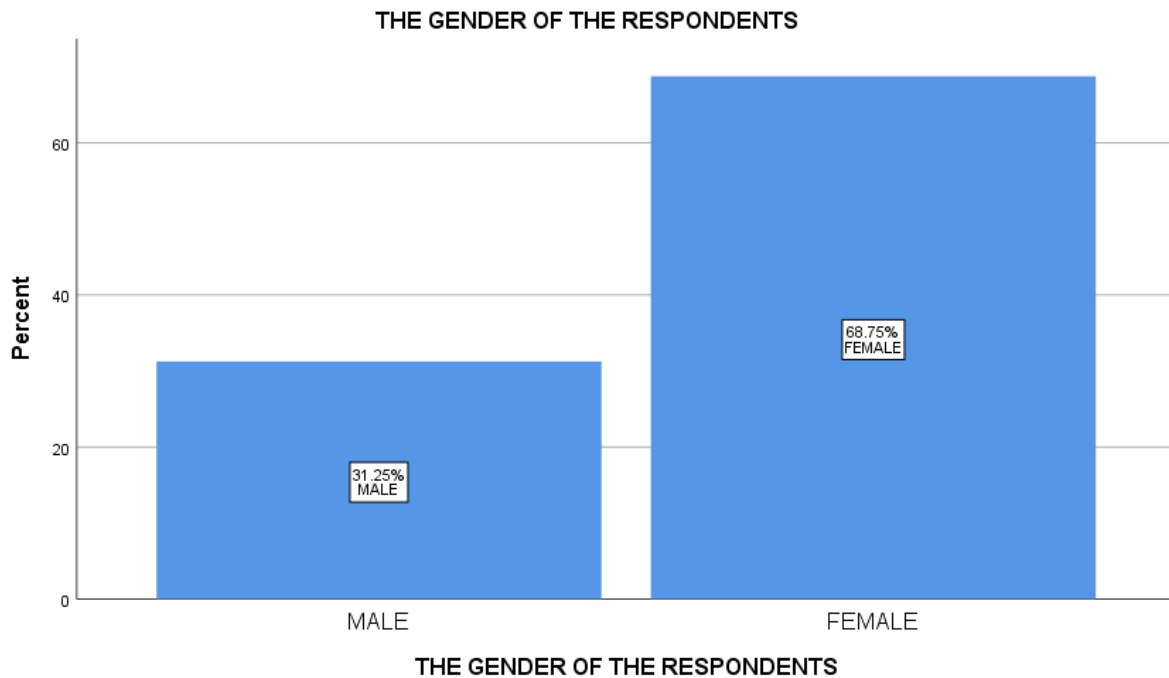
4.4 Gender of Respondents

The table below displays the gender status stated by the participants.

Gender		Frequency	Percent	Valid percent	Cumulative percent
Valid	Male	10	31.3	31.3	31.3
	Female	22	68.8	68.8	100.0

Total	32	100.0	100.0	
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A bar chart showing the Gender of the respondents



The data shows that out of the 32 respondents, 10 (31.3%) were male and 22 (68.8%) respondents were female hence showing that that the survey sample had female as the majority.

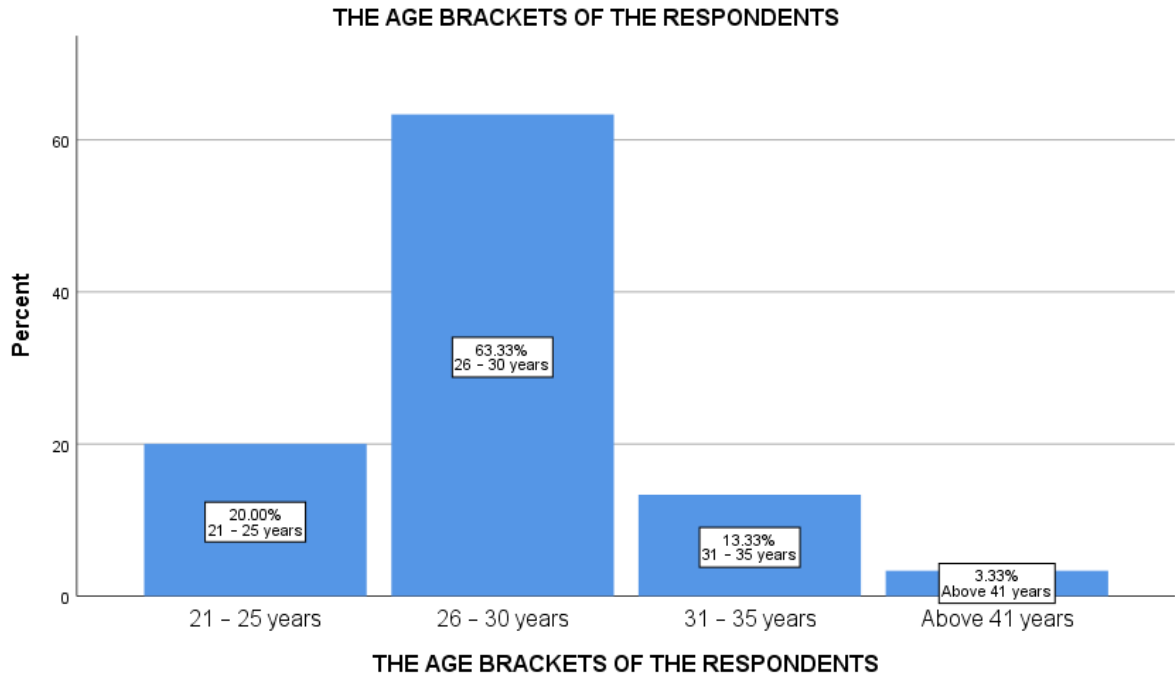
4.5 Age Bracket of the Respondents

The table indicates the ages of the respondents

Age of the respondents		Frequency	Percent (%)	Valid percent	Cumulative percent
Valid	21-25 years	6	18.8	18.8	18.8
	26-30 years	19	59.4	59.4	83.3
	31-35 years	4	12.5	12.5	96.7
	Above 41 years	1	3.1	3.1	100.0
	Total	30	93.8	93.8	

	Missing	2	6.3	6.3	
	Total	32	100.0	100.0	

A bar chart showing the age bracket of the respondents

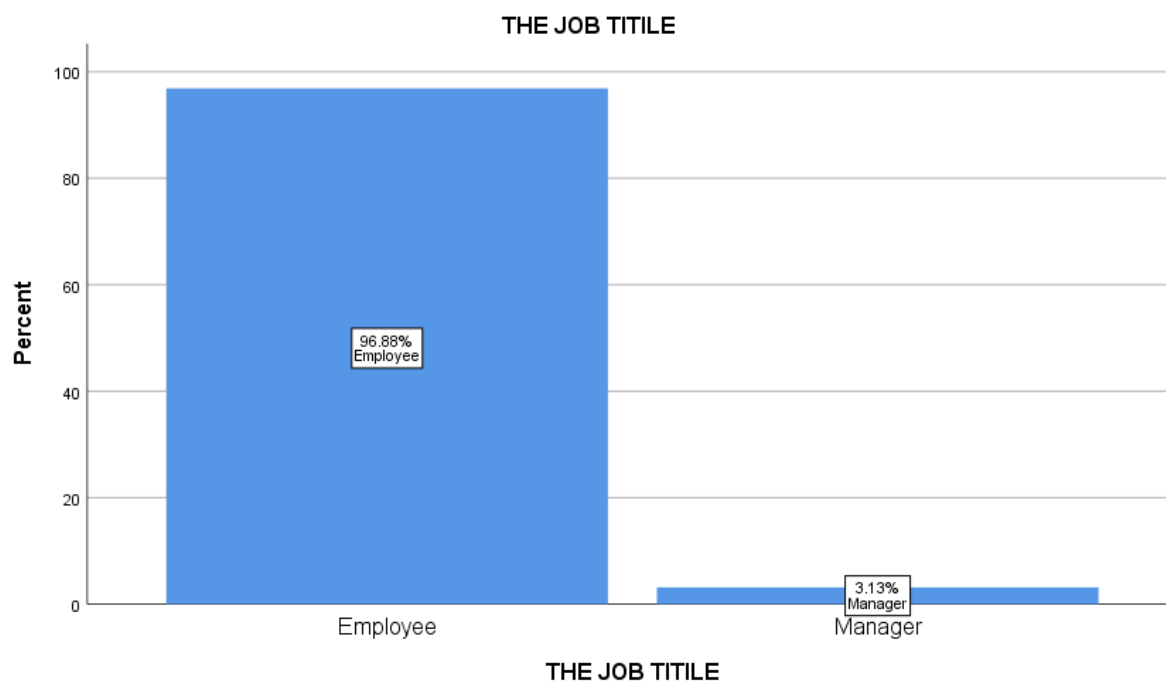


The age distribution of the respondents showed that 6 individuals (18.8%) are in the 21-25 years age group. The majority of respondents, 19 (59.4%), are aged between 26-30 years. There are 4 respondents (12.5%) in the 31-35 years age group, only 1 respondent (3.1%) falls into the above 41 years category and additionally, there were 2 missing responses (6.3%), making the overall total 32 respondents (100.0%).

4.6 Job Title

Job Title		Frequency	Percent (%)	Valid percent (%)	Cumulative percent %
valid	Employee	31	96.9	96.9	96.9
	Manager	1	3.1	3.1	100.0
	Total	32	100.0	100.0	

A bar chart showing the job title

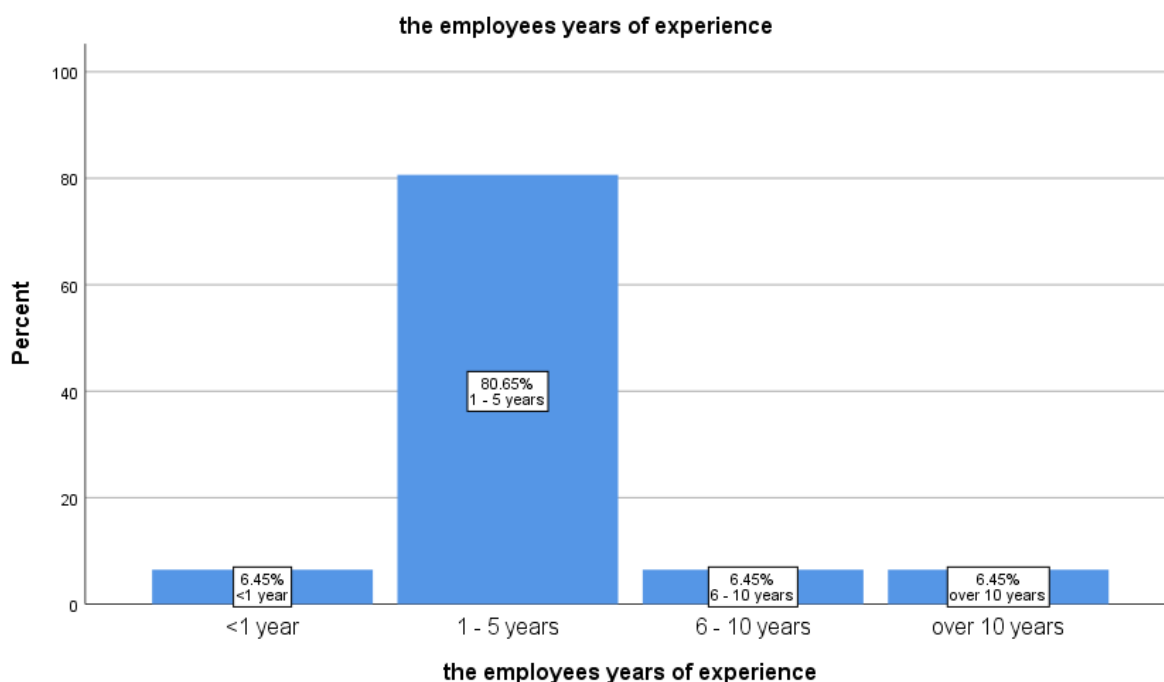


The data indicated that the majority of respondents hold the job title of Employee, with 31 individuals (96.9%). Only 1 respondent (3.1%) was a manager.

4.7 Employees years of experience

Level of Education		Frequency	Percent (%)	Valid percent (%)	Cumulative percent %
valid	< 1 year	2	6.3	6.5	6.5
	1-5 years	25	78.1	8.6	87.1
	6-10 years	2	6.3	6.5	93.5
	Over 10 years	2	6.3	6.5	100.0
	Total	31	96.9	100.0	
	Missing	1	3.1		
	Total	32	100.0		

A bar chart showing the employees years of experience

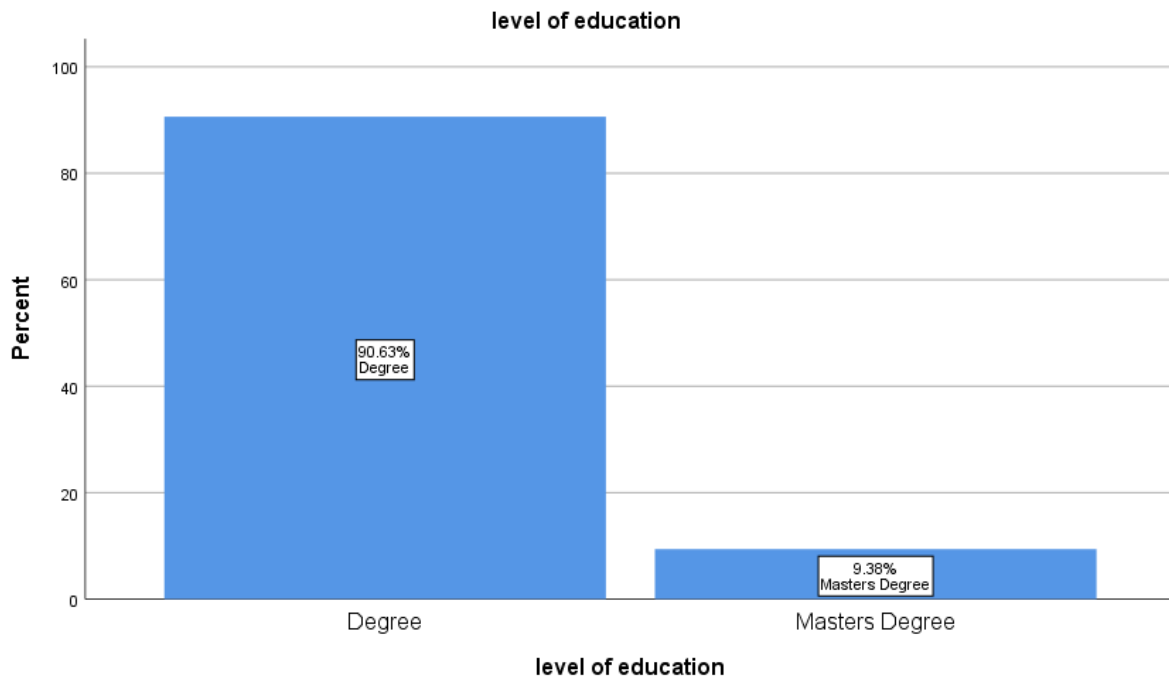


The data on the level of education showed that 2 respondents (6.3%) have less than 1 year of education. The majority, with 25 respondents (78.1%), have between 1-5 years of education. There are 2 respondents (6.3%) with 6-10 years of education, and another 2 respondents (6.3%) have over 10 years of education. There was 1 missing response (3.1%), making the overall total 32 respondents (100.0%).

4.8 Level of Education of Respondents

Level of Education	Frequency	Percent	Valid percent	Cumulative percent
Valid Degree	29	90.6	90.6	90.6
Masters Degree	3	9.4	9.4	100.0
Total	32	100.0	100.0	

A bar chart showing the level of education of the respondents



The data on the level of education indicates that 29 respondents (90.6%) hold a degree, while 3 respondents (9.4%) have a master's degree. This showed that all respondents have at least a degree level of education and are well knowledgeable of the study.

4.9 Pay and Employee Performance.

DETAILS	Mean	Standard deviation
Reward management in Equity Bank has motivated me to improve my performance.	5.00	0.000
Financial rewards from Equity Bank motivate me to improve my performance	4.88	0.336
I am considering leaving if my pay is not revised	4.52	0.871
I always produce quality results according to the set objectives and goals	5.00	0.000
Customers receive timely service delivery at Equity Bank.	4.94	0.246

I am satisfied with the pay incentives and bonuses provided by my employer, as they positively impact my overall job performance	5.00	0.000
The prospect of receiving a pay raise based on performance motivates me to improve my productivity and achieve higher results	4.88	0.336
I feel that my performance is fairly rewarded with my current pay structure, which encourages me to exceed performance expectations	4.52	0.871
The clarity and transparency of the pay structure in relation to performance expectations influence my engagement and productivity at work	4.75	0.440

Respondents indicated that reward management at Equity Bank has strongly motivated them to improve their performance, with a mean of 5.00 and a standard deviation of 0.000, similarly the statement regarding financial rewards from Equity Bank motivating performance also received a high mean of 4.88 and a standard deviation of 0.336, the consideration of leaving if pay is not revised had a mean of 4.52 and a standard deviation of 0.871, respondents also reported consistently producing quality results according to set objectives and goals, with a mean of 5.00 and a standard deviation of 0.000. and timely service delivery to customers at Equity Bank was rated highly with a mean of 4.94 and a standard deviation of 0.246.

Satisfaction with pay incentives and bonuses was reflected in a mean of 5.00 and a standard deviation of 0.000, the prospect of a pay raise based on performance was rated with a mean of 4.88 and a standard deviation of 0.336, respondents felt their performance is fairly rewarded with the current pay structure, evidenced by a mean of 4.52 and a standard deviation of 0.871 and the clarity and transparency of the pay structure about performance expectations also influenced engagement and productivity, with a mean of 4.75 and a standard deviation of 0.440.

4.10 Promotion and staff performance.

Details	Mean	Standard Deviation
Promotion is done satisfactorily in the department	4.56	0.504

Supervisors are supportive after the promotion	4.56	0.504
Supervisors ignore responsibility when juniors are promoted	4.69	0.471
Fellow staff (Juniors) are supportive after promotion	4.53	0.507
Promotion is done according to performance	1.00	0.000
The company's promotional activities effectively motivate me to perform at a higher level in my role	1.00	0.000
I feel that the promotions offered by the company are aligned with my personal and professional goals, which positively impacts my job performance	1.00	0.000
The recognition and rewards associated with company promotions contribute significantly to my overall job satisfaction and performance.	4.25	0.916
Promotional opportunities within the company encourage me to set and achieve higher performance goals	4.13	1.008
The visibility of promotional achievements in the company influences my enthusiasm and commitment to excel in my job responsibilities	4.44	0.716

The data indicated that promotion within the department is generally perceived as satisfactory, with both the statements regarding satisfactory promotion and supportive supervisors after promotion receiving a mean of 4.56 and a standard deviation of 0.504, supervisors' tendency to ignore responsibility when juniors are promoted is noted, with a slightly higher mean of 4.69 and a standard deviation of 0.471, fellow staff members, especially juniors, are seen as supportive after promotion, with a mean of 4.53 and a standard deviation of 0.507 and however there is a stark contrast in perceptions regarding performance-based promotions and how promotional activities align with personal and professional goals, both of which have a mean of 1.00 and a standard deviation of 0.000, indicating a unanimous lack of agreement or satisfaction in these areas.

Regarding the motivational impact of the company's promotional activities, respondents felt that these activities do not motivate them to perform at higher levels, reflected by the mean of 1.00 and standard deviation of 0.000, the recognition and rewards associated with company promotions have a more positive impact, with a mean of 4.25 and a standard deviation of

0.916, respondents also agreed that promotional opportunities within the company encourage setting and achieving higher performance goals, with a mean of 4.13 and a standard deviation of 1.008 and the visibility of promotional achievements in the company significantly influences employees' enthusiasm and commitment to excel in their responsibilities, as indicated by a mean of 4.44 and a standard deviation of 0.716.

4.11 Training and staff performance.

Details	Mean	Standard Deviation
Reward is done according to performance	5.00	0.000
Training is done fairly in all Equity Bank departments.	5.00	0.000
The pay is enough to cover some of my expenses.	4.93	0.258
Management involves staff when making reward management policies	5.00	0.000
Rewards are evenly distributed	4.88	0.336
The training programs provided by the company have significantly improved my job performance	4.52	0.871
I feel that the skills and knowledge gained from training sessions are directly applicable to my daily work tasks.	4.13	1.008
The training I receive equips me with the necessary tools to overcome challenges and perform my job more effectively.	4.44	0.716
I believe that the frequency and quality of training provided impact my overall productivity and work outcomes	4.81	0.471
Feedback and support from training sessions contribute positively to my professional growth and performance in the company.	4.69	0.535

The data revealed that respondents agree that rewards are done according to performance and that training is conducted fairly across all Equity Bank departments, both with a mean of 5.00 and a standard deviation of 0.000, indicating complete agreement, management's involvement of staff in making reward management policies is also rated highly, with a mean of 5.00 and a standard deviation of 0.000, the perception that rewards are evenly distributed received a mean score of 4.88 with a standard deviation of 0.336, respondents also expressed satisfaction with their pay, as it is enough to cover some expenses, reflected in a mean of 4.93 and a standard deviation of 0.258 and regarding training programs, respondents agreed that these significantly improve job performance, with a mean of 4.52 and a standard deviation of 0.871.

Respondents felt that the skills and knowledge gained from training sessions are directly applicable to their daily work tasks, with a mean of 4.13 and a standard deviation of 1.008, training was seen as equipping employees with the necessary tools to overcome challenges, with a mean of 4.44 and a standard deviation of 0.716, additionally, the frequency and quality of training were believed to impact overall productivity and work outcomes positively, reflected in a mean of 4.81 and a standard deviation of 0.471 and feedback and support from training sessions were also acknowledged as contributing positively to professional growth, with a mean of 4.69 and a standard deviation of 0.535, emphasizing the importance of continuous feedback in enhancing performance.

4.12 Secondary findings

This section indicated the secondary data regarding to the study objectives.

4.12.1 Secondary data on Pay and staff Performance

Equity Bank is one of the highly-rated commercial banks in Uganda. Having been in operation for over a decade, it has managed to build a good reputation as a quality bank that offers respectable services. According to the World Bank database, the employees in Equity Bank are relatively productive compared to other commercial banks within the country. The staff at Equity Bank receive competitive salaries; thus this may be a reason for high productivity. According to the World Bank data, Equity Bank Uganda Limited has managed to provide a working environment whereby staff are motivated to work harder and deliver excellent results.

In 2019, Equity Bank announced a 17 percent increase in the salaries of its staff. The chief executive of the bank, Samuel Kirubi, stated that the bank was obliged to raise salaries in an

effort to ensure that all its employees were competitively compensated. Akello reports that this was due to the fact that the bank's success was not only a factor of the management's efforts but also was an attribute of the hard work of the employees. With Equity Bank Uganda Limited increasing staff salaries, the bank indicated that to it, a factor that may have made it perform at the top is when its employees are well paid.

An example of such news is the one that featured Equity Bank Uganda Limited in the Daily Monitor newspaper in 2020. The news showed how the management of the bank had continuously invested in the employees through training and development programs. According to the news, the management of the bank realizes that employees are the only way the bank can succeed in business and their professional growth is paramount. Examples of employee development programs that the bank has used to enhance performance and motivate its staff include job rotations. On this note, the investment of Equity Bank into their employees could be a probable reason why the performance level of their staff is quite high at the bank.

During 2021, Equity Bank Uganda Limited was recognized by Employer of the Year Awards within the banking, insurance, and financial services sector through development programs. The bank ensured a fair deal for its employees, remunerating them fairly, ensuring work-life balance Employer of the Year Awards, 2021. The bank was recognized in investing in its employees to realize high productivity and high staff performance. Indeed, Equity Bank Uganda Limited believes that such recognition by the Employer of the Year Awards cements and asserts that its performance at the level of its personnel is second to none.

4.12.2 Secondary data on Promotion and staff Performance

Equity Bank Uganda Limited offers employees opportunities for career growth through promotion. Promotion policy is clear at the bank, guided by performance evaluation and employees' merits. According to the Head of Human Resource, Equity Bank, Rachel Ndirangu, each decision on promotion is determined objectively based on the laid-down criteria. Such can be improved through the promotion strategy in Equity Bank regarding retaining employees by just giving them a sense of growth and job security.

The promotion strategy seems to have worked in the case of Equity Bank, as evidenced by a number of its employees who have been promoted over their years in the company. For instance, in 2020 alone, Equity Bank announced an upgrade for more than 800 employees from its East African branches. This kind of promotion indicates that a bank may take the

growth and development of its employees seriously. One might thus expect that the promotion opportunities provided by the bank will improve high staff performance levels.

In 2019, the New Vision newspaper highlighted Equity Bank Uganda Limited in ensuring that women were promoted to leadership. This newspaper showed how this bank had been striving to ensure that the leading positions are filled by both men and women in order to have gender balance in the leadership. The article indicated that the bank has promoted some women to top positions in order to ensure diversity when it comes to decision-making. The promotion strategy at Equity Bank can enhance the performance of all its staff by ensuring an inclusive culture that values the full worth and potential of every person to continue to contribute towards the continued success of the bank.

Equally, Equity Bank Uganda Limited's promotion strategy has received various recognitions from external organizations. In the year 2021, Equity Bank Uganda Limited was recognized as the Best Employer Brand in Africa during the Employer Branding Awards. This award was in recognition of the bank's commitment to creating an attractive work environment and providing opportunities for promotion to its employees. This is an indication of the effective promotion strategy by Equity Bank and how it positively influences the performance of its staff.

4.12.3 Secondary data on Training and Staff Performance

Equity Bank Uganda Limited embraces training and development programs. It was established from the findings that the bank perceives the employee training as being vital in improving the staff performance to enhance customer service in addition to achieving the bank's business goals. According to Kamugisha, 2019, the investment of the bank into training and development is one of the significant factors that influences its high levels of staff performance.

It was also determined that Equity Bank has a comprehensive training and development program for its personnel. This comprises of technical training, management development courses, and leadership training. It is stated that there is a team at the bank charged with the design and implementation of training programs for employees. Such programs could improve the performance of staff through skill development which, in turn, would lead to higher productivity and employee motivation.

The training programs offered by Equity Bank have borne fruits in terms of improving the performance of its staff; this is an indication of the high volume of staff that completed its

courses. For example, by the end of 2020, more than 5000 employees across its branches in East Africa had completed the bank's training courses and programs. This achievement is an indication of commitment toward employee development that might contribute to positive performance among its employees.

In 2021, Equity Bank Uganda Limited was awarded by the Employer Branding Awards for its outstanding training and development programs. The bank emerged as Best Training and Development Strategy in Africa. According to the organisers of the award, the training programs put in place by Equity Bank are meant to respond to current and future challenges facing the banking industry; thus, the relevance and efficiency of such training in enhancing the performance of the staff. This recognition certainly corroborates the fact that Equity Bank has effectively trained and developed its staff in better performance.

In addition to technical skills, Equity Bank also trains its staff in soft skills such as those related to customer service, leadership, and teamwork. Such programs would greatly enhance the performance of staff in terms of their communication, problem-solving, and decision-making qualities. As Kamugisha opines, this could raise the staff performance through increased well-articulated communication, problem-solving, and decision-making among employees. The bank invests in training programs that enhance the soft skills of its staff to realize improved staff performance and delivery of services to customers.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

Chapter 5 presented the study findings along with their analysis, conclusions, and recommendations.

5.1 Discussion of the key finding

The discussion of the findings was aimed to discuss the findings also relating to the literature that was reviewed.

5.2 The influence of pay on the performance of employees at Equity Bank Kireka.

The influence of pay on the performance of employees at Equity Bank Kireka is an area of relevance, since it identifies a large role that compensation no doubt plays in motivating and optimizing employees' work output. Findings from recent research identify that a well-structured pay system is indeed an influential factor in job performance, which goes quite well with the literature. There are consistent findings that prove that a competitive and fair compensation level motivates staff, hence bringing about improved performance and job satisfaction. Kimani et al., 2021. The study's findings also reveal that the employees in Equity Bank Kireka perceive their compensation as being enough to meet their needs, thus giving rise to a greater sense of job satisfaction and commitment. This observation supports the notion by Pierce et al. (2019), that transparent and equitable compensation systems are important in sustaining the morale and engagement level of the employees. A sense of equality in the distribution of pay contributes to assurance by employees about their work and encourages them even further to work better.

The study also reiterates the pay-performance relationship since those employees who perceive their pay structure as reasonable in return for their performance are more likely to deliver quality outcomes.

This finding also points to the arguments in the literature by Shagufta, 2018, that reward based on performance spurs higher efforts with better job outcomes. Transparency and clarity in the pay structure have been noted as a major determinant of individual performances. Besides, it has been established that pay actually determines whether an employee will remain within the company or not.

The research design showed employees who felt satisfied with their pay expressed less intention to quit. In other words, this is justified by the literature SHRM 2019, and competitive pay is often associated with low rates of turnover and enhances the retention level. Confidence of fair compensation provides job security to employees and allows them to pay their loyalty to the company noted Payscale, 2020. The study further points to the impact of financial benefits on employee performance at Equity Bank Kireka, pointing out that bonuses and allowances help to motivate them. This observation is in agreement with what was observed from literature by Robbins et al. (2019), that financial-related reward systems ensure that performance levels are higher since efforts by employees are geared toward the realization of organizational objectives. An effective reward system that incorporates performance-based rewards is proven to result in increased overall job performance and productivity.

Indeed, the study showed that financial rewards alone, though important, complement other types of incentives to motivate employees. This also points to the literature emphasis on a balanced reward system combining monetary and non-monetary incentives to ensure the work environment is supportive for the workers. Shahzadi et al. (2021); Armstrong (2018) Hence, employee involvement and satisfaction can be optimized by combining different types of rewards.

Results of this study indicate that there is a positive relationship between perceived pay equity and job performance. When employees perceive that they are equitably paid, they become motivated and perform well, as the literature on principles of fairness in compensation has noted (Robbins et al., 2019). Fairness in compensation is thus critical to motivating employees for high performance.

Also, the study highlights that reviews and updates concerning pay structure are usually needed to keep it working in motivating employees. This also corroborates literature provided by Wilson & Kim (2018), that periodic evaluation of compensation systems is necessary due to the ever-changing expectations of the employees and labor market conditions. An adaptive pay system serves to ensure it still meets the needs of the employees and remains a motivating factor.

5.3 The influence of training on the performance of employees of Equity Bank Kireka.

Training may either have a high or significant effect on employee performance in an organization like Equity Bank Kireka. Most studies in recent years have underlined the crucial role of training with respect to job performance and productivity. For instance, Robbins et al. (2021) point out that training is not only relevant in skill acquisition but also considerably influential in motivating employees and creating job satisfaction. Positive feelings about training experiences also tend to be associated with higher job performance and job satisfaction. Therefore, these training programs are very well matched to the needs and expectations of the workers and, if implemented, can result in a motivated and productive work team.

The effectiveness of training programs depends on how well they are aligned with the work one does. Specifically, Kumar et al. (2023) present the case that improvements in employees' performances are more likely when the training content is relevant and applicable directly to job responsibilities. It helps reduce the gap between theoretical knowledge and practical application, enhancing the ability of the employees to do their roles well and efficiently. This literature supports the results found at Equity Bank Kireka, where the employees are of the view that the content of their training sessions has been relevant and beneficial to them.

Effective training not only enhances job performance but also motivates workers. Almudarra (2022) cites that clear objectives of the training program and feedback mechanisms will raise motivation and job satisfaction. Employees at Equity Bank Kireka have also been informed that training programs that have regular feedback and clearly outlined objectives motivate them and affect job performance. This finding is in concert with the overall literature, which identifies feedback and goal-setting as the key elements of successful training.

Investment in training also illustrates the company's commitment to the employees, which leads to greater job satisfaction and employee retention. As cited, Collins and Smith state that "when employees are valued and supported through training, they are most likely to be

retained within their organizations and perform accordingly." This view is reflected by the positive responses given about the experiences on training conducted among Equity Bank Kireka employees, showing that well-structured training programs enhance employee retention and performance.

On-the-job training helps particularly with regard to job performance. Khan and Shagufta opine that practical-oriented trainings can help employees to apply their knowledge and skills at the workplace and ultimately to increase the performance level. In the same vein, employees of Equity Bank Kireka have also expressed opinions similar to the findings of previous studies that practical aspects of trainings are considerably aiding in overcoming the challenges they face while performing duties in the workplace.

The social learning aspect of training is also very significant. As Bandura (2020) pointed out, it is through observing and emulating the behavior of experienced colleagues that employees tend to learn effectively. Indeed, such a form of learning has been pointed out to take place at Equity Bank Kireka, where employees have pointed out that learning from their peers during training sessions facilitates understanding and assimilation. This observation-based learning method is in line with the social learning theory, which focuses on the importance of modeling and reinforcement within training.

The other important category of literature on the efficacy of training processes is transparency, represented by clearly articulating the objectives and outcomes to achieve from training. Robbins et al. (2023) postulate that employees are likelier to be responsive to the training programs if they understand its purposes and advantages; they further note that such an understanding might provoke them to apply what they have learnt. The results on Equity Bank Kireka employees depicted that clearly communicating expectations in training has had a positive influence on their level of engagement and performance, thus further supporting the above view.

The second critical point is the development of continuous training programs to address emerging needs. Wilson and Kim (2022) demonstrate that renewing training content frequently is extremely vital to translate into practice changes taking place within the industry and even due to technological development. Indeed, this practice has taken root in Equity Bank Kireka, where it is affirmed by employees that updated training materials and methods help them stay abreast of industry standards and subsequently put them in an excellent position to excel at their jobs.

Feedback and reinforcement, therefore, are an integral part of any training. According to Ghosh and Sharma (2021), consistent feedback during the training reinforces learning and motivates workers to put acquired skills into effective application. At Equity Bank Kireka, for instance, it has been felt by the employees that through feedback received during training, their performance has improved-the very fact mentioned in literature regarding feedback in training.

Finally, it is the way of training that covers not only technical but also soft skills development, which is very important in general performance in employees. According to research by Makransky et al. (2023), training programs that create both technical skills and interpersonal skills provide further holistic and effective workforces. The comprehensive equity bank Kireka training skills that range from customer service to technical skills reflect this comprehensiveness and perform better for each form of job execution.

5.4 The influence of promotion opportunities on the performance of employees of Equity Bank Kireka.

In agreement with studies found in the literature-for instance, Hinson & Mathews (2015)-the present study at Equity Bank Kireka ascertains that opportunities for promotion significantly influence employee performance. When employees feel that promotions are achievable and based on merit, they put more effort into being actively involved in their jobs and performing well. This is also in agreement with the literature reviewed, which stated a positive relationship between promotional opportunities and employee motivation.

The results also revealed a high level of job satisfaction for the staff at Equity Bank Kireka after promotion. This confirms the literature by Khan & Shagufta, 2018, which states that promotion can provide an employee with a feeling of career growth and achievement, thus increasing his or her level of job satisfaction. A prospect of career development boosts morale and engenders belonging and loyalty to the organization.

Second, promotion opportunities were mentioned to facilitate better performance levels at Equity Bank Kireka. It was noted that after experiencing promotion, respondents felt motivated to perform well in the new position, which affirms what has been written in literature by Robbins et al. (2019), that employees prepare themselves and develop their talents when career opportunities arise. Their hard work could be a source of an inner drive to ensure their performance fits well into the new role they are playing.

The results also pointed out that promotion based on unambiguous and transparent criteria is a motivating factor for employees. When employees know the reason behind their promotion and consider the system of promotion to be fair, they exhibit more loyalty by staying with the organization and performing their jobs more efficiently. This result supports the literature that shows fairness and transparency of promotion policies stand as *prima facie* to motivating a workforce.

This study also establishes that for promotions to realize maximum motivational impacts, there is a need to be combined with fair rewards and recognition. According to SHRM, 2018, employees who got promoted at Equity Bank Kireka, coupled with good remunerations and recognition, indicated a higher level of job satisfaction and performance. This was very complimentary to the literature view presented by Lam & Zhang, 2016, that for promotions to be effective, they must form part of a total reward system.

Promotion also influences employees in regard to the level at which they believe career development opportunities through promotion align with their personal and professional objectives. A study undertaken at Equity Bank Kireka established that employees who perceived promotions as part of their career goals were motivated enough to perform well. This agrees with what was indicated in the literature: the alignment of promotional opportunities with employees' career aspirations.

The study at Equity Bank Kireka also reveals that promotional opportunities result in a more aggressive and dynamic working environment. SHRM argued that individuals who can perceive the potential for advancement are more likely to engage themselves in continuous learning and skill development which helps them to improve their overall performance. In this regard, the literature by Wilson & Kim justifies the findings related to the role of promotion in organizations for influencing growth and development culture.

This study equally establishes that promotions also lead to increasing employee retention. Employees who perceive clear and fair promotional paths are more likely to stay with the organization, reducing turnover and thereby enabling retention of talent. This finding is consistent with the literature by Robbins et al (2019) assertion that effective promotion strategies lead to higher retention rates among employees.

5.5 Conclusions

These promotions prove to be highly influential on employees, as this acts as a clear channel for career development and recognition. As explained, employees would be motivated

enough and showcase greater performance if the employee views promotions as achievable and well-deserving. This supports existing research that emphasizes the importance of promotional opportunities in enhancing job satisfaction and performance. A transparent promotion system with equitable considerations would encourage not just excellence among employees but their overall commitment to the organization.

These findings showed that a well-designed reward system, which entails both monetary rewards and recognition, is invariably regarded as important for improving employees' motivation and performance. When employees perceive that rewards are adequate, transparent, and tied to performance expectations, this factor tends to highly motivate them to achieve better results. This is in agreement with the Expectancy Theory proposed by Vroom, emphasizing the rewards linked to performance. Effective reward management is a way of showing that rewards which employees value are distributed fairly to improve motivation and job satisfaction, leading to organizational success.

The results indicated that broad and relevant training programs contribute to a considerable improvement of performance and motivation at work. The employees with appropriate training are better equipped to carry out their job, thus improving productivity and job satisfaction. This corresponds with the Social Learning Theory, that focuses on continuous development of skills and learning. Investment in a training program develops an individual's potential and helps in cultivating a continuous improvement environment both for employees and the organization.

5.6 Recommendations

The researcher would wish that the Equity Bank Kireka makes its promotion process open and just. That with clear criteria on who gets promoted, and also ensuring that employees understand the pathways to promotions, their motivation to work is bound to increase. This clears up in employees' minds how their efforts will be rewarded through promotion opportunities. This is concurrent with the well-set theories on motivation.

The researcher therefore recommends that the Equity Bank Kireka reward system must always be updated and changed towards equity in consistency with the performance of its employees. As they bring in their mix of financial and non-financial rewards, their being perceived as fair and of value by employees improves the overall motivation and job satisfaction. This will therefore reinforce the demand for a transparent and effective reward system emphasized in the study.

It is recommended by the researcher that in this regard, Equity Bank Kireka should invest in continuous training and developing programs in order to get the best out of them. Relevant and quality training provided to employees enhances their skills and performance and consequently leads to productivity and job satisfaction. The recommendation relates to the significance of effective training programs in the betterment of employee growth and performance.

From these findings, the researcher recommended that management at Equity Bank Kireka involve employees in the development of policies concerning rewards and promotions, since such involvement will enhance their confidence and belief in the system, leading to their responses in meeting the set performance goals. Policy development streamlines the systems to meet the needs and expectations of the workforce.

The researcher suggests that Equity Bank Kireka should focus on timely and constructive feedback. Timely feedback, coupled with supportive reward systems, is one of the important determinants in motivating employees. Feedback de-sensitizes employees about where they are doing a great job and where they need to improve; therefore, it enhances their overall work outcomes.

The researcher recommends that Equity Bank Kireka adopt personal training and reward programs that take into account the various needs and preferences of the bank's employees. Also, a flexible approach in regard to individual differences should be considered in order to ensure that such programs are better and more efficiently delivered to its desired endpoint of motivating and developing personnel. This is very important in ensuring maximum engagement and performance by employees.

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APENDIX 1: QUESTIONNAIRE
QUESTIONNAIRE

Dear Respondent,

My name is **KOBUSINGE BASARA PRISCA**, a student at Uganda Christian University in year 3 pursuing my bachelor's degree in Business Administration. The study is on the impact of reward systems on employee performance. a case study of equity bank Kireka. It is being done as a partial fulfillment of the requirements for the award of the bachelor's degree.

You have been selected to be part of the study and your acceptance is highly valued and appreciated. To ensure that all information remains confidential, please do not include your name. The information obtained will be treated with utmost confidentiality and for academic purposes only. Thank you for your time.

Sincerely,

KOBUSINGE BASARA PRISCA

Section A: Background Information

Kindly tick [✓] in the blank spaces, the items that best describe your choice for each question

1. Gender of the Respondent

Male Female

2. Age of the respondent

Below 20 years 21-30 years 31-40 years Above 41 years

2. Level of Education

PhD Masters Bachelors Certificate Others

3. Position Held

Head of Department Supervisor Administrator Staff

4. Years of Experience

Below 4 years 5-10 years 11-20 years Above 20 years

SECTION B.

In this section, using the rating scale of 5-1 as illustrated below, select by ticking the scale that best describes your opinion concerning the aspect.

5-Strongly Agree 4-Agree 3-Not Sure 2-Disagree 1-Strongly Disagree

A) Pay and Employee Performance.

No.	ITEM	1	2	3	4	5
1	Reward management in Equity Bank has motivated me to improve my performance.					
2	Financial rewards from Equity Bank motivate me to improve my performance					
3	I am considering leaving if my pay is not revised					

4	I always produce quality results according to the set objectives and goals					
5	Customers receive timely service delivery at Equity Bank.					
6	I am satisfied with the pay incentives and bonuses provided by my employer, as they positively impact my overall job performance					
7	The prospect of receiving a pay raise based on performance motivates me to improve my productivity and achieve higher results					
8	I feel that my performance is fairly rewarded with my current pay structure, which encourages me to exceed performance expectations					
9	The clarity and transparency of the pay structure in relation to performance expectations influence my engagement and productivity at work					

SECTION C

In the following sections use the scale provided to tick or circle a number that describes your opinion. 5-Strongly Agree 4-Agree 3-Not Sure 2-Disagree 1-Strongly Disagree

B) Promotion and staff performance

NO	ITEM	1	2	3	4	5
1	Promotion is done satisfactorily in the department					
2	Supervisors are supportive after the promotion					
3	Supervisors ignore responsibility when juniors are promoted					

4	Fellow staff (Juniors) are supportive after promotion					
5	Promotion is done according to performance					
6	The company's promotional activities effectively motivate me to perform at a higher level in my role					
7	I feel that the promotions offered by the company are aligned with my personal and professional goals, which positively impacts my job performance					
8	The recognition and rewards associated with company promotions contribute significantly to my overall job satisfaction and performance.					
9	Promotional opportunities within the company encourage me to set and achieve higher performance goals					
10	The visibility of promotional achievements in the company influences my enthusiasm and commitment to excel in my job responsibilities					

SECTION D

In the subsequent sections use the scale provided to tick or circle a number that describes your opinion. 5 Strongly agree, 4 Agree, 3 Not sure, 2 Disagree, and 1 Strongly Disagree.

C) Training and staff performance.

NO	ITEM	1	2	3	4	5
1	Reward is done according to performance					
2	Training is done fairly in all Equity Bank departments.					
3	The pay is enough to cover some of my expenses.					

4	Management involves staff when making reward management policies					
5	Rewards are evenly distributed					
6	The training programs provided by the company have significantly improved my job performance					
7	I feel that the skills and knowledge gained from training sessions are directly applicable to my daily work tasks.					
8	The training I receive equips me with the necessary tools to overcome challenges and perform my job more effectively.					
9	I believe that the frequency and quality of training provided impact my overall productivity and work outcomes					
10	Feedback and support from training sessions contribute positively to my professional growth and performance in the company.					