

**REWARD STRATEGY, ORGANIZATIONAL COMMITMENT, EMPLOYEE
EMPOWERMENT AND EMPLOYEE PERFORMANCE IN COMMERCIAL
BANKS LISTED IN NAIROBI SECURITIES EXCHANGE, KENYA**

BY

MUGO MURIITHI

**A Thesis Submitted to the School of Business and Economics, Department of
Management Science and Entrepreneurship in Partial Fulfillment of the
Requirements for the Award of the Degree of Doctor of Philosophy in
Business Management (Strategic Management Option)**

,

Moi University

2023

DECLARATION

Declaration by Candidate

This thesis is my original work and has not been presented for a degree in any other University. No part of this work may be reproduced without the prior written permission of the author and/ or Moi University.

Sign: _____ Date: _____

Mugo Muriithi

SBE/D/126/12

Declaration by the Supervisors

This thesis has been submitted with our approval as University supervisors.

Sign: _____ Date: _____

Prof. Loice C. Maru

School of Business and Economics

Moi University, Nairobi, Kenya

Sign: _____ Date: _____

Dr. Joyce Komen

School of Business and Economics

Moi University, Eldoret, Kenya

DEDICATION

First and foremost this thesis is dedicated to my dear wife Lilian Wangui Muriithi for her support. Also, to my children Joseph, Joy and Phoebe Mugo who persistently inquired of my progress and were keen for its completion.

ACKNOWLEDGEMENTS

First of all, I convey gratitude to Professor Loice Maru for her facilitative role as a supervisor which has contributed to the progress made this far. I note that in the beginning she took time to provide a template which has aided the study to a great extent. She has also been instrumental in terms of ideas, advise and availing her time for consultation.

Special thanks to Dr. Joyce Komen for vital and valuable guidance and time as well. Her ideas were timely and have made a big difference.

ABSTRACT

Employee performance is critical to organizations in this era of free market and intensive competition. In this, reward strategy, organizational commitment and employee empowerment are considered important determinants of employee performance. The general objective of this study was to establish the moderated mediated effect of employee empowerment and organizational commitment on the relationship between reward strategy and employee performance in commercial banks listed in Nairobi Securities Exchange. The specific objectives were to establish the direct effect of reward strategy, organizational commitment, and employee empowerment on employee performance, reward strategy on organizational commitment, the mediating effect of organizational commitment on the relationship between reward strategy and employee performance, the moderating effect of employee empowerment on the relationship between; reward strategy and organizational commitment, reward strategy and employee performance and lastly the moderating effect of employee empowerment on the indirect relationship between reward strategy and employee performance through organizational commitment. The study was anchored on Social exchange theory. Other theories were Self Efficacy theory, Equity theory, Social-Structural and Psychological empowerment theory. The study adopted positivism research philosophy, explanatory research design. Stratified random sampling techniques was used in collecting data from a sample size of 394 employees of commercial banks listed in Nairobi Securities Exchange. Data were collected using closed-ended self-administered questionnaire. The study used Cronbach alpha and factor analysis to test for reliability and validity of the instrument. Data were analyzed and hypotheses tested using hierarchical and multiple regression models using Hayes Process macro. Results indicate that reward strategy ($\beta = 0.622$, $p = 0.000$, $R^2 = 0.401$, $\Delta R^2 = 0.379$), organizational commitment ($\beta = 0.513$, $p = 0.000$, $R^2 = 0.617$, $\Delta R^2 = 0.217$) and employee empowerment ($\beta = 0.130$, $p = 0.003$, $R^2 = 0.630$, $\Delta R^2 = 0.013$) significantly influences employee performance. Furthermore, results reveal that; reward strategy has a direct impact on organizational commitment ($\beta = 0.292$, $p = 0.000$, $R^2 = 0.308$, $\Delta R^2 = 0.075$), organizational commitment mediates the relationship between reward strategy and employee performance ($\beta = 0.209$, $CL = 0.122, 0.319$), employee empowerment moderates the relationship between; reward strategy and organizational commitment ($\beta = -0.175$, $p = 0.000$, $R^2 = 0.342$, $\Delta R^2 = 0.034$), and reward strategy and employee performance ($\beta = -0.182$, $p = 0.000$, $R^2 = 0.665$, $\Delta R^2 = 0.035$). The study further shows that employee empowerment moderates the indirect relationship between reward strategy and employee performance through organizational commitment (-0.072 , $CI = -0.026, -0.018$). This study provides new knowledge that organizational commitment acts as the mechanism through which reward strategy enhances employee performance. Additionally, the moderation and moderated mediation models provided new understanding in literature and theory that employee empowerment moderated the indirect relationship between reward strategy and employee performance through organizational commitment and moderated mediation took place at the lower level of the moderator. The findings will hence be very vital for policy formulation and development of appropriate strategies for rewarding employees as well as empowering them for enhancement of organizational commitment and employee performance. Organizations should formulate reward management strategies which are externally competitive, internally fair and consistent with the current acceptable standards for the purpose of enhancing commitment, empowerment and employee performance.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENTS	iv
ABSTRACT	v
TABLE OF CONTENTS	vi
LIST OF FIGURES	xi
LIST OF TABLES	xii
ABBREVIATIONS	xiii
OPERATIONAL DEFINITION OF TERMS	xiv
CHAPTER ONE	1
INTRODUCTION.....	1
1.0 Overview	1
1.1 Background of the Study	1
1.2 Statement of the Problem.....	8
1.3 Objectives of the Study	10
1.3.1 General Objective	10
1.3.2 Specific Objectives	10
1.4 Research Hypotheses of the Study.....	11
1.5 Significance of the Study	12
1.6 Scope of Study	12
CHAPTER TWO	14
LITERATURE REVIEW	14
2.0 Overview	14
2.1 Concept of Employee Performance	14
2.2 Concept of Reward Strategy	22
2.3 Concept of Organizational Commitment	33
2.4 Concept of Employee Empowerment	45
2.5 Theoretical Framework.....	52
2.5.1 Social Exchange Theory	52
2.5.2 Self Efficacy Theory	57
2.5.3 Equity Theory	61

2.5.4 Social-Structural Empowerment Theory and Psychological Empowerment Theory	65
2.6 Empirical Review.....	68
2.6.1 Reward Strategy and Employee Performance	68
2.6.2 Reward Strategy and Organizational Commitment	73
2.6.3 Organizational Commitment and Employee Performance	76
2.6.4 Employee Empowerment and Employee Performance	78
2.6.5 Organizational commitment as a Mediator	80
2.6.6 The Moderating Role of Employee Empowerment	82
2.7 Summary of Literature and Research Gaps	85
2.8 Conceptual Framework.....	88
CHAPTER THREE	89
RESEARCH METHODOLOGY	89
3.0 Overview.....	89
3.1 Research Paradigm.....	89
3.2 Research Design.....	90
3.3 Study Area	91
3.4 Target Population.....	91
3.5 Sample Size and Sampling Technique.....	93
3.6 Data Collection	94
3.6.1 Type, Period and Source of Data	94
3.6.2 Data Collection Instrument	94
3.6.3 Data Collection Procedure	95
3.6.4 Measurement of Variables	95
3.6.5 Testing for Validity and Reliability of the Instrument.....	97
3.7 Data Analysis and Presentation	99
3.7.1 Model specification.....	100
3.8 Assumptions of Regression.....	103
3.9 Ethical Considerations	105
CHAPTER FOUR.....	107
DATA ANALYSIS, RESULTS AND DISCUSSION.....	107
4.0 Overview.....	107
4.1 Data Processing, Preparation and Screening	107

4.2 Response Rate and Non-Response.....	107
4.3 Missing Data	108
4.4 Demographic Profiles of Respondents.....	108
4.4.1 Gender of the Respondents	109
4.4.2 Age of the Respondents	109
4.4.3 Highest level of Education.....	110
4.4.4 Professional Qualification.....	110
4.4.5 Professional Membership.....	110
4.4.6 Job Title	111
4.4.7 Job Category	111
4.4.8 Terms of service.....	111
4.4.9 Period working at the bank	111
4.5 Categorical Results	112
4.5.1 Findings on Gender and Age	112
4.5.2 Highest level of Education Attained and Period working in the Bank	113
4.6 Scale Reliability of the Instruments	114
4.6.1 Reliability Test for Individual Items of Reward Strategy.....	114
4.6.2 Reliability Test for Individual Items of Employee Empowerment.....	115
4.6.3 Reliability Test for Individual Items of Organizational Commitment.....	115
4.6.4 Reliability Test for Individual Items of Employee Performance.....	116
4.7 Factor Analysis for Variables	117
4.8 Descriptive Statistics.....	121
4.8.1 Descriptive Statistics for Employee Performance	121
4.8.2 Descriptive Statistics for Reward Strategy	123
4.8.3 Descriptive Statistics for Employee Empowerment	125
4.8.4 Descriptive Statistics for Organizational Commitment	127
4.9 Descriptive Statistics for the Constructs	129
4.10 Data Transformation	129
4.11 Assessing for Outliers	130
4.12 Correlation Analysis	130
4.13 Testing Assumptions of Regression Analysis.....	132
4.13.1 Normality Test	132
4.13.2: Linearity Test.....	134

4.13.3 Multicollinearity	135
4.13.4 Test for Autocorrelation.....	136
4.13.5 Test for Homoscedasticity	136
4.14 Hypotheses Testing.....	137
4.14.1 Effect of Control Variables in the Study.....	137
4.14.2 Reward Strategy and Employee Performance	137
4.14.3 Organizational Commitment and Employee Performance	138
4.14.4 Employee Empowerment and Employee Performance	139
4.14.5 Reward Strategy and Organizational Commitment	140
4.14.6 Mediating Effect of Organizational Commitment on the Relationship between Reward Strategy and Employee Performance	141
4.14.7 Moderating Effect of Employee Empowerment on the Relationship between Reward Strategy and Organizational Commitment	143
4.14.8 Moderating effect of Employee Empowerment on the Relationship between Reward Strategy and Employee Performance	145
4.14.9 Moderating Effect of Employee Empowerment on the Indirect Relationship between Reward Strategy and Employee Performance through Organizational Commitment	147
CHAPTER FIVE	149
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS	149
5.0 Overview.....	149
5.1 Summary of Research Findings	149
5.1.1 Effect of Reward Strategy on Employee Performance	150
5.1.2 Effect of Organizational Commitment on Employee Performance.....	152
5.1.3 Effect of Employee Empowerment and Employee Performance	154
5.1.4 Effect of Reward Strategy on Organizational Commitment.....	156
5.1.5 Mediating Effect of Organizational Commitment on the Relationship between Reward Strategy and Employee Performance	158
5.1.6 Moderating Effect of Employee Empowerment on the Relationship between Reward Strategy and Organizational Commitment	160
5.1.7 Moderating Effect of Employee Empowerment Relationship between Reward Strategy and Employee Performance.....	161

5.1.8 Moderating Effect of Employee Empowerment on the Indirect Relationship between Reward Strategy and Employee Performance through Organizational Commitment	164
5.2 Conclusion of the Study.....	165
5.3 Implication of the Study.....	169
5.3.1 Theoretical Implication of the Study	169
5.3.2 Policy Makers implications of the Study	170
5.3.3 Managerial Implications of the study	172
5.4 Limitations of the Study.....	174
5.5 Suggestions for Future Research	175
REFERENCES	176
APPENDICES	197
Appendix I: Request Letter for Data Collection	197
Appendix II: Permit License from NACOSTI.....	198
Appendix III: Questionnaire	199
Appendix IV: Reliability Tests	208
Appendix V: Descriptive Statistics	213
Appendix VI: Correlation results.....	218
Appendix VII: Direct effect results.....	219
Appendix VIII: Mediation results	221
Appendix IX: Moderation and moderated mediation results.....	223
Appendix X: Listed Banks in Kenya	225
Appendix XI: Plagiarism certificate	226

LIST OF FIGURES

Figure 2.1: The Triarchy Model of Employee Performance.....	22
Figure 2.2: Typology of organizational commitment	42
Figure 2.3: Conceptual Framework	88
Figure 3.1: Mediation diagram	102
Figure 3.2: Statistical diagram	103
Figure 4.1: Normality Test Histogram.....	133
Figure 4.2: Normal Q-Q Plot Employee Performance.....	134
Figure 4.3: Graphical representation of Employee empowerment on Reward Strategy and Organizational Commitment	144
Figure 4.4: Graphical representation of Employee empowerment on Reward Strategy and Employee Performance	146

LIST OF TABLES

Table 2.1: Empirical Review and Knowledge Gaps	86
Table 3.1: Sample distribution according to commercial banks	94
Table 3.2: Measurement of variables	97
Table 3.3: Statistical Tools for Testing The Study Hypothesis	106
Table 4.1: Response Rate.....	108
Table 4.2: Biographical Information of the Respondents	109
Table 4.3: ANOVA Test for Gender and Age	113
Table 4.4: ANOVA Test for Level of Education and Period working in the Bank... 113	
Table 4.5: Reward Strategy Overall Reliability statistics	115
Table 4.6: Employee Empowerment Overall Reliability statistics	115
Table 4.7: Organizational Commitment Overall Reliability statistics.....	116
Table 4.8: Employee Performance Overall Reliability statistics	117
Table 4.9: KMO and Bartlett's Test	118
Table 4.10: Summary of the Principal Component Analyses for the Variables	118
Table 4.11: Summary of the Descriptive Statistics for the Constructs	129
Table 4.12 Mahalanobis Distance.....	130
Table 4.13: Correlation Analysis	132
Table 4.14: ANOVA ^a Results	135
Table 4.15: Collinearity Statistics.....	135
Table 4.16: Autocorrelation Test	136
Table 4.17: Test of Homogeneity of Variances	137
Table 4.18: Results for Control variables and Direct Effects Hypotheses	139
Table 4.20: Mediating effect of organizational commitment on the relationship between relationship Reward Strategy and Employee performance	143
Table 4.21: Results for Moderating effect of Employee Empowerment.....	146
Table 4.22: Moderated Mediation Results	147
Table 4.23: Summary of the Study Hypotheses.....	148

ABBREVIATIONS

ABSA	-	Almalgated Banks of South Africa
CEO	-	Chief Executive Officer
DTB	-	Diamond Trust Bank
DV	-	Dependent Variable
IV	-	Independent Variable
IMB	-	Investment and Mortgage Bank
KCB	-	Kenya Commercial Bank
KMO	-	Kaiser-Meyer-Olkin
NBK	-	National Bank of Kenya
NCBA	-	National Commercial Bank of Africa
NSE	-	Nairobi Securities Exchange
OCB	-	Organization Citizen Behavior
POB	-	Perceived Organizational Behavior
SCB	-	Standard Chartered Bank
SPSS	-	Statistical Package for Social Sciences
VIF	-	Variance Inflation Factor

OPERATIONAL DEFINITION OF TERMS

Adaptive performance - Employees' ability to adapt to changes in work system and work roles (Koopmans *et al.*, 2011).

Affective commitment - Employees emotional attachment, identification and involvement with organization as a result of favorable perceptions of tangible and nontangible benefits (Allen and Meyer, 1990).

Contextual performance - Behaviors that support the organization social and psychological environment in which the technical core must function (Koopmans *et al.*, 2011).

Continuance commitment - Cost that employee associates with leaving the organization (Muthuveloo and Rose, 2005).

Employee performance - Scalable actions, behavior and outcomes that employees engage in or bring about that are linked with and contributes to organizational goals (Viswesvaran and Ones, 2000).

Normative commitment - Employee feeling, obligation to remain with organization based on the employees having internalized values and goals of the organization (Muthuveloo and Rose, 2005).

Organizational commitment - Strength of an individual of identification with and involvement in a particular organization, characterizing it by three psychological factors, desire to remain in an organization, willingness to exert considerable effort on its behalf and believe in acceptance of its goals and values (Mowday, Steers and Porter, 1979).

Pay techniques -Mechanisms or technologies of compensation management that tie the compensation policies to the reward objectives (Milkovich, Newman and Gerhart, 2011).

Psychological empowerment -Perception that an employee has control over the work environment and feels congruence between his or her values and those of the organization (Rappaport, 1987).

Reward Objectives - Desired results of the pay system which include fairness, compliance and efficiency with rules and regulations (Milkovich, Newman and Gerhart, 2011).

Reward Policies -Foundations on which pay systems are built which include internal structure, external competitiveness, employee participation and management of the pay systems (Milkovich, Newman and Gerhart, 2011)

Reward Strategy -Policy that provides specific directions for the organization to develop and design programs which will ensure its rewards the performance outcomes supporting the achievement of its business goals (San and Theen, 2012).

Structural empowerment - Organization's ability to offer access to information, resource, support and opportunity in the work environment (O'Brian, 2010).

Task performance - Proficiency with which central job tasks are performed (Koopmans *et al.*, 2011).

CHAPTER ONE

INTRODUCTION

1.0 Overview

The chapter presents the background, statement of the problem, objectives, hypotheses, significance, and scope of the study.

1.1 Background of the Study

Employees play a significant role in any business entity and the success or failure of an organization depends to a larger extent on employee performance. (Imran and El naga, 2013). Utilization of employees for the purpose of improving their work performance remains a challenge to organizations. (Tamunomiebi and Oyibo, 2020). Performance indicates work performed by employees, which may be in the forms of effectiveness of their task completion, ability to work with other parties, quality and quantity of their work, and their attendance at work (Martono, Khoiruddin, and Wulansari, 2018). According to Thao and Hwag (2015) employee performance individually or collectively can be affected by factors such as work environment, leadership, empowerment, organizational culture, coaching, training, motivation among others.

Individual work performance is an issue that has not only grasped companies all over the world but has also fueled a great deal of research in the fields of management, occupational health work and organizational psychology (Koopmans *et al.*, 2011). According to Sonnentag, Volmer and Spychala (2010) individual work performance is of great value to both employers and employees. High performance leads to job satisfaction and positively affects the self-esteem of employees (Sonnentag *et al.*, 2010). Well performing employees are more likely to experience career growth and

opportunities, better payment and receive recognition than those whose performance is below expectation.

Individual work role performance drives the entire economy (Campbell and Wiernik, 2005). Further advancing that without individual performance there is no team performance, no unit performance, no organizational performance, no economic sector performance, and no gross domestic product. Employee performance is typically considered as actions which are within the control of the individual employee that advance the goals of the organization (Johnson and Meade, 2009).

Employee performance is critical towards the development of an organization and factors which lay the foundation for better performance need to be given attention since progress it's progress cannot be dependent on one or two individual effort, it is the combined effort of all members of the organization (Yaqoob and Abbas, 2009). It is for this reason that Dessler (2013) probably advances the necessity of aligning total rewards with the firm's strategy arguing that the remuneration plan should first promote the firm's strategic aim.

Dessler (2013) advances that management should produce an aligned reward strategy creating a remuneration package which include, basic salary, allowances and incentives that produce the employees' actions and attitudes needed by the firm to support and achieve its competitive strategy. It is well known that companies which know how to use and invest in their resources can grow faster making from this a business strategy on emerging markets (Vosloban, 2012). This is mainly considered a managerial responsibility and the results not only depend on the management's capabilities but also on the hired employees. Güngör (2011) presents a similar view

that investment in employees which seeks to develop and motivate for the purpose of increasing their performance is one of the main strategies of organizations.

Reward strategy is a core function in human resource management and plays an important role in employee performance (Güngör, 2011). Güngör (2011) advances further that any compensation systems impact organization's capabilities to attract, sustain and motivate employees resulting to betterment of their performance. Kavuludi *et al.* (2016) as well consider incentives as having possible effect of boosting employee performance which is a key priority in today's organizations. Rahim *et al.* (2016) argue that reward management systems should be one of the key organizational policies whose aim is to increase firm's productivity and employee performance. Business entities should therefore develop their strategies with reward as a component of motivation for enhancement of employee performance. Rahim *et al.* (2016) concluded that reward management system must include elements of transparency, fairness and communication to employees at all levels in an organization. Armstrong and Baron (2011) terms reward strategy as all tools available that are at the disposal of management that may be used to source, motivate and retain employees.

Compensation management is an integral part of the management of the organization (Das and Mohapatra, 2014). It contributes to the overall success of the organization in several ways. Das and Mohapatra (2014) further argue that compensation management, also known as wage and salary administration, remuneration management or reward management is concerned with designing and implementing total compensation package for employees. Milkovich *et al.* (2011) describes reward

strategy as being composed of reward objectives, reward policies and the techniques used for compensation.

According to Fornes and Rocco (2004) performance improvement goes beyond the commonly accepted principles of good management and effective leadership. Engaging the emotional commitment of employees is the differentiating factor between top performing companies and those of average performance; emotionally engaged employees are more productive and more customer focused (Fornes and Rocco, 2004). Commitment to organization is related positively to a variety of desirable work outcomes including employee job satisfaction, motivation, and performance, and related negatively to absenteeism and turnover (Fornes and Rocco, 2004).

Korir and Kipkebut (2016) observe that organizations need effectively and efficiently committed employees in order to enable them achieve their objectives. Effectively committed employees have a sense of identification and belonging with an organization and this increases their improvement in the activities of an organization (Korir and Kipkebut, 2016). Clark (2011) argues that the degree to which workers identify with their firms and how hard they are willing to work for them, would seem to be key variables for understanding of both firm productivity and individual labor-market outcomes.

Kessler (2014) argues that organizational commitment is in general terms, an employee's sense of attachment and loyalty to the work organization with which the employee is associated. Accordingly, it is defined in terms of employees' attitudes and intuitions (understood as the precursors of behavior). Employees are said to be committed to the organization when their goals are congruent with those of the

organization, when they are willing to exert effort on behalf of the organization. Organization commitment has been shown to be a key antecedent of other important attitudes and behaviors including those related to performance and turnover (Kessler, 2014).

Employee empowerment plays an important role in increasing company's performance (Mohapatra and Sundaray, 2018). Researchers suggest different points of views on the problem of democratizing the working environment (Mohapatra and Sundaray, 2018). Some of them state that it is very important to create a democratic environment in the company and follow principles of employee involvement. Mohapatra and Sundaray (2018) emphasize that as long as people in the company are motivated to creatively influence their own schedule, provide the monitoring of their own performance and participate in the activities of the company, they have much higher performance. Organizations need to manage and improve the performance of employees as the power or the capacity to produce desirable effects, efficacy of an employee is enhanced by empowerment doubtlessly (Mohapatra and Sundaray, 2018). Empowerment thus helps to create autonomy for employees, allows the sharing of responsibility and power at all levels, builds employees self-esteem, and energizes work force for better performance (Kumar and Kumar, 2017).

According to Fernandes and Moldogaziev (2011) a growing body of empirical evidence from private sector indicates employee empowerment can be used to increase productivity, organizational commitment, job satisfaction and innovativeness. Recent public management studies demonstrate the efficacy of empowerment practices at raising levels of job satisfaction and performance and encouraging innovation in public sector (Fernandes and Moldogaziev, 2011). Sardana

(2019) advances that it is necessary to empower employees as top-level management cannot achieve organizational goals on its own. Empowerment is a philosophy which believes in enriching peoples' jobs and giving power to exercise control over and take responsibilities for outcomes of effort (Saloo and Das, 2011)

An empowered work force that has the relevant knowledge, skills and competencies can produce exemplary organizational results (Munjuri and K'obonyo, 2015). Empowering employees through greater commitment to the organization's goals, encourages employees to take responsibility for their own performance and its improvement (Munjuri and K'obonyo, 2015) and skills and talents inherent in employees can be realized and put to work for the benefit of the organization (Munjuri and K'obonyo, 2015) producing more satisfied customers and profits. Contributions by empowered employees are believed to have a significant impact on business productivity, revenue, and the organizational overall effectiveness.

The focus of the study was ten commercial banks listed in Nairobi Securities Exchange. As at 31st December 2017, the banking sector in Kenya comprised the Central Bank of Kenya, as the regulatory authority, 43 banking institutions (CBK 2017). According to the report, out of 43 banking institutions, 40 are privately owned while the Kenya government had majority ownership in three institutions. In terms of ownership of the private banks, 25 are locally owned while 15 are foreign owned. In terms of size, 8 are considered large, 11 medium and 20 small with a market share of 65.32 %, 25.90% and 7.77% respectively.

The focus of the study was to establish the moderated mediated effect of employee empowerment and organizational commitment on the relationship between reward strategy and employee performance in commercial banks listed in Nairobi Securities

Exchange. These banks are among the eight large banks with a market share of 65.32%.

The banking sector in Kenya has over the years faced a number of challenges including increasing competition, increased regulation by the government and high rate of technological growth especially the mobile phones that now offer banking services (Katua, Mukulu and Gachunga, 2014). Katua *et al.* (2014) argue that under such competitive environment, banks have a lot of pressure to try and come up with creative ideas and products that enable them to survive in such extremely turbulent and competitive environment. It is ascertained that commercial banks in Kenya are faced with issues concerning productivity, competition for customers, efficiency in operation and even high staff turnover (Ndungu and Kwasira, 2016).

According to Central Bank report 2017, the Kenya banking sector continued to grow in terms of inclusiveness, efficiency, and stability on the backdrop of legal regulatory and supervisory reforms and initiatives. As per the report, some of the development and challenges in the banking sector in 2017 were, developments in information and communication technology, innovative systems platforms, Information Communication Technology risks management and controls, technology, and employee efficiency. Njanja *et al.* (2013) study on effect of reward on employee performance: A case of Kenya Power and Lighting Company Limited Kenya, noted that today's organizations are operating in a very dynamic and highly competitive environment. In the study, for organizations to remain relevant in the market, they must be able to respond quickly to ever-changing customer demand.

1.2 Statement of the Problem

Employee performance is a multidimensional concept consisting of task, contextual, adaptive and counter-productive behavior and is highly linked to strategic goals in an organization (Pattnaik, 2020). There are different challenges the banking industry faces in the 21st century which include digitization, legal regulations and changing customer needs. Employee performance therefore plays an important role in enabling banks to maintain a competitive advantage (Kuchciak and Warwas, 2021).

In Kenya, the banking sector operates in an environment where some of the emerging changes and challenges include innovative systems platforms, disruptions brought about by development and changes in information and communication technology and employee efficiency (Central Bank of Kenya, 2017). Compared to other African countries, Kenya has one of the most developed banking sector. However, that success hinges on human resources capital and how it is utilized (Nyasha and Odhiambo, 2015). Munjuri, Obonyo and Ogutu (2015) submit that the Kenyan Banking Sector faces diverse challenges in relation to employee performance arising from low staff retention and scarcity of skilled manpower.

Several studies have been conducted to investigate the determinants and factors that influence employee performance, given the significance it has on the growth and success of organizations (De Menezes and Escrig, 2019). The extensive research on employee performance has covered diverse disciplines such as behavioral science, counter-productive behaviors, attitudinal and human resource management aspects with scholars using different methodologies in their respective research (Sonnentag *et al*, 2008; Salah, 2016). Some of the predictors established from prior research include knowledge management, information and communication technology, psychological

climate, employee empowerment, innovation, creativity, job stress, organizational culture and support, job satisfaction, motivation, employee development practices, job autonomy, training, employee engagement, organizational citizenship behavior, commitment and compensation (Hameed and Waheed, 2011; Biswas and Varma, 2012; Anitha, 2014; Pandey, 2018; Sudiardhita *et al.*, 2018; Abatsi *et al.*, 2019; Tuffaha, 2020; Iskamto, 2021).

The nature of employee performance is that while previous studies and methodology may provide valuable findings and information, it can be argued that none of them capture the complexity and full range of behaviors that constitute employee performance (Koopmans *et al.*, 2011). The existing literature tends to be concentrated towards the direct effects of factors influencing employee performance in organizations. There is a large volume of studies on the impact of reward components such as bonuses, promotions, salary and benefits on employee performance and organizational commitment (Tremblay and Chenevert, 2008; Wambugu and Ombui, 2013; Korir and Kipkebut, 2016; Chelangat, 2016; Ngwa *et al.*, 2019; Tamsah *et al.*, 2021) the influence of organizational commitment on employee performance (Riketta, 2002; Torentino, 2013; Naghneh *et al.*, 2017) and the influence of empowerment dimensions on employee performance (Nzuve and Bakari, 2012; Fernannndes and Monogaziev, 2013; Bose, 2018). Scholars have also investigated either the mediation or moderation effects in this area for instance the mediating role of commitment on reward-performance relationship (Hadziahmetovic and Dinc, 2017; Taba, 2018; Wulandari *et al.*, 2020), the mediating role of empowerment (Seibert *et al.*, 2004; Kanesan *et al.*, 2015; Janardhanan and Raghavan, 2017) and empowerment as a moderator variable (Kim *et al.*, 2013; Aggarwal *et al.*, 2018; Din *et al.*, 2019). Despite

the large body of research and literature which covers direct effects, mediation and moderation models on employee performance very few studies have applied methods to test for moderated mediation effects.

This study therefore seeks to fill this gap through the use of a moderated mediation model in investigating the role of reward strategy, commitment and employee empowerment on employee performance. In addition to establishing the direct relationship between reward strategy and employee performance, this study tested the moderated mediated effect of employee empowerment and organizational commitment on the relationship between reward strategy and employee performance in commercial banks listed in the Nairobi Securities Exchange.

1.3 Objectives of the Study

1.3.1 General Objective

The main objective of this study was to establish the moderated mediated effect of employee empowerment and organizational commitment on the relationship between reward strategy and employee performance in commercial banks listed in Nairobi Securities Exchange.

1.3.2 Specific Objectives

- i. To establish the effect of reward strategy on employee performance
- ii. To examine the effect of organizational commitment on employee performance
- iii. To determine the effect of employee empowerment on employee performance
- iv. To assess the effect of reward strategy on organizational commitment
- v. To examine the mediating effect of organizational commitment on the relationship between reward strategy and employee performance

- vi. To determine the moderating effect of employee empowerment on the relationship between reward strategy and organizational commitment
- vii. To establish the moderating effect of employee empowerment on the relationship between reward strategy and employee performance
- viii. To examine the moderated effect of employee empowerment on the indirect relationship between reward strategy and employee performance through organizational commitment.

1.4 Research Hypotheses of the Study

- H₀₁:** Reward strategy has no significant direct effect on employee performance.
- H₀₂:** Organizational commitment has no significant direct effect on employee performance.
- H₀₃:** Employee empowerment has no significant direct effect on employee performance.
- H₀₄:** Reward strategy has no significant direct effect on organizational commitment.
- H₀₅:** Organizational commitment has no mediating effect on the relationship between reward strategy and employee performance.
- H₀₆:** Employee empowerment has no moderating effect on the relationship between reward strategy and organizational commitment.
- H₀₇:** Employee empowerment has no moderating effect on the relationship between reward strategy and employee performance.
- H₀₈:** Employee empowerment has no moderating effect on the indirect relationship between reward strategy and employee performance through organizational commitment.

1.5 Significance of the Study

The study will be of importance in various ways: First, the findings will add to the existing knowledge in the area of reward strategy, employee performance, employee empowerment and organizational commitment. Secondly, the study findings will serve as a source of reference in the future for researchers and scholars in the area of strategic and human resource management undertaking similar or related studies. It would form a framework for future empirical and theoretical studies in the area of reward strategy, employee performance, employee empowerment and organizational commitment in the banking sector and other organizations in other sectors.

Finally, the study findings will be expected to be of benefit in the banking sector especially to managers on ways of cultivating and entrenching employee performance through reward strategy, employee empowerment and organizational commitment especially given the competition in the industry, which is dependent on employee's contribution for competitiveness, profitability and growth. The study findings would also be of value to both manufacturing and service industry on reward management in relationship to employee performance.

1.6 Scope of Study

The aim of the study was to establish the moderated mediated effect of employee empowerment and organizational commitment on the relationship between reward strategy and employee performance in commercial banks listed in the Nairobi Securities Exchange in Nairobi, Kenya. Therefore, in terms of conceptual scope, this study was limited to four variables: reward strategy, organizational commitment employee empowerment and employee performance, The study was done in Nairobi County targeting 26361 staff working in commercial banks listed in Nairobi

Securities Exchange. The study was carried out from March 2020 up to August 2020. The theories upon which the study was based were social exchange theory being the main theory, self-efficacy theory, equity theory and social-structural empowerment theory. Hypothesis were tested using hierarchical and multiple regression based on Hayes model 4 and model 8 for mediation and moderated mediation. The respondents were staff in management and supervisory positions.

CHAPTER TWO

LITERATURE REVIEW

2.0 Overview

This chapter presents the concepts of employee performance, reward strategy, organizational commitment and employee empowerment. It also deals with theoretical review which explains the theories of social exchange, equity theory, efficacy theory, social structural empowerment theory and psychological empowerment theory and models upon which the study was anchored. Empirical review referring to previous studies were also discussed. A conceptual framework in relationship to objectives and hypotheses of the study.

2.1 Concept of Employee Performance

Motowildo (2003) defines job performance as the total expected value to the organization of discrete behaviors that an individual carries out over a standard period of time. Several performance models in the literature describe categories of behaviors believed to have organizational value. In the above study the categories have been defined either according to their behavioral content (Campbell, 1990), their organizationally relevant consequences (Borman and Motowildo, 1993), their motivational antecedents (Organ, 1988, Sackett, in press), or other antecedents such as ability and personality traits (Viswesvan and Ones, 2000).

Performance antecedents include both direct determinants such as knowledge, skill, motivation, habits and situational opportunities and constructs, and indirect determinants including individual differences in ability and personality and some types of situational variables (Motowildo, 2003). The direct determinants are presumed to mediate effects of the indirect determinants on job performance through

causal mechanisms that involve capacity to learn, opportunity to learn, motivation to learn and dispositional fit.

Researchers agree that performance has to be considered as a multi-dimensional concept (Sonnentag *et al.*, 2008). According to this study at the most basic level performance can be differentiated in terms of process and outcome. One can distinguish between task, contextual and adaptive performance and each of these types in itself is multi-dimensional. Task performance covers a person's contribution to organizational performance, it refers to actions that are part of the formal reward system and addresses the requirements as specified in job descriptions. Task performance in itself can be described as a multi-dimensional construct Sonnentag *et al.*, (2008) proposed hierarchical model of eight performance factors, among these eight factors, five refer to task performance: one; job specific task proficiency, two; non-job specific task proficiency, three; written and oral communication proficiency, four; supervision in case of leadership position, and partly five, management/administration. Contextual performance is different from task performance as it includes activities that are not formally part of job description. It indirectly contributes to an organization's performance by facilitating task performance.

Sonnentag *et al.* (2008) emulates five categories of contextual performance: one; volunteering to activities beyond a person's formal job requirements, two; persistence of enthusiasm and application when needed to complete important task requirements; three, assistance to others, four; following rules and prescribed procedures even when it is inconvenient and five, openly defending organizational objectives.

A third dimension of employee performance, adaptive performance is emulated in Pulakos *et al.* (2000) eight dimensional taxonomy of adaptive performance: one; handling emergencies or crisis situations, two; handling work stress, three; solving problems creatively, four; dealing with uncertain and unpredictable work situations, five; learning work tasks, technologies and procedures, six; demonstrating interpersonal adaptability, seven; demonstrating cultural adaptability and eight, demonstrating physically oriented adaptability (Sonnentag *et al.*, 2008). According to this study adaptive performance is also a multi-dimensional construct.

Koopmans *et al.* (2011) as well argues that work performance is made of multiple components or dimensions. These dimensions in turn are made up of indicators that can be measured directly. The first dimension, task performance, refers to the proficiency with which central job tasks are performed. The second dimension, contextual performance, refers to behaviors that support the organization social and psychological environment in which the technical core must function. The third dimension, adaptive performance refers to employees' ability to adapt to changes in work system and work roles.

Jankingthong and Rurkkhum (2012) identifies two types of employee behavior that are necessary for organizational effectiveness: task performance and contextual performance. Griffin *et al.* (2001) agree with this view that task performance and contextual performance are two distinct dimensions of behavior at work that contributes independently to effectiveness outcomes for organizations. Task performance refers to behaviors that are directly involved in producing goods or services, or activities that provide indirect support for the organization core technical as the study argues that these behaviors directly relate to formal organizational reward

systems. Rich, Lepine and Crawford (2010) project a similar view that the first narrow aspect of job performance is task performance, defined as those aspects that are directly involved in accomplishment of core job tasks or activities that directly support the accomplishment of tasks involved in an organization's technical core. Behaviors that comprise task performance are established and central to any given job, there is consensus about what they are, and they are relatively static over time.

Jankingthong and Rurkkhum (2012) on the other hand define contextual performance as individual efforts that are not directly related to their main task functions. However, these behaviors are important because they shape the organizational, social and psychological contexts serving as critical catalysts for task activities and processes. Contextual performance has further been suggested to have two facets, interpersonal facilitation and job dedication. Interpersonal facilitation includes cooperative, considerate and helpful acts that assist co-workers' performance and job dedication include self-discipline, motivated acts such as working hard, taking initiatives and following rules to support organizational objectives (Jankingthong and Rurkkhum, 2012).

Contextual performance relates to individuals' propensity to behave in ways that facilitate the social and psychological context of an organization (Christian *et al.*, 2011) Contextual performance is important because it represents a type of behavior that is largely under the motivational control of individuals (Griffin, Neal and Neale, 2001). Common examples of contextual performance behaviors include helping co-workers, volunteering for tasks and defending organization (Griffin *et al.*, 2001) These behaviors are important for achieving organizational outcomes and particularly for supporting long term success (Allen and Rush, 1998).

Befort and Hatstrup (2003) view contextual performance as referring to behaviors that contribute to culture and climate of the organization, in other words the context within which transformation and maintenance activities are carried out. Van Scotter and Motowildo (1996) have suggested expanding it to include patterns of behavior that go beyond specific task performance and defined contextual performance as a set of interpersonal and volitional behaviors that support social and motivational context in which organization work is accomplished.

Three basic assumptions are associated with differentiation between task and contextual performance (Sonnentag and Frese, 2001) one; activities relevant for task performance vary between jobs whereas contextual performance activities are relatively similar across jobs, two; task performance is related to ability whereas contextual performance is related to personality and motivation, three; task performance is more prescribed and constitutes in role behavior whereas contextual performance is more discretionally and extra-role. As opposed to task performance contextual performance includes behaviors that are neither formally written nor expected of an employee (Tastan, 2014).

As a component of overall employee performance, adaptive performance refers to the ability of an individual to change his or her behavior to meet the demands of a new environment (Charbonnier –Voirin and Roussel, 2012). Adaptive performance refers to an individual capacity for adoption to dynamic work situations (Charbonnier – Voirin and Roussel, 2012) and to the capability to modify behavior according to the requirements of new environments, situations, or events (Charbonnier –Voirin and Roussel, 2012).

Poropat (2002) argues that despite the evidence of the distinctiveness of task and contextual performance, it remains a fact that the two dimensions are not entirely separate. Poropat (2002) for example found that job dedication overlaps too much with task performance and interpersonal facilitation to provide separate prediction of overall performance. Poropat (2002) likewise found that although the use of multi-trait, multi-rator approach provided strong evidence for the separateness of task and contextual performance, the distinction was more pronounced for non-managerial than managerial jobs, and their substantial correlations between task and contextual performance. Decisions about promotions or other rewards therefore may depend on the relative values that managers' place on task and contextual performance-relevant behaviors exhibited by their sub-ordinates (Befort and Haltrup, 2003).

Yaqoob and Abbas (2009) argues that performance is a multi-dimensional construct aimed to achieve results and has a strong link to strategic goals of an organization. Wambugu and Ombui (2013) views employee performance as about encouraging productive discretionally behavior with a goal to achieve human capital advantage. According to Cheng and Kalleberg (1996) performance is assumed to be affected by structural and task characteristics such as whether employees are able to exercise autonomy and discretion on their work, the extent to which their tasks are clearly defined and whether they are rewarded for hard work. At the organizational level, determining factors that are important in stimulating employee job performance is very critical in that managers may be able to deal with policies and practices affecting employees more effectively and efficiently in the fast-paced work environment of today (Mafini, 2015).

Mafini (2015) argue that job performance is influenced by three principal factors namely, declarative knowledge (knowledge about facts, principles, and objects), procedural knowledge and skills (ability to implement declarative knowledge) and motivation (choice to expend effort, level of effort and persistence). General mental ability has been found to be one of the most predictors of job performance (Schmidt and Hunter, 1998)

Aziza, Youseff and Omrani (2006) advance that declarative knowledge includes knowledge about facts, principles, goals, and the self. It is assumed to be a function of person's abilities, experience, and aptitude-treatment interactions. Secondly, procedural knowledge and skills include cognitive and psychomotor skills, physical skills, self- management skills and interpersonal skills. Predictors of procedural knowledge and skills are again abilities, personality, interest, education, training, experience, and aptitude-treatment interactions and additionally practice and finally, motivation comprises choice to perform, level of effort and persistent effort.

Motowildo and Van Scotter (1994) suggested that task is the proficiency with which a person can carry out task activities. This means that individual differences in knowledge, skills and abilities should co vary more with task performance than with contextual performance. In the study, experience and training should also be more strongly correlated with task performance for the same reasons. In human resource management studies, task performance has been measured using a range of criterion measures including supervisory ratings, productivity indexes, promotability ratings, sales total and turnover rate (Johari and Yahya, 2009). Although these indicators might be presumed to reflect performance at various degree (Johari and Yahya, 2009)

further state that task performance should be distinguished into quality of work done, quantity of work performed and interpersonal effectiveness.

The nature of job performance in an organization depends on the demands of the job, the goals of the job and the mission of the organization and beliefs in the organization about which behaviors are most valued (Berfort and Haltrup, 2013). Research has established that the relative importance given to task versus contextual behaviors has important implications for the definition of performance that is used in formulating human resource decisions; for example, Murphy and Shiarella (1997) showed that the validity of selection procedures depends on the relative values placed on task and contextual performance. Research has also demonstrated that supervisors differ in the relative weight they give to the two dimensions when judging an employee's overall contribution to the organization (Berfort and Haltrup, 2013).

The concept of employee performance is clearly demonstrated by the model of employee performance (Pradham and Jena, 2016). The model developed by Pradham and Jena (2016) explains the dimensions of employee performance which are task performance, contextual performance, and adaptive performance.

In the model, task performance consists of characteristics which includes job responsibilities assigned to an employee as part of a job description. Adaptive performance is one's ability to adopt and provide required support to others in a changing work environment. Contextual performance refers to actions which are voluntarily expended in the place of work by an employee (Pradham and Jena, 2016) that benefits employers intangibly. The model compares well with Heuristic framework of individual work performance which includes all the three dimensions and their indicators (Koopmans *et al.*, 2011).

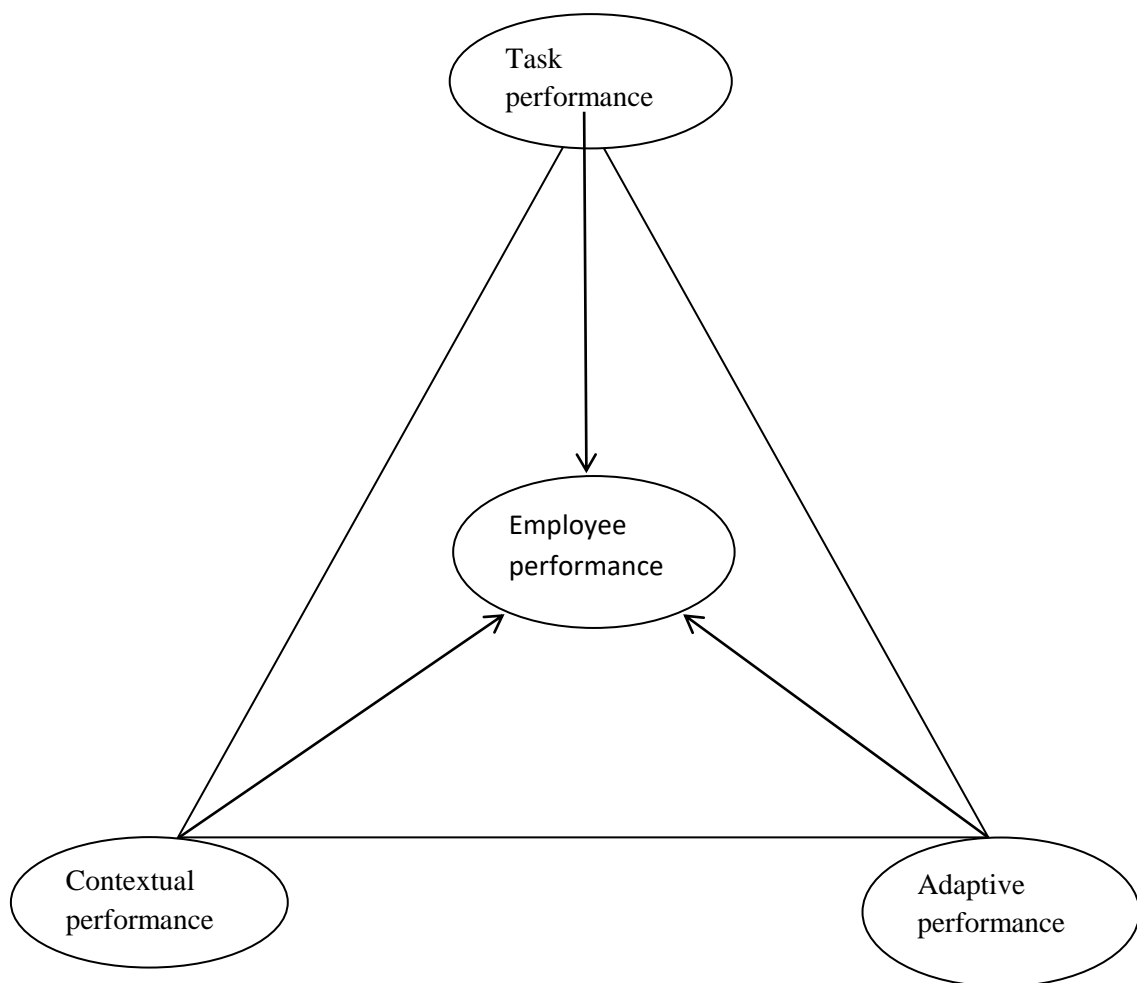


Figure 2.1: The Triarchy Model of Employee Performance

Source: Pradham and Jena (2016)

2.2 Concept of Reward Strategy

According to San and Theen (2012) reward strategy is considered to be the intentional utilization of the remuneration system as an essential integrating mechanism through which the efforts of various individuals and groups within an organization are directed towards the achievement of an organization's strategic goals. Compensation management is an integral part of the management of the organization (Das and Mohapatra, 2014). Compensation and reward strategy aims to attract and retain employees (Agarwala, 2011). Reward strategy also seeks to encourage employees to

perform better and to reinforce behaviors that contribute to the achievement of organizational objectives (Agarwala, 2011). Compensation may directly influence key outcomes like job satisfaction, attraction, retention, performance, flexibility, cooperation, skill acquisition and so forth (Gerhat and Milkovich, 1992). However, its influence may also be indirect by facilitating or constraining the effectiveness of other human resource activities (such as recruiting, selection, training, development). In either case, its significant costs and its potential for significant effects on attitudes, behaviors, and ultimately organization effectiveness suggest that compensation is an area of strategic importance (Gerhat and Milkovich, 1992). Milkovich *et al.*, (2011) describes a pay system in a pay model as containing three basic blocks; reward objectives, reward policies and the compensation techniques.

Reward system is the necessity of the organization to retain and hire the desired employees to gain the competitive edge in such a competitive environment (Mehmood *et al.*, 2013). Ong *et al.* (2012) submit that suitable reward strategy development is indeed very important to each and every organization. Ong *et al.* (2012) propose the total reward approach which could be used to manage and motivate people by thoroughly understanding the relative significance placed on various aspects of reward proposition and applied the well-designed total reward strategy effectively. Compensation is a critical component of organizational strategy, influencing firm performance by motivating employees' effort and by attracting and retaining high ability employees (Larkin, Pierce and Gino, 2012).

Morris and Maloney (2003) argue that reward system objectives are important because they can guide the design of pay system and provide standards for evaluating effectiveness. Objectives of reward systems are to attract and retain employees, to

motivate performance, to promote skill and knowledge development, to contribute to corporate culture, to reinforce and define structure and to determine pay costs (Morris and Maloney, 2003).

Armstrong, Brown and Reilly (2009) on objectives have given an elaborate summary which is; to develop performance culture, to enhance engagement, to increase overall employee satisfaction with rewards, to increase key staff retention levels, to attract high quality applicants, to develop employee value propositions, to enhance pay competitiveness, to increase employee satisfaction with contingent pay decisions, to replace decayed job evaluation scheme and to develop new structure, to introduce career family structure, to support career planning, to reduce grade drift, to introduce contribution related pay scheme, to conduct an equal pay review and act on it, and to introduce flexible benefits.

Hoole and Hotz (2016) support the above position arguing that organizational reward system should be designed to motivate employees in terms of higher performance, productivity, engagement, and commitment levels. Furthermore, the reward systems should also match organizational strategies, goals and culture as well as ensure that organizations attract and retain their people (Hoole and Hotz, 2016). The alignment of the overall reward system to organizational strategies will ensure workplace effectiveness, positive work outcomes and increased efforts (Hoole and Hotez, 2016). Compensation structures incentivize performance and facilitate the hiring and retention of skilled employees and managers (Bao and Wu, 2017).

Agarwala (2011) terms compensation as the sum total of all forms of payment and rewards provided to employees for performing task to achieve organizational objectives. Compensation and reward management is a complex process that includes

decisions regarding benefits and variable pay. On the components, compensation or rewards can be classified in two broad categories, financial and non-financial.

Financial compensation can be of two types – direct (wages, salaries, incentives and bonus) and indirect (benefits) which include such things as pension, insurance and paid time off work (Agarwala, 2011). Non-financial include satisfaction derived from the job, praise and recognition. Agarwala (2011) emulates the objectives of compensation and rewards as; first, pay each employee fairly in line with his or her effort, skills and competencies. Secondly, attract and retain high performing employees. Third, motivate employees towards higher performance. Fourth, reinforce desirable behavior. Fifth, communicate to the employees his or her worthy to the organization. Sixth, align employee efforts with the achievement of organizational objectives. Seventh, enhance cooperation and collaboration among team members. Eighth and lastly, provide employee social status. Thus, compensation and rewards serve several objectives for both employee and organization.

The role of compensation policies in enhancing sustainable competitive advantage has attracted considerable academic attention in the past decade (Trembley and Chenevert, 2008). Employee remuneration management consists of organizations processes, practices, and policies to grant the rewards to its employees based on their skills, competences, abilities and their value in the market (Pal, 2013). It is not only about pay and employee benefits but also related to non-financial rewards such as recognition, learning and development opportunities and increased job responsibilities in equal proportions. Reward management can be achieved by developing and implementing strategies, policies and practices with the help of principles such as

reward philosophies, justice in distributive manner, fairness, equity, consistence and transparency (Pal, 2013).

Pal (2013) continues to argue that the elements of reward management systems include business strategies, reward strategies and policy, basic pay, contingent pay, employee benefits, allowances, total remunerations, job evaluation, market rate analysis, grade pay and structures, performance management, non-financial rewards and total rewards. Güngör (2011) advances a similar view that reward systems comprise of the organization policies, processes and practices for rewarding employees according to their abilities, contributions and artifice. It progressed with the organization reward philosophy, strategies and policies and includes agreements in form of processes, practices, structures, and procedures which will provide appropriate types and levels of pay benefits and other forms of rewards.

Chelangat (2016) introduces reward system as an important aspect of human resource management that is concerned with formulation and implementation of strategies and policies whose aim is to reward employees on the basis of fairness in line with particular values espoused by the organization. Chelangat (2016) continue to argue that reward systems if properly administered can improve the quality of labor and performance on jobs, and the converse can lead to staff turnover and poor productivity of labor.

According to Amos *et al.* (2008) clear, well-thought, thorough policy on compensation is needed in any organization. The objective of any compensation function is to create a system of reward that meet the needs of employer and the employee alike adding that the desired outcome is an employee who is attracted to work and motivated to do a good job. Amos *et al.* (2008) argues that criteria for

effective compensation which would be considered when formulating a compensation policy as being adequate, equitable, balanced, cost effective, performance related and acceptable to employees. To motivate behavior, the organization needs to provide an effective reward system (Katua, Mukulu and Gachungu, 2014), also advance that a reward strategy is a declaration of intent that defines what the organization wants to do in the long term to develop and implement reward policies, practices and processes that will further the achievement of its business goals and meet the needs of the stakeholders. An effective reward system has four elements; rewards need to satisfy the basic need of all employees; rewards need to be involved in the system and be comparable to one offered by competitive organization in the same area; rewards need to be available to people in the same position and be distributed fairly and equitably (Goel, 2008). Katua *et al.* (2014) concludes that managers often use rewards to reinforce employee behavior that they want; concluding that reward power is available when managers confer rewards in return for desired actions and outcome.

It is important to understand that a reward system will essentially impact individual and team members' performance and engagement levels within the workplace (Hoole and Hotz, 2016). It is therefore crucial to implement an effective and efficient reward system based on each unique organization's need (Hoole and Hotz, 2016). Compensation is inherently strategic (Larkin, Pierce and Gino, 2012). Firms apply different remuneration strategies and have discretionary power in selecting their pay and reward choices (Larkin *et al.*, 2012). As the human resource and personnel economics literatures explain, these policies directly affect employee performance, but they are also highly complementary with other activities of the firm (Larkin *et al.*, 2012). Balkin and Gomez-Meja (1987) continue with the same kind of argument that

compensation is considered an important part of the strategic trust of human resource management. In the recent work of Beer *et al.* (1985) compensation (referred to as reward systems) is one of the four major policy areas of human resources about which all general managers must become knowledgeable and that human resource management practices (including compensation) may give a competitive advantage to one corporate over its rivals (Balkin and Gomez-Meja., 1987).

It is clear from research discussed that compensation/benefit policy can have a sizeable impact on employee turnover, motivation, performance and attitudes (Schlemann, 1987). In order for employers to achieve their objectives from benefits or any compensation policy the plan must fulfill several criteria; it must be legal; it must serve various corporate purposes and it must meet employee needs (Schlemann, 1987). Schlemann (1987) argues that employers obviously have myriad goals that vary from one organization to another. However, there are a number of common goals that transcend most organizational boundaries: profitability (except in non-profit organizations), longevity, growth and mission.

Bloom and Milkovich (1998) express a similar view that compensation system must fit with organizational goals and objectives. Properly structured and aligned compensation and rewards may help create and foster trust-based relationships, one which helps extract unique, inimitable, value adding, human resources and direct them towards the organization's objectives. For most organizations this implies an effective use of labor (Schlemann, 1987). This implies the use of compensation and benefit policies that improve output and yields while controlling costs.

Employees reward policies in any organization controls the behavior and pattern of work hence a major driving force towards organizational commitment. This is

because employee rewards dictate the level of motivation essential or attainment of individual and organizational goals. Asem (2016) presents a similar view that the practices of compensation have far reaching effects on the competitive advantage. As a way of developing competitive advantage in a global economy, the program of compensation of the organization should totally support the organization's strategic plans and actions.

Das and Mohapatra (2014) argue that various components of compensation such as wage/salary, incentives, benefits, pre-requisites are properly taken into consideration by the organization while designing the compensation policy for employees. Owing to the emphasis on literacy level, today most of the employees are educated, well informed and they are very much aware of their rights (Das and Mohapatra, 2014). Therefore, taking all this into consideration a sound compensation policy is a compulsory factor for every organization under compensation management system so that they maintain a stable and satisfied workforce.

Dessler (2010) advances that employee compensation refers to all forms of pay going to employees and arising from their employment, further clarifying that it has two main components, direct financial reward payment (wages, salaries, incentives, commissions, and bonuses) and indirect financial payments (financial benefits like employer paid insurance and vacations). Compensation plan(s) should further the firm strategic aims (Dessler, 2010). Managers therefore should produce an aligned compensation strategy, employer basic task here being to create a bundle of rewards - a total reward package aimed at eliciting the employee behaviors the organization requires for sustainability of competitive advantage.

Armstrong (2010) in regard to reward strategy has developed a model of total reward which presents rewards in four dimensions in terms of pay (base pay, contingent pay, cash bonuses, long term incentives shares and profit sharing), benefits (pensions, holidays, health care, other perks, flexibility), learning and development (work place learning and development, training, performance management and career development) and work environment (core values of the organization, leadership, employee voice, recognition, achievement, job design and role developments - responsibility, autonomy, meaningful work, the scope to use and develop skills, quality of work life, work life balance, talent management). Pay and benefits represent transactional rewards which are financial in nature and are essential to recruit and retain staff but can easily be copied by competitors while the other two as intangible (relational) or non-monetary rewards are necessary in enhancing the value of financial rewards. Armstrong (2010) advocates that real power comes when organizations combine relational and transactional rewards.

Jiang *et al.* (2009) on the other hand view reward as the compensation which an employee receives from an organization for his or her service. It does not only contain direct currencies and other forms which can convert to currencies but also comfortable office, favorable interpersonal relationships inside the organization, having access to decision making involvement, the challenge and sense of achievement, preferable growth opportunities and so forth, these kinds of forms which is difficult to measure in various currencies.

Jiang *et al.* (2009) further argues from marketing communication perspective, reward is the market form of human resource value and form the distribution point which is the return of respective contribution of human capital adding that reward has a

compensatory function; it is an exchange of service one employee has offered or the retribution for the work done.

According to Nazir *et al.* (2012) work rewards indicate the benefits workers receive from the workplace and are considered the determinants of job commitment and satisfaction, defining reward as all the psychological, non-cash and cash, provided by firms in return of their input. Nazir *et al.* (2012) project the view that rewards are more than archaic concept of receiving pay checks after a week, rather the embrace of the holistic value scheme that the employer recommend to the employee that includes compensation (consisting of base pay, short and long-term incentives, benefits, work /life and career development). Buch (2006) states that the concept of six sigmas indicates the four categories of reward as intrinsic, extrinsic, social and organizational remuneration.

Intrinsic rewards according to Nazir *et al.* (2012) refer to internal feelings of satisfaction, involvement, growth, autonomy and self-competence, and individual experience during career. Extrinsic rewards are based upon organizational participation and performance categorized into direct and indirect form. Nazir *et al.* (2012) consider the direct reward as a small token of appreciation while indirect refers to financial security and better prospects.

On the other hand, social rewards are related to Alderfers social relatedness and affiliation (Alderfer, 1969) and are associated with team-based projects that reinforce the employees to interact with peers in order to obtain the shared goal outcome. Organizational remuneration refers to the probability of increasing profits and productivity; extensive training that streamline the main business process and good communication between the employees and management.

Mehmood *et al.* (2013) advances that reward system is not just about raise in salary and bonuses, sometimes include both of these incentives, this also include awards and recognition, reassignments, promotion and other reward programs.

Milkovich, Newman and Gerhart (2011) showing the variety of returns people receive from work categorizes them as total compensation and relational returns. Relational returns (learn opportunities, status, challenging work and so on) are psychological while total compensation returns are more transactional. Total compensation includes pay received directly as cash (base, merit, incentives, cost of living adjustments) and indirectly as benefits (pensions, medical insurance, programs to help balance work and life demands, brightly colored uniforms). Pay comes in different forms and programs to pay people can be designed in a wide variety of ways (Milkovich *et al.*, 2011).

Reward strategy has been explained through a model developed by Milkovich, Newman and Gerhart, (2011). The model contains objectives, policies and the techniques that make up the compensation system. On objectives, pay systems are designed to achieve fairness, efficiency, ethics and compliance with laws and regulation aimed at improving performance, increasing quality, delighting customers and stakeholder and controlling labor costs.

Fairness calls for their treatment for all employee by recognizing both employee contributions (higher pay for greater performance, experience, or training) and (employee needs fair wage as well as fair procedures) procedural fairness refers to the process used to make pay decisions. Compliance as a pay objective means conforming to federal and state compensation laws and regulations. Ethics – means the organization cares about how results are achieved. In summary objectives guide

the design of pay systems and also serve as the standards for judging the success of the pay system.

Milkovich *et al.* (2011) advance that every employer must address the policy decisions which are internal structure, external competitiveness, employee input and management of pay systems arguing that the policies are foundation on which pay systems are built and serve as guidelines for managing pay in ways that accomplish the systems objectives. Internal alignment refers to comparison among jobs or skills inside a single organization, external competitiveness to pay comparison with competitors, employee contributions is an important policy decision since it directly affects employee attitudes and work behaviors while management means ensuring that the right people get the right pay for achieving for the right objectives in the right way. The third component which is remuneration techniques connect the basic policies to the pay objectives and consist of internal alignment, salary structure, job evaluation and pay for performance.

2.3 Concept of Organizational Commitment

Solinger, Olfen and Roe (2008) summarizing view of various scholars in organizational commitment advance that there is widespread agreement in literature that organizational commitment is an attitude (Allen and Meyer, 1990; Angle and Perry, 1981; Buchanan, 1974; Jaros, Jernier, Koehle and Singig, 1998, Mowday *et al.*, 1982, O'reilly and Chatman, 1986), Some scholars have referred to commitment as psychological state (Allen and Meyer, 1990), and others have referred to commitment as simply bond or linking (Martieu and Zafae, 1990, Mowday *et al.*,1982) of the individual to the organization; an affective attachment (Bauchanan, 1974); an orientation (Sheldon 1971), "a readiness to act" (Leik, Owens and Talkman, 1999), or

“unconflicted state of internal readiness“ (Brickman, Janoff-Bullman, and Rahinowitz, 1987). All these display a structural similarity to what is commonly understood as an attitude, a person’s internal state, preceding and guiding action, comprising feelings, beliefs and behavioral inclinations (Solinger *et al.*, 2008).

According to Steers (1977) organizational commitment may be defined as the relative strength of an individual’s identification with and involvement in a particular organization. It can be characterized by at least three factors; one, a strong believe in and acceptance of the organization’s goals and values; two, a willingness to exert considerable effort on behalf of the organization and three a strong desire to maintain membership in the organization.

Stanes and Truron (2007) express a similar view that organization commitment is the employee’s state being committed to assist in the achievement of the organizational goals and involves the employee’s levels of identification, involvement and loyalty. Terming it, as an emotional response that can be measured through peoples’ behavior, beliefs and attitudes and can range anywhere from very low to very high. The study refers to John and Allen (1997) identification of three types of organizational commitment which are affective, continuance and normative. Affective which in the study is termed as moral commitment occurs when individuals fully embrace the goals and values of the organization, employees become emotionally involved with the organization and feel personally responsible for the organization’s level of success. These individuals usually demonstrate high levels of performance, positive work attitudes and a desire to remain with the organization. Continuance, as calculative commitment occurs when individuals base their relationship with the organization on what they are receiving in return for their efforts and what would be

lost if they were to leave (that is pay, benefits, associations). These individuals put forth their best effort only when the rewards match their expectation. Normative commitment occurs when individuals remain with an organization based on expected standards of behavior or social norms. These individuals value obedience, cautiousness and formality. Research suggests that employees tend to display the same attitudes and behaviors as those who have affective commitment.

Meyer and Allen (1991) as well argue that commitment as a psychological state has at least three separate components, reflecting, one, a desire (affective commitment); two, a need (continuance commitment) and three, an obligation (normative commitment) to maintain employment in an organization. Each component is considered to develop as a function of different antecedents and to have different implication for on-the-job behavior. Meyer, Becker and Vandenberghe (2004) also identified several bases for the development of the three forms of commitment. Affective commitment includes personal involvement, identification with the relevant target and value congruence (Becker 1992, and Becker *et al.*, 1996). Normative commitment develops as a function of cultural and organizational socialization and the receipt of benefits that activate a need to reciprocate (Scholl, 1981) and (Wieher, 1982). Continuance commitment develops as the result of accumulated investments or side bets (Becker, 1960), that would be lost if the individual discontinued a course of action and as a result of lack of alternatives to the present course (Powell and Meyer, 2004).

Commitment affects the organization and the person making two levels. One; organizational commitment which is directed by organization attributes and defined as the psychological and emotional attachment of employees to their organization (Fornes and Rocco, 2004) and two; individual employee commitment, guided by

attributes that directly affect the person and is defined as a psychological and emotional state of an individual to their jobs, careers, work groups or teams, peers and supervisors.

Ghosh and Swamy (2014) advance the view that organizational commitment is a core predictor of employee attitude to the organization and is a strong indicator of turnover behavior, withdraw tendency and organizational citizen behavior.

The origin of organizational commitment can be traced from several scholars. The Side Bet theory from Becker (1960), Porter's (1974), Affective Dependence theory O' Reckley and Chatman (1986), Meyer and Allen's multi-dimension theory (1984, 1990), Cohen's two dimension (2007) and Somer's combined theory (2009). Each of these theories has its own way of explaining the concept, and a strong bearing on the present status, of organizational commitment (Ghosh and Swamy, 2014).

Allen and Meyer (1990) multidimensional approach to organizational commitment is considered to be the dominant outlook towards organizational commitment, adding that contribution of others is ambiguous and needs careful consideration towards understanding the concept of commitment. The concept can therefore better be understood by briefly reviewing various theories (Ghosh and Swamy, 2014).

Meyer and Allen (1984) submit that according to the Side Bet theory, organizational commitment increases with the accumulation of side bets or investment. Baker (1960) Side Bet theory describes commitment in general as a disposition to engage in consistent lines of activity as a result of the accumulation of "side bet's" that would be lost if the activity were discounted. When used to explain commitment to the organization, the consistent line of activity refers to maintaining membership (that is

employment) in the organization and on the term side bet refer to anything of value the individual has invested (for example time, effort, money) that would be lost or deemed worthless at some perceived cost to the organization if he or she were to leave the organization. Clarifying further, such investments might include contributions to non-vested pension plans, development of organizational specific skills or status, use of organizational benefits such as reduced mortgage rates and so on. Therefore, the perceived lack of alternatives to replace or make up for the foregone investments at any rate is the threat of loss that commits the person to the organization.

This and similar views of commitment can be labeled continuance commitment (that is, commitment to a certain line of action and is generally believed to develop on the basis of an economic rational (Steers *et al.*,1978). This is not the only way to view commitment in that other investigators (Buchanan, 1974; Porter, Crampon & Smith 1976; Porters, Steers, Mowday and Buchanan, 1974; and Steers. 1977) conceptualize commitment as an affective or emotional orientation to an entity, in this case the organization.

According to Welbo, Kaur and Jun (2010) a second view of organizational commitment was advanced by Porter *et al.* (1974). In this view focus of commitment shifted from tangible side bets to psychological attachment one had to the organization. The affective dependence school attempted to describe commitment as a kind of attitude-centered but “economic contract”. Employee’s retention does not just come from economic factors but also affective influence and may be the latter are more significant. Welbo *et al.* (2010) further argues that the theory advanced commitment as an alternative construct to job satisfaction and argue that commitment can sometimes predict turnover better than job satisfaction. Referring to Mowday *et*

al. (1979) commitment was characterized by 3 related factors which are: one; a strong belief in and acceptance of the organization goals and values, two; a willingness to exert a considerable effort on behalf of the organization and three; a strong desire to maintain membership in the organization. Welbo *et al.* (2012) conclude that although Porter and his colleagues had contributed for commitments' evolution, they still continued with one of the basic assumptions of Beckers theory namely, the strong ties between the commitment and turnover and following the one-dimensional guidance.

According to Cohen (2007) a third dimension on organizational commitment is that of O'reilly and Chatman (1986) who built their approach upon what they portrayed as the problematic state of commitment research namely the failure to differentiate carefully among the antecedents and consequences of commitment on one hand and the basis for attachment on the other. The two define commitment as the psychological attachment felt by the person for the organization arguing that psychological attachment may be predicted by three independent factors. One, compliance or instrumental involvement for specific extrinsic rewards, two; identification or involvement based on a desire for affiliation and three, internalization or involvement predicted on the congruence between individual and organizational values.

O'reilly and Chatman (1986) made a clear distinction between two processes of commitment: the instrumental exchange and the psychological attachment. And that the compliance dimension that represents the exchange process leads to a somewhat shallower attachment to the organization while the deeper attachment according to O'reilly and Chatman (1986) results from the psychological attachment formed by two other dimensions namely the identification and internalization. In comparison

with previous studies, they conclude that previous approaches Becker (1960), Porter *et al.* (1974) emphasized commitment as an important determinant mainly of turnover. O'reilly and Chatman (1986) argued that psychological attachment could result in other behaviors and pointed to organizational citizenship behavior (OCB) as a relevant outcome of commitment.

Another dimension is that of Meyer and Allen (1997), Jaros (2007) describes the three-component model of commitment developed by Meyer and Allen, 1997 as arguably dominating organizational commitment. The model proposes organizational commitment is experienced by employees as three simultaneous mindsets encompassing affective, normative and continuance organizational commitment. Affective commitment reflects commitment based on emotional ties employees develop with the organization primarily via positive work experience; normative commitment reflects commitment based on perceived obligation towards the organization, for example rooted in the norms of reciprocity and continuance commitment reflects commitment based on the perceived costs both economic and social of leaving the organization. Jaros (2007) concludes that commitment has been used by researchers to predict important employee outcomes including turnover and citizen behaviors, job performance, absenteeism, and tardiness.

Dixit and Bhati (2012) advance that employee commitment is important because high levels of commitment lead to several favorable organizational outcomes. It reflects the extent to which employees identify with the organization and is committed to its goals. Echoing Dordevic (2004) view that the commitment of employees is an important issue because it may be used to predict employees' performance, absenteeism and other behaviors. Referring to Meyer and Allen (1997) the committed

employee is perceived to be one who stays with the organization even in turbulent times, attends work regularly, protects company's assets and shares company's goals.

Pittinsky and Shih (2005) also see affective commitment as referring to employees' emotional attachment to identification with and involvement in the organization; continuance commitment referring to commitment based on the costs that employees associate with leaving the organization such as the loss of income and normative commitment refers to employee feeling of obligation to remain with organization. Employees can experience each of these types of commitment to the organization to varying degrees.

Meyer, Becker and Vandenberg (2004) contend that although all the three forms of organization commitment are considered to have tendency to bind employees to the organization, their relations with other types of work behavior can be quite different. Affective commitment has the strongest positive correlation with employee performance, organizational citizen behavior and attendance, followed by normative commitment. Continuance commitment tends not to be related to these behaviors.

Lee and Chen (2013) see affective commitment which relates to emotional attachment as normally linked to a favorable working environment and relationship with other employees. Normative commitment on the other hand is related to obligations employees may feel they owe the organization for being given a job when they need it most. Finally, continuance commitment relates to such terms of employment as job contracts, which may make leaving the current job very costly or troublesome.

According to Gul (2015) commitment is considered to be a psychological immersion of an individual with his institute through sense of belonging, ownership of

organizational goals and being ready to accept challenges. Creating commitment among employees is important because without this it will become difficult for an organization to achieve strategic goals. It is generally assumed, for example, that greater organizational commitment contributes to better performance as more committed employees should be motivated to work hard on their organization behalf (Cheng and Kallerg, 1996).

Muthuveloo and Rose (2005) argues that the concept of employee commitment lies at the heart of any analysis of organizational management, claiming that indeed the rationale for introducing organizational management policies is to increase levels of commitment so positive outcomes can ensue. Expounding on Meyer and Allen (1999), components of organizational commitment they express the view that affective commitment refers to employees' emotional attachment to, identification with and involvement in the organization based on positive feelings or emotions towards the organization. The antecedents for affective commitment include perceived job characteristics (task autonomy, task significance, task identity, skill variety and supervisory feedback), organizational dependability (extent to which employees feel the organization can be counted on to look after their interests) and perceived participatory management (extent to which employees feel they can influence decisions on the work environment and other issues of concern to them).

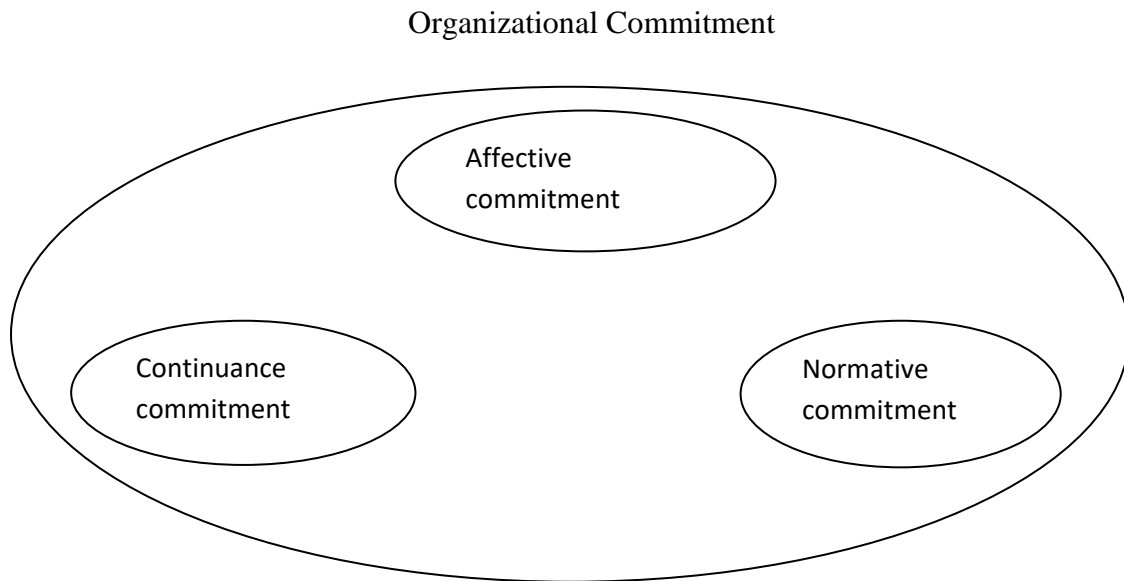


Figure 2.2: Typology of organizational commitment

Source: Muthuveloo and Rose (2005)

On affective commitment, the use of these antecedents is consistent with findings by researchers such as Steers (1974), Moltaz (1988) and Rowden (2003) and that these factors create rewarding situations, intrinsically conducive to the development of affective commitment. It is hypothesized that employees with low affective commitment will choose to leave an organization, while employees with high affective commitment will stay for longer periods as they believe in the organization and its mission (Muthuveloo and Rose, 2005).

According to Muthuveloo and Rose (2005) continuance commitment refers to commitment based on the costs that employee associates with leaving the organization (due to high cost of leaving). Potential antecedents of continuance commitment include age, tenure, career satisfaction and intent to leave. Normative commitment refers to an employee feeling of obligation to remain with the organization (based on the employee having internalized the values and goals of the organization). The potential antecedents for normative commitment include co-

worker commitment, (including affective and normative dimensions as well as commitment behaviors), organizational dependability and participatory management (Muthuveloo and Rose, 2005).

The multidimensionality of organizational commitment reflects a complex nature (Mclaggan Bezuidenhout and Botha, 2013). Affective commitment, continuance commitment and normative commitment coexist, but are not mutually exclusive and it is possible for an employee to develop one or any combination aspects of commitment (Mathebula, 2005).

Mclaggan *et al.*, (2013) advance that from an attachment perspective, it can be said that affective commitment reflects the strength of the relationship, continuance commitment reflects duration and normative commitment reflects responsibility. They conclude by arguing that people stay in an organization either because they want to (affective commitment), they have to (continuance commitment), or they ought to (normative commitment). All three dimensions of organization commitment have positive effect on job performance of employees, but normative commitment has positive and significant relationship on employee's job performance (Khalid *et al.*, 2015).

According to Fornes and Rocco (2004) the consequences of workplace commitment are the effects and outcomes that result from organizational and individual employee commitment. Employees with strong organizational affective commitment are emotionally attached to the organization having a greater desire to contribute meaningfully to the organization, choose to be absent less, work harder improving production and overall performance on the job (Fornes and Rocco, 2004).

Affective organizational commitment is beneficial to the employee as well. Employees that have high levels of affective commitment experience lower stress levels even though they work longer and harder than those not committed. Affective commitment encourages motivation (Meyer and Allen, 1997) and lower psychological physical work stress (Reilly and Orsak, 1991), less emotional exhaustion and depersonalization (Jamal, 1990). Employees committed to the organization, their jobs and careers appear happier and are able to exert more quality time to their families and hobbies (Reilly and Orsak, 1991).

According to Meyer and Allen (1991), commitment is conceptualized in three approaches, affective, continuance and normative commitment respectively. Common to these three approaches is the view that commitment is a psychological state that characterizes the employee's relationship with the organization and has implications for the decision to continue or discontinue membership in the organization. The model proposed by Meyer and Allen (1991) is the most frequently analyzed model and its authors are said to have had the greatest contribution to the development to multi-dimensional approach to organizational commitment (Wolowska, 2014). It integrates two principle approaches to commitment: the first one connected to Porter and collaborators works (Porter, Sterrs, Mowday and Boulian, 1974) described organizational commitment as an attitude and the strength of an individual's involvement and identification with a particular organization and the second, based on Backer's proposition (1960) treated commitment as a tendency to remain within the organization due to perceived costs of abandonment. Wolowska (2014) submits that the initial theoretical proposition of Meyer and Allen (1984) consisted in

distinguishing two commitment components affective and continuance. Further the model was extended by a third component normative commitment (Wolowska, 2014).

Meyer and Allen (1991) study was the first to argue that attitudinal and behavioral issues are correlated and need to be considered together in order to arrive at a more accurate measurement of employee commitment (Wong, 2014). Meyer and Allen (1991) described attitudinal commitment as the process in which employees consider their relationship with their organization in terms of whether their own values and goals are congruent with those of the organization. Behavioral commitment on the other hand was considered as the process by which individual employees engage into a particular organization. Meyer and Allen (1991) also suggested that the psychological attachment that employees often have to an organization is not limited to values and goals but also reflect a desire, a need and/or an obligation to maintain membership of the organization.

The study adopted Meyer and Allen (1991) three dimensional components to measure organizational commitment of employees in commercial banks listed in the Nairobi Securities Exchange.

2.4 Concept of Employee Empowerment

There has been a growing interest in the construct of empowerment and related management practices among both management researchers and practitioners (Conger and Kanungo 1988). According to Conger and Kanungo (1988) this interest is due to several reasons: first, studies on leadership and management skills (Bennis and Nanus 1985, House in Press, Canter 1979 and 1983 and Mc Clelland, 1975). Conger and Kanungo (2013) suggest that the practice of empowering subordinates is a principal component of managerial and organizational effectiveness. Second, analysis of power

and control within organizations and reviews that the total productive forms of organizational power and effectiveness grows with superiors sharing power and control with subordinates. Finally, experiences in team building within organizations and suggests that empowerment techniques play a crucial role in group development and maintenance.

Fernandez and Moldogaziev (2013) are in agreement with above position arguing that the last three decades have witnessed the spread of employee empowerment practices through the public and private sectors and has been used to improve job satisfaction, organizational commitment, innovativeness and performance.

Over the period of time, various scholars have come up with different definitions of employee empowerment (Bose, 2018). For example, Conger and Kanungo, (1998) has related the concept to the process of boosting feelings of self-efficacy and eliminating the factors triggering the feeling of powerlessness of employees, whereas (Burker, 1986) has emphasized on shift of power to employees as fundamental of employees' empowerment. Kirkman and Rosen (1999) have however defined the same using four dimensions such as autonomy, impact, meaningfulness, and group potency; the dimensions are related because they are likely to be mutually reinforcing and this observation is supported by different researchers.

Regarding benefits of employee empowerment in general studies by (Strauss, 1977), and (House, 1988) has highlighted the aspects like improved self-control, feeling of self fulfilment and growth of self-responsibilities among others (Bose, 2018). Employee empowerment refers to delegation of power and responsibility from higher levels in organization hierarchy to lower-level employees especially the power to make decisions (Arneson and Erberg, 2006).

Kumar and Kumar (2017) argue that at the individual level, the personal factors which are facilitating empowerment are challenging jobs, enthusiasm, competence, maturity self-esteem. Most of these factors can be enhanced through training and development as they play a catalytic role in promoting employee empowerment and involvement. Kumar and Kumar (2017) in view empowerment as to release improved power and authority with relevant duties and expertise to employees. Empowerment has been defined in numerous ways, but most authors agree that the core element of empowerment involves giving employees a discretion (or latitude) of a certain task related activity (Kumar and Kumar, 2017).

Kumar and Kumar (2017) defines empowerment as transfer of power from the employer to the employees. Kumar and Kumar (2017) for instance argue that empowerment is not only having the freedom to act but also having higher degree of responsibility and accountability. This indicates that management must empower their employees so that they can be motivated, committed, satisfied and assist organizations in achieving its objectives (Kumar and Kumar, 2017). The purpose of empowerment is to increase the authority, knowledge, motivation related to the work of employees; therefore, enhance contribution of employees to the company and customers satisfaction (Karakoc and Yilmaz, 2009)

Ibua (2017) states that empowerment has emerged as a construct deemed critical to organizational innovativeness and effectiveness, as such empowerment initiates should be geared towards changing the role of managers. Ibua (2017) continue to argue that a key presumption of the empowerment theory is that empowered employees perform better than less empowered. They conclude that consistent with empowerment and human resource literature, employees' feelings of being

empowered could be attributed to increased autonomy, participation to decision making and assessing of information.

According to Ameer, Bhatti and Baig (2014) employee empowerment as defined by McClelland (1995), Conger and Kanungo (1988) may be seen as part of the broader concept of employee involvement which also include participative management, Rowler *et a.* (1992) Cummings and Worley (1997) job enrichment, Hackman and Oldham (1980) industrial democracy, Poole (1996), Nyloedem *et al.* (1994). Ameer, Bhatti and Baig (2014) argue that over the last twenty years, two contemporary perspectives on empowerment have emerged in literature. The first is much more macro and focuses on social-structure conditions that facilitate empowerment in an organization. The second is micro in orientation and focusses on the physiological experience in work place. The social structure perspective is embedded in the ideas and values of democracy where power at all levels within a system ideally resides within individuals (Ameer *et al.*, 2014). Employees at lower level of organizational hierarchy are empowered if they have access to, support, opportunity, resources and information (Ameer *et al.*, 2014).

The main aim of social-structural perspective on empowerment is the idea of power sharing between management and employees with the goal of delegating relevant decision-making to lower levels of organizational hierarchy (Ameer *et al.*, 2014). Further, Ameer *et al.* (2014) advance that empowerment from the social structural perspective is about control over organizational resources through the delegation of responsibility through organizational chain of command. By delegating decision making power to their subordinates, top level management have free time to think strategically and innovatively about how to move the organization forward (Ameer *et*

al., 2014). In this perspective, power means having formal authority to make decisions and control over resources relevant to the individual's job or role (Ameer *et al.*, 2014). Relevance in this perspective is that empowered employees have the power of making decisions that lies within their dominion and scope of their work. Dimensions of social structure perspective include participative decision making, skill-knowledge based pay, open flow of information, flat organizational structure and training.

Participative decision-making means having input into and influence over decisions ranging from high-level strategic decisions to routine day-to-day decisions by employees and teams (Ameer *et al.*, 2014); Transparency in flow of information which include flow of information to the lower levels of organization about strategic direction, clear responsibilities and goals, competitive intelligence, and financial performance in terms of quality, costs and productivity) and similarly upward flow of information (concerning employee attitudes and improvement ideas). The effect is to have employees have right perspective on how their behavior affects organizational performance since those with information can make better decisions (Ameer *et al.*, 2014).

Sardana (2019) expresses similar view by referring to elements of empowerment by (Peter *et al.*, 2002): they are power, decision making, attitude, skills and responsibility, information autonomy and creativity and knowledge. Sardana (2019) argues that it is necessary to empower employees as top management of any organization cannot achieve organizational goals on its own. The second dimension that is psychological empowerment perspective refers to a set of psychological states that are necessary for individuals to feel a sense of control in relation to work (Ameer *et al.*, 2014).

Rather than focusing on managerial practices that share power with employees at all levels, the psychological perspective is focused on how employees experience their work (Ameer *et al.*, 2014). This perspective refers to empowerment as the personal beliefs that employees have about their roles in relation to their employers. According to Ameer *et al.* (2014) the paper that motivated researchers to think differently about empowerment was a conceptual piece by Conger and Kanungo (1988) which argued that a social structural perspective was not complete because the managerial practices discussed above would give little effect on employees if they lacked a sense of self efficacy. Ameer *et al.* (2014) refer to Conger and Kanungo (1988) as arguing that empowerment was a process of enhancing feelings of self-efficacy among organizational members through identification and removal of conditions that foster powerlessness.

Ameer *et al.* (2014) further advance that Thomas and Venthouse (1990) extended Conger and Kanungo's (1988) work with development of a theoretical framework articulating empowerment as intrinsic task motivation manifest in four cognitions that reflects their orientation to work. Dimensions of psychological perspective include meaning, a fit between the need of ones' work roles and ones' belief values and behaviours (Ameer *et al.*, 2014). Competence refers to self-efficacy specific to one's work, or a belief in one's capacity to perform work activities with skill (Ameer *et al.*, 2014). Self-determination is a sense of choice in initiating and regulating one's actions (Ameer *et al.*, 2014). It reflects a sense of autonomy or choice over the initiation and continuation of work behavior and processes (Ameer *et al.*, 2014). Impact is the degree to which one can influence strategic, administrative, or operating outcomes at work (Ameer *et al.*, 2014) sums these two perspectives by arguing that empowerment

means donate, means helping people to improve their sense of self confidence and dominate the feeling of helplessness and mobilize enthusiasm in work activity and intrinsic motivation for a task. Empowerment is encouraging more people to participate in decisions that affect their activities (Abdi and Chegini, 2013). Empowerment includes work that provides flexibility and more freedom for decisions (Abdi and Chegini, 2013). It is believed when employees have more responsibilities, they will reach creatively, and they are encouraged to participate, and this helps them to be satisfied with their jobs (Abdi and Chegini, 2013). They conclude that empowerment exists when people feel they have control of their working life. This feeling include self-determination, personal meaning, sense of competence and effect perceived (Abdi and Chegini, 2013).

Although the structural and psychological perspectives of empowerment are conceptually distinct and provide lenses for understanding empowerment in the workplace, their complimentaries are apparent and particularly support an integral action (Tuuli and Rowlinson, 2007).

Munjuri and Kobonyo (2015) defined empowerment as to culturize, give power to. Empowerment should be seen in terms of a redistributive model whereby power equalization is promoted for trust and collaboration (Munjuri and Kobonyo, 2015). Munjuri and Kobonyo (2015) defined empowerment as sharing knowledge, information and power with subordinates. The notion of empowerment involves work force being provided with greater degree of flexibility and more freedom to make decisions relating to work (Munjuri and Kobonyo, 2015). This contrasts markedly with traditional management techniques that have emphasized control, hierarchy and rigidity (Munjuri and Kobonyo, 2015).

2.5 Theoretical Framework

The study was anchored on Social exchange theory being the main theory, then self-efficacy theory, equity theory, social-structural theory and psychological empowerment theory.

2.5.1 Social Exchange Theory

Social Exchange theory involves a series of interactions that are interdependent, contingent on actions of the other partner in the social relationship and generate obligations (Wikhamn and Hall, 2012). Wikhamn and Hall (2012) further argues that feeling an obligation at work is important because it compels employees to repay advantageous treatment received from their employers, provides guidance in self-management and often precedes taking charge at work. Social exchange relationship rests on the norm of reciprocity (Wikhamn and Hall, 2012). An exchange starts with one party giving benefit to a second party. On reciprocation of the recipient, consequently a series of beneficial exchange occurs and feelings of mutual obligations between the parties are created (Wikhamn and Hall, 2012). Wikhamn and Hall (2012) conclude that the exchange or reciprocation, in social relationships becomes stronger when both parties are willing to provide resources valuable to the other.

Selton, Bennett and Liden (1996) argues that exchanges that are social in nature are based on trust that gestures of goodwill will be reciprocated at some point in the future. The two main ways of social exchange has been conceptualized in management literature are a global exchange relationship between employees and the organization and a more focused dyadic relationship between subordinates and their superiors. At a wider level, Selton *et al.*, (1996) suggest that employees form a global belief concerning the extent to which the organization value their contributions and

cares about their well-being. Eisenburger *et al.* (1986) labeled this belief perceived organizational support. High levels of perceived organizational support are thought to create obligations within individuals to repay the organization. Perceived organizational support is associated with a trust that organizations will fulfill its exchange obligations such as rewarding employees. Selton *et al.* (1996) conclude that empirical research has found perceived organizational support to be positively related to performance of conventional job responsibilities, citizenship behavior and commitment (Eisenburger *et al.*, 1996; Eisenburger, Fasolo and David-Lamastro 1990; Shore and Wayne, 1993).

Selton *et al.* (1996) further advances that social exchange theory, specifically the principle of reciprocity has been used to explain why subordinates become obligated to their supervisors to perform ways beyond what is required of them in the formal employment contract. Research on leader–member exchange has shown that there is a variance among subordinates in the frequency with which they engage in activities that extend beyond employment contract (Selton *et al.*, 1996). However, an employment contracts vary in terms of the nature and amount to be exchanged. Members who benefit greatly from their formal contracts, even those with low leader-member exchange relationships may feel obligated and willing to contribute to the organization (Selton *et al.*, 1996).

Specifically, findings suggest that individuals with strong orientation are more likely to return a good deed than those with low exchange orientation (Cropanzano and Mitchell 2005). Cropanzano and Mitchell (2005) points that (Eisenburger, Huntington, Hutchinson, and Sowa (1986) Study 2 was the first to explore exchange ideology and in their investigations of perceived organizational support (POS) and

absenteeism, they found that the relationship was stronger for individuals with exchange ideology than those with low exchange ideology. Later explorations also suggest exchange ideology strengthens the relationship of perceived support with felt obligation, citizenship behavior and effort and performance (Cropanzano and Mitchell, 2005).

According to Jepsen and Rowell (2007) the workplace social exchange relationship is important in understanding organizational harmony and productivity, arguing that employees are known to respond behaviorally and cognitively to their perceptions of the workplace relationship. It is clear that it is not only the work done and the wages and the stated benefits that are exchanged in workplace relationship. Some non-material benefits that an employee may give (transfer) to their employer have been identified as including extra care, consideration, responsibility and loyalty that would normally be expected or required of an employee (Jepsen and Rowell, 2007). The reciprocal reward (again, transferred) could be the extra confidence that management has in that employee, possibly leading to increased security and advancement opportunities.

Employee-organizational relationship as an exchange relationship can be expressed as both social and economic change (Yigit, 2016). Yigit (2016) concludes that employees are likely to feel obligated to care about the organization's success because of perceived organization support.

According to social exchange theory conceptually employees perceiving that the firm is committed to them will feel obligated to reciprocate the firm's support orientation with voluntary contributions that benefit the firm (Chou, 2016). Chou (2016) propose that one of the basic tenants of the social exchange theory is that relationships evolve

over time into trusting, loyal and mutual commitment and to do so, rules and/or norms of exchange, which serve as the guidelines of exchange processes must be obeyed by exchanging parties.

Social exchange theory explains how a person obtains valued resources such as information, love, caring, help, and other supportive interpersonal interaction within the person and his/her counterpart within the social context that may develop his/her positive attitudes or behavior in the group (Wijaya, 2020). In a team, social exchange relationships comprise the relationship of an employee and his/her supervisor and the relationship of the employee with other team members (Wijaya, 2020). According to the social exchange theory, team social exchange relationships developed between employees and their supervisors and teammates may elicit their perception on trusting and supportive work environment (Wijaya, 2020). Employees working in conducive social exchange relationships in teams are highly effective in developing positive attitudes about their overall job context and situation (Wijaya, 2020).

Chernyak-Hal and Rabenu (2018) on social exchange theory perspective on work relationships argue that psychologically work relationships may be addressed as any kind of work interpersonal relations; in the work place they relate to both the individual and the organization. Chernyak-Hai and Rabenu (2018) advance that in organizational context work relationships are part of socialization process, a source of information required for successful performance and satisfaction and a ground for social support and networking. A key paradigm in examining work relations is social exchange theory, its basic premise is that human relations are formed based on subjective cost-benefit analysis, so that people tend to repeat actions rewarded in the past, and the more often a particular behavior has been rewarded the more likely it

recurs. Chernyak-Hai and Rabenu (2018) submits that in a recent meta-analysis of twenty five years of organizational justice research indicates that social exchange theory variables such as trust, organizational commitment, perceived organizational support and leader-member exchange are important to relationships among justice, task performance and citizenship behavior. Social exchange theory assumes that encouragement activities undertaken between an organization and its employees generates organizational commitment (Ahmed *et al.*, 2018).

Employees with the expectation that the organization will provide a better working environment and culture, join an organization and utilize their skills and knowledge to achieve their goals. Hence, favorable exchange relationship between employees and an organization results in increased organizational commitment (Ahmed *et al.*, 2018). Social exchange theory deals with three principles (i) rationality, (ii) reciprocity and (iii) specificity to explain the relationships between employee and employer (Ahmed *et al.*, 2018). The first, rationality reasons that employees will have association with that organization which can provide desirable rewards and satisfy its employees needs and wants. The second, reciprocity theorizes that social relationship is always reciprocal between employee and employer. The third, specificity postulates that only reciprocity type can endure an exchange relationship between the employees and an organization. Ahmed *et al.* (2018) concludes that for the employees, strategic orientation and good organizational culture would be a strategic focus organizational fair activities which improves employee's commitment towards their organization employer. While, in exchange of this, the employee's commitment may be a desirable feeling of employees to continue their loyalty with the organization and significantly affects organizational outcomes including performance.

The reciprocity of these organizational constructs is likely to satisfy employees and organizational needs (Casmir *et al.*, 2014). Formation of emotional bonds is most likely to occur when an employee has a high quality relationship with the leader and perceives the organization as supportive (Casmir *et al.*, 2014). The social exchange theory celebrates group identification or affiliations as a way of exchanges of goods or rewards (Badjie *et al.*, 2019).

Employee empowerment as well borrows thought from social identity theory and social exchange theory (Badjie, 2019). Badjie (2019) argue that the true value of the theory is to recognize and have a sense of belonging which is empowering to people in a given relationship; this is in that the facets of social identity are to support and enhance group membership to achieve individual as well as collective goals. The key tenant of employee empowerment is to affect and define individual and collective behaviors and similarly, social identity also affects both individual and collective behavior as to positively support individual and group performance. Social exchange theory will imply that employees are treated well by the company so that employees have a commitment to respond with positive behavior through employee performance. Thus explaining the desire to achieve a balance between what is obtained and what is desired can be explained by the theory, commitment can be considered as reciprocity of employees to what they are offered by the employer (Debyla and Putra, 2021).

2.5.2 Self Efficacy Theory

Self-Efficacy is a personal assessment of how well one can undertake courses of action required to deal with prospective situations (Staskovic and Lultans, 1998). It is broader in meaning in that it includes all factors that could lead one to perform well at a task for instance creativity, adaptability, resourcefulness, perceived capacity to

orchestrate complex action sequence compared to effort performance expectancy in expectancy theory (Locke and Latham, 1991). Locke and Latham (1991) continue to argue that self-efficacy has direct effect on performance as well as indirectly by affecting personal goal choice and commitment to assigned goals.

Self-efficacy and interests have frequently been identified as important motivational factors that influence learning and performance (Niemivirta and Tapola, 2007). Self-efficacy beliefs refer to judgements about an individual's ability to establish the causes of action required to come up with given outcomes (Niemivirta and Tapola, 2007). They mainly originate in the inferential process concerning one prior performance, and influence performance by boosting persistence, resiliency and sustained effort especially under challenging and changing circumstances (Niemivirta and Tapola, 2007). Iroegbu (2015) description of human cognitive self – regulation system, self-efficacy beliefs are the most central and pervasive influence on the choices people make, their goals, the amount of effort they apply to a particular task, how long they persevere at a task in the face of failure or difficulty, the amount of stress they experience and the degree to which they are susceptible to depression.

Expectations of personal efficacy determine whether an individual's coping behavior will be initiated, how much task related effort will be expended and how long that effort will be sustained despite disconfirming evidence (Bandura, 1997). Individuals who perceive themselves as highly efficacious activate sufficient effort that, if well executed, produces successful outcomes, whereas those who perceive low self-efficacy are likely to cease their efforts prematurely and fail on the task (Bandura, 1997).

In order for self to regulate effort effectively, performers must have accurate knowledge of the tasks they are trying to accomplish (Bandura 1997). However different tasks vary extensively in the level of their complexity (Stajkovic and Lultans, 1998). In comparison to lower complexity tasks, highly complexity tasks require different skills necessary for their successful execution by placing greater demands on (a) required knowledge, (b) cognitive ability, (c) memory capacity, (d) behavioral facility (e) information processing (f) persistence and (g) physical effort (Stajkovic and Lultans, 1998).

Lunenburg (2011) argues that self-efficacy (beliefs about one's ability to accomplish specific tasks) influences the tasks employees choose to learn and the goals they set for themselves. Self-efficacy also affects employees' level of effort and persistence when learning difficult task. Lunenburg, (2011) further argues that four sources of self-efficacy are past experience performance, vicarious experience, verbal persuasion and emotional cues.

Lunenburg, (2011) argues that self-efficacy has three dimensions: (a) Magnitude, the level of task difficulty a person believes he/she can attain, (b) strength, the conviction regarding magnitude as strong or weak; and (c) generality, the degree to which the expectation is generalized across situations. An employee's sense of capability influences his perception, motivation and performance (Lunenburg, 2011). We rarely attempt to perform a task we expect to be unsuccessful. Lunenburg, (2011) continue to argue that self-efficacy has powerful effects on learning, motivation and performance, because they try to learn and perform only those tasks, they belief they will be able to perform successfully.

Self-efficacy affects learning and performance in three ways (Bandura, 1982); one, self-efficacy influences the goals that employees choose for themselves. Employees with low levels of self-efficacy tend to set low goals for themselves. Consequently, an individual with high self-efficacy likely to set high personal goals. Research indicates that people not only learn but also perform at levels consistent with self-efficacy beliefs.

Two, self-efficacy influences learning as well as the effort that people exert on the job. Employees with high level self-efficacy generally work hard to learn and to perform new tasks, because they are confident that their efforts will be successful. Employees with low self-efficacy may exert less effort when learning and performing complex tasks, because they are not sure effort will lead to success.

Three, self-efficacy influences the persistence with which people attempt new and difficult tasks. Employees with high self-efficacy are confident that they can learn and perform specific task. Thus, they are likely to persist in their effort even when problems suffice. Conversely, employees with low self-efficacy who belief they are incapable of learning and performing a difficult task are likely to give up when problem suffice.

In an extensive literature review on self-efficacy Bandura and Locke (2003) argues that self-efficacy is a powerful determinant of job performance. Judge *et al.* (2007) co-relates self-efficacy with job and task performance.

According to Gist and Mitchell (1992), empirical studies of self-efficacy have yielded several consistent findings. For example, self-efficacy is associated with work related performance: life insurance sales, faculty research productivity, coping with difficult

career- related tasks, career choice, learning and achievement and adaptability to new technology.

Gist and Mitchell (1992) concluded that when self-efficacy is enhanced, increases in performance are noted. Cherian and Jacob (2013) link the significance of the theory and employee performance including the ability to cope with current changes in career plan, ability to generate new ideas and to grow to a management level, ability to perform better in a team and ability to acquire new skills. Cherian and Jacob (2013) conclude that self-efficacy may be considered a factor that positively contributes to the employee morale and in turn productivity.

2.5.3 Equity Theory

Matthewman, Rose and Hetherington (2009) argue that equity theory is about judgment where an employee considers if they are treated fairly compared to a fellow colleague. Where there is a feeling of fairness, then we can say that the employee considers that there is equity but if not, and other outcomes do not reflect their contribution, there will result in a feeling of inequity. The desire for fairness in inputs and outcomes through social comparison causes employees to be motivated to obtain what they consider to be fair compensation and treatment in return for their efforts.

Equity theory suggest that perceptions of what they contribute to organizations, what they get in return and how their return-contribution ratio compares to others and outside the organization; determine how fair they perceive their employment relationship to be (Gerhart et al., 1994). Perceptions of inequity are expected to cause employees to take action to restore equity.

Mondy and Mondy (2012) terms equity theory as the motivation theory that people assess their performance and attitudes by comparing both their contribution to work and the benefits, they derive from it to the contributions and benefits of comparing others whom they select and who in reality may or may not be like them. According to the theory a person is motivated in proportion to the perceived fairness of the rewards received for a certain amount of effort as compared with what others receive.

Mondy and Mondy (2012) concludes that understanding the theory is important as it pertains to compensation since organizations must attract, motivate and retain competent employees. Employees strive for equity in five areas that is financial equity, external equity, internal equity, employee equity and team equity. Financial equity means a perception of fair pay and treatment for employees. External equity exists when a firm's employees receive pay comparative to workers who perform similar jobs in other firms while internal equity exists when employees receive pay according to the relative value of their jobs within the organization. Employee equities exist when individuals performing similar jobs for the same firm receive pay according to factors unique to the employee such as performance and level of seniority while team equity is achieved when teams are rewarded based on their group's productivity.

Mondy and Mondy (2012) submits that inequity in any category can result in morale problems which can lead employees taking some actions like leaving the firm or restrict their effort leading to overall performance damage. This view is shared by Butler and Rose (2011), that when a person become aware of inequity it causes a reaction in them, potentially some form of tension that is proportional to the magnitude of the inequity present.

Equity theory regards wages and salaries as an outcome (Mamah and Ulo, 2015). An outcome is perceived as a financial reward after an input has been expended in form of work service (Mamah and Ulo, 2015). The theory assumptions are based on the premise that in addition to being rewarded for their performance employees in general would also want those rewards to be fair and just relative to others most especially in similar works receive. According to their study the need for fair treatment is therefore the basis for equity. Further people strive hard to achieve and maintain a state of equity or fairness in order to maintain an internal psychological balance. The individuals in this case employees must believe that in terms of pay and other kinds of rewards, they are receiving equal/ or fair or just to what such contribution to the process that brings the rewards.

In the content of Mondy (1991) they say that although people will feel uncomfortable if they consider they are being paid too much by way of reward, research tells that these feelings occur less in this group, than those who are being underpaid. However, they conclude that equity theory has a huge implication for using pay as a motivator.

Banks, Patel and Moola (2012) supports the contribution above arguing that in his equity theory Adams (1965) proposed that employees compare what they invest in their work (inputs) with the rewards they receive (outcomes) with those of fellow workers. If employees perceive the ratio of inputs to outcomes unequal especially when they claim unfairness, workers will use negative strategies in their attempts to restore equity. The workers may avoid the aversive work conditions by resulting to absenteeism (Banks *et al.*, 2012) and other behavioral withdrawal responses like arriving late to work or leaving early.

Banks *et al.* (2012) argue that this theory proposes that perceived inequity is a motivational force and that the conditions that are necessary to produce equity or inequity use an employee's perception of input and outcome as their basis. There are several inputs, they include acceptance of responsibility, job knowledge, experience, education, personal involvement with work, dedication, age, effort, seniority, time, skill and performance. Outcome usually consists of rewards or benefits like pay, promotional opportunities, praise, prestige, recognition, interpersonal relations with supervisors and co-workers, status, increase in salary and fringe benefits (Banks *et al.*, 2012). Bank *et al.* (2012) concludes that when inputs are commensurate with outcomes the employees see the situation as equitable and in this equitable (fair) situation the employee is content and will not take any action to achieve equity.

Equity theory recognizes that individuals are concerned not only with the absolute amount of rewards they receive for their effort but also with the relationship of the amount to what others receive (Kuranchie-Mensah and Amponsah-Tawiah, 2016). Equity theory rests upon three main assumptions. First, the theory holds that people develop beliefs about what constitutes a fair and equitable return for their contribution to their jobs; second, the theory assumes that people tend to compare what they perceive to be the exchange they have with employers; third, the theory assumes that when people believe that their own treatment is not equitable relative to the exchange theory they perceive others to be making, they will be motivated to take actions they deem appropriate (Kuranchie-Mensah and Amponsah-Tawiah, 2016). This concept of equity is most often interpreted in work organizations as a positive association between employees' effort or performance on the job and the pay the individuals receive.

2.5.4 Social-Structural Empowerment Theory and Psychological Empowerment Theory

Kanter (1977) was the first theorist to propose the notion of empowerment in the organizational literature (Jocelyne and Kariuki, 2020). Kanter (1993) theory describes how workplace conditions influence employees' ability to undertake job assignments (Jocelyne and Kariuki, 2020). For example, formal power may arise from jobs that are intentionally designed to be visible and central to the organization's goals and allow flexibility, while informal power comes from job characteristics such as positive relationships with leaders and co-workers, which are not typically mandated by the organization.

Empowerment/ employee empowerment is often articulated using theoretical models (Alazzaz and Whyte, 2015). Approaches include social structural empowerment, psychological empowerment and critical and multi-dimensional approaches (Alazzaz and Whyte, 2015). Social-structural empowerment concerned with power/powerlessness in assessing information and resources has been associated with increases/improvements in individual and team performance (Alazzaz and Whyte, 2015). Psychological empowerment on the other hand views empowerment as seeing one's competent input as important (Alazzaz and Whyte, 2015 in Spreitzer 1995, Tuuli and Rowlinson, 2009; Tuuli and Rowlinson, 2010; Tuuli *et al.*, 2012). According to this view empowerment is a constellation of experienced cognitions and this manifests as four positive sentiments of meaning (feeling one's work is important), competence (personal mastery), self-determination (autonomy) and impact (importance of work) (Alazzaz and Whyte, 2015).

Empowerment as a management concept has roots in such substantive issues as intrinsic motivation, job design, participative decision making, social learning theory and self-management concepts (Tuuli and Rowlinson, 2007). Kanter's 1993 theory of structural empowerment includes a discussion of organizational behavior and empowerment (Larkin *et al.*, 2008). According to this theory, empowerment is promoted in work environments that provide employees with access to information, resources, support and the opportunity to learn and develop (Larkin *et al.*, 2008).

The focus of Kanter's theory is on the employee's perception of the actual conditions in the work environment and not on how they interpret this information (Orgambidez and Bornego, 2014). Kanter (1993) express the characteristic of a situation can either encourage optimal job performance regardless of personal tendencies or predispositions (Orgambidez and Bornego, 2014). According to Kanter (1993) power is defined as the ability to mobilize resources to get things done. Power is on when employees have access to lines of information, support, resources and opportunities to learn and grow. These lines of power are sources of structural empowerment within the organization (Orgambidez and Bornego, 2014).

Psychological empowerment pertains to individual perception of empowerment. This consists of employees' views or attitudes towards their work and role in the organization. In sum, psychological empowerment is defined as a motivational construct manifested in four dimensions: meaning, competence, self-determination and impact (Spreitzer, 1995). Together, these four cognitions reflect an active rather

than a passive orientation to a work role. By active orientation, I mean an orientation in which an individual wishes and feels able to shape his or her work role and context.

The four dimensions are argued to combine effectively to create an overall construct of psychological empowerment (Spreitzer, 1995). Social-structural empowerment to structures, policies and practices present in the organization thus pertains to conditions facilitating the emergence of empowerment or lack of it thereof (Wojcik, 2017).

Wojcik (2017) indicates four features manifested by empowered employees. The characteristics constitutes four elements of psychological empowerment; a sense of self determination in that they have a choice in how they conduct their work, meaning in that they feel that work they carry out is meaningful and they do care for all they do, competence that they believe they possess skills necessary to conduct work well and they are convinced they can do it, impact they believe they can influence a department or unit that they work in and that others take their ideas into consideration.

Wojcik (2017) citing Spreitzer indicate five elements of social-structural empowerment: participating in decision making, skill/ knowledge-based pay, open flow of information, flat organizational structure and training. Huq's (2016) Model C supports the above by summarizing empowerment as consisting of power sharing,

participative decision making, devolution of responsibility, people oriented leadership, access to information, collaboration and empowerment.

2.6 Empirical Review

2.6.1 Reward Strategy and Employee Performance

Gerakos, Ittner and Moers (2002) undertook a study on compensation objectives and business unit pay strategy. The study investigated the effects of attraction, retention and incentive objectives on business unit pay strategy. Data from 173 European business units (each belonging to a different firm) indicated that the importance of attraction, retention and incentive objectives are all positively related to the provision of higher relative cash pay levels, but the proposition of workers illegible for variable cash pay was only associated with incentive objectives.

Kelil (2010) study whose aim was to examine employee perception toward rewards and benefit policy: undertaken in selected government higher education institutions in Addis Ababa, Ethiopia. Based on the sample of 150 employees from three institutions who participated in the study, 96 questionnaires were returned. Data was analysed using descriptive statistics and the findings were that rewards and benefits were inadequate. Further, results indicated that there was no participation on rewards and benefits decision. It was recommended that reward and benefits policy should be periodically reviewed taking into account external conditions and nature of jobs.

Zakaria *et al.* (2011) study on employee's perceptions on reward policies at Toyota 3S centre: a case study in Malaysia, used the convenient sampling technique, the employees were given questionnaires regarding the reward policies in the company. The sample of the study consisted of 82 respondents, comprising both management

and employees. The findings were that all factors were not significant to contribute to employees' performance, including that of transparency which had the highest degree of contribution. It was therefore recommended that the rights of employees ought to be considered by organizations in compensation program.

Manhotoma and Mahacha (2014) study whose aim was to identify current human resource management policies and practices at two prominent hotels in Gabron, Botswana. Mixed method approach in data collection and analysis was adopted. Questionnaires and interviews were administered to a sample of 54 employees who were purposely selected from two hotels. Interviews were also held with five senior level managers at the respective hotels. Major findings revealed that the majority of employees were not satisfied with policies that addressed employee reward systems. However most lower-level operational staffs perceived that their own goals, attitudes and perceptions could be maximized by receiving recognition for best performance, striking a balance between personal and business aspects, avoiding a personal interest on the job and fostering increased communication between management and employees. Furthermore, it was found out that employees supported company policies that ensured that employee efforts were supported by management.

Sattar, Ahmad and Hassan (2015) study on the role of human resource practices in employee performance and job satisfaction with mediating effect of employee engagement. This study examined the impact of Human resource practices on employees' satisfaction and performance through mediating role of employees' engagement. Data was collected from 181 employees of three leading banks of Multan city (Pakistan) namely: Habib Bank, Faysal Bank, and Allied Bank. The findings of the study indicated that training and empowerment of the workers

contributes more to employees' work performance and their job satisfaction than that of rewards/incentives. However, rewards/incentives are significantly related with the employees' engagement in organizational activities. Overall, Human Resources practices (training, rewards and empowerment) are significantly related with employees' engagement and confirm the assumptions of Baron and Kenny (1986) for mediation analysis. The results of the study are gleaned by using the direct pathway and multiple regression to investigate the impact of Human Resource practices on mediating variable (employees' engagement) and mediating variable on both dependent variables (employees' satisfaction and employees' performance). The results of the study confirm that proposed hypotheses are statistically significant and that employees' engagement partially mediated the relationship between Human Resources practices, employees' satisfaction and employees' performance outcomes.

Tremblay and Chenevert (2008) study on the influence of remuneration strategies in Canadian technology-intensive firms on organization and human resources performance. The study examined the role of technological intensity in the choice of compensation policies and influence of such policies on organizations (market productivity) and human resources performance (turnover, work climate, discretionary efforts). The outcome of the survey based on 252 firms, concluded that technological intensity had significant influence on remuneration policies. A second survey consisting of 128 Canadian organizations also concluded that technological intensity has a significant moderating effect on the association between several compensation policies on both human resources and organizational performance. More, specifically, the author found that greater emphasis on team performance plans and market pay is positively associated with productivity. It was also found out that

extensive use of individual performance pay plans is positively associated with turnover. While the use of team performance plans is negatively related to turnover.

Vosloban (2012) study whose aims were to underline those aspects that influence employee's performance, the strategies being used to stimulate their potential and retain them, to show how their performance results contribute to company's growth and development, as well as management's implication in the process. The exploratory study was conducted among 13 managers from different companies in Bucharest Romania. The study in part concluded that basically employees expect in return appreciation, value recognition, financial or material rewards, promotions, days off, flexible working hours and participation in decisions making. All in all, according to this study the employee must feel his/her importance and that the work he/she does is highly appreciated and recognized accordingly, as from a certain level the financial motivation is no longer enough and this will reflect in the organization's position in the market.

Van Scotter, Motowidlo and Thomas (2000), study on effects of task performance and contextual performance on systematic rewards, evidence from two samples of Air force mechanics supported the hypothesis that contextual performance affects employees' career advancement and rewards over time. Results of hierarchical regression controlling for experience showed task performance and contextual performance each predicted systematic rewards each facet explained separate variance in promotability rating over 2 years. According to this study, in both samples, contextual performance explained separate variance in informal rewards, but task performance did not. Task performance explained incremental variance in career advancement one year later, but contextual performance did not.

Aktar *et al.* (2012) study on the impact of rewards on employee performance in commercial banks of Bangladesh. The study sought to examine the relationship between rewards and employee performance as well as to identify the relationship between extrinsic and intrinsic rewards. The study explored factors determining extrinsic and intrinsic rewards and their impact on employee performance and actions to influence the commercial banks for a consideration of a more systematic and structural approach to acknowledge employee's effort which could in turn prosper high performance culture in commercial banks of Bangladesh. Descriptive statistics-based frequency tables and graphs were used in the study to provide information on demographic variables. The results were investigated in terms of descriptive statistics followed by inferential statistics on the variables. A total of 200 questionnaires were distributed to employees of the commercial banks and a total of 180 employees completed the questionnaires properly. The results indicated that there was a statistical significance relationship between all of the independent variables with dependent variables, and that employee work performance and all the independent variables have a positive influence on employee work performance.

Güngör (2011) study on the relationship between reward management system and employee performance with the mediating role of motivation: A quantitative study on global banks. In this study, the relationship between reward management system applications, motivation and employee performance were investigated: Bank employees in global banks formed the sample of its survey. The respondent of 116 employees of 12 global banks answered the online survey. Besides, the factor analysis and reliability analysis showed the adequacy of the sample size. So, the results of the factor and reliability analysis were appropriated with the number of items and sample

size. It was found out that the financial rewards have positive effects on employee performance.

In another study by Monis and Sreedhara (2010) based on an empirical study of five Indian and five foreign Multinational Corporations (MNC) BPO firms operating in India, ranked among the top 100 by the International Association of Outsourcing Professionals for the year 2009. The data were collected using qualitative and quantitative methods from 243 employees of Indian and MNCs and 163 foreign MNCs who constitute 1 percent of the population under study. The study found out that on average the level of satisfaction among the respondents towards the reward and recognition policy was at 73.33 percent and 71.53 percent for the Indian and foreign MNCs respectively.

2.6.2 Reward Strategy and Organizational Commitment

Mottaz (1988) study on determinants of organizational commitment using an exchange perspective based on work rewards and work values done in Wisconsin USA, was concerned with assessing the relative importance of various influences on organizational commitment. Data from 1385 workers representing a variety of occupations suggested that the model employed explains a large proportion of the variations in work attitude. Moreover, it appears that job rewards have a strong positive effect on commitment while work values have a weaker negative effect. The results further indicated that intrinsic rewards are significantly more powerful determinants of commitment than extrinsic rewards. Additionally, the study examined the role of demographic variables. It was concluded that generally the effect of demographic factors on commitment is indirect through work rewards and values.

Brenda and Onuoha (2016) study whose purpose was to investigate the relationship between reward management strategies and organizational commitment in the banking industry in Bayelsa State, Nigeria: the specific objectives were to determine if there was a relationship between the dimensions of reward management strategies (pay structures and employee benefits) and the indicators of organizational commitment (affective commitment and continuance commitment - Ten (10) banks in operation for at least 6 years were randomly selected. A sample of 200 was selected. The findings revealed a positive relationship between reward management strategies and organizational commitment. The study concluded that the implementation of pay structures and employee benefits significantly enhances organizational commitment.

In a related study by Kavuludi *et al.* (2016) whose aim was to assess the mediating effect of employee commitment on the relationship between incentives and employee performance at Agricultural Development Corporation (ADC). Target population was 337 employees with a sample size of 181 respondents. Quantitative method through administering of questionnaires on a five-point Likert scale was used for data collection. Data analysis was done using Regression. Findings of the study indicated that extrinsic and intrinsic incentives positively influenced employee commitment and employee performance, and employee commitment partially mediated the relationship between incentives and employee performance. Therefore, incentives play a crucial role in employee performance. The study therefore recommended that organizations should adopt better schemes in order to achieve effective commitment and performance.

Anvari *et al.* (2011) also studied the relationship between strategic compensation practices and affective organizational commitment. The study sample was made up of

301 non-academic staff in the universities of medical sciences in Iran. Findings revealed that strategic compensation practices led to perceived fulfillment of psychological contract and the latter in turn produced higher affective organizational commitment.

Haq *et al.* (2014) investigated factors that affect the organizational commitment among bank officers in Pakistan and tested the effects of reward, support received from supervisors, provision of opportunities for development of careers, organizational support for family and favorable job conditions on organizational commitment. The approach followed required administration of questionnaires to 147 officers working in different bank branches in Lahore, Pakistan. The study revealed a higher correlation between different supporting factors and organizational commitment of bank officers and regression showed that all the factors; rewards, support from supervisors, provision of opportunities for the development of careers, organizational support for family and favorable job conditions significantly predicted organizational commitment.

Korir and Kipkebut (2016) also carried out a study whose aim was to examine the effect of financial and non-financial rewards on organizational commitment of employees in universities in Nakuru County. The sample of the study was 224 full time lecturers working in ten universities within Nakuru County. Data was collected using a questionnaire. The results indicated a moderate significant positive relationship between financial rewards and affective commitment and a weak significant positive relationship between financial rewards and normative commitment. In this study it was found out that financial reward management practices collectively have significant effect on organizational commitment.

2.6.3 Organizational Commitment and Employee Performance

Torentino (2013) conducted a study on organizational commitment and job performance. The study used the descriptive correlation method of research. The respondents of this study were two hundred forty and eight (248) academic and administrative personnel of the university selected through stratified random sampling. The findings confirmed the claims made by Allen and Meyer's (2007) study that affective commitment is significantly related to job performance. On the other hand, normative commitment as well as continuance commitment was found not to be significantly related to any of the job performance indicator.

Riketta, (2002) study, a meta-analysis was conducted to estimate the true correlation between attitudinal organizational commitment and job performance done in Germany, and to identify moderators of this correlation. One-hundred and eleven samples from 93 published studies were included. The corrected mean correlation was 0.20. The correlation was at least marginally significantly stronger for: (a) extra-role performance as opposed to in-role performance; (b) white-collar workers as opposed to blue-collar workers; and (c) performance assessed by self-ratings as opposed to supervisor ratings or objective indicators. Four other assumed moderators (commitment measure: Affective Commitment Scale versus Organizational Commitment Questionnaire, job level, age, and tenure) did not have at least marginally significant effects.

A study undertaken by Naghneh *et al.*, (2017) on the relationship between organizational commitment and nursing care behavior in Iran. The main aim was to find out the issue of access to proper care and increasing patients' satisfaction by nurses. Job performance of nurses is affected by many factors including

organizational commitment. This study aimed to determine the relationship between organizational commitment and nurses caring behavior. In this cross-sectional study, 322 nurses from selected Hospitals of Shahid Beheshti University of Medical Sciences in Tehran were randomly selected and enrolled in the study in 2015. The self-reported data by nurses was collected through demographic characteristics questionnaire, Meyer & Allen organizational commitment model and Caring Behavior Inventory (CBI). Data was analyzed with SPSS statistical software version 20, using t-test and ANOVA. The results show a significantly positive correlation between organizational commitment and caring behavior. In this study the caring behavior of nurses with higher organizational commitment were significantly better than the others. It was recommended that managers and nurse leaders should pay more attention to improve organizational commitment of nurses, in order to improve nurses' performance.

Zayas-Oertiz *et al.* (2015) study on the relationship between commitment and the behavior of organizational citizenship among private bank employees in Puerto Rico. This case study combining a mix methodology which was descriptive and quantitative methods, validated the conceptual model. The population of interest consisted of 254 employees from a private bank, and the sample size was 154 with a 5 per cent margin of error and a confidence level of 95 per cent. The number of participants was 119, representing a response rate of 77.3 per cent. It included a representative sample of employees providing administrative support and other employees who do not work in administrative positions at a private bank in the north metropolitan area of Puerto Rico. Measurement instruments

used included the organizational citizenship scale and the organizational commitment scale, developed and validated by Rosario *et al.* (2004).

The findings were that there is a positive correlation between the organizational commitment and the indicators of organizational citizenship behavior and civic virtue, courtesy and altruism dimensions shown by the employees. The dimensions of affective and moral commitment had the strongest correlation with the civic virtue dimension of organizational citizenship. They recommended that organizations should support the affective and moral commitment in their personnel in order to develop strong citizenship.

2.6.4 Employee Empowerment and Employee Performance

Nzuve and Bakari (2012) conducted a study on the relationship between empowerment and performance in the city council of Nairobi. The population of interest comprised of all the employees of the city council of Nairobi. A sample of 60 employees was randomly selected. The study used both primary and secondary data and the primary data was collected through a structured questionnaire and ministered on drop and pick basis. The analysis was done using descriptive statistics and Pearson product movement correlation technique was used to establish the strength and significance of the relationship between empowerment and performance. Findings of this study found out that there is a very strong positive correlation between employee empowerment and performance.

Fernandes and Monogaziev (2013) study on employee empowerment, employee attitudes and performance: testing a causal model. The empirical analysis relied on three years of data from the federal human capital survey/federal employee view-point survey USA and a structural equation model approach including the use of

rugged variables. The results supported the hypothesized causal structure. Employee empowerment seemed to have a direct effect on performance and indirect effects through its influence on job satisfaction and innovativeness. Two key pathways by which empowerment practices influence behavioral outcomes.

Ölçer (2015) as well carried a study on mediating effect of job satisfaction in relationship between psychological empowerment and job performance in manufacturing industry in Turkey. A survey questionnaire was used to collect data from a sample of 238 employees. Multiple regression analysis was conducted to examine the postulated hypothesis and test the direct and mediated relationships among variables. The findings indicated all psychological empowerment components which are meaning, competence, self-determination and impact positively and significantly affected the levels of employees' job performance and they simultaneously predicted it which was also suggested in previous studies.

Bose (2018) carried out a study whose title was employee empowerment and employee performance: an empirical study on selected banks in United Arab Emirates. The purpose of the study was to find the impact of employee empowerment on employee performance in banking industry in United Arab Emirates, mainly when the sector witnessed crisis in recent times. Responses were collected and analyzed via survey based on structural questionnaire on 80 employees. The responses were analyzed, and hypothesis tested using standard statistical tools. It was found out that employees were not motivated to enhance their performance and employee empowerment and employee performance were found not to have significant relationship in the present banking scenarios.

2.6.5 Organizational commitment as a Mediator

Yeh and Hong (2012) study, the mediating effect of organizational commitment on leadership type and job performance. The study used the survey data from employees of a Taiwanese shoes subsidiary in China to explore the impact of leadership style on the relationship of organizational commitment and job performance. The study sent out 1600 questionnaires to collect data from employees of the Taiwanese shoes subsidiary in China. The effective response rate was 26%. The results show (a) leadership type will positively and significantly affect organizational commitment, (b) organizational commitment will positively and significantly affect job performance, (c) leadership type will positively and significantly affect job performance, and (d) organizational commitment has a partial mediating effect on the relationship between leadership type and job performance.

Trivellas (2011) also undertook a study on work motivation and job performance on frontline employee on 220 bank frontline employees in Greece. The objective of the study was to outline the critical role of organizational commitment in the link between work motivation and job performance. To achieve the objective of the study a research framework was developed with organizational commitment as the mediator between work motivation and job performance. The results confirmed mediating role of organizational commitment in that employees were found to achieve better job performance when they are committed.

Tabouli *et al.* (2016) carried out a study to examine the impact human resource management (HRM) policies on organizational commitment and employee performance at Jumhoriya bank in Libya. The study also investigated the role of organizational commitment as a mediator variable between the policies of (HRM) and

the performance of the employee, and to achieve these aims, the researchers applied the descriptive analytical method (quantitative) represented using confirmatory factor analysis to test validity of the constructs. The study found a positive relationship between the (HRM) and the employees' performance. The study also found that there is an indirect positive effect to the (HRM) through the organizational commitment with a percentage higher than the direct impact.

Sung *et al.* (2018) study 'The relationship between financial compensation and salesperson performance in a Sabah retail sector: the mediating role of organizational commitment' was carried out in Malaysia using quantitative approach from data obtained from questionnaires issued through a survey. The study examined the relationship between compensation and salesperson performance. Organizational commitment was examined on the relationship between compensation and salesperson performance in the mechanism. The findings suggested that reward had a significant relationship to salesperson performance and that both salary and reward have a significant relationship to organizational commitment. Lastly, the findings suggested that only normative commitment had a mediating effect on the financial compensation-sales person performance.

Wulandari *et al.* (2020) conducted a study whose objective was to investigate the mediating role of organizational commitment on the effect of compensation and work environment towards budget manager performance. The sampling method used in this study was purposive sampling. Hypothesis was tested using Structural Equation Model (SEM). The results indicated that compensation and work environment directly affect budget managers' performance. This study also found that organizational

commitment mediates the effect of compensation and work environment on budget managers' performance.

2.6.6 The Moderating Role of Employee Empowerment

Adnan *et al.* (2021) conducted a study on FMCG companies in Multan, Pakistan whose purpose was to analyze the effect of employee empowerment and employee compensation on employee job performance while moderating the role of employee accountability. The results of Partial Least Square-Structural Equation Modelling revealed that employee empowerment, employee compensation, and employee accountability were all significantly and positively related to employee job performance. Results indicated that employee accountability moderated the relationship between employee compensation and employee job performance and partially moderated the relationship between employee empowerment and employee performance.

Kim, Sutton and Gong (2011) conducted a study titled “Group-based pay-for-performance plans and firm performance: The moderating role of empowerment practices”. The sample size was 1,933 employees from 415 companies in South Korea with an objective to examine whether group-based pay-for-performance plans enhances firm competitiveness in South Korea. The results of the study found that group-based pay-for-performance plans enhance both objective and subjective measures of firm performance. It also found that empowerment practices enhance the effectiveness of the pay plans.

Delaney *et al.* (2014) conducted a study titled ‘The Joint Effects of Climates for Empowerment and Rewards on Organizational Performance’. The study investigated the influence of two forms of organizational climate - climates for empowerment and

rewards - on labor productivity and innovation. Using a multinational, time-lagged sample of 169 organizations, the study found that both climate for empowerment and climate for rewards positively predicted both organization-level productivity and innovation.

Aggarwal *et al.* (2018) did a study on the impact of structural empowerment on organizational commitment analyzed the mediating role of women's psychological empowerment on the relationship between structural empowerment and employee's affective commitment. The study was based on a cross-sectional design with the data collected from 389 women nurses working in public and private hospitals operating in Punjab by adopting a multi-stage random sampling technique. The study found that psychological empowerment has a significant positive association with affective commitment of the employees. The results of the study depicted that psychological empowerment mediates all the proposed relationship between different dimensions of structural empowerment and affective commitment. The different dimensions of structural empowerment adopted by the study were opportunities, information, support, resources, formal power and informal power. Lastly, the study noted that Indian nurses experienced high level of structural empowerment which further lead to high commitment.

Oktaviani *et al.* (2020) conducted a study to examine the effect of empowerment and the work environment on employee performance supported over organizational commitment. The study utilized the Structural Equation Modeling (SEM) approach assisted by the Lisrel (Linear Structural Relationship) program 8.8, to analyze employee performance support over organizational commitment. The results showed

empowerment and the work environment were positively related to organizational commitment and employee performance.

Chandio, Khokhar and Abbasi (2018) quantitative cross-sectional research investigated organizational outcomes in private schools in Hyderabad region. The study objective was to primarily investigate the influence of empowered employees over the performance of their jobs, how employee empowerment impacts over the job satisfaction and to analyze what is the impact of committed employees (organizational commitment) on the performance of employees. It was found that employee empowerment and organizational commitment had a positive and significant relationship. Furthermore, the obtained results of study showed that there is a positive relationship of empowered employees over the job satisfaction and their commitment over the teaching staff of the private schools in Hyderabad region in Sindh province Pakistan. Moreover, there was a negative impact of employee empowerment over the increased performance of employees.

Nugrahaningsih *et al.* (2021) analyzed the effect of organizational commitment, employee empowerment, reward and punishment to the motivation of BPJS services as well as the performance of employees at the Hospital Abdul Wahab Sjahranie Samarinda. The study was an observational research with cross sectional research design using the survey method to collect data from a total sample of 324 respondents. After Structural Equation Modelling with the approach WarpPLS 6.0 it was found that the influential organizational commitments had a positive and significant influence on the motivation of BPJS services, that organizational commitments are negatively and insignificant to employee performance, employee empowerment negatively and significantly affected the service motivation BPJS,

employee empowerment had a positive and insignificant impact on employee performance, reward and punishment had a significant and positive impact on the service motivation BPJS, reward & punishment had a positive and significant impact on performance, BPJS service motivation had significant and positive impact on the performance of employees at the Abdul Wahab Sjahranie Samarinda Hospital.

2.7 Summary of Literature and Research Gaps

After reviewing related literature on reward strategy, organizational commitment, employee empowerment and employee performance, several research gaps were identified as indicated in the table below.

Table 2.1: Empirical Review and Knowledge Gaps

Author (s)	Topic	Methodology	Findings	Knowledge Gaps
Njanja <i>et al.</i> (2013)	Effect of reward on employee performance:A case of Kenya Power and Lighting Company Limited Nakuru Kenya.	This study adopted a correlation research design with a sample of 68 management employees.Data was collected using questionnaires.	Cash bonus has no effect on employee performance.	The reviewed study was done in Nakuru County with focus on one aspect of reward. Current study was done in Nairobi County focusing on a sample size of 394 respondents in commercial banks listed in Nairobi Securities Exchange. All dimensions of reward strategy (objectives, policies and techniques) and their effect on employee performance were considered.
Angle and Lawson (1994)	Organizational commitment and employee performance ratings: both types of commitment and type of performance count	Several months after 85 employees' affective and continuance commitment had been measured, their global job performance and four specific performance facets were rated by their supervisors.	Results were interpreted as suggesting that the link between organizational commitment and performance may depend on the extent to which motivation rather than ability underlies performance.	The reviewed study was done in USA with a focus of 500 manufacturing organizations. Current study done in Nairobi County with a sample size of 394 using. Simple random sampling technique was used. The study followed an explanatory design to establish causal relationship between organizational commitment and employee performance.
Bose (2018)	Employee empowerment and employee performance: An empirical study of selected banks in UAE	This was a mixed research method study using both primary and secondary data which included structured questionnaires on a sample of 80 employees.	Employee empowerment and employee performance found not having significant relationship in the present banking schenario	The reviewed study was done in UAE with focus on selected banks. The current study was done in Nairobi Kenya and used primary data to find the effect of employee empowerment on employee performance.The current study attempted to fill methodological gap
Mabaso and Dlamini (2018)	Total rewards and its effects on organisational commitment in higher education institutions	This study employed the quantitative research method using a survey design. A semi-structured questionnaire was used to collect survey data. A sample of 279 academic staff, which was the total population of participants, was selected for this study.	Results show a positive and significant correlation between elements of total rewards and organisational commitment.	The reviewed study was done in South Africa focus on total rewards and organizational commitment for academic staff. The current study done in Nairobi Kenya with a sample size of 394. The study fills contextual, conceptual and methodological gaps on the effect of reward strategy on organizational commitment.
Lestari and Yunianto (2015)	The effect of empowerment on employee performance with organizational commitment as mediating	The method of sampling a total of 210 employees used a simple random sampling.	The results showed that employee empowerment had a significant indirect effect on employee performance through organizational commitment moderated by	The reviewed study was done in Indonesia and focused on empowerment,employee performance organizational commitment and organizational culture. The current study was done in Nairobi

	variable and organizational culture as moderating variable		organizational culture.	Kenya and focused on reward strategy and employee performance, mediational role of organizational commitment and therefore address conceptual and contextual gaps.
Macedo <i>et al.</i> (2015)	Revisiting the link between mission statements and organizational performance in the non-profit sector: The mediating effect of organizational commitment	The study adopted a quantitative methodological approach, obtained from a representative sample of 112 non-profit health care organizations operating in Portugal.	The study findings clearly demonstrate that the relationship between mission statements and organizational performance is better understood if the influence of organizational commitment, as a mediating variable of the aforementioned relationship, is taken into account.	The reviewed study was done in Portugal and focused on mission statement and organizational performance. The current study focuses on employee empowerment as a moderator on the relationship between reward strategy and organizational commitment. The study fills contextual, conceptual and methodological gaps.
Cho and Faerman (2010)	An integrative model of empowerment and individuals' in-role and extra-role performance in the Korean public sector: moderating effects of organizational individualism and collectivism	Of the 400 questionnaires, 191 usable respondents, combining employees' and managers' questionnaires, were returned.	Results of the analyses indicated that psychological empowerment mediates the relationship between structural empowerment and extra-role performance, and that organizational collectivism moderates the relationship between psychological empowerment and extra-role performance.	The reviewed study was done in Seoul in South Korea. Current study done in Nairobi Kenya with empowerment (structural and psychological) moderating the relationship between reward strategy and employee performance. The study attempts to fill contextual and conceptual gaps.
Widyastuti and Riana (2019)	Effect of empowerment and compensation on performance of honorary employees mediated by organizational commitment	The study was conducted by distributing questionnaires to a sample of 100 honorary employees in regional organizations in Denpasar Indonesia using the proportionate random sampling method.	The results of this study show that empowerment, compensation, and organizational commitment have a positive and significant direct effect on employee performance. Also organizational commitment has a positive and significant effect as a mediator on empowerment and compensation for employee performance. The results of this study imply that empowerment and compensation are important factors in improving employee performance.	The reviewed study was done in Denpasar Indonesia and focused on empowerment, compensation and employee performance mediated by organizational commitment. Current study was done in Nairobi Kenya focused on reward strategy and employee performance moderated and mediated by empowerment and commitment. The study attempts to fill contextual knowledge and methodological gaps.

2.8 Conceptual Framework

In this study conceptual framework is developed from the review of literature, theories of reward strategy, employee empowerment, organizational commitment, and employee performance and from the respective models. It is formulated to bring out the dimensions of the variables in the study. The conceptual framework has also taken into account Hayes (2018) model 8 study on conditional process analysis known as moderated mediation, a conditional nature of mechanisms by which a variable transmits its effect on another. It also took into account the objectives and the hypotheses which were tested to determine the moderated mediated effect of employee empowerment and organizational commitment on reward strategy and employee performance in commercial banks listed in Nairobi Securities Exchange in Nairobi, Kenya.

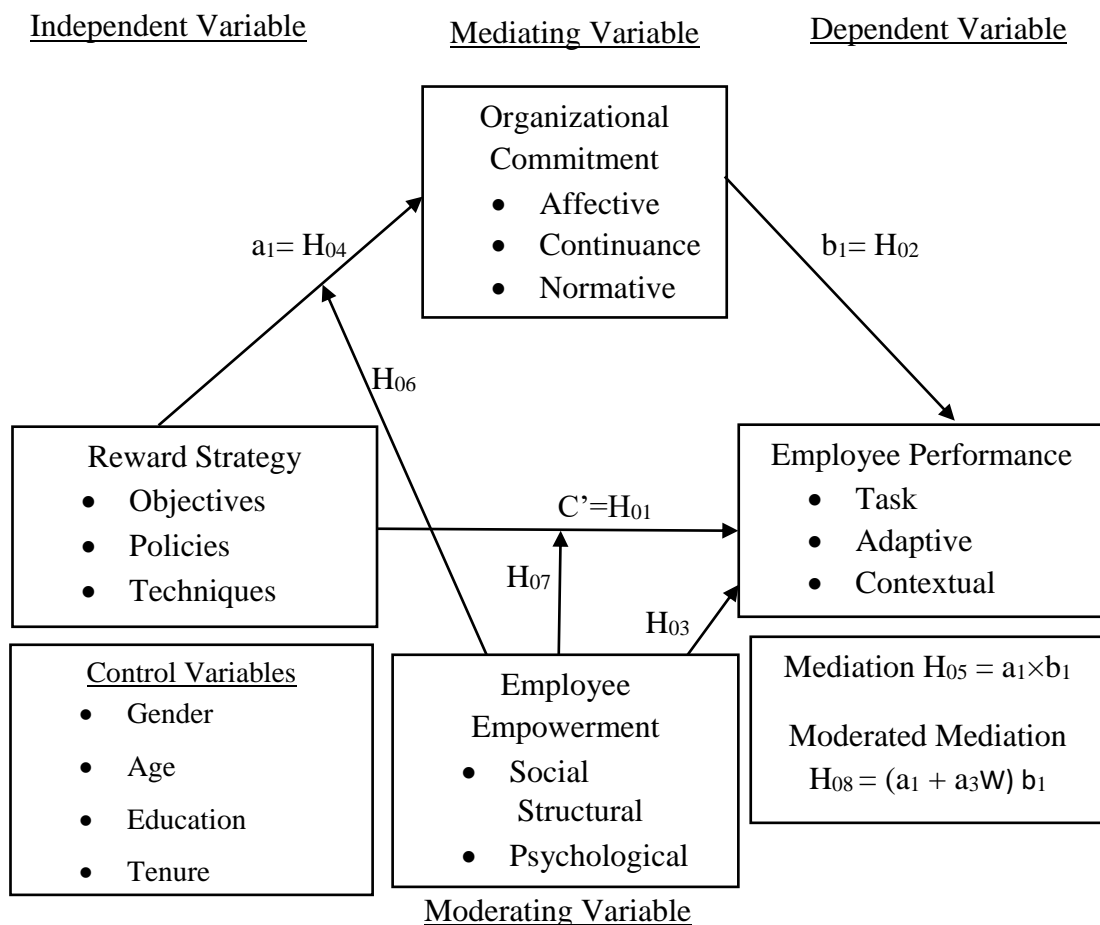


Figure 2.3: Conceptual Framework

Source: Adapted from Hayes (2018) Model 8

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Overview

The chapter outlines the research paradigm, research design, study area, population of study, the sample size and sampling technique as well as the research instrument that was used. A detailed description of data analysis method is outlined which was used based on objectives, hypotheses, and the conceptual framework.

3.1 Research Paradigm

According to Jarradi (2011) the most critical step in any research project is the choice of research paradigm (s) since this generally determines the research method which in itself is a matter of epistemology. John and Cassell (2001) advance that all studies in social science, health sciences and information studies rely on positivism and/ or interpretivism and the main aim of positivism is to discover laws related to positive facts and quantitative research methods.

Brian and Bell (2011), submit that positivism is also taken to entail the following principles: one, that only phenomena and hence knowledge confirmed by the senses can genuinely be warranted as knowledge (the principle of phenomenalism) ; two, the purpose of theory is to generate hypothesis that can be tested and that thereby allowed explanations of laws to be assessed (the principle of deductivism); three, knowledge is arrived at through the gathering of fact that provide the basis of laws (the principal of inductivism) and four science must be conducted in a way that is value free (that is objective).

Aliyu *et al.* (2014) argues that positivist paradigm emphasis that genuine, real, and factual happenings could be studied and observed scientifically and empirically and

could as well be elucidated by way of lucid and rational investigation and analysis. Mensah (2010) refers to research paradigm as research philosophy terming it as the justification or foundation for following a particular procedure to undertake the research. Saunders, Lewis, and Thornhill (2009) present the view that the two main convectional paradigms are the positivists and constructivist approaches to research as they argue that this different views about the way in which knowledge is developed both play an important role in business and management research. Therefore, in consideration of these two paradigms this study was based on the positivist paradigm.

3.2 Research Design

Zikmund (2002) terms research design as a master plan specifying the methods and the procedures for collecting and analyzing the needed information. Further presenting that, it is a framework or a blueprint that plans the actions for the research project. Trochim (2006) as well notes that research design provides the glue that holds the research project together, specifying that it is used to structure the research, to show how all the major parts of the research project- the samples or groups, measures, treatment or programs and methods of assignment – work together to address the central research questions.

Malhotra (2006) is of the view that research design has three components; exploratory, descriptive, and causal research designs where exploratory research involves secondary data and qualitative research while descriptive research makes use of survey and observation methods and the major methodology used in causal designs is experimentation. Saunders, Lewis, and Thornhill (2009) assert that an exploratory study is a valuable means of finding out what is happening to seek new insights, to ask questions and to assess phenomena in a new light. They note that there are three

ways of conducting exploratory research which are a search for literature, interviewing experts in the subject and conducting focused interviews.

Referring again to Robson (2002) argument, the object of descriptive research is to portray an accuracy of persons, events, or situations while that of explanatory research is that of establishing causal relationship between variables. In explanatory research, the occurrence relation causally relates one determinant to the occurrence taking into account other relevant characteristics (Bentouhami, Casas and Weyler, 2022). The study followed an explanatory design which aimed at establishing causal relationship to determine the moderated mediated effect of employee empowerment and organizational commitment on the relationship between reward strategy and employee performance.

3.3 Study Area

The study was undertaken in Nairobi, Kenya. The main focus was commercial banks which are listed in the Nairobi Security Exchange. The choice of the banks was due to the fact that they constitute of the major market share of 65.2% according to the Central Bank Report (2017). Nairobi was a suitable area for the study given that all banks selected for the study have their headquarters in Nairobi with all of them having established an extensive branch network in Kenya's capital city. The results could as well be a representation of commercial banks within Nairobi and other areas in Kenya. It is also noted that Nairobi is the East Africa's Financial Hub (Cooper *et al.*, 2020; Maluki 2021).

3.4 Target Population

Population refers to the total collection of elements about which we wish to make inferences (Cooper & Schindler, 2001). According to Central Bank of Kenya report

of 2017 on employment trend in the banking sector, the total population of all the employees in the banking sector is 31156 by 31st December 2017. The staff are categorized into management, supervisory, clerical, and secretarial, and support staff. The numbers stood at 10,298, 6188, 12, 840 and 1830, respectively. The target population of this study was employees of ten (10) commercial banks listed in Nairobi Securities Exchange (NSE). These banks are Almalgated Banks of South Africa (ABSA, Stanbic Bank, Diamond Trust Bank (DTB), Equity Bank, Kenya Commercial Bank (KCB), National Bank of Kenya (NBK), National Commercial Bank of Africa (NCBA), Standard Chartered Bank (SCB), Cooperative Bank and Investment and Mortgage Bank (I&M). The study was carried in Nairobi which is the capital city and where all the ten banks have their headquarters and well established in terms of branches and networks. According to Central Bank (2017) annual report, the ten banks have a total population of 26361 staff. However, the focus of the study was employees in the management category who included managers and supervisors in the respective banks, therefore the unit of observation and analysis in this study is managers and supervisors in the respective banks. While the focus of study was on employees working in commercial banks, the narrowing to management category as respondents was informed by the pilot study. During the piloting, this category of management and supervisory staff was found to be able to understand and complete the self-administered questionnaire, therefore they were identified as having sufficient knowledge in the area of study and emerged as having the ability to adequately complete self administered questionnaire. The pilot study was conducted in non-listed commercial banks in Nakuru city, Nakuru County.

3.5 Sample Size and Sampling Technique

According to Singh and Masuku (2014) sampling is related with the selection of a subset of individuals within a population to estimate the characteristics of a whole population. The sample size was determined by using Yamane (Yamane, 1967) formula with 95 % confidence level and taking into consideration a population of 26361 staff of the ten commercial banks listed in the Nairobi Securities Exchange.

The formula is as follows:

$$n = \frac{N}{[1 + N(e)^2]}$$

Where:

n= sample size required

N = number of people in the population

e = allowable error (percentage)

The sample size was therefore 394.

The study used probability sampling technique whereby every element was selected independently of each other and the sample drawn by a simple random procedure from a sampling framework.

As shown in the table, the sample in each bank was considered based on the proportion of the staff out of total of 26361 for the ten banks.

Table 3.1: Sample distribution according to commercial banks

Bank	No of employees	Sample
ABSA	4000	60
Equity	6243	93
KCB	5639	84
DTB	1264	19
NBK	1079	16
SCB	1905	29
NCBA	1001	15
STANBIC	704	11
Co-operative	4177	62
I&M	349	5

Source: Central Bank of Kenya annual report (2017).

3.6 Data Collection

3.6.1 Type, Period and Source of Data

Primary data was collected by use of questionnaire which was adopted from previous related studies and modified to suit the current study. The questionnaires were distributed to the employees of listed commercial banks in Nairobi Securities Exchange. The study was carried out from March 2020 up to August 2020.

3.6.2 Data Collection Instrument

The study used self-administered questionnaire for collection of data. Bryman and Bell (2011) describe such a questionnaire as that which the respondent answers without the aid of an interviewer which he also refers to as self-completion questionnaire. The sampled employees were provided with a questionnaire with questions on a five-point Likert scale which required them to score according to their perception.

3.6.3 Data Collection Procedure

According to Bryman and Bell (2011) collection of data through questionnaires is quite popular method particularly in case of big enquiries. The study was conducted in 10 banks targeting a sample of 394 employees.

The study identified the bank branches of all the 10 banks in Nairobi, Kenya which were the focus of the study. Simple random sampling technique was used to select the bank branches where the questionnaires would be distributed. This probability sampling technique ensured that from the larger population of bank branches of the 10 banks, each bank branch was selected independently and had an equal chance of being included in the sample. The questionnaires were dropped to the sampled branches and then distributed through stratified sampling technique for managers and supervisors to fill. Thereafter, the researcher collected the completed questionnaires.

3.6.4 Measurement of Variables

Questionnaire was used as a measuring instrument in this study. There were five sections of the questionnaire. The first section comprised of items on personal information on the respondents; the second, reward strategy, the third, employee empowerment; the fourth, organizational commitment and the fifth, employee performance. Each statement in part two, three, four and five was measured on a five-point Likert scale ranging from strongly agree to strongly disagree.

Pradham and Jena (2016) instrument was adopted for use to measure employee performance at workplace: conceptual model and empirical validation business perspectives and research study done in India. For reward strategy, the questionnaire was partly drawn from Milkovich, Newman and Gerhat (2011) model and partially from Hadziahmetovic (2017) study on the mediating role of affective commitment in

the organizational rewards-organizational performance relation in the universities in Central and Eastern Europe.

Spreiter (1995) instrument was used to measure psychological empowerment. According to Obrien (2010), it is a self-report questionnaire designed to measure the four dimensions of physiological empowerment conceptualized by Thomas and Velhouse, (1998). These dimensions include meaning, competence, self-determination, and impact (Obrien, 2010).

Yasothai *et al.* (2015) instrument was used to measure social structural empowerment. This instrument was used in a study whose topic was on the impact of empowerment on employee performance, the mediating role of appraisal in manufacturing companies in Malaysia.

Alam (2011) study on Evaluation of Allen and Meyer's organizational commitment scale: A cross-culture application in Pakistan among the banking sector employee's questionnaire was adopted to measure organizational commitment.

Bryman and Bell (2011) recommend adopting questionnaires from previous studies by giving the advantage in that the questionnaires have been piloted, reliability and validity testing has taken place and further allows comparison with another research.

Although the instruments used in this study have been adopted from previous studies, the instrument was piloted to pretest. Piloting refers to the conduct of preliminary research, prior to the main study (Bloor and Wood, 2006). It provides structured opportunity for informed reflection on, and modification of the research design, the research instruments, timing and researcher security (Bloor and Wood 2006).

Van Teijlingen and Hundley (2002) argue that a pilot study can also be pretesting or trying out of a particular research instrument. To support this argument Van Teijlingen and Hundley (2002) note that one of the advantages of conducting a pilot study is that it might give advance warning about where the main research project could fail, where research protocols may not be followed or whether proposed methods or instruments are inappropriate or too complicated. This step was undertaken before proceeding to the field.

Table 3.2: Measurement of variables

Variable	Parameters	No. of Items	Measurement
Reward Strategy	Objectives Policies Techniques	47	Five-point Likert scale, Part II
Employee Empowerment	Social – Structural Psychological	28	Five-point Likert scale, Part III
Organizational Commitment	Affective Continuance Normative Task	18	Five-point Likert scale; part IV
Employee Performance	Adaptive Contextual	23	Five-point Likert scale, Part V

Source: Derived from Conceptual Framework (2018)

3.6.5 Testing for Validity and Reliability of the Instrument

According to Zikmund (2006) validity is the ability of a scale of measuring instrument to measure what is intended to measure, and reliability is the degree to which measures are free from error and therefore yield constant result. Kimberlin and Witsterstein (2008) also submit that key indicators of quality of a measuring instrument are the validity and reliability of the measures. The process of developing and validating an instrument is in a large part focused on reducing error in the measurement process while reliability estimates evaluate the stability of measures. Riege (2003) concur arguing that tests to establish the reliability and validity of a

qualitative data are important to determine the stability and the quality of the data obtained.

Bryman and Bell (2011) on reliability clarify further that it is concerned with the questions of whether the results of a study are repeatable. The term is commonly used in relationship to the question whether or not measures that are devised for concepts in business and management are consistent. Validity is concerned with the integrity of the conclusions that are generated from a piece of research. The study therefore endeavored to ensure compliance with validity in various ways.

On content validity Saunders, Lewis and Thornhill (2009) refer to it as the extent to which the measurement device provides adequate coverage of the investigative questions which they suggest can be made in a number of ways such as careful definition of the variables in the research through the literature review and where appropriate prior discussions with others. In this study, the literature review has been done which includes review of various theories and models. The contribution of supervisors was taken into consideration to ensure content validity. Prior to using the questionnaire to collect data, a pilot study to pretest the validity of instrument was done for the purpose of refining it.

On construct validity Zikmund, (2007) suggests that it is established by the degree to which a measure confirms a network of related hypothesis generated from a theory based on concepts. Bryman and Bell (2011) support this view proposing that the researcher is encouraged to deduce hypothesis from a theory that is relevant to the concept. The study has ensured that this is achieved by adopting measuring tools used in similar studies and that each of the hypothesis was also tested in accordance to (Hayes model 8, 2018). On construct validity, 115 items were examined and factor

analysis performed on each variable with a method for extracting the principle component analysis before conducting a regression test and to test the hypotheses.

On criterion related validity Saunders *et al.* (2009) argue that this is concerned with the ability of the measures to make accurate predictions and often is undertaken using statistical analysis such as correlation. Regression was used to analyze the data and therefore ensure criterion related validity is achieved.

Any research based on measurement must be concerned with the accuracy or dependability or, as we usually call it, reliability of measurement (Cronbach, 1951). Further clarifying that a reliability coefficient demonstrates whether the test designer was correct in expecting a certain collection of items to yield interpretable statements about individual differences. Cronbach Alpha was used to test reliability of instrument. Cronbach alpha is the most common internal consistency measure; it indicates the extent to which a set of test item can be treated as measuring a single latent variable. Cronbach alpha reliability coefficient normally ranges between 0 and 1.0 (Gliem and Gliem, 2003). The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale.

3.7 Data Analysis and Presentation

Data was coded which involved converting it into a form that can be analyzed. This was done by assigning numbers to data items. The coded data was then analyzed using statistical package for social sciences (SPSS) version 25.

The relationships between variables was tested using conditional process analysis known as moderated mediation a conditional nature of the mechanisms by which a variable transmits its effect on another (Hayes, 2013).

This was achieved through testing of multiple regression equations taking into account the relationship of the variables as per the conceptual framework. The data was analyzed using regression. Statistical Package for Social Sciences (SPSS) version 25 was used to conduct the regression analysis. Malhotra (2006) defines regression analysis as a powerful and flexible procedure for analyzing associative relationship between a metric dependent variable and one or more independent variables which can be used to determine one, whether a relationship exists, two the strength of the relationship, three the mathematical equation relating to the independent and dependent variables, and four predict values of the dependent variables and control for other independent variable when evaluating the contribution of a specific variable or set of variables.

3.7.1 Model specification

The following are the models adopted in this study:

Model 1: Hierarchical Regression

The study used this model to test the control variables and all the direct effect hypotheses. Hierarchical model helps us to understand how much variance is accounted for in the dependent variable by the additional variable in the model.

- i. $Y = \beta_0 + \beta_1 \text{Gender} + \beta_2 \text{Age} + \beta_3 \text{Education} + \beta_4 \text{Tenure} + \epsilon$... This model was used to determine the effect of control variables in the study in terms of parameter estimate and R^2 .
- ii. To test the effect of reward strategy (X) while controlling for control variables, the study used equation (H₀₁) $Y = \beta_0 + C + \beta_1 X + \epsilon$

- iii. $Y = \beta_0 + C + \beta_1X + \beta_2M + \epsilon$...This equation was applied to test for the direct effect of organizational commitment (M) on employee performance (Y) as control variables (C) and reward strategy (X) were held constant (H_{02}).
- iv. $Y = \beta_0 + C + \beta_1X + \beta_2M + \beta_3W + \epsilon$...This equation was used to test the direct effect of employee empowerment (W) on employee performance (Y) as controls (C), reward strategy (X) and organizational commitment (M) were controlled (H_{03}).
- v. To test the effect of reward strategy (X) on organizational commitment (M), H_{04} , the equations used was, $M = a_0 + C + a_1W + \epsilon$...for testing effect of controls and moderator on organizational commitment (M) and $M = a_0 + C + a_1W + a_2X + \epsilon$ for testing the effect of reward strategy on organizational commitment while controlling for control variables and the moderator (W)

Model 2: Mediation Model

To test for mediation, all the conditions of mediation were considered as proposed by MacKinnon and Baraldi, (2012). This is collaborated by Kenny, (2014) in reference to Baron and Kenny (1996) four step in establishing mediation. The conditions entail,

- i. The independent variable (X) must have a significant relationship with the mediator (M). To test this condition, the following equation was used: $M = a_0 + C + a_1X + \epsilon$
- ii. The mediator variable (M) must have a significant relationship with the dependent variable (Y). The equation, “ $Y = b_0 + C + b_1M + \epsilon$ ” was used to test this condition.
- iii. Testing the relationship between the independent variable (X) and the dependent variable (Y) while controlling for the mediator variable (M).Its not

mandatory to have a significant relationship for mediation to take place. Existence of a significant relationship indicates a partial mediation, while insignificant association reveals a full mediation.

- iv. After establishing the significant relationships as highlighted in condition (i) and (ii), the study established mediation by getting the product of $a_1 \times b_1$ or total effect (C) – direct effect (C') as indicated in Figure 3.1.

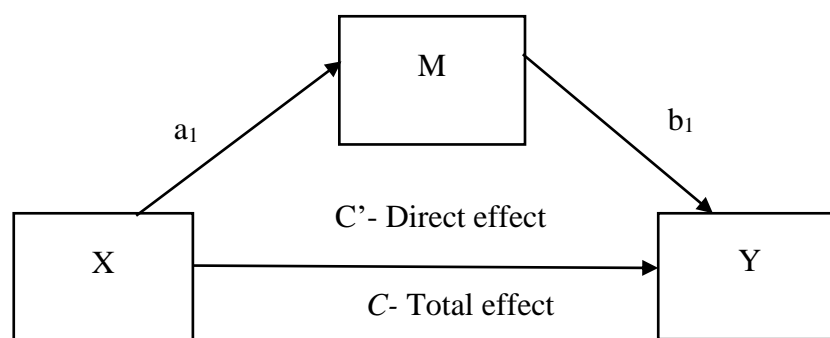


Figure 3.1: Mediation diagram

Source: Hayes (2018)

Model 3: Moderation Model (as indicated by Figure 3.2)

- i. To test Hypothesis H₀₆, the moderating effect of employee empowerment (W) on the relationship between reward strategy (X) and organizational commitment (M), the study used the following equation, $M = a_0 + C + a_1X + a_2W + a_3XW + \epsilon$
- ii. Hypothesis H₀₇, the moderating effect of employee empowerment (W) on the relationship between reward strategy and employee performance (Y), the equation used was;

$$Y = C'_0 + C + C'_1X + C'_2W + C'_3XW + \epsilon$$

Model 4: Moderated Mediation

To test hypothesis H₀₈, 'One indirect effect(s) of X on Y, conditional on W' as indicated by Figure 3.2, the following equation was use; $a_1b_1 + a_3b_1W = (a_1 + a_3W)b_1$

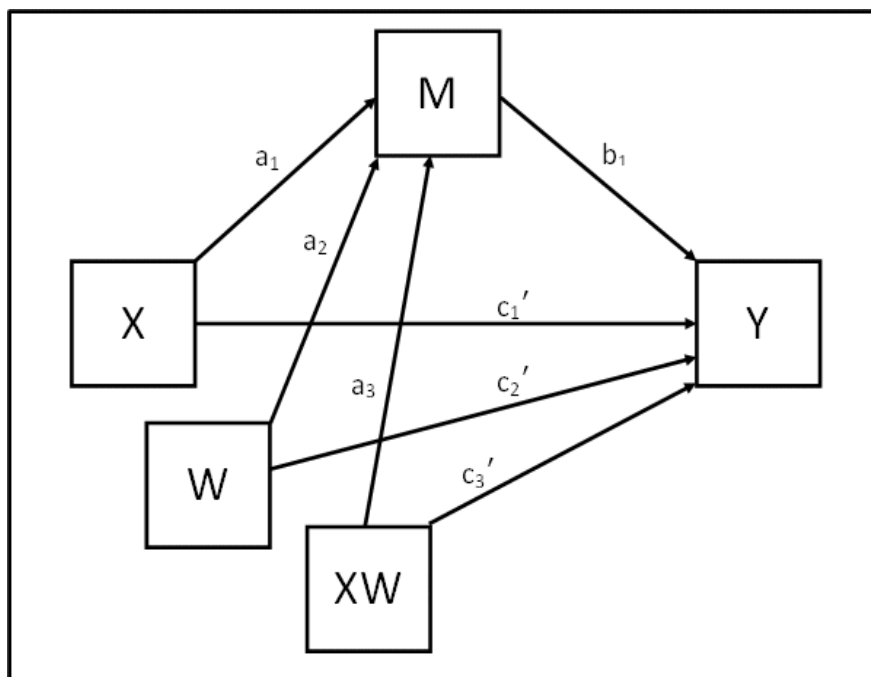


Figure 3.2: Statistical diagram

Source: Hayes (2018)

3.8 Assumptions of Regression

Most statistical tests rely upon certain assumptions about the variables used in the analysis (Osborne and Waters, 2002). Osborne and Waters (2002) continue to argue that when these assumptions are not met the results may not be trustworthy, or over- or under- estimation of significant. Therefore, the assumptions of linear regression analysis have been taken into consideration. These are: Linear relationship, multivariate normality, no or little multicollinearity, no autocorrelation and homoscedasticity (Williams *et al.*, 2013).

On linear relationship, Osborne and Waters (2002) argue that standard multiple regression can only accurately estimate the relationship between dependent and independent variables if the relationships are linear in nature. As there are many instances in the social sciences where non-linear relationships occur, it is essential to examine analyses for nonlinearity. If the relationship between independent variables

(IV) and the dependent variable (DV) is not linear, the results of the regression analysis under-estimated the true relationship. This underestimation carries two risks: increased chance of a Type II error for that IV, and in the case of multiple regression, an increased risk of Type I error.

Regression also assumes that variables have a normal distribution (Osborne and Waters, 2002). In the contrary, arguing that non-normally distributed variables (highly skewed or kurtoic variables, or variables with substantial outliers) can distort relationship and significance of tests. The dependent variable should follow a normal distribution at each value of the predictor (Pandis, 2016).

The homoscedasticity assumption states that the conditional disturbance distribution should have variance, which is constant for all X values, but again, the major requirement in practice is that the residual variance should be independent of X (Poole and O'Farrell, 1971). Krieger (2011) advances that homoscedasticity is related to the assumption of normality because when the assumption of normality is met the relationship of variables is homoscedastic and the residuals presented as being randomly scattered around the horizontal line.

The fourth assumption that is heteroscedasticity occurs when the variance of errors differs at different values of the independent variables (Krieger, 2011). Slight heteroscedasticity has little effect on significance of tests, however when heteroscedasticity is marked it can lead to serious distortion of findings and seriously weaken the analysis thus increasing the possibility of Type I error for a small size sample (Krieger, 2011).

3.9 Ethical Considerations

Nachmias and Nachmias (1996) notes that ethical issues arise from the kind of problems social scientists investigate and the methods used to obtain varied and reliable data. Further citing that they may be evoked by the research problem itself, the setting in which the research takes place, the procedure required by the research design, the method of data collection, the kind of persons serving as research participants and the type of data collected.

Ethical areas of concern as consent, plagiarism (Cozby, 2004), privacy, and confidentiality (Nachmias and Nachmias (1996). This study endeavored to uphold this by getting a letter of introduction from Moi University, School of Business and Economics as well as seeking consent from management of commercial banks and from the respondents. A research permit from National Commission for Science Technology and Innovation was also obtained. The privacy of respondents was also safeguarded by developing questionnaires which did not disclose the names of respondents. All sources of information were cited. The study was guided by Zikmund (2002) recommendations on upholding the rights and obligations of parties involved which among others include informed consent, confidentiality and privacy of individual respondents. This was safeguarded further by ensuring that the respondents were not required to disclose their names and institutions they were working for.

Table 3.3: Statistical Tools for Testing The Study Hypothesis

	Hypotheses Statement	Test Statistics	Critical/values/Decision
H₀₁	Reward Strategy has no significant direct effect on Employee performance.	β , p -v, t -v, F , R^2 , ΔR^2	$p \leq .05$, $t \geq 1.96$ significant
H₀₂	Organizational Commitment has no significant direct effect on Employee performance	β , p -v, t -v, F , R^2 , ΔR^2	$p \leq .05$, $t \geq 1.96$ significant
H₀₃	Employee Empowerment has no significant direct effect on Employee performance.	β , p -v, t -v, F , R^2 , ΔR^2	$p \leq .05$, $t \geq 1.96$ significant
H₀₄	Reward Strategy has no significant direct effect on Organizational Commitment	β , p -v, t -v, F , R^2 , ΔR^2	$p \leq .05$, $t \geq 1.96$ significant
H₀₅	Organizational Commitment has no mediating effect on the relationship between Reward Strategy and Employee performance.	β , p -v, t -v, F , R^2 , ΔR^2 , Confidence intervals (CI)	CI must be non- zero. $p \leq .05$, $t \geq 1.96$ significant
H₀₆	Employee Empowerment has no moderating effect on the relationship between Reward Strategy and Organizational Commitment	β , p -v, t -v, F , R^2 , ΔR^2 , Confidence intervals (CI)	CI must be non- zero. $p \leq .05$, $t \geq 1.96$ significant
H₀₇	Employee Empowerment has no moderating effect on the relationship between Reward Strategy and Employee performance.	β , p -v, t -v, F , R^2 , ΔR^2 , Confidence intervals (CI)	CI must be non- zero. $p \leq .05$, $t \geq 1.96$ significant
H₀₈	Employee empowerment has no moderating effect on the indirect relationship between reward strategy and employee performance through Organizational Commitment	Confidence intervals (CI)	CI must be non-zero

Source: Research Data (2020)

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.0 Overview

This chapter presents a discussion on the analysis of the data collected using the tools discussed in the previous chapter. The focus was on the analysis, interpretation, and discussion of the study findings. The variables involved were derived from the study model. It involved response rate, demographic characteristics for the respondents and presentation of descriptive and inferential statistical results.

4.1 Data Processing, Preparation and Screening

Data screening and cleaning process included reviewing the collected data and fixing (or removing) any errors that may have had a major effect on the study results. This might have occurred during data collection, coding, or data entry (Osborne, 2013). It involved checking of missing values, detection of major errors, management of raw data for proper analysis, and the evaluation of normality and outliers as recommended by Tabachnick and Fidell, (2014).

4.2 Response Rate and Non-Response

The study computed the response rate to ascertain whether it was adequate for analysis. The findings were as shown in Table 4.1. From the findings, 394 questionnaires were administered to the respondents from which 268 questionnaires were fully filled and returned. This gave a response rate of 68%. This was significant response rate for statistical analysis since it is above 50% as per Creswell and Creswell (2017) recommendations.

Table 4.1: Response Rate

	Number of Questionnaires	Response Rate
Response	268	68%
Non-response	126	32%
Total	394	100

Source: Research Data (2020)

4.3 Missing Data

One relevant problem in data quality is the presence of missing data. Missing data may be because of refusal by respondents to provide an answer and inability by respondents to fill the questionnaire. Data cleaning was done to detect and correct inaccurate and incomplete records from the database. The researcher excluded questionnaires which were incomplete.

4.4 Demographic Profiles of Respondents

This section discusses the demographic information of the respondents in the study area. This information was very important as it provided a foundation for further analysis of the specific research objectives and their findings using descriptive statistics, frequency tables and percentages. Biographical information analysis was vital as it affected the socio-economic behavior of the population. An examination of the questionnaire responses for each of the 268 respondents regarding gender, age, highest level of education attained, job category, terms of service and duration of service at the bank.

Table 4.2: Biographical Information of the Respondents

Demographic factor		Frequency	Percent
Gender	Male	141	52.6
	Female	127	47.4
	Total	268	100
Age	20 - 29 Years	29	10.8
	30 - 39 Years	130	48.5
	40 - 49 Years	89	33.2
	50 - 59 Years	20	7.5
	Total	268	100
Highest level of education	Tertiary College (Diploma)	11	4.1
	University (Graduate)	159	59.3
	University (Masters)	98	36.6
	Total	268	100
Job Category	Management	182	67.9
	Supervisory	86	32.1
	Total	268	100
Terms of service	Permanent	248	92.5
	Contract	20	7.5
	Total	268	100
Period working at the bank	Less than 5 years	49	18.3
	5 to 10 years	87	32.5
	11 to 15 years	83	31
	16 to 20 years	16	6
	21 years and above	33	12.3
Total	268	100	

Source: Research Data (2020)

4.4.1 Gender of the Respondents

From the findings, most of the respondents were male as represented by 52.6% (n=141) while the rest were female as represented by 47.4% (n=127). This is an indication that the study was not gender biased in data collection since all respondents were considered regardless of the gender.

4.4.2 Age of the Respondents

From the findings, it was established that most of respondents were aged 30 - 39 years as shown by 48.5% (n=130). Other respondents were aged 40 - 49 years as shown by 33.2% (n=89), 20 - 29 years as shown by 10.8% (n=29) and 50 - 59 Years as shown

by 7.5% (n=20). This is an indication that most of respondents were aged between 30 and 39 years. However, data collection for the study cut across all the age groups.

4.4.3 Highest level of Education

The study established that most of the respondents were university degree graduates as represented by 59.3% (n=159) followed by university master's degree graduates as shown by 36.6% (n=98) and the least were Tertiary College (Diploma) as shown by 4.1% (n=11). This implied that all the respondents had sufficient knowledge and ability to understand and answer all the questions regarding the subject under study.

4.4.4 Professional Qualification

The respondents indicated that their professional qualification was Association of Chartered Certified Accountants (ACCA), Certified Secretary, Certified Banker, Certified Credit Professional CCP(K) and Certified Fraud Examiner Chartered Securities and Investment Analyst. Others included Certified Protection Professional, Certified Public Accountant (CPA), Certified Securities and Investment Analysis (CSIA).

4.4.5 Professional Membership

The respondents indicated that they were members in Association of Chartered Certified Accountants (ACCA), Associate of Kenya Institute of Bankers (AKIB), ASIS, Certified Institute for Securities and Investment (CISI), Association of Certified Fraud Examiners, Chartered Institute of Marketing (CIM), Chartered Institute of Procurement and Supply, Certified Investment and Security Analyst (CISA), Econometrician Association, Engineers Registration Board (ERB), Economist Society of Kenya (ESK) and Institute of Certified Public Accountant Kenya (ICPAK).

4.4.6 Job Title

The respondents indicated their job title was administration manager, agency banker, assistant manager, audit manager, bank assurance officer, banker branch manager, branch operation assistant, branch operation manager, branch sales and service executive, business analyst, business banker, business client advisor, cash officer, corporate relationship manager, corporate service manager, credit analyst, credit and portfolio management, customer product advisor. Other respondents indicated their titles were digital banking supervisor, executive banker, finance control manager, finance officer, graduate management trainee, HR manager, HR officer, mortgage portfolio manager, recoveries team leader, relationship manager, relationship officer, revenue assurance analyst and universal business developer.

4.4.7 Job Category

The findings showed that most of the respondents were in management as shown by 67.9% (n=182) and Supervisory as shown by 32.1% (n=86). This shows that most of the respondents were in a better position to provide the information being sought by the researcher.

4.4.8 Terms of service

The findings revealed that most of the respondents were permanently employed as shown by 92.5% (n=248) and others were on contract as shown by 7.5% (n=20).

4.4.9 Period working at the bank

The findings established that most of the respondents had worked in the bank for 5 to 10 years as shown by 32.5% (n=87) followed by those who had worked for 11 to 15 years as shown by 31% (n=83) and then those who had worked for Less than 5 years as shown by 18.3% (n=49). Others had worked for 16 to 20 years as shown by 6%

(n=16) and the least had worked in the bank for 21 years and above as shown by 12.3% (n=33). This shows that most of the respondents had worked in the bank for long enough and hence provided adequate information regarding the study.

4.5 Categorical Results

This was performed using an independent t-test and one-way ANOVA to see whether any difference exists between the groups on the variables in the study.

4.5.1 Findings on Gender and Age

An independent sample t-test was conducted to examine if gender had any significant differences between men and women on various study variables. The finding on table 4.3 show that in terms of gender, there was no significant difference in terms of their responses pertaining to statements on all variables as shown by reward strategy ($t = 1.506, p=.133$), employee empowerment ($t = -.396, p =.692$), organizational commitment ($t = -.665, p = .507$) and employee performance as represented by ($t = -.069, p = .945$) respectively.

A one-way ANOVA was conducted to determine if age had any significant differences in terms of responses and opinions concerning the variables in the study. The findings in Table 4.3 reveals that in terms of age, there was not a significant difference in the opinions of different respondents in various ages regarding questions on reward strategy ($F= 0.830, p=0.478$), employee empowerment ($F=0.017, p=0.997$) organizational commitment ($F=0.915, p= 0.434$) and employee performance ($F=0.152, p=0.928$).

Table 4.3: ANOVA Test for Gender and Age

Variables	Gender		Age	
	t	Sig.	F	Sig.
Reward strategy	1.506	.133	0.830	.478
Employee empowerment	-0.396	.692	0.017	.997
Organizational commitment	-0.665	.507	0.915	.434
Employee performance	-0.069	.945	.152	.928

Source: Research Data (2020)

4.5.2 Highest level of Education Attained and Period working in the Bank

The findings shown in Table 4.4 reveals results of a one-way ANOVA, which was done to determine the response and opinion of respondents on highest level of education attained, and period working in the bank concerning the variables in the study. Concerning highest level of education attained, the findings showed that there was no significant difference in the opinions of respondents with different levels of education regarding statements on reward strategy ($F= 0.584$, $p = 0.558$), employee empowerment ($F =1.952$, $p = 0.144$), organizational commitment ($F = 2.210$, $p = 0.112$) and employee performance ($F = 1.325$, $p = 0.268$).

The findings on period worked in the bank (Tenure) also revealed that there was no significant difference in the responses of respondents pertaining to working experiences regarding questions on reward strategy ($F=1.572$, $p = 0.182$), employee empowerment ($F=0.714$, $p = 0.583$), organizational commitment ($F = 0. 0.262$, $p = 0.902$) and employee performance ($F= 1.049$, $p = 0.382$) respectively.

Table 4.4: ANOVA Test for Level of Education and Period working in the Bank.

Name of Variable	Highest level of Education Attained		Period working in the Bank	
	F	Sig.	F	Sig.
Reward strategy	0.584	.558	1.572	.182
Employee empowerment	1.952	.144	0.714	.583
Organizational commitment	2.210	.112	0.262	.902
Employee performance	1.325	.268	1.049	.382

Source: Research Data (2020)

4.6 Scale Reliability of the Instruments

Any research based on measurement must be concerned with the accuracy or dependability or, as we usually call it, reliability of measurement (Cronbach, 1951). Further clarifying that a reliability coefficient demonstrates whether the test designer was correct in expecting a certain collection of items to yield interpretable statements about individual differences. Cronbach Alpha was also used to test reliability of instrument. Cronbach alpha is the most common internal consistency measure; it indicates the extent to which a set of test item can be treated as measuring a single latent variable. Cronbach alpha reliability coefficient normally ranges between 0 and 1.0 (Gliem and Gliem 2003). The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale.

4.6.1 Reliability Test for Individual Items of Reward Strategy

The findings in Table 4.5 showed that the overall Cronbach's Alpha for the 47 items was 0.967. This was reliable as their reliability values exceeded the prescribed threshold of 0.7. The findings on Appendix IV guides on how to decide whether any items need to be removed. The *Corrected Item - Total Correlation* column in Appendix IV reveals how much each item correlates with the overall questionnaire score. Correlations less than $r = 0.70$ indicate that the item may not belong on the scale. Hence, there were no items that were dropped since they were all above 0.7.

In addition, the findings showed that if any item of the variable was removed, the overall Cronbach's Alpha will be less that of threshold of 0.7. This implies that every item was very significant for the variable to be reliable. Hence, all the items were retained because all of them have score less than 0.967 and at the accepted range.

Table 4.5: Reward Strategy Overall Reliability statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.967	.968	47

4.6.2 Reliability Test for Individual Items of Employee Empowerment

The findings in Table 4.6 showed that the overall Cronbach's Alpha for the 28 items was 0.951. This was reliable as their reliability values exceeded the prescribed threshold of 0.7. The findings on appendix IV guides on how to decide whether any items need to be removed. The *Corrected Item - Total Correlation* column in appendix IV reveals how much each item correlates with the overall questionnaire score. Correlations less than $r = 0.30$ indicate that the item may not belong on the scale. Hence, there were no items that were dropped since they were all above 0.3.

In addition, the findings showed that if any item of the variable was removed, the overall Cronbach's Alpha will be less than threshold of 0.7. This implies that every item was very significant for the variable to be reliable. Hence, all the items were retained because all of them have score less than 0.951 and at the accepted range.

Table 4.6: Employee Empowerment Overall Reliability statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.951	.953	28

4.6.3 Reliability Test for Individual Items of Organizational Commitment

The findings in Table 4.7 showed that the overall Cronbach's Alpha for the 18 items was 0.818. This was reliable as their reliability values exceeded the prescribed threshold of 0.7. The findings on appendix IV guides on how to decide whether any items need to be removed. The *Corrected Item - Total Correlation* column in

appendix IV reveals how much each item correlates with the overall questionnaire score. Correlations less than $r = 0.30$ indicate that the item may not belong on the scale. Hence, there were no items that were dropped since they were all above 0.3.

In addition, the findings in appendix IV showed that if any item of the variable was removed, the overall Cronbach's Alpha will be less than threshold of 0.7. This implies that every item was very significant for the variable to be reliable. Hence, all the items were retained because all of them have score less than 0.818 and at the accepted range.

Table 4.7: Organizational Commitment Overall Reliability statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.818	.823	18

4.6.4 Reliability Test for Individual Items of Employee Performance

The findings in Table 4.8 showed that the overall Cronbach's Alpha for the 23 items was 0.948. This was reliable as their reliability values exceeded the prescribed threshold of 0.7. The findings on appendix IV guides on how to decide whether any items need to be removed. The *Corrected Item - Total Correlation* column in appendix IV reveals how much each item correlates with the overall questionnaire score. Correlations less than $r = 0.30$ indicate that the item may not belong on the scale. Hence, there were no items that were dropped since they were all above 0.3.

In addition, the findings showed that if any item of the variable was removed, the overall Cronbach's Alpha will be less than threshold of 0.7. This implies that every item was very significant for the variable to be reliable. Hence, all the items were retained because all of them have score less than 0.951 and at the accepted range.

Table 4.8: Employee Performance Overall Reliability statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.948	.958	23

4.7 Factor Analysis for Variables

A factor analysis was performed on each variable with a method for extracting the principal component analysis before conducting a regression test and to test the hypotheses. The reason for the factor analysis is to identify a small number of items that can be used to test the relationship between interrelated variables, as well as to investigate the validity of each construct by measured purification process (John and Cassell (2001). Construct validity measures the degree to which a scale measures what it intends to measure, and it is assessed by factor analysis in this research study.

To examine construct validity, 115 items were examined by principal component extraction with varimax rotation. The Kaiser-Meyer –Olkin (KMO) had a measure of 0.818 as shown in Table 4.8 which is above the threshold of 0.5. The Bartlett’s test was significant in this study with a chi-square of 21067.884 (p-value < 0.05), thus confirming the appropriateness of the factor analysis for the data set.

The findings for factor loading for each item for all the variables employee performance (dependent variable), reward strategy (independent variable), employee empowerment (moderating variable) and organizational commitment (mediating variable) all are sorted by size were shown in Table 4.9. Any item that fails to meet the criteria of having a factor loading value of greater than 0.4 and does not load on only one factor was dropped from the study (Liao *et al.*, 2007). The table shows that only 115 items were sorted and clustered into four components: Factor 1 (reward strategy) with 47 items, Factor 2 (employee empowerment) with 28 items, Factor 3

(organizational commitment) with 18 items and Factor 4 (employee performance) with 23 items.

The eigenvalue for each factor is greater than 1.0 (33.209, 10.110, 6.279 and 4.881) which implies that each factor can explain more variance than a single variable. The cumulative percentage of variance explained by the four factors is 56.965%. Implying that more than 56.965% of the common variance shared by the 115 items can be explained by these four factors.

Table 4.9: KMO and Bartlett's Test

component	Rotation Sums Total (initial Eigen Values)	Squared % of Variance	Loadings Cumulative percentage
1	43.209	38.628	38.628
2	10.110	8.716	47.344
3	6.279	5.413	52.757
4	4.881	4.208	56.965
KMO and Bartlett's Test			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.818
	Approx. Chi-Square		21067.884
Bartlett's Test of Sphericity	df		6670
	Sig.		.000

Table 4.10: Summary of the Principal Component Analyses for the Variables

	Reward Strategy	Employee Empowerment	Organizational Commitment	Employee performance
I attribute high performance to reward objectives	.695			
Pay system encourages me to put extra effort	.760			
I am fairly rewarded considering the responsibilities of my job	.778			
I am fairly rewarded taking into account my level of education	.854			
I am fairly rewarded with regard to my level of experience	.792			
I am fairly rewarded for the stresses and strains of my job	.779			
The pay objectives are compliant with government regulations and labour laws	.776			
Pay grievances are resolved in compliance with existing labour guidelines	.758			
Pay decisions uphold the principle of confidentiality and privacy	.697			
The pay strategy is aligned to the vision, mission and core values of the organization	.776			
Equal pay is provided for related work of equal value	.695			

The bank has a well-defined grading and pay structure	.747		
The reward strategy attaches importance to external competitiveness	.808		
Comparing with similar organizations, the reward strategy makes my employer a great place to work	.803		
I would recommend the bank as a good employer to others	.791		
The reward strategy takes account of emerging compensation trends	.844		
My pay compares well with other related jobs in the market	.838		
My pay is competitive compared to similar jobs in other sectors	.825		
The reward strategy has created a strong bond between the bank and myself	.820		
The pay practices have resulted to commitment to my work	.788		
The views of senior managers are considered in reward strategy	.783		
The line managers are involved in the process of reward determination	.814		
I am satisfied with working conditions at my workplace	.808		
The working conditions are adequate to perform a good job	.808		
I am satisfied with the amount of pay I receive for the job I do	.781		
I am satisfied with the fringe benefits package provided by the bank	.741		
I feel that the promotion policy is good at my workplace	.814		
There is enough opportunity for advancement (improvement) on my job	.811		
My immediate supervisor is approachable	.874		
I am satisfied with the technical competence of my supervisor	.884		
I am satisfied with my immediate supervisor's ability to lead me	.901		
I am satisfied with the way my immediate supervisor helps me achieve my goals	.850		
I am satisfied with the supportive attitude of my co-workers at work	.779		
My co-workers cooperate more often than they compete	.717		
Clear planned objectives exist for my job	.762		
I know what my responsibilities are	.761		
I know how my performance is going to be evaluated	.704		
I feel certain about the level of authority I have	.771		
The job requires me to use a number of complex skills	.774		
My job requires me to use personal initiative in carrying out the work	.761		
I have freedom to do what I want on my job to satisfy clients	.692		
I receive recognition from my immediate superior for providing good service	.755		
I received induction training (orientation) for information systems, bank facilities and procedures at the beginning of my employment	.768		
I receive regular training to keep me updated for good service	.729		
I can influence decisions of my immediate supervisor regarding issues in my job	.790		
My immediate supervisor ask my opinion when a problem comes up	.788		
I feel it is easy to get job improvement ideas across to my immediate supervisor	.770		
Employment Empowerment - Social Structural - I am allowed to make decisions on my job undertaking	.781		
I have a lot of control over how I do my job	.840		
I have authority to male autonomous decisions in my job	.828		
I have opportunities to express my ideas	.771		
Power sharing increases my work autonomy	.742		
Knowledge sharing would improve work processes in the organization	.788		
Knowledge have positive influence on my performance because the more I know, the better I can perform	.822		
I will perform better if am trained on new skills related to my job undertakings	.713		
I intend to share my knowledge with other organizational members more frequently in the future	.770		
I have access to the information we need to perform our job	.752		
I can easily store information which help me work together in a team	.706		

I can easily share information that help me work together in a team	.835	
Information sharing is very important for positive team performance	.765	
I am satisfied with the reward system that I receive	.760	
I will receive a reward if I do something to improve any work	.761	
My pay encourages me to improve the quality of my work	.728	
The work I do is very important to me	.764	
My job activities are personally meaningful to me	.869	
The work I do is meaningful to me	.878	
I am confident about my ability to do my job	.801	
I am self-assured about my capabilities to perform my work activities	.833	
I have mastered the skills necessary for my job	.822	
I have significant autonomy in determining how I do my job	.751	
I can decide on my own how to go about doing my work	.724	
I have considerable opportunity for independence and freedom in how I do my job	.800	
My impact on what happens in my department is large	.773	
I have a great deal of control over what happens in my department	.828	
I have significant influence over what happens in my department	.863	
I would be very happy to spend the rest of my career in this organization		.756
I really feel as if this organization's problems are my own	.765	
I do not feel like 'part of my family' at this organization	.742	
I do not feel 'emotionally attached' to this organization	.746	
This organization has a great deal of personal meaning to me	.798	
I do not feel a strong sense of belonging to this organization	.746	
It would be very hard for me to leave my job at this organization right now even if I wanted to	.710	
Too much of my life would be disrupted if I leave this organization	.777	
Right now, staying with my job at this organization is a matter of necessity as much as desire	.724	
I believe I have too few options to consider leaving this organization	.782	
One of the few negative consequences of leaving my job at this organization would be the scarcity of available alternative elsewhere	.789	
One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice	.751	
I do not feel any obligation to remain with this organization	.729	
Even if it were to my advantage, I do not feel it would be right to leave	.815	
I would feel guilty if I left this organization now	.736	
This organization deserves my loyalty	.675	
I would not leave my organization right now because of my sense of obligation to it	.803	
I owe a great deal to this organization	.778	
I maintain high standard of work		.833
I am capable of handling my assignments without much supervision		.845
I am very passionate about my work		.830
I know I can handle multiple assignment for achieving organizational goals		.821
I complete my assignments on time		.769
My colleagues believe I am a high performer in my organization		.821
I perform well to mobilize collective intelligence for affective teamwork		.690
I could manage change in my job very well whenever the situation demands		.733
I can handle effectively my work team in the face of change		.779
I always believe that mutual understanding can lead to a viable solution in organization		.760
I lose temper when faced with criticism from my team members		.716
I am very comfortable with job flexibility		.778
I cope well with organizational changes from time to time		.769

I extend help to my coworkers when asked or needed				.754
I love to handle extra responsibilities				.707
I extend my sympathy and empathy to my co-workers when they are in trouble				.786
I actively participate in group discussions and work meetings				.792
I praise my co-workers for their good work				.835
I derive a lot of satisfaction nurturing others in organization				.812
I share knowledge and ideas among my team members				.808
I maintain good coordination among fellow workers				.806
I guide new colleagues beyond my job responsibilities				.710
I communicate effectively with my colleagues for problem solving and decision making				.778

Source: Research Data (2020)

4.8 Descriptive Statistics

Descriptive statistics analysis was done on all items for employee performance as dependent variable, reward strategy as independent variable, employee empowerment as moderating variable and organizational commitment as mediating variable. The descriptive analyses include means and standard deviations.

4.8.1 Descriptive Statistics for Employee Performance

From the findings in appendix V, most of respondents strongly agreed that they are capable of handling assignments without much supervision as shown by a mean of 4.53 and a standard deviation of 0.762 and that they extend help to their coworkers when asked or needed as shown by a mean of 4.52 and a standard deviation of 0.640. In addition, most of respondent also strongly agreed that they share knowledge and ideas among their team members as shown by a mean of 4.50 and a standard deviation of 0.701 and that that they know they can handle multiple assignment for achieving organizational goals as shown by a mean of 4.48 and a standard deviation of 0.732. Moreover, respondents were in strong agreement that they are very passionate about their work as shown by a mean of 4.47 and a standard deviation of 0.828 and that they guide new colleagues beyond their job responsibilities as shown by a mean of 4.47 and a standard deviation of 0.722. Also, respondents strongly agreed that they derive a

lot of satisfaction nurturing others in organization as shown by a mean of 4.46 and a standard deviation of 0.711 and that they communicate effectively with their colleagues for problem solving and decision making as shown by a mean of 4.46 and a standard deviation of 0.689.

Further, most of respondents agreed that they maintain high standard of work as shown by a mean of 4.44 and a standard deviation of 0.785 and that they extend sympathy and empathy to their co-workers when they are in trouble as shown by a mean of 4.42 and a standard deviation of 0.768. In addition, there was agreement that respondents praise their co-workers for their good work as shown by a mean of 4.40 and a standard deviation of 0.737 and they maintain good coordination among fellow workers as shown by a mean of 4.40 and a standard deviation of 0.741. Also, respondents agreed that they actively participate in group discussions and work meetings as shown by a mean of 4.39 and a standard deviation of 0.713 and that they complete assignments on time as shown by a mean of 4.33 and a standard deviation of 0.794. Additionally, respondents agreed that they love to handle extra responsibilities as shown by a mean of 4.30 and a standard deviation of 0.757 and that they can effectively handle their work team in the face of change as shown by a mean of 4.28 and a standard deviation of 0.731.

Further respondents agreed that their colleagues believe they are a high performer in their organization as shown by a mean of 4.23 and a standard deviation of 0.870 and that they always believe that mutual understanding can lead to a viable solution in organization as shown by a mean of 4.23 and a standard deviation of 0.976. Additionally, respondents agreed that they cope well with organizational changes from time to time as shown by a mean of 4.23 and a standard deviation of 0.718 and

that they could manage change in job very well whenever the situation demands as shown by a mean of 4.19 and a standard deviation of 0.804. However, the respondents disagreed that they lose temper when faced with criticism from their team members as shown by a mean of 2.49 and a standard deviation of 1.393.

4.8.2 Descriptive Statistics for Reward Strategy

From the findings in appendix V the respondents agreed that they know what their responsibilities are as shown by a mean of 4.40 and standard deviation of 0.834 and that respondents received induction training (orientation) for information systems, bank facilities and procedures at the beginning of their employment as shown by a mean score of 4.15 and standard deviation of 0.979. Moreover, respondents agreed that they attribute high performance to reward objectives with a mean of 4.10 and standard deviation of 0.966 and that their immediate supervisor is approachable as shown by a mean of 4.09 and standard deviation of 1.056.

The respondents also agreed that they know how their performance is going to be evaluated as shown by a mean of 4.08 and standard deviation of 1.006 and that they are satisfied with the immediate supervisor's ability to lead me as shown by a mean of 4.07 and standard deviation of 1.016. The respondents also agreed that their job requires use of personal initiative in carrying out the work as shown by a mean of 4.07 and standard deviation 0.921 and they are satisfied with the technical competence of my supervisor as shown by a mean of 4.05 and standard deviation of 1.044.

In addition, respondents agreed that pay decisions uphold the principle of confidentiality and privacy as shown by a mean of 4.01 and standard deviation of 0.930 and that clear planned objectives exist for the job as shown by a mean of 4.00

and standard deviation of 0.931. Respondents also agreed that they are satisfied with the supportive attitude of their co-workers at work as shown by a mean of 3.95 and standard deviation of 0.868 and that they are satisfied with the way their immediate supervisor helps them achieve goals as shown by a mean of 3.94 and standard deviation of 1.017 and that they receive regular training to keep them updated for good service as shown by a mean of 3.94 and standard deviation of 0.970. Respondents also agreed that the job requires them to use a number of complex skills as shown by a mean of 3.91 and standard deviation of 0.973 and that their co-workers cooperate more often than they compete as shown by a mean of 3.90 and standard deviation of 0.916. There was also an agreement that respondents feel certain about the level of authority they have as shown by a mean of 3.90 and standard deviation of 0.989 and that respondents would recommend the bank as a good employer to others as shown by a mean of 3.87 and standard deviation of 1.016.

Moreover, respondents agreed that they feel it is easy to get job improvement ideas across to the immediate supervisor as shown by a mean of 3.85 and standard deviation of 0.966 and that their immediate supervisor asks for their opinion when a problem comes up as shown by a mean of 3.84 and standard deviation of 0.982. Additionally, respondents agreed that pay system encourages them to put extra effort as shown by a mean of 3.81 and standard deviation of 1.029 and that they are satisfied with working conditions at their workplace as shown by a mean of 3.81 and standard deviation of 0.940.

Respondents also agreed that the working conditions are adequate to perform a good job as shown by a mean of 3.81 and standard deviation of 0.953 and that they receive recognition from their immediate superior for providing good service as shown by a

mean of 3.81 and standard deviation of 0.953. Findings also showed that respondents agreed that the pay objectives are compliant with government regulations and labor laws as shown by a mean of 3.77 and standard deviation of 0.969 and that pay grievances are resolved in compliance with existing labor guidelines as shown by a mean of 3.69 and standard deviation of 1.070.

Moreover, respondents agreed that they can influence decisions of immediate supervisors regarding issues in the job as shown by a mean of 3.65 and standard deviation of 0.979 and that the pay strategy is aligned to the vision, mission and core values of the organization as shown by a mean of 3.64 and standard deviation of 1.107. Respondents also agreed that they are fairly rewarded considering the responsibilities of the job as shown by a mean of 3.57 and standard deviation of 0.945 and that the views of senior managers are considered in reward strategy as shown by a mean of 3.57 and standard deviation of 1.071.

4.8.3 Descriptive Statistics for Employee Empowerment

From the findings in appendix V, most of respondents strongly agreed that they are confident about their ability to do their job as shown by a mean of 4.44 and standard deviation of 0.801 and that they have mastered the skills necessary for their job as shown by a mean of 4.41 and standard deviation of 0.822. Most of respondents agreed that they are self-assured about capabilities to perform work activities as shown by a mean of 4.40 and standard deviation of 0.849 and that knowledge have positive influence on performance because the more, they know, the better they can perform as shown by a mean of 4.34 and standard deviation of 0.858.

The respondents also agreed that they intend to share knowledge with other organizational members more frequently in the future as shown by a mean of 4.33 and

standard deviation of 0.860 and that information sharing is very important for positive team performance as shown by a mean of 4.33 and standard deviation of 0.878. The respondents agreed that they will perform better if trained on new skills related to job undertakings as shown by a mean of 4.29 and standard deviation of 0.913 and that they have access to the information needed to perform their job as shown by a mean of 4.26 and standard deviation of 0.772.

The respondents also agreed that they can easily store information which help them work together in a team as shown by a mean of 4.23 and standard deviation of 0.800 and that they can easily share information that help them work together in a team as shown by a mean of 4.21 and standard deviation of 0.855. The respondents agreed that the work they do is very important to them as shown by a mean of 4.20 and standard deviation of 0.881 and that knowledge sharing would improve work processes in the organization as shown by a mean of 4.19 and standard deviation of 0.899. The respondents also agreed that the work they do is meaningful to them as shown by a mean of 4.17 and standard deviation of 0.938 and that their job activities are personally meaningful as shown by a mean of 4.11 and standard deviation of 0.937. Respondents also agreed that their impact on what happens in my department is large as shown by a mean of 3.99 and standard deviation of 0.983 and they have significant autonomy in determining how they do their job as shown by a mean of 3.95 and standard deviation of 0.895.

In addition, the respondents agreed that they have opportunities to express ideas as shown by a mean of 3.87 and standard deviation of 0.882 and that they can decide on their own how to go about doing work as shown by a mean of 3.86 and standard deviation of 0.969. The respondents also agreed that they have considerable

opportunity for independence and freedom in how they do their job as shown by a mean of 3.80 and standard deviation of 0.888. The respondents agreed that they are allowed to make decisions on job undertaking as shown by a mean of 3.78 and standard deviation of 0.980 and that they have a great deal of control over what happens in their department as shown by a mean of 3.73 and standard deviation of 0.999.

The respondents also agreed that they have significant influence over what happens in their department as shown by a mean of 3.70 and standard deviation of 1.064 and that they have a lot of control over how they do their job as shown by a mean of 3.60 and standard deviation of 0.965. The respondents also agreed that power sharing increases their work autonomy as shown by a mean of 3.57 and standard deviation of 0.907 and that their pay encourages them to improve the quality of work as shown by a mean of 3.54 and standard deviation of 1.044.

4.8.4 Descriptive Statistics for Organizational Commitment

From the findings in appendix V, most of respondents strongly agreed that they owe a great deal to this organization as shown by a mean of 3.61 and standard deviation of 1.135 and that this organization has a great deal of personal meaning as shown by a mean of 3.60 and standard deviation of 1.129. The respondents agreed that they would be very happy to spend the rest of their career the organization as shown by a mean of 3.49 and standard deviation of 1.147 and that the organization deserves loyalty as shown by a mean of 3.42 and standard deviation of 1.123.

Moreover, the respondents agreed that they really feel as if this organization's problems are their own as shown by a mean of 3.38 and standard deviation of 1.137. However, respondents were neutral that too much of their life would be disrupted if

they leave the organization as shown by a mean of 3.29 and standard deviation of 1.122 and that right now staying with their job at this organization is a matter of necessity as much as desire as shown by a mean of 3.26 and standard deviation of 1.097. Respondents were also neutral that they would not leave their organization right now because of a sense of obligation to it as shown by a mean of 3.24 and standard deviation of 1.080 and that it would be very hard for them to leave their job at this organization right now even if they wanted to as show by a mean of 3.23 and standard deviation of 1.181.

Moreover, the respondents agreed that one of the few negative consequences of leaving their jobs at these organizations would be the scarcity of available alternative elsewhere as shown by a mean of 2.93 and standard deviation of 1.182 and that one of the major reasons they continue to work for this organization is that leaving would require considerable personal sacrifice as shown by a mean of 2.92 and standard deviation of 1.150. The respondents also agreed that they would feel guilty if they left the organization now as shown by a mean of 2.86 and standard deviation of 1.174 and that they believe they have too few options to consider leaving this organization as shown by a mean of 2.85 and standard deviation of 1.156.

The respondents also disagreed that they do not feel any obligation to remain with the organization as shown by a mean of 2.48 and standard deviation of 1.190 and that they do not feel like 'part of my family' at the organization as shown by a mean of 2.44 and standard deviation of 1.234. The respondents disagreed that they do not feel a strong sense of belonging to the organization as shown by a mean of 2.39 and standard deviation of 1.307 and that they do not feel 'emotionally attached' to the organization as shown by a mean of 2.37 and standard deviation of 1.244.

4.9 Descriptive Statistics for the Constructs

Multiple items were measured for a unique structure in the questionnaire, average construct numbers were calculated and used in further analyzes such as correlation and regression analysis. To construct the final data aggregated survey data set were merged basing on the means responses as presented in Table 4.11.

Table 4.11 describes the summary statistics for the sampled variables. Employee performance had the highest mean of 4.09 and a standard deviation of 0.503. This signifies that majority of the respondents agreed with most of statements regarding this variable. Moreover, the study showed that the respondents also concur on the statements describing organizational commitment with a mean of 4.18 and a standard deviation of 0.607. The respondents were also in agreement with statements on Employment Empowerment as shown by a mean of 3.98 and a standard deviation of 0.717. However, respondents were neutral with statements on reward strategy as shown by a mean of 3.81 and a standard deviation of 0.610.

Table 4.11: Summary of the Descriptive Statistics for the Constructs

Name of Variables	Mean	Std. Dev.	Skewness	Kurtosis
Employee Performance	4.09	.503	-.570	1.123
Reward Strategy	3.81	.610	-.041	-.486
Organizational Commitment	4.18	.607	-.670	.601
Employee Empowerment	3.98	.717	-1.247	2.142

Source: Research Data (2020)

4.10 Data Transformation

After component factor analysis, data was transformed using the remaining items that met the required thresh hold in research. Since a single construct in the questionnaire was measured by multiple items, the average score of the multi-items for a construct was computed and used in further analysis such as correlation analysis and multiple

regression analysis. Reward strategy had 47 items, employee empowerment had 28 items, organizational commitment had 18 items and employee performance had 23 items.

4.11 Assessing for Outliers

This study used Mahalanobis Distance to check for outliers. Outliers are data points or observations in the data that are far from other observations. This was done by using linear regression methods in SPSS followed by the computation of the Chi-square value. Since the study had 4 variables, the degree of freedom in the Chi-square was $df = 1,3$ tested at $p = 0.001$ (Tabachnick and Fidell., 2014). This implies that any case with a probability Mahalanobis Distance with p-value of less than 0.001 is a multivariate outlier which should be removed. Based on the above recommendation, 8 cases of multivariate outliers greater than the critical Chi-square value of 16.300, where $p < .001$ and df was 1,3 were identified and excluded from the study before final analysis of correlation and hypothesis testing were conducted. Thus, the final analysis for correlation and regression analysis was based on $n = 260$. Table 4.12 indicates that the maximum Mahalanobis distance in the data being 20.215.

Table 4.12 Mahalanobis Distance

	Minimum	Maximum	Mean	Std. Dev	N
Mahal. Distance	0.050	20.215	4.26	.397	268

Dependent Variable: Employee performance

Source: Research Data, (2020)

4.12 Correlation Analysis

According to Ward (2013), correlation analysis is used to test the degree of association between two variables. Pearson correlation coefficient was used to

determine the strength and the direction of the relationship between the dependent variable and the independent variable. The analysis using Pearson's product moment correlation was based on the assumption that the data is normally distributed and because the variables are continuous.

Pearson correlation analysis is meant to examine the relationship between the variables (Jahangir & Begum, 2008). According to Bryman and Bell (2011) the correlation coefficient value (r) that range from 0.10 to 0.29 is considered weak, any that lies between 0.30 to 0.49 is considered medium and from 0.50 to 1.0 is considered strong. However, according to Bryman and Bell (2011), correlation coefficient should not go beyond 0.8 to avoid multicollinearity.

Findings in Table 4.13 indicate that the correlation between employee performance and reward strategy had the strongest relationship with $r = 0.682$, $p = 0.01$. This was followed by the association between employee performance and organizational commitment $r = 0.621$, $p = 0.01$. The study further indicates that employee performance relationship with employee empowerment was also significant with $r = 0.471$, $p = 0.01$. Further, the relationship between reward strategy and employee empowerment $r = 0.307$, $p = 0.01$ which according to Bryman and Bell (2011) was in the medium range and therefore significant. Based on the above findings, it is concluded that there is an indication of a linear relationship between all predictor variables on the outcome [variable. In addition, since the highest correlation coefficient is 0.682 which was less than 0.8, there is no multicollinearity problem in this research (Table 4.13).

Table 4.13: Correlation Analysis

Name of Predictor	1	2	3	4
1. Employee Performance	1			
2. Reward Strategy	.682**	1		
3. Organizational Commitment	.621**	.402**	1	
4. Employee Empowerment	.471**	.307**	.472**	1

** Correlation is significant at the 0.01 level (2- tailed)

Source: Research Data (2020)

4.13 Testing Assumptions of Regression Analysis

The study conducted tests for normality, linearity, multicollinearity, auto-correlation, and homoscedasticity.

4.13.1 Normality Test

Normality was checked using results of skewness and kurtosis in table 4.11 which indicated scores within the accepted range of ± 3 for both statistics with skewness ranging from -.041 to -1.247 and kurtosis ranging from +2.142 to -.486. This was further checked by analysis of the regression standardized residual on histogram (Figure 4.1) showed that the data were normally distributed. Additionally, linear residual regression (Figure 4.2) was also used to show that the data was normally distributed, where the observed and predicted values were located along the axis, without any major deviations from them.

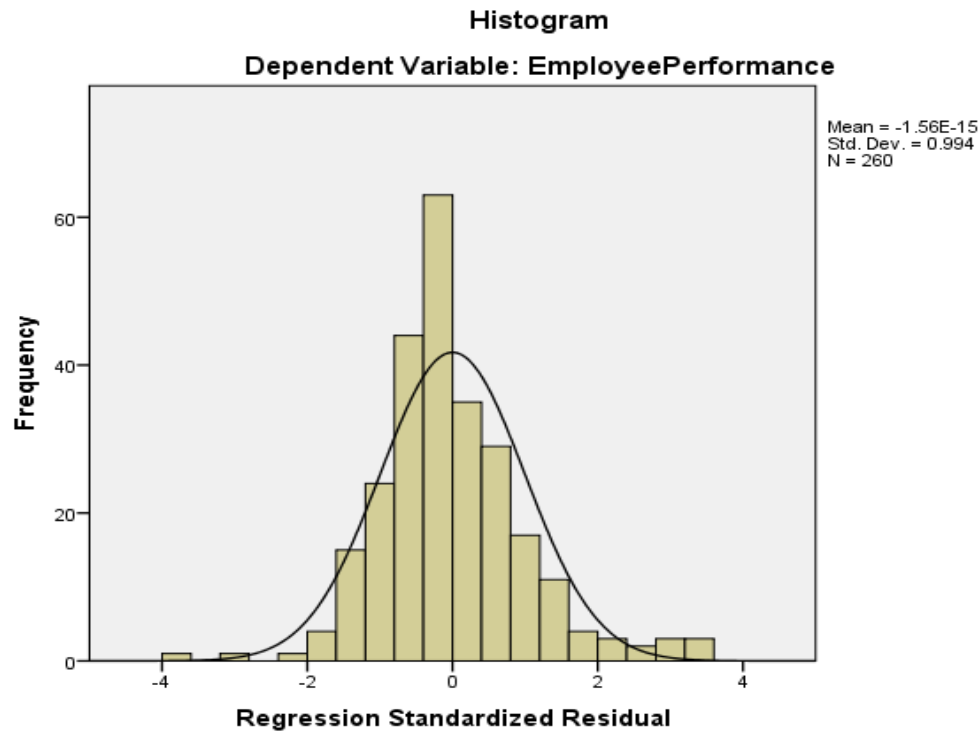


Figure 4.1: Normality Test Histogram

The normality of the dependent and the independent variables was further determined by use of a Quantile - Quantile (Q-Q) plot. The plot is useful in the early stages of analysis when exploring data before calculating a correlation coefficient or fitting regression curve. It helps to determine whether a linear regression model is appropriate (Paul & Zhang, 2009). The results of the Q - Q Plot indicated that the dependent variable was normally distributed (Figure 4.2) so are the independent variables. From the findings, the normal Q-Q plot of employee performance had most of its cases lying on the 45^o lines, thus the observed values of employee performance with the hypothetical distribution and hence normally distributed. Further, the Q-Q plots affirmed the normality of the data.

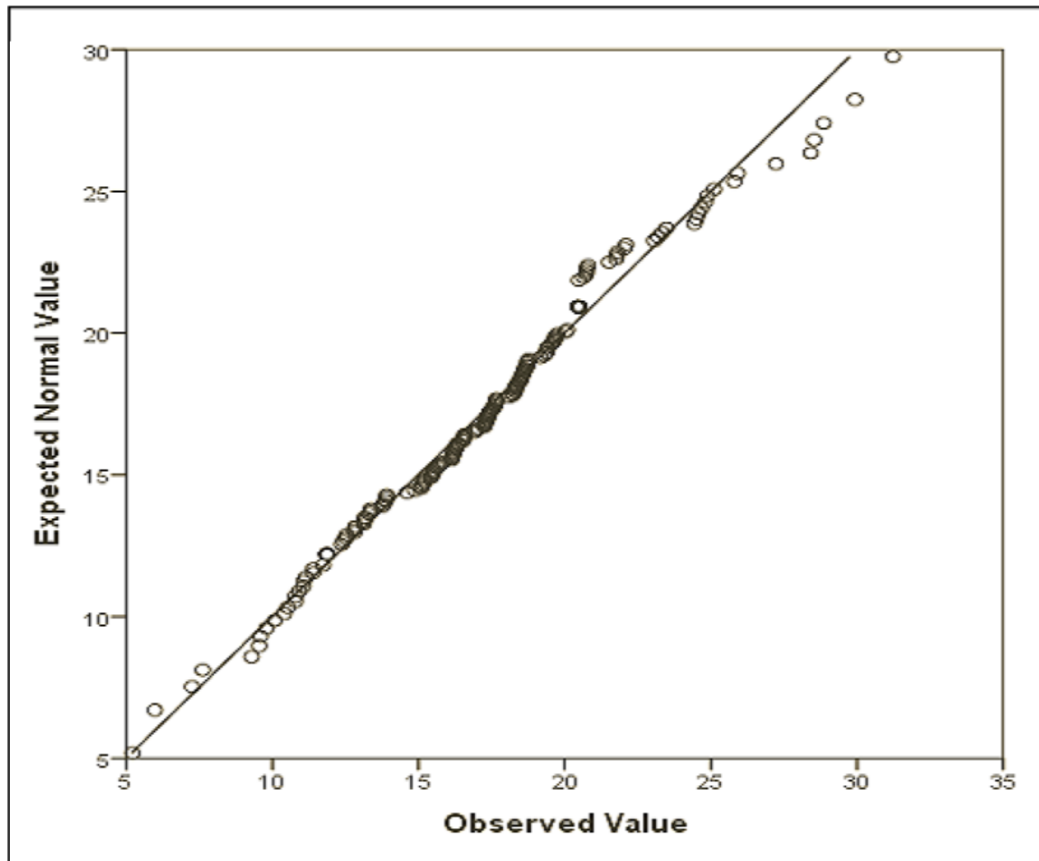


Figure 4.2: Normal Q-Q Plot Employee Performance

4.13.2: Linearity Test

The ANOVA Table 4.14 reveals results of linearity. The linear regression's F-test has the null hypothesis that there is no linear relationship between the dependent variable (Employee performance) and the three variables (reward strategy, organizational commitment, and employee empowerment) in the study (in other words $R^2 = 0$). With $F = 140.255$ and 259 degrees of freedom the test is highly significant, thus we can assume that there is a linear relationship between the study variables in our model. Additionally, linearity was checked using correlation results shown in Table 4.13 which reveals that all the variables of the study are lineally related with the dependent variable.

Table 4.14: ANOVA^a Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.812	3	13.604	140.255
	Residual	24.831	256	.097	
	Total	65.643	259		

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Employee Empowerment, Reward Strategy, Organizational Commitment.

Source: Research Data (2020)

4.13.3 Multicollinearity

Multi-collinearity occurs when the independent variables are not independent from each other. Multi-Collinearity refers to the assumption that the independent variables are uncorrelated (Darlington, 1968; Keith, 2006). Multi-collinearity occurs when several independent variables correlate at high levels with one another, or when one independent variable is a near linear combination of other independent variables. Variance Inflation Factor (VIF) of the linear regression indicate the degree that the variances in the regression estimates are increased due to multicollinearity. VIF values higher than 10 indicate that multicollinearity is a problem. In addition, tolerance values of less than 0.2 indicate the presence of multicollinearity. The findings in Table 4.15 revealed that the VIF values for all the independent variables were below 10.0 and tolerance above 0.2. The VIF values for all the variables in table 4.15 were less than 10.0 implying that there were no Multicollinearity symptoms as indicated by Keith (2006).

Table 4.15: Collinearity Statistics

Name of Variables	Collinearity Statistics	
	Tolerance	VIF
Reward Strategy	.821	1.218
Organizational Commitment	.704	1.420
Employee Empowerment	.761	1.314

Source: Research Data (2020), Dependent variable: Employee performance

4.13.4 Test for Autocorrelation

According to Bhattacharjee (2012), the Durbin Watson statistic is a number that tests for autocorrelation in the residuals from a statistical regression analysis that is always between 0 and 4. A value of 2 means that there is no autocorrelation in the sample. Values approaching 0 indicate positive autocorrelation and values toward 4 indicate negative autocorrelation. If the errors are correlated with one another, it would be stated that they are 'serially correlated'. A test of this assumption was therefore conducted using Durbin-Watson which is shown in the regression output of the model. Table 4.16 indicates Durbin-Watson value for the model as 1.695 which is within the required range of between 1.5 - 2.5. Thus, confirming that there is no problem of autocorrelation in the data.

Table 4.16: Autocorrelation Test

Model	R-Square Change	F Change	df1	df2	Sig. F Change	Durbin- Watson
1	.622	140.255	3	256	.000	1.695

Source: Research Data (2020)

4.13.5 Test for Homoscedasticity

Homoscedasticity is an assumption that the independent variables and the dependent variable exhibits same amounts of variance over the range of values. This study used levene variance equality statistics test to check for the homogeneity of variances. Based on the results in Table 4.17, the study revealed that the assumption of homogeneity of variances was not violated, since none of the Levene statistics were found to be significant with all alpha level scores were above 0.05 (Tabachnick *et al.*, 2007).

Table 4.17: Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
Reward Strategy	1.921	3	256	.127
Employee Empowerment	.449	3	256	.718
Organizational Commitment	.142	3	256	.935
Employee Performance	.624	3	256	.600

Source: Researcher (2020)

4.14 Hypotheses Testing

To test the hypotheses, this study adopted Hierarchical regression model in testing the effect of control variables, and all the direct hypotheses H_{01} , H_{02} , H_{03} and H_{04} . The study further used Hayes (2018) Model 4 and 8 to test for mediation (H_{05}), moderation (H_{06} , H_{07}) and moderated mediation (H_{08}) hypotheses respectively using Process Macro version 3.2 as discussed in the previous chapter. All control variables were included in all the models.

4.14.1 Effect of Control Variables in the Study

A regression analysis was performed to test for the effects of the control variables on employee performance (dependent variable). The findings in Table 4.18, Model 1 indicate that gender ($\beta = - 0.003$, $p = 0.982$), age ($\beta = - 0.138$, $p = 0.214$) and education ($\beta = 0.070$, $p = 0.551$) were found to be insignificant. However, employees' tenure was found to have a positive effect on employee performance as indicated by $\beta = 0.155$, $p = 0.027$. Results further indicate that the control variables model explains 2.2% of the total variance in employee performance, as indicated by $R^2 = 0.022$ with an insignificant $F = 1.425$, $p = 0.226$ as shown in Table 4.18.

4.14.2 Reward Strategy and Employee Performance

Hypothesis H_{01} stated that reward strategy has no significant effect on employee performance. Findings of Model 2 Table 4.18 shows that control variables, gender (β

= 0.106, $p = 0.284$), age ($\beta = -0.165$, $p = 0.059$), and education ($\beta = 0.033$, $p = 0.723$) were all insignificant as tenure was found to be significant in this model ($\beta = 0.117$, $p = 0.035$). Most importantly, findings reveal that reward strategy positively and significantly influences employee performance as indicated by $\beta = 0.622$, $p = 0.000$. Results shows that this model has an improved $R^2 = 0.401$, $\Delta R^2 = 0.379$, with a significant $F = 160.813$, $p = 0.000$. This implies that while holding constant the control variables, reward strategy accounts for 37.9 % of variance in employee performance. Based on these results, H_{01} , is rejected and conclusion made that reward strategy positively and significantly influences employee performance.

4.14.3 Organizational Commitment and Employee Performance

Table 4.18, Model 3 was used to test Hypothesis H_{02} which stated that organizational commitment has no significant effect on employee performance. Results of control variables indicate that gender ($\beta = 0.025$, $p = 0.751$), age ($\beta = 0.107$, $p = 0.127$), and education ($\beta = -0.061$, $p = 0.408$) were all insignificant as tenure remained significant with $\beta = 0.097$, $p = 0.028$. In addition, reward strategy was also found to be significant in this model with $\beta = 0.413$, $p = 0.000$. Most importantly the findings shows that organizational commitment positively and significantly influences employee performance as indicated by a $\beta = 0.513$, $p = 0.000$. Results also shows that this model explains a 61.7% of the variance in employee performance with $R^2 = 0.617$, $\Delta R^2 = 0.217$, $F = 142.649$, which was significant at $p = 0.000$. The ΔR^2 of 0.217 implies that organizational commitment explains a 21.7% of the variance in employee performance. Since organizational commitment has a $\beta = 0.513$, $p = 0.000$, hypothesis H_{02} is also rejected.

4.14.4 Employee Empowerment and Employee Performance

To test Hypothesis H₀₃, Model 4 of Table 4.18 was used. The findings in this Model reveals that most of the control variables in the model remained insignificant with gender ($\beta = 0.020$, $p = 0.800$), age ($\beta = -0.105$, $p = 0.127$), education ($\beta = -0.064$, $p = 0.384$). However, employee's tenure remained significant with $\beta = 0.095$, $p = 0.030$. The study also indicates that reward strategy, $\beta = 0.395$, $p = 0.000$, and organizational commitment, $\beta = 0.460$, $p = 0.000$ were found to be significant in the model. Results further indicates that employee empowerment positively influences their performance as shown by $\beta = 0.130$, $p = 0.003$. Finally, the study findings of this model show an improved $R^2 = 0.630$, $\Delta R^2 = 0.013$, $F = 8.781$ with a significant $p = .003$. The change in explained $\Delta R = 0.013$ reveals that employee empowerment accounts for 1.3% of the variance on employee performance while holding constant the controls, reward strategy and organizational commitment. Based on these findings, hypothesis H₀₃ is also rejected, and conclusion made that employee empowerment positively and significantly influences employee performance.

Table 4.18: Results for Control variables and Direct Effects Hypotheses

Variable	Model 1		Model 2		Model 3		Model 4	
	β	p - v	β	p - v	β	p - v	β	p - v
Constant	-.380	.509	-.214	.635	.226	.534	.246	.492
Gender	-.003	.982	.106	.284	.025	.751	.020	.800
Age	-.138	.214	-.165	.059	-.107	.127	-.105	.127
Education	.070	.551	.033	.723	-.061	.408	-.064	.384
Tenure	.155*	.027	.117*	.035	.097*	.028	.095*	.030
RStrategy	-	-	.622***	.000	.413***	.000	.395***	.000
OrgComm	-	-	-	-	.513***	.000	.460***	.000
EmEmp	-	-	-	-	-	-	.130**	.003
R ²	.022		.401		.617		.630	
ΔR^2	.022		.379		.216		.013	
F	1.425		160.813***		142.649***		8.781**	

Dependent Variable = Employee performance, RStrategy = Reward Strategy, OrgComm = Organizational Commitment, EmEmp = Employee Empowerment

Note: * $p < .05$, ** $p < .01$, *** $p < .001$

Source: Research data (2020).

4.14.5 Reward Strategy and Organizational Commitment

To test this hypothesis H₀₄, control variables and the moderator were held constant as shown by findings in table 4.19, Model 1. The study reveals that all control variables were found to be insignificant with $p > .05$. However, employee empowerment was found to influence organizational commitment with $\beta = 0.464$, $p = 0.000$. This model indicates $R^2 = 0.232$ with a significant $F = 15.362$ with at $p = 0.000$. These findings reveal that the control variables and employee empowerment accounts for 23.2% of the variation in organizational commitment.

Model 2 of Table 4.19 reveals the results of H₀₄, the effect of reward strategy on organizational commitment while controlling for gender, age, education, tenure, and employee empowerment. Results indicate that all control variables were insignificant in this model with $p > 0.05$ as the moderator variable (employee empowerment) was found to be significant with $\beta = 0.375$, $p = 0.000$. This model shows $R^2 = 0.308$, $\Delta R^2 = 0.075$, $F = 27.541$, $p = 0.000$. Most importantly, results of reward strategy show a positive and significant effect on organizational commitment with $\beta = 0.292$, $p = 0.000$. Based on this outcome, hypothesis H₀₄ is rejected by the study.

Table 4.19: Results for Reward Strategy and Organizational Commitment

Variable Name	Model 1 (OrganComm)		Model 2 (OrganComm)	
	β	<i>p-value</i>	β	<i>p-value</i>
Gender	.061	.581	.117	.273
Age	-.075	.448	-.091	.330
Education	.156	.136	.149	.136
Tenure	.039	.531	.026	.666
Employee Empowerment	.464***	.000	.375***	.000
Reward Strategy	-	-	.292***	.000
R^2	.232		.308	
ΔR^2	.232		.075	
F	15.362***		27.541***	

Dependent Variable- OrganComm = Organizational Commitment

Note: *** $p < .001$,

Source: Researcher (2020)

4.14.6 Mediating Effect of Organizational Commitment on the Relationship between Reward Strategy and Employee Performance

To test hypothesis H₀₅, the mediation procedure discussed in the previous chapter was followed using Hayes (2018) model 4 using Process Macro version 3.2. The procedures entailed;

- i. A significant relationship between reward strategy and organizational commitment (side a_1 of the conceptual framework)
- ii. A significant relationship between organizational commitment and employee performance (side b_1 of the conceptual framework)
- iii. Testing the relationship between reward strategy and employee performance while controlling for organizational commitment (side C' of the conceptual framework)
- iv. Determining the mediation = $a_1 \times b_1$ or Total effect – Direct effect
- v. Determining Total effect = $a_1 b_1$ (mediation) + C' (direct effect)

In testing the above conditions, all the control variables were included in the analysis.

Table 4.20 Model 1 shows results of procedure (i) which indicates that all control variables were found to be insignificant as shown with $p > .05$. Results indicate that reward strategy has a positive and significant effect on organizational commitment with $\beta = 0.408$, $p = 0.000$ thus confirming the first procedure. This model shows $R^2 = .181$ with a significant $F = 11.211$, at $p = .000$.

Model 2 of Table 4.20 shows the outcome of procedure (ii) of mediation process. Results show that employee tenure was found to be significant in this model with $\beta = 0.097$, $p = 0.028$ as the rest of the control variables were insignificant as shown by $p > .05$. Most importantly, organizational commitment was found to have a significant

relationship with employee performance as indicated by $\beta = 0.513$, $p = 0.000$. This finding confirms the mediation condition (ii). Results indicate that this model accounts for 61.7% of the total variance in employee performance as shown by $R^2 = .617$, $F = 67.931$, which was significant at $p = .000$.

Procedure (iii) was also tested in this model which shows that reward strategy significantly influences employee performance while controlling for organizational commitment as indicated by $\beta = 0.413$, $p = 0.000$.

After confirming condition (i) and (ii) of the study, the mediation process was computed by checking the product of $a_1 \times b_1 = 0.408 \times 0.513 = 0.209$. To check whether mediation was significant, the lower limit (LC) and upper limit (UL) confidence intervals were used. Results of Model 3 of Table 4.28 shows both confidence intervals to be nonzero as shown by $\beta = 0.209$, $SE = .051$, $CL = 0.122$, 0.319 . Based on this findings, hypothesis H_{05} is rejected by the study.

Finally, to confirm the type of mediation that took place in this study, procedure (iii) plays a key role in making the final decision. As discussed in the previous chapter, the existence of both $a_1 \times b_1$ and C' (direct effect) reflects a partial mediation. When $a_1 b_1$ exists but C' (direct effect) does not exist, this result reflects a full mediation. Given both $a_1 b_1 = (0.209)$ and C' (direct effect) = 0.413 were both positive and exist in this study, we conclude that the study revealed a partial mediation. Thus, the inclusion of a mediation model in this study is a better model compared to a direct effect model alone as it contributes to a higher effect of reward strategy on employee performance than when carrying out a direct effect process alone. This is evident by results of Total effect = $0.209 + 0.413 = 0.622$ (Model 3 of Table 4.20). These results are illustrated by Figure 4.3.

Table 4.20: Mediating effect of organizational commitment on the relationship between relationship Reward Strategy and Employee performance

Names of Variables	Model 1 (OrgCommnt)		Model 2 (EmPerf)		Model 3 (Total Effect)	
	β	<i>p</i> - <i>v</i>	β	<i>p</i> - <i>v</i>	β	<i>p</i> - <i>v</i>
Gender	.157	.175	.025	.751	.106	.284
Age	-.113	.266	-.107	.127	-.165	.059
Education	.183	.090	-.061	.408	.033	.723
Tenure	.038	.556	.097*	.028	.117*	.035
Reward Stra	.408***	.000	$C' = .413***$.000	.622***	.000
OrgCommnt	-	-	$b_1 = .513***$.000	-	-
R ²	.181		.617		.401	
F	11.211***		67.931***		34.017***	
Mediation	$a_1 \times b_1 = .408 \times .513$		$= .209, SE = .051$		CI = .122, .319	

Note: **p* < .05, ***p* < .01, ****p* < .001

3 Source: Research Data (2020)

Where;

OrgCommnt = Organizational commitment

EmPerf = Employee performance

X = Reward Strategy

Y = Employee Performance

M = Organizational Commitment

4.14.7 Moderating Effect of Employee Empowerment on the Relationship between Reward Strategy and Organizational Commitment

Table 4.21, Model 1 reveals the results of hypothesis H₀₆. Results indicate that all the control variables in this model were insignificant as indicated by *p* > .05. However, reward strategy ($\beta = 0.287, p = 0.000$) and employee empowerment ($\beta = 0.410, p = 0.000$) were found to have a positive influence on organizational commitment. The findings further indicate that employee empowerment moderates the relationship between reward strategy and organizational commitment as shown by $\beta = -0.175, p =$

0.000. This model shows an $R^2 = 0.342$, $F = 18.697$, which was significant at $p = 0.000$. This implies that the model explains 34.2% of the total variance in organizational commitment. In addition, the interaction term of employee empowerment on reward strategy and organizational commitment indicates a $\Delta R^2 = 0.034$, $F = 13.119$, significant at $p = 0.000$. This means that the moderation effect accounts for 3.4% of the variance in organizational commitment. Based on these findings' hypothesis H_{06} is also rejected by the study.

These results are further illustrated by Figure 4.3 which shows that when reward strategy in a firm is low, organizational commitment is high with high levels of employee empowerment than when employee empowerment is low. However, as reward strategy and employee empowerment increase, a firm experiences high levels of organizational commitment. Thus, for an organization to achieve high levels of commitment, employee empowerment acts as a remedy for low levels of reward strategy.



Figure 4.3: Graphical representation of Employee empowerment on Reward Strategy and Organizational Commitment

4.14.8 Moderating effect of Employee Empowerment on the Relationship between Reward Strategy and Employee Performance

Hypothesis H₀₇ postulated that employee empowerment does not moderate the relationship between reward strategy and employee performance. All control variables were included in the analysis. Table 4.21, Model 2 reveals that gender, age and education were found to be insignificant as shown by $p > .05$. However, results shows that employees tenure influences their performance as indicated by was $\beta = 0.100$, $p = 0.017$. Furthermore, reward strategy ($\beta = 0.405$, $p = 0.000$), organizational commitment ($\beta = 0.408$, $p = 0.000$) and employee empowerment ($\beta = 0.185$, $p = 0.000$) were all found to have an impact on employee performance. Results of the moderation effect of employee empowerment on the relationship between reward strategy and employee performance shows a $\beta = - 0.182$, $p = 0.000$. The findings show that the model explains a 66.5% of the total variance in employee performance as shown by $R^2 = 0.665$, with a significant $F = 62.236$, $p = 0.000$. Additionally, the interaction term reveals a $\Delta R^2 = 0.035$, $F = 26.160$ significant at $p = 0.000$, suggesting that the interaction accounts for a 3.5% of the variance in employee performance. Based on the above findings, H₀₇ is also rejected, and conclusion made that employee empowerment moderates the relationship between reward strategy and employee performance.

The findings of the moderation are further explained by Figure 4.4 which shows that at low levels of reward strategy, employee performance is high with high levels of employee empowerment than with low levels of empowerment. As reward strategy increases, employee performance increases with both groups of empowerments but

the increase is high with the group having low levels of empowerment. This reveals the important role that employee empowerment plays in an organization.

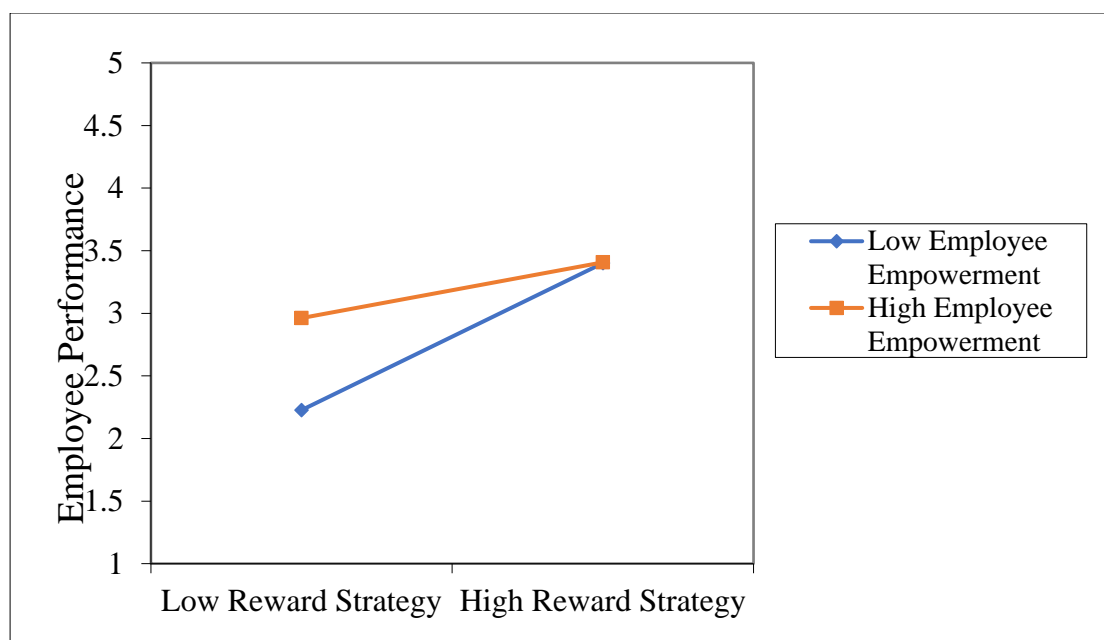


Figure 4.4: Graphical representation of Employee empowerment on Reward Strategy and Employee Performance

Table 4.21: Results for Moderating effect of Employee Empowerment

Predictor Names	Model 1 (Organizational Commitment)		Model 2 (Employee performance)	
	β	p - v	β	p - v
Constant	-.609	.202	.272	.425
Gender	.087	.403	-.005	.948
Age	-.087	.343	-.105	.109
Education	.153	.116	-.051	.461
Tenure	.029	.618	.100*	.017
Reward Strategy	.287***	.000	.405***	.000
Employee Empowerment	.410***	.000	.185***	.000
Organizational Commitment	-	-	.408***	.000
RewardStra \times EmEmpower	-.175***	.000	-	-
RewardStra \times EmPerform	-	-	-.182***	.000
R^2	.342, F = 18.697***		.665, F = 62.236***	
ΔR^2	.034, F = 13.119***		.035, F = 26.160	

Source: Research data (2020). Note: * $p < .05$, *** $p < .001$,

Where;

RewardStra \times EmEmpower = 1st Moderation,

RewardStra \times EmPerfor = 2nd Moderation

4.14.9 Moderating Effect of Employee Empowerment on the Indirect Relationship between Reward Strategy and Employee Performance through Organizational Commitment

Hypothesis H₀₈ postulated that employee empowerment does not moderate the indirect relationship between reward strategy and employee performance through organizational commitment. Table 4.22 reveals that the moderated mediation took place at the lower level of the moderator, $\beta = 0.189$, SE= 0.051, CI= 0.097, 0.299, and at the mean level of the $\beta = 0.117$, SE= 0.037, CI= 0.054, 0.197. However, there was no moderated mediation at the higher level of the moderator as shown by $\beta = 0.046$, SE= 0.039, CI= - 0.019, 0.132. The moderated mediation effect is confirmed by the moderated mediation index - 0.072 with both confidence intervals showing nonzero (CI = - 0.026, - 0.018) shown at the bottom row of Table 4.22. Based on these results, hypothesis H₀₈ is rejected by the study.

Table 4.22: Moderated Mediation Results

Mean Levels Employee Empowerment	Effect	SE	LLCI	ULCI
Lower Level (-1 standard deviation)	.189	.051	.097	.299
Mean Level (0 Mean level)	.117	.037	.054	.197
Upper Level (1 standard deviation)	.046	.039	-.019	.132
Moderated Mediation Index	-0.072	0.026	-0.121	-0.018

Source: Research Data (2020)

Table 4.23: Summary of the Study Hypotheses

No.	Hypothesis Description	β	<i>p-v</i>	LLCI	ULCI	Decision
H ₀₁	Reward strategy has no significant direct effect on employee performance	0.622	0.000	-	-	Rejected
H ₀₂	Organizational commitment has no significant direct effect on employee performance	0.513	0.000	-	-	Rejected
H ₀₃	Employee empowerment has no significant direct effect on employee performance	0.130	0.003	-	-	Rejected
H ₀₄	Reward strategy has no significant direct effect on organizational commitment	0.292	0.000			Rejected
H ₀₅	Organizational commitment has no mediating effect on the relationship between reward strategy and employee performance	0.209	-	0.122	0.319	Rejected
H ₀₆	Employee empowerment has no moderating effect on the relationship between reward strategy and organizational commitment	- 0.175	0.000	- 0.271	- 0.080	Rejected
H ₀₇	Employee empowerment has no moderating effect on the relationship between reward strategy and employee performance	- 0.182	0.000	- 0.252	- 0.112	Rejected
H ₀₈	Employee empowerment has no moderating effect on the indirect effect of reward strategy and employee performance through organizational commitment	-0.072	-	- 0.124	- 0.018	Rejected

Source: Research Data (2020)

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Overview

This chapter presents a summary, conclusion and recommendations of the study based on the objectives and hypotheses.

5.1 Summary of Research Findings

The main objective of this study was to establish the moderated mediating effect of employee empowerment and organizational commitment on the relationship between reward strategy and employee performance in commercial banks listed in Nairobi Securities Exchange.

To accomplish the objective of the study, eight hypotheses were tested and all the null hypotheses were rejected since the relationships between variables were all found to be significant. The study findings indicate that reward strategy, organizational commitment and employee empowerment all have significant direct effect on employee performance. It was also found out that reward strategy had a significant direct effect on organizational commitment.

The study further established that organizational commitment mediated the relationship between reward strategy and employee performance. Results also revealed that employee empowerment moderated the relationship between reward strategy and organizational commitment and that of reward strategy and employee performance.

Finally, the study established the moderation effect of employee empowerment on the indirect relationship between reward strategy and employee performance through organizational commitment. The moderated mediation effect was therefore confirmed.

The findings of the study are elaborated as per discussion of specific objective and hypothesis.

5.1.1 Effect of Reward Strategy on Employee Performance

The study sought to test hypothesis one, which was, “Reward strategy has no statistically significant effect on employee performance in commercial banks listed in Nairobi Securities Exchange.”

Findings revealed that reward strategy positively and significantly influences employee performance in that while holding constant the control variables, reward strategy accounts for 37.9 % of variance in employee performance.

The findings are in line with Agarwala (2011) who argues that reward strategy seeks to motivate employees to perform better and to reinforce those behaviours that contribute to the achievement of organizational objectives. Compensation may directly influence key outcomes like job satisfaction, attraction, retention, performance, flexibility, cooperation, skill acquisition and so forth. The findings also concur with Ong *et al.* (2012) whose study submits that suitable reward strategy development is indeed very important to each and every organization and proposes a total reward approach which could be used to manage and motivate employees.

The study findings as well agree with Chijioke and Chinedu (2015) study on the effect of reward on employee performance in organizations which found that rewards have significant effect on employee performance. The findings are also supported by

Kathombe *et al.* (2018) study on reward management strategies and employee performance whose results established that there is a strong association of both financial and non-financial rewards and employee performance and that reward strategies have a positive outcome on employee performance.

The results collaborate the findings of Edirisooriya (2020) study on the impact of reward on employee performance which found out that there is a positive relationship between extrinsic and intrinsic rewards and employee performance.

Nwokocha (2016) advance that rewards provided by organizations have positive relationships with job satisfaction and hence employees improved performance and retention and recommends the need for organizations to articulate a well reward system strategy that will act as a catalyst to employee performance.

The results too are in line with Francis *et al.* (2020) study on reward system as a strategy to enhance employees' performance in an organization. The study observed that there is a positive relationship between rewards and employee's performance, productivity and retention in an organization. However, rewards system, in an organization should be designed with a constructed strategy that need to be a neighborhood of organization's culture.

The study findings agree with those of Khudhair, Rahman and Adnan (2020) on the relationship between compensation strategy and employee performance among academic staff in Iraqi Universities. The study was based on secondary sources, which are accumulated from many types of research in the USA, Canada, the UK, Indonesia, European, Nigerian, Japanese, China, Pakistan, Saudi Arabia, and Jordan. The study used information that had been accumulated during the review of various literature to

address the topic. Regression analysis documents were significant evidence to support an affirmative connection between the compensation strategy and the performance of the employee. The evidence revealed that compensation strategy leads to the increment of employee's performance in Iraqi universities. This outcome indicated that there was a positive connection between the compensation strategy and the performance of the employee. As this study intentionally focuses on the connection concerning the compensation strategy and the performance of the employee in Iraqi universities, therefore, the outcome of this study significantly assisted the universities to enhance their ability to meet the challenges of the current and future competition. The study also provided several important insights to strengthen the understanding of compensation strategy in developing economies and their impacts on employee performance.

5.1.2 Effect of Organizational Commitment on Employee Performance

The study sought to test hypothesis two, which was, "Organizational commitment has no statistically significant effect on employee performance in commercial banks listed in Nairobi Securities Exchange". The study established that relationship between the employee performance in commercial banks listed in Nairobi Securities Exchange and organizational commitment was significant.

The findings show that organizational commitment positively and significantly influences employee performance since the results indicated that organizational commitment explains 21.7 % of variance in employee performance.

The findings are in line with Donkor, Dongmei and Sekyee (2021) study which was undertaken on state owned enterprises in Ghana. The results were that organizational commitment positively affects employee performance and that organizational success

to a great extent relies on commitment of employees which in turn reduces turnover, improves productivity and assist organizations towards achievement of set objectives.

The findings partly concur with Chen (2013) study which investigated the relationship between the three components of commitment and employee performance. The results showed that affective commitment related positively to in role performance, normative commitment moderately related with in role performance and that continuance commitment was not associated with in role performance. However, the study results concluded that all the three components of employee commitment have significant effect on employee performance. The results correlates with Kalkavan (2014) study which found that organizational commitment had a positive effect on employee performance.

The results are also supported by findings of Chelangat (2016) study on the effect of reward management practices on organizational commitment in state corporations in Kenya whose conclusions were that reward management practices play a pivotal role in organizational commitment.

Lastly, the study findings agree with Labetubum and Devi (2022) study whose focus was on marketing and frontline officers at bank Rakyat Indonesia. The outcome of the study were that organizational commitment of employees when being in higher state and the effect of boosting employee performance. Organizational commitment in the study was found to have higher effect in determining employee performance in comparison to human resource practices and work place spirituality showing that loyalty maintenance of membership and positive affiliation had positive implications on employee performance.

5.1.3 Effect of Employee Empowerment and Employee Performance

The study sought to test hypothesis three, which was, “Employee Empowerment has no statistically significant effect on employee performance in commercial banks listed in Nairobi Securities Exchange”. The study established that relationship between the employee empowerment in commercial banks listed in Nairobi Securities Exchange and employee performance was significant revealing that employee empowerment account for 1.3 % of the variance of employee performance while holding constant the control variables reward strategy and organizational commitment.

The findings are in line with Awamleh (2013) study which was enhancing employee performance via empowerment support this findings concluding that empowerment plays a significant role in employees’ satisfaction thus promoting their performance in organizations. Pathmaranjan (2004) study, empowerment of employees as a strategy for improving performance – a comparative study between state sector and private sector banking institutions agree with these findings concluding that private sector bank employees are highly empowered than state sector employees and that the high income growth rate has been contributed to some extent by the high degree of empowerment.

Murray and Holmes (2021) study on the impact of employee empowerment and organizational commitment on work force sustainability carried within Canadian lodging industry suggested that employee empowerment particularly when the ideas and standards between workers and the organizations are aligned create a strong emotional commitment which appears to strongly reduce on employees’ intentions to leave and therefore enhancing employee performance.

Degago (2014) Study on impact of psychological empowerment on employee performance in small and medium scale enterprise sectors came up with a similar conclusion that empowerment is directly related with employees' performance. The results of the study were that the effect of empowerment on employee performance were significant. These findings were as well collaborated by Yamoah and Afful (2019) study whose investigation of the effect of employee empowerment on job performance in Ghana found out the relationship between empowerment and employee performance was significant and that empowering employees positively impacted their performance.

The findings concur with study Garcia–Juan *et al.* (2020) on structural empowerment and organizational performance: the mediating role of employees' well-being in Spanish local governments. The results the study support the mutual gains perspective, but not as expected since empowerment contributes to reducing job anxiety in Spanish local governments. Specifically, information and rewards are the structural empowerment dimensions that help to reduce job anxiety levels in employees and, thus, enhance performance. These results suggest that local government managers could usefully apply techniques such as disseminating information on the organization's aims among employees.

Fernandez and Moldogazlev (2011) study partially agreed with the findings for it was found that empowerment practices aimed at providing employees' with access to job related knowledge and skills and at granting them discretion to change work processes have positive and substantially significant influence on perceived performance. Other empowerment practices geared towards providing employees with information about

goals and performance and offering rewards based on performance are found, however, to have little bearing on perception on performance.

5.1.4 Effect of Reward Strategy on Organizational Commitment

The study sought to test hypothesis four, which was, “Reward strategy has no statistically significant effect on organizational commitment in commercial banks listed in Nairobi Securities Exchange”. The study found that the relationship between the reward strategy in commercial banks listed in Nairobi Securities Exchange and organizational commitment was significant since the results indicated that reward strategy explains 23.2 % of variance in organizational commitment.

The findings correlate with Agarwala (2011) who terms compensation as the sum total of all forms of payment and rewards provided to employees for performing task to achieve organizational objectives. Compensation and reward management is a complex process that includes decisions regarding benefits and variable pay. On the components, compensation or rewards can be classified in two broad categories, financial and non-financial. Pal (2013) continues to argue that the elements of reward management systems include business strategies, reward strategies and policy, basic pay, contingent pay employee benefits, allowances, total remunerations, job evaluation, market rate analysis, grade pay and structures, performance management, non-financial rewards and total rewards.

The findings of this study also agree with Korir and Kipkebut (2016) study on effective reward management on employee commitment in universities in Nakuru county. The study found that financial reward management practices collectively have significant effect on organizational commitment. The study recommended that universities in Nakuru County should carry out salaries reviews in order to develop a

reward management structure that is externally competitive, internally fair and consistent with the current acceptable international rates. It was also recommended that the top management in the universities should encourage employees' to participate in decision making and they should implement employee decision.

The findings are in line with Adresi and Darun (2017) study on determining the relationship between human resource management practices and organizational commitment. The main purpose of the article was to investigate the relationship between strategic Human Resource Management practices and organizational commitment. Hypotheses were developed considering seven key Strategic Human Resource Management practices and Organizational Commitment and subsequently testing based on data from 52 oil and gas companies in Libya. The findings using structural equation modeling revealed that employees are more committed to the organization when they get best Strategic Human Resource Management. Internal career ladders on job training and pay for performance were the key Strategic Human Resource Management practices identified that influence employee's commitment toward the organization.

The results correlates with those of Malhotra, Budhwar and Prowse (2007) study on linking rewards to commitment: an empirical investigation of four UK call centres. Rewards being an important component of exchange theory, this research examines relationships among frontline employees' perceptions of rewards (extrinsic and intrinsic) and the three components of organizational commitment (i.e. affective, normative and continuance). The investigation was conducted by the help of a large survey in four call centres of a major retail bank in the UK. The results of the study support the contentions of social exchange theory, and highlight the significance of

both extrinsic and intrinsic rewards to develop affective, normative and continuance commitment in call centre employees. This research also helps to identify the antecedents that develop each component of commitment. The findings of the research have key messages for practitioners, and contribute to the fields of human resource management, rewards, commitment and social exchange theory.

5.1.5 Mediating Effect of Organizational Commitment on the Relationship between Reward Strategy and Employee Performance

The study sought to test hypothesis five, which was, “Organizational commitment has no statistically significant mediating effect on the relationship between reward strategy and employee performance in commercial banks listed in Nairobi Securities Exchange.” The findings of the study reflected a partial mediation where the model accounted for 62.2 % of employee performance. Thus, the inclusion of a mediation model in this study is a better model compared to a direct effect model alone as it contributes to a higher effect of reward strategy on employee performance than when carrying out a direct effect process alone.

The findings of this research agree with those of Kavulundi *et al* (2016) study on mediating effect of employee commitment on the relationship between incentives and employee performance whose results indicated that monetary and non-monetary incentives positively influenced employee commitment and employee performance. Further the results indicated that employee commitment partially mediated the relationship between incentives and employee performance, therefore incentives play a crucial role in employee performance. The study therefore recommends that organizations should adopt better incentive schemes in order to achieve effective and efficient employee commitment and performance.

These results differ slightly with Hadziahmetovic and Dinc (2017) study on the mediating role of affective commitment in the organizational reward - organizational performance relationship. In this study, the results indicate that organizational rewards play a significant role in influencing employees' attitudes related to improving the organizational performance. However, organizational performance is not influenced directly by organizational rewards, but through affective commitment. Organizational rewards are needed to increase the level of employees' commitment that will in return have a positive effect on employees' desire to contribute more to the organizational performance concluding that there was full mediation since organizational rewards were not found to affect directly employee performance.

The results are in line with Taba (2018) study to investigate the mediation effect of work performance and organizational commitment in the relationship between reward system and employees' work satisfaction whose results concluded that the extrinsic reward system and the intrinsic reward system have a direct, significant effect on work performance and organizational commitment. Further work performance and organizational commitment have a direct, significant effect on work satisfaction. On the other hand, the extrinsic reward system and the intrinsic reward system have no direct effect on work performance. Results also indicated that work performance and organizational commitment as mediation variables bridge the relationship between the extrinsic reward system and the intrinsic reward system to work satisfaction.

The study is also in line with Muhammad and Abdullah (2016) study on assessment of organizational Performance: Linking the motivational antecedents of empowerment, compensation and organizational commitment whose results indicated

that organizational commitment was found to mediate the effect of empowerment and compensation on organizational performance.

5.1.6 Moderating Effect of Employee Empowerment on the Relationship between Reward Strategy and Organizational Commitment

The study sought to test hypothesis six, which was, “employee empowerment has no statistically significant moderating effect on the relationship between reward strategy and organizational commitment in commercial banks listed in Nairobi Securities Exchange.” The findings indicated that employee empowerment moderated the relationship between reward strategy and organizational commitment and that the model explained 34.2 % of the total variance in organizational commitment.

These results further show that when reward strategy in a firm is low, organizational commitment is high with high levels of employee empowerment than when employee empowerment is low. However, as reward strategy and employee empowerment increase, a firm experiences high levels of organizational commitment. Thus, for an organization to achieve high levels of commitment, employee empowerment acts as a remedy for low levels of reward strategy.

The findings are in agreement with Zaraket *et al*, (2018) study on the impact of employee empowerment on the organizational commitment. The results reflected a positive relationship between employee empowerment and organizational commitment. Accordingly, the banks should consider employee empowerment as one of the factors in promoting organizational commitment.

The results are collaborated with Llanos and Ahmad (2017) study on financial compensation and organizational commitment: differences among Mexican and

Malaysian bankers. The results show that Mexico's strategy of raising the salary of bankers, or their bonuses, or merit-based payments, increases organizational commitment but not altogether. Further, results suggest that merit-based compensation schemes are more efficient in countries with low uncertainty aversion, such as Malaysia, and less efficient in countries with high risk aversion, as in the case of Mexico.

The results are supported by Miao *et al*, (2013) study on what factors influence the organizational commitment of public sector employees in China? The role of extrinsic, intrinsic and social rewards. The study concluded that extrinsic and social rewards were strongly related to organizational commitment but intrinsic rewards had limited influence.

5.1.7 Moderating Effect of Employee Empowerment Relationship between Reward Strategy and Employee Performance

The study sought to test hypothesis seven, which was, "employee empowerment has no statistically significant moderating effect on the relationship between reward strategy and employee performance in commercial banks listed in Nairobi Securities Exchange." The findings was significant in that the results of the moderation effect of employee empowerment on the relationship between reward strategy and employee performance explained 66.5% of the total variance in employee performance.

The findings of the moderation shows that at low levels of reward strategy, employee performance is high with high levels of employee empowerment than with low levels of empowerment. As reward strategy increases, employee performance increases with both groups of empowerments but the increase is high with the group having low

levels of empowerment. This reveals the important role that employee empowerment plays in an organization.

These findings are in line with Kumar and Kumar (2017) who argue that at the individual level, the personal factors which are facilitating empowerment are challenging jobs, enthusiasm, competence, maturity, self-esteem. Most of these factors can be enhanced through training and development as they play a catalytic role in promoting employee empowerment and involvement. Management must empower their employees so that they can be motivated, committed, satisfied and assist organizations in achieving its objectives.

The findings are supported by with Chênevert and Tremblay (2009) study on fits in strategic human resource management and methodological challenge: empirical evidence of influence of empowerment and compensation practices on human resource performance in Canadian firms. The findings revealed that the use of an extensive relational empowerment strategy is significantly and negatively related to voluntary turnover when accompanied by a compensation program that rewards performance. In contrast, a compensation strategy that supports good working conditions or the use of financial incentives seems sufficient to influence human resources performance. Nonetheless, the results militate in favour of adopting a configurational approach with empirical deviation profile to fit to better understand the complexity of the equifinality effect of Human Resource strategies. Further, the polynomial regression results question the linearity assumption of the relationship between empowerment, working conditions and productivity.

The findings differ partially with Janardhanan and Raghavan (2017) on the study of the influence of rewards in enhancing employee performance through psychological

empowerment. The findings of this study revealed that rewards positively influence employees' performance. However, with the inclusion of psychological empowerment, the effect on performance was negative indicating that the greater the proportion of psychological empowerment, the lower was the employees' performance with the presence of rewards. Therefore, employers have to ensure that the right level of psychological empowerment is felt by employees when designing the rewards system as highly rewarded employees find psychological empowerment as an additional burden to them and will hamper their performance.

The findings are supported by Seibert *et al.* (2004) study on taking empowerment to the next level: A multiple-level model of empowerment, performance, and satisfaction. The results indicated that empowerment climate was shown to be empirically distinct from psychological empowerment and positively related to manager ratings of work-unit performance. A cross-level mediation analysis using hierarchical linear modeling showed that psychological empowerment mediated the relationships between empowerment climate and individual performance and job satisfaction.

The findings agree with those of Hilimi *et al.* (2020) on the study of the effect of empowerment, training, compensation through organizational commitment on the performance of the financial management of the North Sulawesi Provincial Government. The results of this study indicate that empowerment has a direct and positive effect on the performance. Further organizational commitment has a direct and positive effect on the performance. Empowerment of employees has an indirect and positive effect on employee performance through organizational commitment and

concluded that employee compensation has an indirect and positive effect on employee performance through organizational commitment.

The results concur with those of Andika and Darmanto (2020) study on the effect of employee empowerment and intrinsic motivation on organizational commitment and employee performance. The result of this study shows that empowerment and intrinsic motivation have significant effects on organizational commitment. The research results also indicate the significant effect of empowerment, intrinsic motivation, and organizational commitment on employee performance.

5.1.8 Moderating Effect of Employee Empowerment on the Indirect Relationship between Reward Strategy and Employee Performance through Organizational Commitment

The study sought to test hypothesis eight, which was, “moderating effect of employee empowerment on the indirect relationship between reward strategy and employee performance through organizational commitment in commercial banks listed in Nairobi Securities Exchange”.

The study established that employee empowerment moderated the indirect relationship between reward strategy and employee performance through organizational commitment and moderated mediation took place at the lower level of the moderator. However, there was no moderated mediation at the higher level of the moderator. The moderated mediation effect is confirmed by the moderated mediation index - 0.072.

The findings are supported by Widyastuti and Riana (2019) study on effect of empowerment and compensation on performance of honorary employees mediated by

organizational commitment. The results of the study were that empowerment, compensation, and organizational commitment have a positive and significant direct effect on employee performance. Further, results as well were that organizational commitment has a positive and significant effect on mediating empowerment and compensation for employee performance. The results of this study imply that empowerment and compensation are important factors in improving employee performance. In addition, the mediating role of organizational commitment also contribute to improving performance.

The findings concur with Dixit and Bhatti (2012) who advanced that employee commitment is important because high levels of commitment lead to several favorable organizational outcomes. It reflects the extent to which employees identify with the organization and are committed to its goals. Echoing Dordevic (2004) view that the commitment of employees is an important issue because it may be used to predict employees' performance, absenteeism and other behaviors.

5.2 Conclusion of the Study

The general objective of the study was to establish the moderated mediated effect of employee empowerment and organizational commitment on the relationship between reward strategy and employee performance in ten commercial banks listed in Nairobi Securities Exchange. To achieve the objectives of the study eight hypotheses were formulated to test the direct relationships, mediation, moderation and moderated mediated effects between variables.

Preliminary analyses focused on establishing the characteristics of the respondents and descriptions of the responses on the measures of the study variables. Correlation analysis and descriptive statistics for the constructs was conducted with outliers

removed before hypotheses tests were done. The control variables of the study namely age, gender and education were found to be statistically insignificant after regression analysis; however, tenure was found to have a positive relationship on the employee performance. In this regard, the eight hypotheses derived from the general objective of the study were applied as instruments to test the findings. Consequently, the results found that all eight null hypotheses of the study were rejected and supported statistically as follows:

First, the findings of the study revealed that there is a significant positive relationship between reward strategy and employee performance. While holding constant all other variables; it was found that reward strategy accounted for 37.9% of variance in employee performance. This implies that where there is application of high reward strategy approaches in organizations, there is a significant improvement in employee performance.

Secondly, study findings shows that there was a significant positive relationship between organizational commitment and employee performance. It was found that organizational commitment explained 21.7% of the variance in employee performance. This implies that a high level of organizational commitment is desirable in an organization to maintain employee performance.

Thirdly, the study findings indicated that employee empowerment had a significant direct effect on employee performance on employees working in commercial banks listed in Nairobi Securities Exchange. Employee empowerment accounted for 1.3% of the variance in employee performance. This means that employee empowerment is important in organizations as it has positive outcomes on employee performance.

Therefore, the study findings indicated that reward strategy, organizational commitment and employee empowerment all had a significant direct effect on employee performance on employees working in commercial banks listed in Nairobi Securities Exchange. Thus, reward strategy, organizational commitment and employee empowerment accounted for 60.9% of the variance in employee performance. Therefore, management and policy makers should apply a combination of all the above constructs simultaneously as they yield better results in increasing employee performance.

Fourth, the results of reward strategy had a positive and significant effect on organizational commitment. It was found that reward strategy accounted for 7.5 % of organizational commitment. The study therefore clarifies the important role an appropriate reward strategy plays in an organization in creating committed employees. This is important since employee commitment has other implications on employee behaviours like absenteeism, turnover, retention, work performance and even the overall organizational performance.

Fifth, it was confirmed that organizational commitment partially mediated the relationship between reward strategy and employee performance. Arising from this, it was found that reward strategy through organizational commitment had better outcome on employee performance rather than direct relationship of reward strategy and employee performance. While the direct effect of reward strategy accounted for 37.9 of employee performance, the mediation model accounted for 62.2 % of employee performance. Firms should therefore apply reward strategy through organizational commitment to achieve higher employee performance.

Sixth, it was found that employee empowerment moderated the relationship between reward strategy and organizational commitment. The model explained that 34.2 % of the total variance in organizational commitment with the moderation effect accounting for 3.4 %. When reward strategy is low, with low employee empowerment, organizational commitment was found to be low as well. However, with low reward strategy and high employee empowerment, it was found that organizational commitment remained high. With high reward strategy and low employee empowerment, there was a slight increase on the level of organizational commitment. Most important with high reward strategy and high employee empowerment, a firm experiences high levels of organizational commitment.

Therefore, for an organization to achieve high levels of commitment, employee empowerment acts as a remedy for low levels of reward strategy. To optimize on organizational commitment, the best remedy would be to employ a dual strategy of high reward strategy and high employee empowerment. However, where that is not possible firms would ensure that there is high employee empowerment as it will still result to high levels of organizational commitment.

Seventh, the findings of the moderation effect of employee empowerment on the relationship between reward strategy and employee performance were that the model explained 66.5% of the total variance in employee performance with the interaction accounting for 3.5 % of the variance in employee performance. Thus low reward strategy, and low employee empowerment accounted for low employee performance. While high levels of employee empowerment and low levels of reward strategy, employee performance remained high than with low levels of employee empowerment. As reward strategy increases, employee performance increases with

both groups of employee empowerment but the increase is higher with the group having low levels of empowerment.

This in itself reveals the important role of employee empowerment in a firm. Firms should craft appropriate strategies to suit their organizations for the purpose of maintaining high levels of employee performance since a proper mix would ensure sustainability of the business even in the times of recession and economic down turns.

Finally, employee empowerment was found to moderate the relationship between reward strategy and employee performance through organizational commitment thus confirming the moderated mediated effect.

The study therefore achieved its aim since it addressed a gap in the literature and added new knowledge in this area in that mediation, moderation and moderated mediated models had better effects on employee performance in commercial banks listed in Nairobi Securities Exchange. This is in comparison with direct effects. Firms should therefore use a combination of the constructs either through mediation, moderation or moderated mediated for better outcomes.

5.3 Implication of the Study

5.3.1 Theoretical Implication of the Study

The study confirms theory and contributes to existing literature in employee empowerment, organizational commitment, reward strategy and employee performance. It confirms what has already been established in other studies that reward strategy, organizational commitment and employee empowerment have a positive and significant direct effect on employee performance.

The study adds knowledge that organizational commitment mediates the relationship between reward strategy and employee performance. The study also found that employee empowerment as a moderator had a complimentary moderating effect on reward strategy in enhancing organizational commitment and employee performance.

The study further contributes to new knowledge through the confirmation of moderated mediation of employee empowerment and organizational commitment on the relationship between reward strategy and employee performance therefore validating the principle of reciprocity advanced in the social exchange theory (Chou, 2016), social-structural empowerment theory and psychological empowerment theory (Travers *et al.*, 2020).

Therefore, the findings have made contribution to research work both in theory and literature which would not have been the case if focus was only to determine direct, mediating or moderating effects between the variables.

5.3.2 Policy Makers implications of the Study

The study established that reward strategy, organizational commitment and employee empowerment were very crucial in enhancing employee performance in commercial banks listed in Nairobi Securities Exchange. The findings will aid policy formulators in financial institutions with crafting objectives, policies, techniques and strategies of enhancing employee performance using reward strategy, organizational commitment and employee empowerment. Policy formulation geared in this manner would tap into human resource as employees are an intangible asset at the disposal of any institution and their proper application for enhancing employee performance would determine whether an organization will either have a competitive edge or not (Buonomo *et al.*, 2020).

This is evidenced from the findings which revealed that at low levels of reward strategy employee performance is high with high levels of employee empowerment and when reward strategy in a firm is low, organizational commitment is high with high levels of employee empowerment. Thus, for an organization to achieve high levels of commitment and employee performance, employee empowerment acts as a remedy for low levels of reward strategy.

Empowerment can play a complimentary role where organizations are constrained in their reward strategy as a tool of sustaining organizational commitment and employee performance. Where the firm has low to moderate financial strength and needs to boost organizational commitment and employee performance the policy makers can use high empowerment even with a low reward strategy and achieve high organizational commitment and performance of their employees. For firms which have strong financial and economic base, the best option of enhancing organizational commitment and employee performance would be to use both high reward management practices and employee empowerment. This will yield better results as it was found in the study.

Properly executed reward strategy and employee empowerment will work for the good of the organizations by creating highly committed employees that perform at very high levels which is important for achievement of the goals of organizations. Policy makers should therefore come up with policies which combine high reward strategy and high employee empowerment in order to achieve high degrees of organizational commitment and employee performance. However, where circumstances dictate otherwise like during recession or economic downturn, policy

makers should determine the appropriate strategy to use based on the financial ability of the firm, for sustainability of the organization.

5.3.3 Managerial Implications of the study

The findings of the study revealed the importance of reward strategy, employee empowerment and organizational commitment which were established as having the effect of enhancing employee performance.

Commercial bank managers should utilize appropriate reward strategy which is externally internally fair, externally competitive and consistent with the current acceptable international practices. The reward structure should as much as possible be all rounded in order to take care of all concerned parties. Managers should take action to ensure that financial compensation in place particularly rewards high performance, this will encourage and motivate employees to exert extra effort in their work. Managers should also look to recognize, commend and applaud exemplary and outstanding contribution of their employees to the organization. In the reward structure, the financial and the non-financial rewards should match the performance achieved against set targets of each employee.

Bank management should sensitize their employees on the reward management criteria in place and ensure that employees are sufficiently informed on how performance evaluation is conducted. In this way it would be easier to align the reward system with the organizational strategy ensuring that employees efforts are aligned with the achievement of goals and objectives of organizations. Verma (2018) shares the same perceptive by recommending that compensation and reward strategy has significant and positive impact on organizational performance since it enhances employee motivation. Verma (2018) therefore recommends that managers in general

should make more effort towards rewarding employees based on group and individual performance through financial and non-financial rewards. Compensation and reward strategy will not only boost up the efficiency and performance of employees but also contributes in overall organizational performance and further suggest that compensation and reward strategy could be used as key tool for gaining competitive advantage.

A key insight from the findings of the study is that reward strategy has a more desirable impact on employee performance when indirectly applied through employee commitment. The study confirmed the social exchange theory, which poses that highly rewarded employees feel a sense of obligation to the organization and are thus willing to give back and 'repay' the benefits received from their employers. The study clarifies the important role and appropriate reward management strategy plays in creating committed employees. Managers should also use reward strategy as a tool to enhance commitment by increasing the psychological feelings of loyalty, a sense of belonging and dedication that employees have towards the organization. This can be done by management through offering non-material benefits such as giving support, showing extra care and consideration in matters concerning their employees. Managers that are able to establish social exchange relationships are highly effective in developing positive attitude and behaviors from their employees leading to higher level of organizational commitment and employee performance (Salah, 2016).

Organizations should come up with measures of empowering employees which include high degree of autonomy, training and capacity building, knowledge sharing, access to information and resources, impact and meaning of work to employees as factors that foster empowerment. For managers to empower employees for better

performance they need to give freedom to employees enabling them have control over their own work, grant autonomy in decision making and provide access to information and resources. Management should also come up with training programs for acquisition of new skills related to job undertaking. This has been shown in the study as having a positive effect on organizational commitment and employee performance.

The top management should also create a working environment that encourages participation in decision making and where employees suggestions and ideas are valued. This contributes to empowerment by making employees feel like their work is meaningful, impactful and influences outcome of performance in organizations.

5.4 Limitations of the Study

The study had some limitations. The study did not attain 100% response rate, but attained a response rate of 68% response rate which was within the acceptable threshold. The study was undertaken during the COVID-19 lockdown which may have contributed to response rate attained. However, the response rate was adequate for data analysis since it was above 50% as per recommendations.

Another limitation that the study faced was in regards to accessing information. Some respondents targeted in this study were reluctant in giving information fearing that the information being sought could be used to intimidate them or print a negative image about them this was mitigated by seeking authorisation from the respective branch managers.

Further, the results of the study were limited to the extent to which the respondents were willing to provide accurate, objective and reliable information. To counter this, the researcher checked for consistency and tested the reliability of the data collected.

The information secured under the survey as a method of data collection under this study depended heavily on the willingness of the respondents to participate in the study. In this regard, this study provided respondents with an introductory letter, research permit, and letter from the University, explaining that the purpose of the study was for academic reasons, assuring respondents that the information sought will be treated with high degree of privacy and confidentiality.

However, despite these limitations, the objectives of the study were achieved, and the findings has made contribution to the existing knowledge in the area of reward strategy, employee empowerment, organizational commitment and employee performance.

5.5 Suggestions for Future Research

This study mainly focused on 10 commercial banks listed in Nairobi Securities Exchange. It is recommended that the same study may be undertaken to include all the other non-listed commercial banks in Kenya. This may widen the scope and reach a larger population.

Future researchers could consider carrying out a similar study in other sectors of the economy other than the banking sector.

Qualitative research method was used for this study in which a self-administered questionnaire was distributed to respondents for data collection. Other studies can consider alternative methodologies which may yield different results.

Finally, the variables of the study were, employee empowerment, organizational commitment, reward strategy and employee performance. Future studies could consider narrowing down to various components or sub constructs of these variables.

REFERENCES

- Adnan, M., Zarrar, S., & Zaffar, K. (2021). Employee empowerment and compensation as a consequence on employee job performance with the moderating role of employee accountability. *IRASD Journal of Management*, 3(3), 218–232.
- Agarwala, T. (2011). *Strategic Human Resource Management*. New Delhi: Oxford University Press.
- Aggarwal, A., Dhaliwal, R., & Nobi, K. (2018). Impact of structural empowerment on organizational commitment: The mediating role of women's psychological empowerment vision. *The Journal of Business Perspective*.
- Ahmed, A., Khuwaja, F. M., Brohi, N. A., & Othman, I. bin L. (2018). Organizational Factors and Organizational Performance: A Resource-Based view and Social Exchange Theory Viewpoint. *International Journal of Academic Research in Business and Social Sciences*, 8(3), 594–614
- Al Adresi, A., & Darun, M. R. (2017). Determining relationship between strategic human resource management practices and organizational commitment. *International Journal of Engineering Business Management*.
- Alam, A. (2011). Evaluation of Allen and Meyer's organizational commitment scale: a cross-cultural application in Pakistan. *Journal of Education and Vocational Research*. 1. 80-86.
- Alazzaz, F., & Whyte, A. (2015). Linking employee empowerment with productivity in off-site construction. *Engineering, Construction and Architectural Management*. 22, 21-37.
- Alderfer, C. (1969). An empirical test of a new theory of human needs. *Organizational Behavior and Human Performance*, 4, 142-175.
- Allen, N., & Meyer, J.P. (1990). The measurement and antecedents of affective, continuance and normative commitment to the organization. *Journal of Occupational Psychology*, 63, 1-18.
- Allen, T., & Rush, M. (1998). The effects of organizational citizenship behavior on performance judgments: a field study and a laboratory experiment. *The Journal of Applied Psychology*, 83 2, 247-260.
- Aliyu, A. A., Bello, M. U., Kasim, R., & Martin, D. (2014). Positivist and Non-Positivist Paradigm in Social Science Research: Conflicting Paradigms or Perfect Partners? *Journal of Management and Sustainability*, 4(3).
- Aktar, S. (2012). The impact of rewards on employee performance in Commercial Banks of Bangladesh: an empirical study. *IOSR Journal of Business and Management*, 6, 9-15.
- Amos, T. L. Riston, A., Riston, L., & Pearse, J. N. (2008). *Human Resource Management. (3rd Ed)*. Cape Town: Formeset Printers.

- Ameer, M. H., Bhatti, S., & Baig, S. (2014). *Impact of employee empowerment on job satisfaction*. Developing Country Studies. ISSN 2224-607. Retrieved from www.iiste.org
- Andika, R., & Darmanto, S. (2020). The effect of employee empowerment and intrinsic motivation on organizational commitment and employee performance. *Jurnal Aplikasi Manajemen*.
- Anitha, J. (2014). Determinants of employee engagement and their impact on employee performance. *International Journal of Productivity and Performance Management*, 63, 308-323.
- Anvari, R., Amin, S.M., Ismail, W., Ahmad, U., & Seliman, S. (2011). Mediating effects of affective organizational commitment and psychological contract in the relationship between strategic training practices and knowledge sharing. *African Journal of Business Management*, 5, 2189-2202.
- Arneson, H., & Ekberg, K. (2006). Measuring empowerment in working life: a review. *Work*, 26 1, 37-46.
- Armstrong, M., & Baron, A. (2011). *Handbook of Strategic Human Resource Management*. Mumbai: Jancio Publishing House.
- Armstrong, M. (2010). *Human Resource Management Practice*. London and Philadelphia: Kogan Page.
- Armstrong, M., Brown, D., & Reilly, P.A. (2011). Increasing the effectiveness of reward management: an evidence-based approach. *Employee Relations*, 33, 106-120.
- Asem, A. (2016). The effective compensation system in organizations. *IOSR Journal of Business and Management*, 18, 85-88.
- Atatsi, E. A., Stoffers, J., & Kil, A. (2019). Factors affecting employee performance: a systematic literature review. *Journal of Advances in Management Research*, 16(3), 329-351.
- Awamleh, N.A. (2013). Enhancing employees' performance via empowerment: a field survey. *Asian Journal of Business and Management*, 5, 313-319.
- Aziza A., Youssef A. B., & Omrani, (2006). *Do E-skilled workers have better contextual performance? Evidence from France*. INSEE. Retrieved from www.veranstaltungen/ICT 2011/papers/Omrani.pdf
- Badjie, G., Thoyib, A., Hadiwidjojo, D., & Rofiq, A., (2019). Introducing new employee empowerment approach: a systematic literature review. *Humanities and Social Sciences Reviews*, 7, 696-706.
- Bandura, A. (1982). Self-efficacy mechanism in human agency. *American Psychologist*, 37(2), 122-147.
- Bandura, A. (1997). *Self-efficacy: The exercise of control*. American Psychological Association. W H Freeman/Times Books/ Henry Holt & Co.

- Bandura, A., & Locke, E. A. (2003). Negative self-efficacy and goal effects revisited. *Journal of Applied Psychology*, 88(1), 87–99.
- Banks, J., Patel, C., & Moola, M.A. (2012). Perceptions of inequity in the workplace: exploring the link with unauthorized absenteeism. *S.A Journal of Human Resource Management*, 10, 1-8.
- Bao, J., & Wu, A. (2017). *Equality and Equity in compensation*. Harvard Business School Working Paper.
- Bentouhami, H., Casas, L., & Weyler, J. (2022). Reporting of “theoretical design” in explanatory research: a critical appraisal of research on early life exposure to antibiotics and the occurrence of asthma. Taylor and Francis.
- Berfort N., & Hattrup K. (2003). Valuing task and contextual performance: experience, job roles and rating of the importance of job behaviors. *Applied Human Resource Management Research*, 8 (1), 17-32.
- Bhattacharjee, A. (2012). *Social Science Research: Principles, Methods, and Practices*.
- Biswas, S., & Varma, A. (2012). *Antecedents of employee performance: an empirical investigation in India*. Employee Relations.
- Bloom, M., & Milkovich, G. (1998). *A SHRM perspective on international compensation on reward systems*. Centre for Advanced Human Resource Studies.
- Bloor and Wood (2006). *Piloting Sage Research Methods*. Retrieved from www.methods.sagepub.com
- Borman, W. C., & Motowidlo, S. (1993). *Expanding the criterion domain to include elements of contextual performance*.
- Bose, I. (2018). Employment empowerment and employee performance: an empirical study on selected banks in United Arab Emirates. *Journal of Applied Management and Investment*, 7, 71-82.
- Brenda, B.K., & Onuoha B.C. (2016). Reward management strategies and organizational commitment in the banking industry in Yonagoa, Bayelsa state. *International Journal of Advanced Academic Research/ Social and Management Sciences*, ISSN 2133-9849, 2 (8).
- Bryman, A., & Bell, E. (2011). *Business Research Methods (3rd Ed.)*. New York: Oxford University Press.
- Buch, K., & Tolentino, A.L. (2006). Employee perceptions of the rewards associated with six sigma. *Journal of Organizational Change Management*, 19, 356-364.
- Buonomo, I., Benevene, P., Barbara, B., & Cortini, M. (2020). *Intangible assets and performance in Nonprofit Organizations: A systematic literature review*. *Frontiers in Psychology*.

- Butler, M., & Rose, E. (2011). *Introduction to organizational behaviour*.
- Campbell J.P., & Wiernik B.M. (2015). The modeling and assessment of work performance. *Annual Review of Organizational Psychology and Organizational Behavior*, 2, 47-74.
- Casimir, G., Ngeee Keith Ng, Y., Yuan Wang, K., & Ooi, G. (2014). The relationships amongst leader-member exchange, perceived organizational support, affective commitment, and in-role performance: a social-exchange perspective. *Leadership & Organization Development Journal*, 35(5), 366-385. <https://doi.org/10.1108/LODJ-04-2012-0054>
- Central Bank of Kenya (2017). *Supervision Annual Report 2017*. Retrieved from www.centralbank.go.ke
- Chandio, A., K., Khokhar, S., A., & Abbasi, K., H. (2018). Influence of empowerment over job satisfaction, organizational commitment, and performance: an investigation of private sector schools in Hyderabad Region. *Sir Syed Journal of Education & Social Research (SJESR)*, 1(2), 138-155.
- Charbonnier-Violin, A., & Roussel P. (2012). Adaptive performance – a new scale to measure individual performance in organizations. *Canadian Journal of Administrative Sciences / Revue Canadienne des Sciences de l'Administration*, 29, 280-293.
- Chegini, M.G., & Abadi, M. (2013). Process of employee empowerment: concepts and dimensions. *Kuwait chapter of Arabian Journal of Business and Management Review*, 2, 76-83.
- Chelangat Z. (2016). Effect of reward management practices on organizational commitment in state corporations in Kenya: a case study of KEFRI. *Strategic Journal of Business and Change Management*, 3.
- Chênevert, D., & Tremblay, M. (2009). Fits in strategic human resource management and methodological challenge: empirical evidence of influence of empowerment and compensation practices on human resource performance in Canadian firms. *The International Journal of Human Resource Management*, 20, 738-770.
- Chen, Z.X., & Francesco, A.M. (2003). The relationship between the three components of commitment and employee performance in China. *Journal of Vocational Behavior*, 62 (3), 490-510.
- Cheng, Y., & Kalleberg, A. (1996). Employee job performance in Britain and the United States. *Sociology- the Journal of The British Sociological Association-Sociology*, 30, 115-129.
- Cherian, J., & Jacob, J. (2013). Impact of self-efficacy on motivation and performance of employees. *International Journal of Business and Management*, 8, 80-88.

- Chernyak-Hai, L., & Rabenu, E. (2018). The new era workplace relationships: Is social exchange theory still relevant? *Industrial and Organizational Psychology: Perspectives on Science and Practice*, 11(3), 456–481.
- Chijioke, N., & Chinedu, E. F. (2015). Effect of rewards on employee performance in organizations: A study of commercial banks in Awka Metropolis Nigeria. *European Journal of Business and Management*, 7(4).
- Cho, T., & Faerman, S. (2010). An integrative model of empowerment and individuals' in-role and extra-role performance in the Korean public sector: moderating effects of organizational individualism and collectivism. *International Public Management Journal*, 13, 130 - 154.
- Chou, P. (2016). Social exchange relationship and employee attitudes toward newly introduced information system. *European Scientific Journal*, 12(25), 163.
- Christian, M., Garza, A. M. S., & Slaughter, J. (2011). Work engagement: a quantitative review and test of its relations with task and contextual performance. *Journal of Personnel Psychology*, 64, 89-136.
- Clark, A. E. (2011). The Organizational Commitment of workers in OECD countries. *Management Revu*, 22, 8-27.
- Cohen, A. (2007). Commitment before and after: an evaluation and conceptualization of organizational commitment. *Human Resource Management Review*, 17, 336-354.
- Conger, J. A., & Kanungo, R. N. (1988). The empowerment process: integrating theory and practice. *Academy of Management Review*, 13, 471-482.
- Cooper, B., Rusare, M., Ferreira, M., Gatwabayege, F., & Hongard, L. (2020). *Identifying regional economic hubs in Africa*. Cenfri.
- Cooper, R.D. and Schindler, P.S. (2001). *Business Research Methods. (10th Ed)*. Mc Graw-Hill.
- Cozby, P. (2008). *Methods in Behavioral Research*.
- Creswell, J. W., & Creswell, J. D. (2017). *Research design: qualitative, quantitative, and mixed methods approaches*. Sage publications.
- Cronbach, L. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*, 16, 297-334.
- Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: an interdisciplinary review. *Journal of Management*, 31, 874-900.
- Darlington, R. B. (1968). Multiple regression in psychological research and practice. *Psychological Bulletin*, 69(3), 161-182.
- Das, K.K., & Mohapatra, P. (2014). A literature review on compensation management practices. *Scholars Journal of Economic and Management*, 1(10), 428-433.

- Debyla, D. R. N., & Putra, S. M. (2021). Effect of job satisfaction; perception of organizational justice, and employee empowerment towards organizational commitment. *American Journal of Humanities and Social Sciences Research*, 5, 272-277.
- Degago, E. (2014). A study on impact of psychological empowerment on employee performance in small and medium scale enterprise sectors. *European Journal of Business and Management*, 6, 60-71.
- Delaney, M., Subramony, M., & Durik, A. (2014). The Joint Effects of Climates for Empowerment and Rewards on Organizational Performance. *Academy of Management Proceedings*
- De Menezes, L. M., & Escrig, A. B. (2019). Managing performance in quality management A two-level study of employee perceptions and workplace performance. *International Journal of Operations & Production Management*, 39(11), 1226-1259.
- Dessler, G. (2013). *Human Resource Management (13th ed.)*. England: Pearson Education Limited. Retrieved from <https://www.academia.edu>
- Din, M., U., Khan, F., Kadarningsih, A., Ali, A., & Astuti, S., D. (2015). The moderating role of employee empowerment and distributive justice in transformational leadership with its impact on organizational commitment in Islamic banks at Pakistan. *Perisal: Islamic Banking and Finance Journal*.
- Dixit V., & Bhati M. (2012). A study about employee commitment and its impact on sustained productivity in Indian auto-component industry. *European Journal of Business and Social Sciences*, 1 (6), 34-51.
- Donkor, F. Dongmei, Z., & Sekyere, I. (2021). *The mediating effects of organizational commitment on leadership styles and employee performance in Small Owned Enterprises in Ghana; A structural equation modelling analysis* SAGE journals.
- Edirisooriya, W.A. (2018). *The impact of reward on employee performance: with special reference to ElectriCo*. Research Gate.
- Eisenberger, R., Fasolo, P., & Davis-LaMastro, V. (1990). Perceived organizational support and employee diligence, commitment, and innovation. *Journal of Applied Psychology*, 75, 51-59.
- Eisenberger, R., Huntington, R.B., Hutchison, S., & Sowa, D. (1986). Perceived organizational support. *Journal of Applied Psychology*, 71, 500-507.
- Elnaga, D. A., & Imran, A. (2013). The effect of training on employee performance. *European Journal of Business and Management*, 5, 137-147.
- Francis, F., Zirra, C.T., & Charles, J. (2020). Reward system as a strategy to enhance employees' performance in an organization. *American Book Review*, 8, 156-164.

- Fernandez, S., & Moldogaziev, T. (2011). *A causal model of empowerment process: exploring the links between empowerment practices, employee cognitions and behavioral outcomes*.
- Fernandez, S., & Moldogaziev, T. (2013). Employee empowerment, employee attitudes, and performance: testing a causal model. *Public Administration Review*, 73(3), 490-506.
- Fornes S.L., & Rocco T.S. (2004). Commitment elements reframed (antecedents and consequences) for organizational effectiveness. Academy of Human Resource Development International Conference, 391-398.
- García-Juan, B., Escrig-Tena, A. B., & Roca-Puig, V. (2020). Structural empowerment and organizational performance: the mediating role of employees' well-being in Spanish local governments. *International Journal of Human Resource Management*, 1-33.
- Gerhart, B., & Milkovich, G.T. (1992). *Employee compensation: research and practice*. CAHRS Working Paper Series.
- Gerakos, J. J., Ittner, C., & Moers, F. (2002). *Compensation objectives and business unit pay strategy*. *Journal of Management and Accounting Research*, 30, 105-130.
- Ghosh, S., & Swamy, D.R. (2014). A literature review on organizational commitment- a comprehensive summary. *International Journal of Engineering Research and Applications*, 4, 04-14.
- Güngör, P. (2011). The relationship between reward management system and employee performance with the mediating role of motivation: a quantitative study on global banks. *Procedia - Social and Behavioral Sciences*, 24, 1510-1520.
- Gist, M. E., & Mitchell, T. R. (1992). Self-efficacy: a theoretical analysis of its determinants and malleability. *Academic of Management Review*, 17, 183-211.
- Gliem, J., & Gliem R. R (2003). *Calculating, interpreting and reporting Cronbach's alpha reliability coefficient for Likert type scales*. 2003 Midwest Research.
- Goel, A.M., & Thakor, A.V. (2008). Overconfidence, CEO selection, and corporate governance. *Journal of Finance*, 63, 2737–2784.
- Griffin, M., Neal, A., & Neale, M. (2001). The contribution of task performance and contextual performance to effectiveness: investigating the role of situational constraints. *Journal of Applied Psychology*, 49(3), 517-533.
- Gul Z. (2015). Impact of employee commitment on organizational development. *Journal of Social Sciences*, 9(2), 117-124.
- Hadziahmetovic, N., & Dinc, M. S. (2017). The mediating role of affective commitment in the organizational rewards – organizational performance relationship. *International Journal of Human Resource Studies*, 7(3), 107-130.

- Hameed, A., & Waheed, A. (2011). Employee development and its effect on employee performance a conceptual framework. *International Journal of Business and Social Science*, 2(13), 224-229.
- Hanaysha, J. (2016). Examining the effects of employee empowerment, teamwork and employee training on organizational commitment. *Procedia – Social and Behavioral Sciences*, 229, 298-306.
- Hayes, A. (2013). *Introduction to mediation, moderation and conditional process analysis; a regression based approach*. Retrieved from Guilford press, New York.
- Hilimi, Z., Susita, D., & Kindangen, P. (2020). The effect of empowerment, training, compensation through organizational commitment on the performance of the financial management of the North Sulawesi Provincial Government. *International Journal of Human Capital Management (IJHCM)*, 4, 1-10.
- Hoole, C., & Hotz, G. (2016). The impact of a total reward system of work engagement. *SA Journal of Industrial Psychology*, 42, 1-14.
- Haq, M. U., Jindong Y., Hussain, N., & Anjum, Z. (2014). Factors affecting organizational commitment among bank officers In Pakistan. *IOSR Journal of Business and Management*, 16, 18-24.
- Huq, R. (2016). An investigation of what employee empowerment means in theory and in practice. *Journal of Teaching and Education*.
- Ibua, M. P. (2017). Employee empowerment and performance of public universities in Kenya. *Strategic Journal of Management*, 4.
- Iskamto, D. (2021). Stress and its impact on employee performance. *International Journal of Social and Management Studies*, 3(2), 142 - 148.
- Iroegbu N.M. (2015). Self-Efficacy and work performance: a theoretical framework of Albert Bandura's model, review of findings, implications and directions for future research. *Psychology and Behavioral Sciences*, 4, 170.
- Jahangir, N., & Begum, N. (2008). The role of perceived usefulness, perceived ease of use, security and privacy, and customer attitude to engender customer adaptation in the context of electronic banking. *African Journal of Business Management*, 2(2), 32- 40.
- Janardhanan, S., & Raghavan, S. (2017). *The influence of rewards in enhancing employee performance through psychological empowerment*. *International Journal of Business and Management*, 1(2), 106-111.
- Jankingthong, K., & Rurkkhum, S. (2012). Factors affecting job performance: A review of literature. *Journal of Social Sciences, Humanities and Arts*, 12(2), 115-128.
- Jaros, S. (2007). Meyer and Allen model of organization commitment: measurement issues. *The ICFAL Journal of Organizational Behavior*, 1(4).

- Jarradi, K.A. (2011). *An investigation into the effectiveness of the reward system in the government sector in the Sultanate of Oman and the potential for introducing a total reward strategy.*
- Jepsen, D. M., & Rodwell, J. J. (2007). A comprehensive social exchange model of key employee outcomes using the psychological contract, organisational justice and organisational citizenship behaviour. *Managing our Intellectual and Social Capital: Proceedings of the 21st ANZAM Conference*, 2-18.
- Jiang, Z., Xiao, Q., Qi, H., & Xiao, L. (2009). Total reward strategy: a human resource management strategy with the trend of the times. *International Journal of Business and Management*, 4, 177.
- Jocelyne, S., & Kariuki, M. (2020). Human capital, employee empowerment and organization performance. *International Academic Journal of Human Resource and Business Administration*, 3(9), 319-332.
- Johari, J., & Yahya K.K (2009). Linking organizational structure, job characteristics and job performance constructs: a proposed framework. *International Journal of Business and Management*, 4(3), 145.
- John, M., & Cassell, J. (2001). Preferences for care near the end of life: scale development and validation. *Research in Nursing & Health*, 24(4), 298-306.
- Johnson, E.C., & Meade, W.A. (2009). A multi-level investigation of overall job performance rating. 25th Annual Meeting of the Society for Industrial and Organizational Psychology.
- Judge, T.A., Jackson, C. L., Scott, B. A., & Rich, B. L. (2007). Self-efficacy and work-related performance, the integral role of individual differences. *Journal of Applied Psychology*, 92(1), 107-127.
- Kalkavan, S., & Katrinli, A. (2014). The effects of managerial coaching behaviours on the employee perception of job satisfaction, organizational commitment and job performance: case study on insurance industry in Turkey. *Procedia – Social and Behavioral Sciences*, 150, 1137-1147.
- Kanesan, A., G., Almadhoun, T., Z., & Ling Y. Organizational empowerment and commitment: the mediating effect of psychological empowerment. *Asian Journal of Social Sciences, Arts and Humanities*.
- Karakoc, N., & Yilmaz, K. (2009). Employee empowerment and differentiation in companies: a literature review and research agenda. Macro Think Institute: Enterprise Risk Management.
- Kathombe, M.W., Kipchumba, S., & Kirui, K. (2018). Reward management strategies and employee performance in selected universities in Nakuru County, Kenya. *Journal of Human Resource Management*, 6, 95-102.
- Katua, N. T. Mukulu, E., & Gachunga, H. G. (2014). Effect of reward and compensation strategies on the performance of commercial banks in Kenya. *International Journal of Education and Research*.

- Kavuludi, S., Chege, K., Kemboi, A., Onyango, R., Bil, J., & Oluoch, O. J. (2016). Mediating effect of employee commitment on relationship between incentives and employee performance: A case of Agricultural Development Corporation, Kitale. *IOSR Journal of Business and Management (IOSR – JBM)*, 18, 105-114.
- Keith, T. Z. (2006). *Multiple regression and beyond: An introduction to multiple regression and structural equation modeling*. Routledge.
- Kelil, A. (2010). *Employees' perception towards compensation and benefit policy: the case of some selected Government Higher Education Institutions in Addis Ababa*.
- Kenny, D. A. (2014). *Mediation*. Retrieved from www.davidkenny.net/cm/mediate.htm
- Kessler, E. H. (2014). *Encyclopedia of management theory* Vol.2. Research gate.
- Kim, H., Sutton, K., & Gong, Y. (2011). Group-based pay-for-performance plans and firm performance: The moderating role of empowerment practices. *Asia Pacific Journal of Management*.
- Kimberlin, C. L., & Winterstein, A.G. (2008). Validity and reliability of measurement instruments used in research. *American Journal of Health-System Pharmacy (AJHP)*, 65(23), 2276-84.
- Kirkman, B., & Rosen, B. (1999). Beyond self-management: antecedents and consequences of team empowerment. *The Academy of Management Journal*, 42(1), 58-74.
- Khalid A., Khalid S. Waseen A., Faroqi A., & Nazish A. (2015). Relationship between organizational commitment, employee engagement and career satisfaction: A case of university of Gujrat. *European Journal of Business and Social Sciences*, 3(11).
- Khudhair, F. S., Rahman, R. A., & Adnan, A. A. B. Z. (2020). The relationship between compensation strategy and employee performance among academic staff in Iraqi universities: a literature review. *International Journal of Academic Research in Business and Social Sciences*, 10(1), 251–263.
- Koopmans, L., Bernaards, C.M., Hildebrandt, V.H., Schaufeli, W.B., Henrica, C.W., & Beek, A.J. (2011). Conceptualized frameworks of individual work performance: a systematic review. *Journal of Occupational and Environmental Medicine*, 53, 856-866.
- Korir, I., & Kipkebut, D. (2016). The effect of reward management on employee commitment in the universities in Nakuru County Kenya. *Journal of Human Resource Management*, 4(4), 37-38.
- Krieger R. M (2011). *The importance of assumptions in multiple regression and how to test them*. University of Calgary.

- Kuchciak, I., & Warwas, I. (2021). Designing a Roadmap for Human Resource Management in the Banking 4.0. *Journal of Risk and Financial Management*.
- Kumar, P. J., & Kumar, A. A. (2017). Employee empowerment – an empirical study. *Global Journal of Management and Business*, 17(4).
- Kuranchie-Mensah, E.B., & Amponsah-Tawiah, K. (2016). Employee motivation and work performance: a comparative study of mining companies in Ghana. *Journal of Industrial Engineering and Management*, 9, 255-309.
- Labetubun, M.R., & Dewi, M. (2022). Organizational commitment: Its mediating role in the effect of human resource management practices and workplace spirituality on employee performance. *European Journal of Business and management research*.
- Larkin, I., Pierce, L., & Gino, F. (2012). The psychological costs of pay-for-performance: implications for strategic compensation of employees. *Strategic Management Journal*, 33, 1194-1214.
- Larkin, M. E., Cierpial C. L., Stack, M. J., Morrison, J. V., & Griffin, C. A. (2008). Empowerment theory in action: the wisdom of collaborative governance. *Journal of the American Nurses Association*, 13.
- Lee, C., & Chen, C. (2013). The relationship between employee commitment and job attitude and its effect on service quality in the tourism industry. *American Journal of Industrial and Business Management*, 3, 196-208.
- Lestari, L., & Yuniarto, A. (2015). The effect of empowerment on employee performance with organizational commitment as mediating variable and organizational culture as moderation variable. Conference in Business, Accounting and Management (CBAM), 2(1).
- Liao, F. P., Chacón–Moscoso, S., Barbero–García, I., & Vila–Abad, E. (2007). Uses of factor analysis in counseling psychology research. *Journal of Counseling Psychology*, 34(4), 414.
- Llanos, L., & Ahmad, R.B. (2017). Financial Compensation and Organizational Commitment: Differences among Mexican and Malaysian Bankers. *Compensation & Benefits Review*, 48, 155 - 170.
- Locke, E. A., & Lattam G. P. (1991). A theory of goal setting and task. *The Academy of Management Review*, 16, 480-483.
- Lunenburg, F.C. (2011). Self-efficacy in the workplace: implication for motivation and work performance. *International Journal of Management, Business, and Administration*, 14, 1-6.
- Mabaso, C., & Dlamini, B. (2018). Total rewards and its effects on organisational commitment in higher education institutions. *SA Journal of Human Resource Management*, 16, 8.

- Macedo, I.M., Pinho, J., & Silva, A. (2016). Revisiting the link between mission statements and organizational performance in the non-profit sector: The mediating effect of organizational commitment. *European Management Journal*, 34, 36-46.
- MacKinnon, D., Coxe, S., & Baraldi, A.N. (2012). Guidelines for the investigation of mediating variables in business research. *Journal of Business and Psychology*, 27, 1-14.
- Mafini, C. (2015). Investigating antecedent factors to job performance: contemporary evidence from government supply management professionals. *Acta Commercii*, 15.
- Malhotra, N., Budhwar, P., & Prowse P. (2007). Study on linking rewards to commitment: an empirical investigation of four UK call centres. *The International Journal of Human Resource Management*, 18, 2095-2128.
- Malhotra, N. K. (2006). *Marketing Research: An applied Orientation* (5th Ed). New Jersey: Pearson Apprentice Hall, Upper Saddle River.
- Maluki, P. (2021). *Kenya emerges as a formidable financial centre of Africa*. NTU-SBF Centre for African Studies (CAS).
- Mamah A. A., & Ulo, F.U (2015). Application of equity theory on skilled manpower retention: a study of medical practitioners in public specialist hospitals in Enugu Metropolis Nigeria. *International Journal of Research in Business Management*, 3, 95-110.
- Manhotoma, M. G., & Mahachi, D. (2014). A comparative analysis of human resource policies and practices on employee performance of hotel organizations in Botswana. *European Scientific Journal*, ESJ, 10.
- Martono, S., Khoiruddin, M., & Wulansari, N. A. (2018). Remuneration reward management system as a driven factor of employee performance. *International Journal of Business and Society*, 19, 535-545
- Mathebula, M. R (2005). *Modelling the relationship between organizational commitment, leadership style, human resource management and organizational trust*. University of Pretoria.
- Matthewman, L., Rose, A., & Hetherington, A. (2009). *A work of Psychology*. Oxford University Press.
- Mclaggan E., Bezuldenhout A., & Botha T.C. (2013). Leadership style and organizational commitment in the mining industry in Mpumalanga. *SAJHRM SA Journal of Human Resource Management*, 11(1), 1-9.
- Mehmood, S., Ramzan, M., & Akbar, T.M. (2013). Managing performance through reward system. *Journal of Humanities and Social Science* 15, 64-67.

- Mensah D.R, (2010). *Effects of human resource management practices on retention of employees in banking industry in Accra, Ghana*. Unpublished PhD thesis. Retrieved from www.ir.library.ku.ac.ke
- Meyer J. P., & Allen N. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 1(1), 61-89.
- Meyer, J. P., Becker, T. E., & Vandenberghe, C. (2004). Employee commitment and motivation: a conceptual analysis and integrative model. *Journal of Applied Psychology*, 89 (6), 991-1007.
- Meyer, J. P., & Allen, N. J. (1984). Testing ‘Side Bet theory’ of organizational commitment: some methodological considerations. *Journal of Applied Psychology*, 69(3), 372-378.
- Meyer, J. P., & Herscovitch, L. (2001). Commitment in workplace: toward a general model. *Human Resource Management Review*, 11, 299-326.
- Miao, Q., Newman, A., Sun, Y., & Xu, L. (2013). What factors influence the organizational commitment of public sector employees in China? The role of extrinsic, intrinsic and social rewards. *The International Journal of Human Resource Management*, 24(17), 3262-3280.
- Milkovich, G. T., Newman, J.M., & Gerhart, B. (2011). *Compensation* (12th edition). Singapore: McGraw-Hill/ Irwin. Retrieved from <https://www.academia.edu>
- Mohapatra, I., & Sundaray B. K (2018). Impact of employee empowerment on employee performance. *International Journal of Advanced Technology & Engineering Research (IJATER)*, 1, 98-102.
- Mondy, R. W., & Mondy, J. B. (2012). *Human Resource Management* (12th Ed.). England: Pearson Edinburgh Gate.
- Monis, H., & Sreedhara, T.N. (2010). *Employee perceptions of reward and recognition policy of BPOs operating in India – an empirical study*.
- Morris, D., & Maloney, M. (2003). *Strategic reward systems; understanding the difference between ‘best fit’ and ‘best practice’*.
- Motowildo, S. J., & Scotter, J. R. V. (1994). Evidence that task performance should be distinguished from contextual performance. *Journal of Applied Psychology*, 79 (4), 475-480.
- Motowildo, J. (2003). Job performance. *Handbook of Psychology: Industrial and Organizational Psychology*, 12, 39–53.
- Mottaz, J. C. (1988). Determinants of organizational commitment. *Human Relations*, 41, 467-482.
- Mowday, R.T., Steers, R.M., & Peter, W.L. (1979). The measurement of Organizational Commitment. *Journal of Vocational Behavior* 14, 224-249.

- Muhammad, I. G., & Abdullah H.H. (2016). Organizational commitment was found to mediate the effect of empowerment and compensation on organizational performance. The limitations and implications of the study were discussed and area for future studies provided. *International Review of Management and Marketing*, 6, 974-983.
- Munjuri, G. M., & K'obonyo, P. (2015). Human capital, employee empowerment and performance of commercial banks and insurance firms in Kenya. *International Journal of Arts and Commerce*, 4, 163-181.
- Murphy, K. R., & Shiarella, A. H. (1997). Implications of the multidimensional nature of job performance for the validity of selection tests: Multivariate frameworks for studying test validity. *Personnel Psychology*, 50(4), 823–854.
- Murray, W. C., & Holmes M. R. (2021). Impact of employee empowerment and organizational commitment on workforce sustainability. *Journal of Sustainability*, 13(6), 3163.
- Muthuveloo, R., & Rose, C. R. (2005). Typology of organizational commitment. *American Journal of Applied Sciences*, 2(6), 1078-1081.
- Nachmias, C. F., & Nachmias, D. (1996). *Research methods in social sciences*. (5th Ed) London: Arnold.
- Naghneh, M. H. K *et al* (2017). The relationship between organizational commitment and nursing care behavior. *Journal of Electronic Physician*, 9 (7), 4835-4840.
- Nazir, T., Shah, S. H. H., & Zaman, K. (2012). Literature review in total rewards: An international perspective. *African Journal of Business Management*, 6, 3046-3058.
- Ndung'u, A. W., & Kwasira, J. (2016). Role of reward systems in enhancing employee motivation in commercial banks in Nakuru town, Kenya. *International Journal of Economics, Commerce and Management*, 5(10).
- Niemivirta M., & Tapola A. (2007). Self-efficacy, interest and task performance. *Zeitschrift Fur Padagogische, Psychologie*, 21, 241-250.
- Ngwa, W. T., Adeleke, B. S., Agbaeze, E. K., Ghasi, N. C., & Imhanrenialena, B. O. (2019). Effect of reward system on employee performance among selected manufacturing firms in the Litoral Region of Cameroon. *Academy of Strategic Management Journal*, 18(3).
- Njanja, L. W., Maina, R. N., Kibet, L. K., & Njagi, K. (2013). Effect of reward on employee performance: a case of Kenya Power and Lighting Company Ltd., Nakuru, Kenya. *International Journal of Business and Management*, 8(21).

- Nugrahaningsih, R., Setyadi, D., Mintarti, S., Rochaida, E., Suharto, R., Faturrahman., & Awaluddin, M. (2021). Effect of organizational commitment and employee empowerment and reward and punishment of motivation BPJS services and performance of employees in hospital Abdul Wahab Sjahranie Samarinda, Indonesia. *Turkish Journal of Computer and Mathematics Education*.
- Nwokocha, I. (2016). Managing reward strategy to enhance employee performance, retention and productivity in organizations: a general overview. *International Journal of Development and Management Review*, 11, 20-38.
- Nyasha, S., & Odhiambo, N. M. (2015). The impact of banks and stock market development on economic growth in South Africa: An ARDL-Bounds Testing Approach. *Contemporary Economics*, 9, 93-108.
- Nzuve, M. N. S., & Bakari, H. T. (2012). The relationship between empowerment and performance in the City Council of Nairobi. *Problems of Management in 21st Century*, 5, 83-98.
- O'Brien J. L. (2011). Relationships among structural empowerment, psychological empowerment, and burnout in registered staff nurses working in outpatient dialysis centers. *Nephrology Nursing Journal: Journal of the American Nephrology Nurses' Association*, 38(6), 475–482.
- Oktaviani, R., Susanti, E., & Syah, T.Y.R (2020). The role of empowerment and work environment on employee performance supported over organizational commitment. *Journal of Multidisciplinary Academic*, 4(5).
- Ölçer, F. (2015). Mediating effect of job satisfaction in the relationship between psychological empowerment and job performance. *Theoretical and Applied Economics*, 22, 111-136.
- Oh, E. H., & Chung, B. Y. (2011). The effect of empowerment on nursing performance, job satisfaction, organizational commitment, and turnover intention in hospital nurses. *Journal of Korean Academy of Nursing Administration*, 17(4), 391.
- Ong, T.S., & Yip, M.T., and Teh, B.H. (2012). The reward strategy and performance measurement (evidence from Malaysian insurance companies). *International Journal of Business, Humanities and Technology*, 2(1), 211-223.
- Orgambidez-Ramos, A., & Borrego-Alés, Y. (2014). Empowering employees: structural empowerment as antecedent of job satisfaction in university settings. *Psychological Thought*, 7(1), 28–36.
- Organ, D. W. (1988). *Organizational citizenship behavior: The good soldier syndrome*. Lexington Books/D. C. Heath and Com.
- Osborne, J. W., & Waters, E. (2002). Four assumptions of multiple regression that researchers should always test. *Practical Assessment, Research and Evaluation* 8(2).

- Osborne, J.W., (2013). *Best practices in data cleaning: a complete guide to everything you need to do before and after collecting data.*
- Pal, M. (2013). Employees reward management practices in corporate sector (review paper). View of Space International: Multi-disciplining. *Journal of Applied Research*, 1(9).
- Pandis, N. (2016). Linear regression. *American Journal of Orthodontics and Dentofacial Orthopedics*, 149(3), 431-434.
- Pathmaranjan, R. (2004). Empowerment of employees as a strategy for improving organizational performance: a comparative study between state sector and private sector banking institutions in Sri Lanka. *Journal of Management*, 2, 43-52.
- Pattnaik, S. (2020). Operationalizing employee performance: a literature review. *Training and Development Journal*, 11(2), 45-56.
- Paul, M. & Zhang, P. (2000). Omnibus test of normality using the Q statistic. *Journal of Applied Statistics*, 26(4), 519-528.
- Pittinsky, T. L., & Shih, J. N. (2005). Glancing Back: Recalling organizational commitment in a growing organization. KSG Faculty Research Working Paper Series RWP05-022.
- Poole M. A., & O'farrell P. N (1971). The assumptions of the linear regression model. *Transactions of the Institute of British Geographers*, 52, 145.
- Poropat, A. (2002). New models of work performance and other implementations for employment relations. Proceedings of the International Employment Relations Associations.
- Powell, D. M., & Meyer, J. P. (2004). Side-bet theory and the three-component model of organizational commitment. *Journal of Vocational Behavior*, 65(1), 157–177.
- Pradham, R. K., & Jena, L. K. (2016). Employee performance at workplace: conceptual model and empirical validation. *Business Perspectives and Research*, 5, 1-17.
- Pulakos, C. D., Arad, S., Donovan, A.M., & Plamondon, K.E. (2000). Adaptability in the work-place: development of a taxonomy of adaptive performance. *Journal of Applied Psychology*, 83 (4), 612- 624.
- Rahim, N.A., Sopian, R.Z., Anuar, A., & Ishmael, A. (2016). Relationship performance based reward and organizational commitment in banking industry. *EuroEconomica*, 12, 18-29.
- Rappaport, J. (1987). Terms of empowerment/extemplars of prevention: toward a theory for community psychology. *American Journal of Community Psychology* 15, 121-148.

- Reichers, A.E. (1985). A review and reconceptualization of organizational commitment. *Academy of Management Review*, 10(3), 465-476.
- Rich, B.L., Lepine, J.A., & Crawford (2010). Job engagement: antecedents and effects on job performance. *Academy of Management Journal*, 53, 617-635.
- Ricketta, M. (2002). Organizational commitment and job performance: a meta-analysis. *Journal of Organizational Behavior*, 23 (3), 257-266.
- Riege, A.M. (2003). Validity and reliability tests in case study research: a literature review with “hands on” applications for each research phase. *Qualitative Market Research: An International Journal*, 6, 75-86.
- Reilly, N.P., & Orsak, C.L. (1991). A career stage analysis of career and organizational commitment in nursing. *Journal of Vocational Behavior*, 39(3), 311–330.
- Sahoo, C. K., & Das, S. (2011). Employee empowerment: a strategy towards workplace commitment. *European Journal of Business and Management*, 3, 46-51.
- Salah, M. R. (2016). The influence of rewards on employees’ performance. *British Journal of Economics, Management & Trade*, 13, 1-25.
- Sardana, A. (2019). Employee empowerment and turnover intentions. *International Journal of Management, I.T and Engineering*, 9, 292-303.
- Sattar, T., Khalil, A., & Hassan, S.M. (2015). The role of human resource practices in employee performance and job satisfaction with mediating effect of employee engagement. *Pakistan Economic on Social Review*, 53, 81-96.
- Saunders, M. Lewis, P., & Thornhill, A. (2009). *Research methods for business students* (6th Ed). Pearson Education Limited, England.
- Schiemann, A.W. (1987). The Impact of corporate compensation and benefit policy on employee attitudes and behavior and corporate responsibility. *Journal of Business and Psychology*, 2, 8-26.
- Schmidt, F. L., & Hunter, J. E. (1998). The validity and utility of selection methods in personnel psychology: practical and theoretical implications of 85 years of research findings. *Psychological Bulletin*, 124(2), 262–274.
- Seibert, S. E., Silver, S.R., & Randolph, W.A. (2004). Taking empowerment to the next level: a multiple-level model of empowerment, performance, and satisfaction. *Academy of Management Journal*, 47, 332-349.
- Selton, R.P. Bennett, N., & Leden, C. R (1996). Social exchange in organizations: Perceived Organizational Support, leader-member change, and employee reciprocity. *Journal of Applied Psychology*, 81 (3), 219-227.
- Singh, A., & Masuku, M. (2014). Sampling techniques and determination of sample size in applied statistical research: an overview. *International Journal of Commerce and Management*, 2, 1-22.

- Solinger, O.N., Olffen W.V., & Roe A.R. (2008). Beyond the three-component model of organizational commitment. *Journal of Applied Psychology*, 93(1), 70-83.
- Sonnentag, S., & Frese, M. (2001). *Chapter 1 performance concepts and performance theory*.
- Sonnentag, S., Volmer, J., & Spychala, A. (2008). Job performance. *Micro Approaches Handbook of Organizational Behavior*, 1, 427-447.
- Sonnentag, S., Volmer, J., & Spychala, A. (2010). *Job performance*.
- Spreitzer, G. M. (1995). Psychological, empowerment in the workplace: dimensions, measurement and validation. *Academy of Management Journal*, 38(5), 1442–1465.
- Stanes, B.J. and Truron, S.A. (2007). *Organizational Commitment*. Retrieved from www.asqhdandi.org
- Stajkovic, A.D., & Lultans, F. (1998). Self-efficacy and work related performance: A meta –analysis. *Psychological Bulletin*, 124 (2), 240-261.
- Steers, M.R. (1977). Antecedents and outcomes of organizational commitment. *Administrative Science Quarterly*, 22, 46-56.
- Sudiardhita, K.I.R., Mukhtar, S., Hartono, B., Herlitah, H., Sariwulan, T., & Nikensari, S. I. (2018). The effect of compensation, motivation of employee and work satisfaction to employee performance Pt. Bank xyz (Persero) TBK. *Academy of Strategic Management Journal*.
- Sung, T., Rahim, A., Bahron, A., & Lee, T. (2018). The relationship between financial compensation and salesperson performance in a Sabah retail sector: the mediating role of organizational commitment. *International Journal of Accounting, Finance and Business*, 3 (13), 1-18.
- Taba (2018). Mediating effect of work performance and organizational commitment in the relationship between reward system and employees' work satisfaction. *Journal of Management Development*, 37.
- Tabachnick, B. G., Fidell, L. S., & Ullman, J. B. (2007). *Using multivariate statistics* (Vol. 5): Pearson Boston, MA.
- Tabachnick, B.G., & Fidell, L.S. (2014). *Using multivariate statistics*: Pearson new international edition - Pearson.
- Tabouli, E. M., Habtoor, N., & Mohammad N, D. (2016). The impact of human resources management on employee performance: organizational commitment mediator variable. *Asian Social Science*.
- Tamsah, H., Arifuddin, Farida, U., Ybnu, M., Yusriadi, Y., Nasirin, C., & Kurniawan, R. (2021). Effect of career development and compensation on work commitment and its impact on employee performance. Annual International Conference on Industrial Engineering and Operations Management, Singapore.

- Tamunomiebi, M. D., & Oyibo, C. (2020). Work life and employee performance: A literature review. *European Journal of Business and Management Research*.
- Tariq, M. U (2015). Operationalizing variables with theoretical frameworks: a comparative analysis. *Durresamin Journal*, 1.
- Tastan, S.B. (2014). The impact of employee organization relationship on individuals' behavioral outcomes of task related performance, contextual performance and intentions to turnover: an evaluation with social exchange theory. *International Journal of Business and Management Studies*, 6(1).
- Thao T. T., & Hwang, C. (2015), *Factors affecting employee performance*. Evidence from Petrovietnam engineering consultancy JSC.
- Tolentino, R.C. (2013). Organizational Commitment and Job Performance of the Academic and Administrative Personnel. *International Journal of Information Technology and Business Management*, 15 (1).
- Travers, L., J., Schroeder, K., Norful, A., A., & Sainfer, A. (2020). The influence of empowered work environments on the psychological experiences of nurse assistants during COVID-19: A qualitative study. *BMC Nurse*, 19(98).
- Tremblay, M., & Chênevert, D. (2008). Influence of compensation strategies in Canadian technology-intensive firms on organizational and human resources performance. *Group and Organization Management*, 33, 269-302.
- Trivellas, P (2011). Work motivation and job performance of frontline employees: The mediating role of organizational commitment. IEEE International Conference on Industrial Engineering and Engineering Management.
- Trochim, W. M. K. (2006). *The research methods knowledge base*.
- Tuffaha, M. (2020). The determinants of employee's performance: a literature review. *Journal of Economics and Management Sciences*, 3, 14-24.
- Tuuli, M. M., & Rowlinson, S. (2007). Towards a conceptual framework of empowerment and job performance in project teams. *Journal of Associate of Research in Construction Management*, 3, 3-12.
- Van Scotter, J. R., & Motowildo, J. S. (1996). Interpersonal facilitation and job dedication as separate facets of contextual performance. *Journal of Applied Psychology*, 81(5), 525-531.
- Van Scotter, J. Motowildo, S.J., & Thomas, C. (2000). Effects of task performance and contextual performance on systematic rewards. *Journal of Applied Psychology*, 85(4).
- Van Teijlingen, E., & Hundley, V. (2002). The importance of pilot studies. *Nursing Standard (Royal College of Nursing (Great Britain): 1987)*, 16(40), 33–36.
- Verma, A. (2018). Impact of compensation and reward system on organization performance: an empirical study. *International Journal of Research and Analytical Reviews*.

- Viswesvaran, C., & Ones, S, D. (2000). Perspectives on models of job performance. *International Journal of Selection and Assessment*, 8, 216-226.
- Vosloban, R. I. (2012). The Influence of the employee's performance on the company's growth -a managerial perspective. *Procedia Economics and Finance*, 3, 660-665.
- Wambugu S.M., & Ombui K. (2013). Effects of reward strategies on performance at Kabete Technical Training Institute, Nairobi, Kenya. *Journal of Public Policy and Administrative Research*, 3(7).
- Ward, J. (Ed.). (2013). *The ecology of regulated streams*. Springer Science & Business Media.
- Weldo, Z, Kaur S., & Jun W. (2010). New development of organizational commitment: A critical review 1960-2009. *Africa Journal of Business Management*, 4(1), 12- 20.
- Widyastuti, N.P., & Riana, I.G. (2019). Effect of empowerment and compensation on performance of honorary employees mediated by organizational commitments. *International Research Journal of Management, IT and Social Sciences*, 6, 73-85.
- Widyastuti, T., & Hidayat, R, (2018). Adaptation of Individual Work Performance Questionnaire (IWPQ) into Bahasa Indonesia. *International Journal of Research Studies in Psychology*, 7.
- Wijaya, N. H. S. (2020). The effect of team social exchange perspective on employee job satisfaction. 8th International Conference on Entrepreneurship and Business Management. *Advances in Economics, Business and Management Research*, 145.
- Wikhamn, W., & Hall, T.A. (2012). Social exchange in a Swedish work environment. *International Journal of Business and Social Science*, 3(23), 56-64.
- Williams, M. N., Grajales, C.A., & Kurkiewicz, D. (2013). Assumptions of multiple regression: correcting two misconceptions. *Practical Assessment, Research and Evaluation*, 18, 11.
- Wojcik, P. (2017). Empowerment in modern organizations – determinants and benefits. *Probrane Z Czasopisma Annales H Oeconomia*, 51(3), 161-172.
- Wolowska A. (2014). Determinants of organizational commitment. *Journal of Human Resource Management and Economics*, 8.
- Wong, A. (2014). Evaluation of organization commitment models and their components in Asia Cities. *International Journal of Human Resource Studies*, 4(2), 66-96.

- Wulandari, W. Rahmawati, V., & Taufik, T (2020). The effect of compensation and work environment towards budget manager performance with organization commitment as a variable of mediation. *International Journal of Economics, Business and Applications*
- Yamoah, E.E., & Afful, D. (2019). An investigation of the effect of employee empowerment on job performance in Ghana. *International Journal of Business Management*, 14, 25.
- Yasothai, R., Juahar, J., & Bashawir, G.A. (2015). A study on the impact of Empowerment on Employee Performance: The mediating role of Appraisal. *International Journal of Liberal Arts and Social Science*, 3(1).
- Yaqoob, S., & Abbas, Q. (2009). Effect of leadership development on employee performance in Pakistan. *Pakistan Economic and Social Review*, 47(2), 269-292.
- Yeh, H., & Hong, D. (2012). The mediating effect of organizational commitment on leadership type and job performance. *The Journal of Human Resource and Adult Learning*, 8(2), 50-59.
- Yigit, L. (2016). The effect of organizational commitment on the social exchange and organizational socialization: A study in research and practice Hospital of Kocaeli University. *KAU JEASF*, 7(12), 25-50.
- Zakaria, Z. Hussin, Z. H., Noordin, N., Sawal, M., Noor, M. F., & Maras, P. (2011). Employees' perceptions on reward practice at Toyota 3S Centre: a case study in Malasia. *Canadian Social Science*, 7(1), 49-57.
- Zaraket, W., Garios, R., & Malek, L.A. (2018). The impact of employee empowerment on the organizational commitment. *International Journal of Human Resource Studies*, 8, 284.
- Zayas-Ortiz, M. Rosario, E., Marquez, E., & Gruñeiro, P.C. (2015). Relationship between organizational commitments and organizational citizenship behavior in a sample of private banking employees. *International Journal of Sociology and Social Policy*, 35, 91-106.
- Zikmund, W.G. (2002). *Business Research Methods* (7th Ed.). USA: Thomsons

APPENDICES

Appendix I: Request Letter for Data Collection



MOI UNIVERSITY
ISO 9001:2008 CERTIFIED
SCHOOL OF BUSINESS AND ECONOMICS

Tel: (053) 43153

P.O Box 63056-00200

Fax: (053) 43153

NAIROBI
KENYA

MU/NRB/MBA/SA/01

15th October 2019

National Commission for Science, Technology and Innovation
Upper Kabete
P.O. Box 30623 00100
NAIROBI

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH PERMIT
MUGO MURIITHI

This is to confirm that the above named is a Postgraduate student of Moi University, School of Business and Economics Mr. Muriithi is pursuing a Doctor of Philosophy in Business Management (Strategic Management) course offered at Nairobi campus.

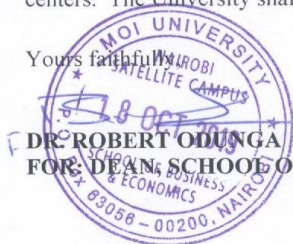
The student successfully defended his proposal and is due to proceed for his research data collection.

The research Title is – **“Moderated Mediating Effect of Employee Empowerment, Organizational Commitment on the Relationship Between Reward Strategy and Employee Performance in Commercial Banks Listed in Nairobi Securities Exchange, Kenya.”**


The student is in the process of obtaining a research permit to enable his visit the identified research centers. The University shall highly appreciate any assistance accorded to him.

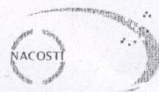
Yours faithfully,

DR. ROBERT ODUNGA
FOR: DEAN, SCHOOL OF BUSINESS AND ECONOMIC




Appendix II: Permit License from NACOSTI


REPUBLIC OF KENYA


NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 952337 Date of Issue: 05/November/2019


RESEARCH LICENSE




This is to Certify that Mr.. MUGO MURIITHI of Moi University, has been licensed to conduct research in Nairobi on the topic:
MODERATED MEDIATING EFFECT OF EMPLOYEE EMPOWERMENT, ORGANISATIONAL COMMITMENT ON THE
RELATIONSHIP BETWEEN REWARD STRATEGY AND EMPLOYEE PERFORMANCE IN COMMERCIAL BANKS
LISTED IN NAIROBI SECURITIES EXCHANGE, KENYA for the period ending : 05/November/2020.

License No: NACOSTI/P/19/2419

952337
Applicant Identification Number


Director General
NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document,
Scan the QR Code using QR scanner application.

Appendix III: Questionnaire

You are requested to answer each question by ticking in the box that best describes you. The answers are strictly for academic work and high degree of confidentiality will be upheld.

PART 1: BIOGRAPHICAL INFORMATION

1. Gender Male Female

2. Age

20 – 29 years

30 – 39 years

40 – 49 years

50 – 59 years

60 years and above

3. Highest level of education attained. (Please tick one)

Secondary level

Tertiary College (Certificate)

Tertiary College (Diploma)

University (Graduate)

University (Masters)

University (Doctorate)

4. Professional qualification

Please indicate your professional qualification if any

.....

5. Professional membership

Please indicate your professional membership if any

.....

6. Department

7. Job title

8. Job category (Please tick one)

Management

Supervisory

9. Terms of service

Permanent

Contract

10. How long have you been employed at this bank

Less than 5 years

5 to 10 years

11 to 15 years

16 to 20 years

21 years and above

PART II : REWARD STRATEGY						
Using the following table and the scale provided below, please tick (✓) on the following statements which best describe your opinion. Scale: (Strongly agree= 5, Agree= 4, Neutral= 3, Disagree = 2, Strongly disagree= 1)						
	Reward Objectives	1	2	3	4	5
1	I attribute high performance to reward objectives					
2	Pay system encourages me to put extra effort.					
3	I am fairly rewarded considering the responsibilities of my job					
4	I am fairly rewarded taking into account my level of education					
5	I am fairly rewarded with regard to my level of experience					
6	I am fairly rewarded for the stresses and strains of my job					
7	The pay objectives are compliant with government regulations and labour laws.					
8	Pay grievances are resolved in compliance with existing labour guidelines					
9	Pay decisions uphold the principle of confidentiality and privacy.					
10	The pay strategy is aligned to the vision, mission and core values of the organization.					
	Reward Policies	1	2	3	4	5
1	Equal pay is provided for related work of equal value.					
2	The bank has a well defined grading and pay structure.					
3	The reward strategy attaches importance to external competitiveness					
4	Comparing with similar organizations, the reward strategy makes my employer a great place to work					
5	I would recommend the bank as a good employer to others					
6	The reward strategy takes account of emerging compensation trends					
7	My pay compares well with other related jobs in the market					
8	My pay is competitive compared to similar jobs in other sectors.					
9	The reward strategy has created a strong bond between the bank and myself					
10	The pay practices have resulted to commitment to my work					
11	The views of senior managers are considered in reward strategy.					
12	The line managers are involved in the process of reward determination.					

	Reward Techniques	1	2	3	4	5
1	I am satisfied with working conditions at my work place.					
2	The working conditions are adequate to perform a good job.					
3	I am satisfied with the amount of pay I receive for the job I do.					
4	I am satisfied with the fringe benefits package provided by the bank					
5	I feel that the promotion policy is good at my work place.					
6	There is enough opportunity for advancement (improvement) on my job.					
7	My immediate supervisor is approachable.					
8	I am satisfied with the technical competence of my supervisor.					
9	I am satisfied with my immediate supervisor's ability to lead me.					
10	I am satisfied with the way my immediate supervisor helps me achieve my goals.					
11	I am satisfied with the supportive attitude of my co-workers at work.					
12	My co-workers cooperate more often than they compete.					
13	Clear planned objectives exist for my job.					
14	I know what my responsibilities are.					
15	I know how my performance is going to be evaluated.					
16	I feel certain about the level of authority I have.					
17	The job requires me to use a number of complex skills.					
18	My job allows me to use personal initiative in carrying out the work.					
19	I have freedom to do what I want on my job to satisfy clients.					
20	I receive recognition from my immediate superior for providing good service.					
21	I received induction training (orientation) for information systems, bank facilities and procedures at the beginning of my employment.					
22	I receive regular training to keep me updated for good service.					
23	I can influence decisions of my immediate supervisor regarding issues in my job					
24	My immediate supervisor asks my opinion when a problem comes up.					
25	I feel it is easy to get job improvement ideas across to my immediate supervisor.					

PART III: EMPLOYEE EMPOWERMENT						
Using the following table and the scale provided below, please tick (✓) on the following statements which best describe your opinion. Scale: (Strongly agree= 5, agree= 4, Neutral= 3, Disagree = 2, Strongly disagree= 1)						
Social-Structural Empowerment		1	2	3	4	5
1	I am allowed to make decisions on my job undertakings.					
2	I have a lot of control over how I do my job.					
3	I have authority to make autonomous decisions in my job					
4	I have opportunities to express my ideas.					
5	Power sharing increases my work autonomy					
6	Knowledge sharing would improve work processes in the organization.					
7	Knowledge has a positive influence on my performance because the more I know, the better I can perform					
8	I will perform better if am trained on new skills related to my job undertakings.					
9	I intend to share my knowledge with other organizational members more frequently in the future					
10	I have access to the information we need to perform our job					
11	I can easily store information which help me work together in a team					
12	I can easily share information that help me to work together in a team.					
13	Information sharing is very important for positive team performance.					
14	I am satisfied with the rewards system that I receive.					
15	I will receive a reward if I do something to improve my work.					
16	My pay encourages me to improve the quality of my work.					
Psychological Empowerment		1	2	3	4	5
1	The work I do is very important to me.					
2	My job activities are personally meaningful to me					
3	The work I do is meaningful to me.					

4	I am confident about my ability to do my job.					
5	I am self-assured about my capabilities to perform my work activities.					
6	I have mastered the skills necessary for my job.					
7	I have significant autonomy in determining how I do my job.					
8	I can decide on my own how to go about doing my work.					
9	I have considerable opportunity for independence and freedom in how I do my job.					
10	My impact on what happens in my department is large.					
11	I have a great deal of control over what happens in my department.					
12	I have significant influence over what happens in my department.					

PART IV: ORGANIZATIONAL COMMITMENT						
Using the following table and the scale provided below, please tick (✓) on the following statements which best describe your opinion. Scale: (Strongly agree= 5, agree= 4, Neutral= 3, Disagree = 2, Strongly disagree= 1)						
Affective Commitment		1	2	3	4	5
1.	I would be very happy to spend the rest of my career in this organization.					
2.	I really feel as if this organization's problems are my own.					
3.	I do not feel like 'part of my family' at this organization					
4.	I do not feel 'emotionally attached' to this organization.					
5.	This organization has a great deal of personal meaning for me.					
6.	I do not feel a strong sense of belonging to this organization.					
Continuance Commitment		1	2	3	4	5
1	It would be very hard for me to leave my job at this organization right now even if I wanted to.					
2.	Too much of my life would be disrupted if I leave this organization.					
3.	Right now, staying with my job at this organization is a matter of necessity as much as desire.					
4	I believe I have too few options to consider leaving this organization.					
5	One of the few negative consequences of leaving my job at this organization would be the scarcity of available alternative elsewhere.					
6	One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice.					
Normative Commitment		1	2	3	4	5
1	I do not feel any obligation to remain with this organization.					
2	Even if it were to my advantage, I do not feel it would be right to leave.					
3	I would feel guilty if I left this organization now.					
4	This organization deserves my loyalty.					
5	I would not leave my organization right now because of my sense of obligation to it.					
6	I owe a great deal to this organization.					

PART V: EMPLOYEE PERFORMANCE

Using the following table and the scale provided below, please tick (✓) on the following statements which best describe your opinion.

Scale: (Strongly agree = 5, Agree= 4, Neutral= 3, Disagree = 2, Strongly disagree = 1)

	Task Performance	1	2	3	4	5
1	I maintain high standard of work.					
2	I am capable of handling my assignments without much supervision.					
3	I am very passionate about my work.					
4	I know I can handle multiple assignment for achieving organizational goals.					
5	I complete my assignment on time.					
6	My colleagues believe I am a high performer in my organization.					
	Adaptive Performance	1	2	3	4	5
1	I perform well to mobilize collective intelligence for affective team work.					
2	I could manage change in my job very well whenever the situation demands.					
3	I can handle effectively my work team in the face of change.					
4	I always believe that mutual understanding can lead to a viable solution in organization.					
5	I lose temper when faced with criticism from my team members.					
6	I am very comfortable with job flexibility.					
7	I cope well with organizational changes from time to time.					
	Contextual Performance	1	2	3	4	5
1	I extend help to my coworkers when asked or needed.					
2	I love to handle extra responsibilities.					
3	I extend my sympathy and empathy to my co workers when they are in trouble.					
4	I actively participate in group discussions and work meetings.					
5	I praise my coworkers for their good work.					
6	I derive a lot of satisfaction nurturing others in organization.					

7	I share knowledge and ideas among my team members.					
8	I maintain good coordination among fellow workers.					
9	I guide new colleagues beyond my job responsibilities.					
10	I communicate effectively with my colleagues for problem solving and decision making.					

Thank You.

Appendix IV: Reliability Tests

Reward Strategy Item-Total Statistics for the Items

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I attribute high performance to reward objectives	169.72	871.409	.494	.967
Pay system encourages me to put extra effort	170.01	866.851	.519	.967
I am fairly rewarded considering the responsibility of my job	170.23	864.001	.631	.967
I am fairly rewarded considering my level of education	170.40	866.539	.544	.967
I am fairly rewarded regarding my level of experience	170.46	863.227	.557	.967
I am fairly rewarded for the stresses and strains of my job	170.87	866.196	.522	.967
The pay objectives are compliant with government regulations and labor laws	170.04	863.081	.615	.967
Pay grievances are resolved in compliance with existing labor guidelines	170.10	857.561	.657	.967
Pay decisions uphold the principle of confidentiality & privacy	169.81	864.755	.631	.967
The pay strategy is aligned to the vision, mission, and core values of the organization	170.17	853.344	.720	.966
Equal pay is provided for related work of equal value	170.68	859.178	.604	.967
The bank has a well-defined grading and pay structure	170.33	850.659	.673	.967
The reward strategy attaches importance to external competitiveness	170.47	852.320	.709	.966
Comparing with similar organizations, the reward strategy makes my employer a great place to work	170.28	853.225	.712	.966
I would recommend the bank as a good employer to others	169.92	855.142	.725	.966
The reward strategy takes account of emerging compensation trends	170.40	855.369	.696	.966
My pay compares well with other related jobs in the mkt	170.46	854.817	.678	.967
My pay is competitive compared to similar jobs in other sectors	170.50	857.509	.660	.967
The reward strategy has created a strong bond between the bank and me	170.47	853.490	.732	.966
Pay practices have resulted to commitment to my work	170.37	858.582	.681	.967
The views of senior managers are considered in reward strategy	170.30	859.641	.615	.967
The line managers are involved in the process of reward determination	170.43	863.924	.514	.967
I am satisfied with working conditions at my workplace	170.00	861.231	.681	.967
The working conditions are adequate to perform a good job	170.01	857.699	.725	.966
I am satisfied with amount pay I receive for the job I do	170.55	858.668	.636	.967
I am satisfied with the fringe benefits package provided by the bank	170.40	861.953	.610	.967

I feel that the promotion policy is good at my workplace	170.65	864.386	.550	.967
There is enough opportunity for advancement (improvement) on my job	170.30	859.196	.594	.967
My immediate supervisor is approachable	169.71	861.035	.612	.967
I am satisfied with the technical competence of my supervisor	169.74	861.128	.620	.967
I am satisfied with my immediate supervisor's ability to lead me	169.73	859.717	.656	.967
I am satisfied with the way my immediate supervisor helps me achieve my goals	169.88	858.357	.671	.967
I am satisfied with the supportive attitude of my co-workers at work	169.87	865.034	.665	.967
My co-workers cooperate more often than they compete	169.93	867.022	.587	.967
Clear planned objectives exist for my job	169.81	863.937	.660	.967
I know what my responsibilities are	169.43	872.815	.525	.967
I know how my performance is going to be evaluated	169.72	861.409	.644	.967
I feel certain about the level of authority I have	169.90	858.370	.700	.966
The job requires me to use a number of complex skills	169.91	870.799	.475	.967
My job requires me to use personal initiative in carrying out the work	169.73	870.654	.531	.967
I have freedom to do what I want on my job to satisfy clients	170.37	872.049	.449	.967
I receive recognition from my immediate superior for providing good service	169.97	863.659	.636	.967
I received induction training (orientation) for information systems, bank facilities and procedures at the beginning of my employment	169.66	874.941	.396	.968
I receive regular training to keep me updated for good service	169.84	870.368	.494	.967
I can influence decisions of my immediate supervisor regarding issues in my job	170.12	867.108	.546	.967
My immediate supervisor asks my opinion when a problem comes up	170.03	861.222	.630	.967
I feel it is easy to get job improvement ideas across to my immediate supervisor	169.93	863.179	.642	.967

Source: Research Data (2020)

Employee Empowerment Item-Total Statistics for the Items

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I am allowed to make decisions on my job undertaking	107.65	269.775	.671	.949
I have a lot of control over how I do my job	107.83	271.356	.638	.949
I have authority to make autonomous decisions in my job	108.19	271.606	.573	.950
I have opportunities to express my ideas	107.58	270.689	.711	.949
Power sharing increases my work autonomy	107.88	274.433	.561	.950

Knowledge sharing would improve work processes in the organization	107.23	270.193	.720	.949
Knowledge have positive influence on my performance because the more I know, the better I can perform	107.09	270.745	.738	.949
I will perform better if am trained on new skills related to my job undertakings	107.16	272.492	.626	.950
I intend to share my knowledge with other organizational members more frequently in the future	107.10	271.892	.694	.949
I have access to the information we need to perform our job	107.17	274.458	.687	.949
I can easily store information which help me work together in a team	107.22	274.453	.651	.949
I can easily share information that help me work together in a team	107.23	270.979	.734	.949
Information sharing is very important for positive team performance	107.10	272.764	.647	.949
I am satisfied with the reward system that I receive	108.11	275.526	.457	.951
I will receive a reward if I do something to improve any work	108.12	276.784	.417	.952
My pay encourages me to improve the quality of my work	107.91	275.967	.451	.951
The work I do is very important to me	107.21	271.467	.717	.949
My job activities are personally meaningful to me	107.31	270.935	.678	.949
The work I do is meaningful to me	107.23	271.744	.668	.949
I am confident about my ability to do my job	106.98	273.901	.688	.949
I am self-assured about my capabilities to perform my work activities	107.02	274.115	.629	.950
I have mastered the skills necessary for my job	107.01	274.859	.621	.950
I have significant autonomy in determining how I do my job	107.47	273.404	.630	.950
I can decide on my own how to go about doing my work	107.60	273.473	.559	.950
I have considerable opportunity for independence and freedom in how I do my job	107.64	273.463	.619	.950
My impact on what happens in my department is large	107.44	268.948	.691	.949
I have a great deal of control over what happens in my department	107.72	270.160	.635	.949
I have significant influence over what happens in my department	107.77	270.060	.591	.950

Source: Research Data (2020)

Organizational Commitment Item-Total Statistics for the Items

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I would be very happy to spend the rest of my career in this organization	50.78	94.101	.415	.809

I really feel as if this organization's problems are my own	50.87	95.896	.533	.814
I do not feel like 'part of my family' at this organization	51.91	97.693	.623	.820
I do not feel 'emotionally attached' to this organization	51.95	98.714	.470	.824
This organ. has a great deal of personal meaning to me	50.67	98.557	.408	.820
I do not feel a strong sense of belonging to this organization	51.93	98.799	.357	.825
It would be very hard for me to leave my job at this organization right now even if I wanted to	51.06	90.345	.578	.799
Too much of my life would be disrupted if I leave this org.	51.04	89.556	.647	.796
Right now, staying with my job at this organization is a matter of necessity as much as desire	51.03	93.151	.494	.805
I believe I have too few options to consider leaving this org.	51.47	90.586	.578	.800
One of the few negative consequences of leaving my job at this organization would be the scarcity of available alternative elsewhere	51.40	92.520	.466	.806
One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice	51.39	92.370	.484	.805
I do not feel any obligation to remain with this organization	51.82	98.965	.379	.822
Even if it were to my advantage, I do not feel it would be right to leave	51.56	91.346	.566	.801
I would feel guilty if I left this organization now	51.43	91.222	.533	.802
This organization deserves my loyalty	50.88	94.236	.419	.809
I would not leave my organization right now because of my sense of obligation to it	51.05	92.755	.518	.804
I owe a great deal to this organization	50.67	94.286	.414	.809

Source: Research Data (2020)

Employee Performance Item-Total Statistics for the Items

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I maintain high standard of work	94.15	146.113	.650	.946
I am capable of handling my assignments without much supervision	94.05	144.838	.788	.944
I am very passionate about my work	94.12	144.308	.724	.945
I know I can handle multiple assignment for achieving organizational goals	94.12	144.246	.822	.944
I complete my assignments on time	94.25	144.625	.725	.945
My colleagues believe I am a high performer in my organization	94.36	144.232	.676	.945
I perform well to mobilize collective intelligence for effective teamwork	94.47	144.312	.734	.945
I could manage change in my job very well whenever the situation demands	94.40	144.287	.732	.945
I can handle effectively my work team in the face of change	94.32	144.895	.770	.944

I always believe that mutual understanding can lead to a viable solution in organization	94.35	147.926	.440	.949
I lose temper when faced with criticism from my team members	96.12	155.118	.056	.961
I am very comfortable with job flexibility	94.53	147.830	.481	.948
I cope well with organizational changes from time to time	94.35	147.926	.613	.946
I extend help to my coworkers when asked or needed	94.09	147.475	.713	.945
I love to handle extra responsibilities	94.29	146.255	.673	.945
I extend my sympathy and empathy to my co-workers when they are in trouble	94.17	144.196	.768	.944
I actively participate in group discussions and work meetings	94.21	145.526	.766	.944
I praise my co-workers for their good work	94.19	144.849	.767	.944
I derive a lot of satisfaction nurturing others in organization	94.13	145.492	.759	.944
I share knowledge and ideas among my team members	94.10	145.204	.789	.944
I maintain good coordination among fellow workers	94.19	144.199	.805	.944
I guide new colleagues beyond my job responsibilities	94.12	144.962	.779	.944
I communicate effectively with my colleagues for problem solving and decision making	94.13	145.910	.773	.944

Source: Research Data (2020)

Appendix V: Descriptive Statistics

Descriptive Statistics for Employee Performance

	Mean	Std. Dev.
I maintain high standard of work	4.44	.785
I am capable of handling my assignments without much supervision	4.53	.762
I am very passionate about my work	4.47	.828
I know I can handle multiple assignment for achieving organizational goals	4.48	.732
I complete my assignments on time	4.33	.794
My colleagues believe I am a high performer in my organization	4.23	.870
I perform well to mobilize collective intelligence for affective teamwork	4.13	.800
I could manage change in my job very well whenever the situation demands	4.19	.804
I can handle effectively my work team in the face of change	4.28	.731
I always believe that mutual understanding can lead to a viable solution in organization	4.23	.976
I lose temper when faced with criticism from my team members	2.49	1.393
I am very comfortable with job flexibility	4.06	.878
I cope well with organizational changes from time to time	4.23	.718
I extend help to my coworkers when asked or needed	4.52	.640
I love to handle extra responsibilities	4.30	.757
I extend my sympathy and empathy to my co-workers when they are in trouble	4.42	.768
I actively participate in group discussions and work meetings	4.39	.713
I praise my co-workers for their good work	4.40	.737
I derive a lot of satisfaction nurturing others in organization	4.46	.711
I share knowledge and ideas among my team members	4.50	.701
I maintain good coordination among fellow workers	4.40	.741
I guide new colleagues beyond my job responsibilities	4.47	.722
I communicate effectively with my colleagues for problem solving and decision making	4.46	.689

Source: Research Data (2020)

Descriptive Statistics for Reward Strategy

	Mean	Std. Dev.
I attribute high performance to reward objectives	4.10	.966
Pay system encourages me to put extra effort	3.81	1.029
I am fairly rewarded considering the responsibilities of my job	3.57	.945
I am fairly rewarded considering my level of education	3.39	1.006
I am fairly rewarded regarding my level of experience	3.34	1.085
I am fairly rewarded for the stresses and strains of my job	2.93	1.060
The pay objectives are compliant with government regulations and labour laws	3.77	.969
Pay grievances are resolved in compliance with existing labour guidelines	3.69	1.070
Pay decisions uphold the principle of confidentiality and privacy	4.01	.930
The pay strategy is aligned to the vision, mission, and core values of the organization	3.64	1.107
Equal pay is provided for related work of equal value	3.11	1.093
The bank has a well-defined grading and pay structure	3.49	1.216
The reward strategy attaches importance to external competitiveness	3.34	1.078
Comparing with similar organizations, the reward strategy makes my employer a great place to work	3.54	1.065
I would recommend the bank as a good employer to others	3.87	1.016
The reward strategy takes account of emerging compensation trends	3.42	1.035
My pay compares well with other related jobs in the market	3.37	1.066
My pay is competitive compared to similar jobs in other sectors	3.33	1.039
The reward strategy has created a strong bond between the bank and me	3.33	1.042
The pay practices have resulted to commitment to my work	3.42	.994
The views of senior managers are considered in reward strategy	3.57	1.071
The line managers are involved in the process of reward determination	3.38	1.140
I am satisfied with working conditions at my workplace	3.81	.940
The working conditions are adequate to perform a good job	3.81	.953
I am satisfied with the amount of pay I receive for the job I do	3.21	1.072
I am satisfied with the fringe benefits package provided by the bank	3.39	1.007
I feel that the promotion policy is good at my workplace	3.14	1.085
There is enough opportunity for advancement (improvement) on my job	3.51	1.155
My immediate supervisor is approachable	4.09	1.056
I am satisfied with the technical competence of my supervisor	4.05	1.044
I am satisfied with my immediate supervisor's ability to lead me	4.07	1.016
I am satisfied with the way my immediate supervisor helps me achieve my goals	3.94	1.017
I am satisfied with the supportive attitude of my co-workers	3.95	.868
My co-workers cooperate more often than they compete	3.90	.916
Clear planned objectives exist for my job	4.00	.931

I know what my responsibilities are	4.40	.834
I know how my performance is going to be evaluated	4.08	1.006
I feel certain about the level of authority I have	3.90	.989
The job requires me to use a number of complex skills	3.91	.973
My job requires me to use personal initiative in carrying out the work	4.07	.921
I have freedom to do what I want on my job to satisfy clients	3.45	1.014
I receive recognition from my immediate superior for providing good service	3.81	.953
I received induction training (orientation) for information systems, bank facilities and procedures at the beginning of my employment	4.15	.979
I receive regular training to keep me updated for good service	3.94	.970
I can influence decisions of my immediate supervisor regarding issues in my job	3.65	.979
My immediate supervisor asks my opinion when a problem comes up	3.84	.982
I feel it is easy to get job improvement ideas across to my immediate supervisor	3.85	.966

Source: Research Data (2020)

Descriptive Statistics for Employee Empowerment

	Mean	Std. Dev.
I am allowed to make decisions on my job undertaking	3.78	.980
I have a lot of control over how I do my job	3.60	.965
I have authority to make autonomous decisions in my job	3.27	1.057
I have opportunities to express my ideas	3.87	.882
Power sharing increases my work autonomy	3.57	.907
Knowledge sharing would improve work processes in the organization	4.19	.899
Knowledge has positive influence on my performance because the more I know, the better I can perform	4.34	.858
I will perform better if am trained on new skills related to my job undertakings	4.29	.913
I intend to share my knowledge with other organizational members more frequently in the future	4.33	.860
I have access to the information we need to perform our job	4.26	.772
I can easily store information which help me work together in a team	4.23	.800
I can easily share information that help me work together in a team	4.21	.855
Information sharing is very important for positive team performance	4.33	.878

I am satisfied with the reward system that I receive	3.38	1.038
I will receive a reward if I do something to improve any work	3.34	1.040
My pay encourages me to improve the quality of my work	3.54	1.044
The work I do is very important to me	4.20	.881
My job activities are personally meaningful to me	4.11	.937
The work I do is meaningful to me	4.17	.938
I am confident about my ability to do my job	4.44	.801
I am self-assured about my capabilities to perform my work activities	4.40	.849
I have mastered the skills necessary for my job	4.41	.822
I have significant autonomy in determining how I do my job	3.95	.895
I can decide on my own how to go about doing my work	3.86	.969
I have considerable opportunity for independence and freedom in how I do my job	3.80	.888
My impact on what happens in my department is large	3.99	.983
I have a great deal of control over what happens in my department	3.73	.999
I have significant influence over what happens in my department	3.70	1.064

Source: Research data (2020)

Descriptive Statistics for Organizational Commitment

	Mean	Std. Dev.
I would be very happy to spend the rest of my career in this organization	3.49	1.147
I really feel as if this organization's problems are my own	3.38	1.137
I do not feel like 'part of my family' at this organization	2.44	1.234
I do not feel 'emotionally attached' to this organization	2.37	1.244
This organization has a great deal of personal meaning to me	3.60	1.129
I do not feel a strong sense of belonging to this organization	2.39	1.307
It would be very hard for me to leave my job at this organization right now even if I wanted to	3.23	1.181
Too much of my life would be disrupted if I leave this organization	3.29	1.122
Right now, staying with my job at this organization is a matter of necessity as much as desire	3.26	1.097
I believe I have too few options to consider leaving this organization	2.85	1.156

One of the few negative consequences of leaving my job at this organization would be the scarcity of available alternative elsewhere	2.93	1.182
One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice	2.92	1.150
I do not feel any obligation to remain with this organization	2.48	1.190
Even if it were to my advantage, I do not feel it would be right to leave	2.73	1.104
I would feel guilty if I left this organization now	2.86	1.174
this organization deserves my loyalty	3.42	1.123
I would not leave my organization right now because of my sense of obligation to it	3.24	1.080
I owe a great deal to this organization	3.61	1.135

Source: Research Data (2020)

Appendix VI: Correlation results

		Correlations			
		Zscore(Emp loyeePerfor mance)	Zscore(Rew ardStrategy)	Zscore(Org anizationalC ommitment)	Zscore(Emp loymentEm powerment)
Zscore(EmployeePer formance)	Pearson Correlation	1	.621**	.682**	.471**
	Sig. (2-tailed)		.000	.000	.000
	N	260	260	260	260
Zscore(RewardStrate gy)	Pearson Correlation	.621**	1	.402**	.307**
	Sig. (2-tailed)	.000		.000	.000
	N	260	260	260	260
Zscore(Organizational Commitment)	Pearson Correlation	.682**	.402**	1	.472**
	Sig. (2-tailed)	.000	.000		.000
	N	260	260	260	260
Zscore(EmploymentE mpowerment)	Pearson Correlation	.471**	.307**	.472**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	260	260	260	260

** . Correlation is significant at the 0.01 level (2-tailed).

Appendix VII: Direct effect results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.148 ^a	.022	.007	.99673308	.022	1.425	4	255	.226
2	.633 ^b	.401	.389	.78148918	.379	160.813	1	254	.000
3	.785 ^c	.617	.608	.62615907	.216	142.649	1	253	.000
4	.794 ^d	.630	.620	.61674728	.013	8.781	1	252	.003

a. Predictors: (Constant), Tenure, Gender, Education, Age

b. Predictors: (Constant), Tenure, Gender, Education, Age, Zscore(RewardStrategy)

c. Predictors: (Constant), Tenure, Gender, Education, Age, Zscore(RewardStrategy), Zscore(OrganizationalCommitment)

d. Predictors: (Constant), Tenure, Gender, Education, Age, Zscore(RewardStrategy), Zscore(OrganizationalCommitment), Zscore(EmploymentEmpowerment)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.380	.575		-.662	.509
	Gender	-.003	.125	-.001	-.023	.982
	Age	-.138	.111	-.105	-1.246	.214
	Education	.070	.117	.037	.597	.551
	Tenure	.155	.070	.187	2.218	.027
2	(Constant)	-.214	.451		-.475	.635
	Gender	.106	.098	.053	1.073	.284
	Age	-.165	.087	-.126	-1.899	.059
	Education	.033	.092	.017	.355	.723
	Tenure Zscore(RewardStrategy)	.117 .622	.055 .049	.141 .622	2.123 12.681	.035 .000
3	(Constant)	.226	.363		.623	.534
	Gender	.025	.079	.013	.318	.751
	Age	-.107	.070	-.082	-1.530	.127
	Education	-.061	.074	-.033	-.828	.408
	Tenure Zscore(RewardStrategy)	.097 .413	.044 .043	.117 .413	2.206 9.594	.028 .000
	Zscore(OrganizationalC ommitment)	.513	.043	.513	11.944	.000
4	(Constant)	.246	.358		.688	.492
	Gender	.020	.078	.010	.254	.800

Age	-.105	.069	-.080	-1.531	.127
Education	-.064	.073	-.034	-.872	.384
Tenure	.095	.043	.115	2.188	.030
Zscore(RewardStrategy)	.395	.043	.395	9.208	.000
Zscore(OrganizationalC ommitment)	.460	.046	.460	9.983	.000
Zscore(EmploymentEm powerment)	.130	.044	.130	2.963	.003

a. Dependent Variable: Zscore(EmployeePerformance)

Model Summary

Model	R	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
				R Square Change	F Change	df1	df2	Sig. F Change	
1	.482 ^a	.232	.88483176	.232	15.362	5	254	.000	
2	.555 ^b	.308	.84193712	.075	27.541	1	253	.000	

a. Predictors: (Constant), Zscore(EmploymentEmpowerment), Age, Gender, Education, Tenure

b. Predictors: (Constant), Zscore(EmploymentEmpowerment), Age, Gender, Education, Tenure, Zscore(RewardStrategy)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.693	.511		-1.356	.176
	Gender	.061	.111	.031	.552	.581
	Age	-.075	.098	-.057	-.760	.448
	Education	.156	.104	.083	1.497	.136
	Tenure	.039	.062	.047	.628	.531
	Zscore(EmploymentEmpowerment)	.464	.055	.464	8.417	.000
2	(Constant)	-.667	.486		-1.372	.171
	Gender	.117	.106	.058	1.099	.273
	Age	-.091	.093	-.070	-.976	.330
	Education	.149	.099	.079	1.496	.136
	Tenure	.026	.059	.031	.432	.666
	Zscore(EmploymentEmpowerment)	.375	.055	.375	6.806	.000
	Zscore(RewardStrategy)	.292	.056	.292	5.248	.000

a. Dependent Variable: Zscore(OrganizationalCommitment)

Appendix VIII: Mediation results

```

*****
Model   : 4
Y       : ZEmpPerf
X       : ZRewardS
M       : ZOrganiz

Covariates:
Gender   Age      Educatio Tenure

Sample
Size:    260

*****
OUTCOME VARIABLE:
ZOrganiz

Model Summary
      R      R-sq      MSE      F      df1      df2      p
      .425    .181    .835    11.211    5.000    254.000    .000

Model
      coeff      se      t      p      LLCI      ULCI
constant    -.857    .527    -1.626    .105    -1.895    .181
ZRewardS     .408    .057     7.104    .000     .295    .521
Gender       .157    .115     1.360    .175    -.070    .383
Age         -.113    .101    -1.115    .266    -.313    .087
Educatio    .183    .108     1.703    .090    -.029    .395
Tenure      .038    .064     .590     .556    -.089    .165

*****
OUTCOME VARIABLE:
ZEmpPerf

Model Summary
      R      R-sq      MSE      F      df1      df2      p
      .785    .617    .392    67.931    6.000    253.000    .000

Model
      coeff      se      t      p      LLCI      ULCI
constant     .226    .363     .623    .534    -.489    .941
ZRewardS     .413    .043     9.594    .000     .328    .498
ZOrganiz     .513    .043    11.944    .000     .429    .598
Gender       .025    .079     .318    .751    -.131    .181
Age         -.107    .070    -1.530    .127    -.244    .031
Educatio    -.061    .074    -.828    .408    -.207    .085
Tenure      .097    .044     2.206    .028     .010    .184

***** TOTAL EFFECT MODEL *****
OUTCOME VARIABLE:
ZEmpPerf

Model Summary
      R      R-sq      MSE      F      df1      df2      p
      .633    .401    .611    34.017    5.000    254.000    .000

Model
      coeff      se      t      p      LLCI      ULCI
constant    -.214    .451    -.475    .635    -1.102    .674
ZRewardS     .622    .049    12.681    .000     .526    .719
Gender       .106    .098     1.073    .284    -.088    .299
Age         -.165    .087    -1.899    .059    -.335    .006
Educatio    .033    .092     .355    .723    -.148    .214
Tenure      .117    .055     2.123    .035     .008    .225

***** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y *****

Total effect of X on Y
      Effect      se      t      p      LLCI      ULCI
      .622      .049    12.681    .000     .526     .719

```

Direct effect of X on Y					
Effect	se	t	p	LLCI	ULCI
.413	.043	9.594	.000	.328	.498

Indirect effect(s) of X on Y:				
	Effect	BootSE	BootLLCI	BootULCI
ZOrganiz	.209	.051	.122	.319

***** ANALYSIS NOTES AND ERRORS *****

Level of confidence for all confidence intervals in output:
95.0000

Number of bootstrap samples for percentile bootstrap confidence intervals:
5000

NOTE: Variables names longer than eight characters can produce incorrect output.
Shorter variable names are recommended.

----- END MATRIX -----

Appendix IX: Moderation and moderated mediation results

```

*****
*****
Model   : 8
  Y     : ZEmpPerf
  X     : ZRewardS
  M     : ZOrganiz
  W     : ZEmpower

Covariates:
  Gender   Age      Educatio Tenure

Sample
Size: 260

*****
OUTCOME VARIABLE:
  ZOrganiz

Model Summary
      R      R-sq      MSE      F      df1      df2      p
      .585      .342      .676     18.697      7.000     252.000     .000

Model
      coeff      se      t      p      LLCI      ULCI
constant     -.609     .475    -1.280    .202    -1.545     .328
ZRewardS      .287     .054     5.292    .000     .180     .394
ZEmpower      .410     .055     7.493    .000     .302     .518
Int_1        -.175     .048    -3.622    .000    -.271    -.080
Gender        .087     .104     .838     .403    -.118     .292
Age          -.087     .091    -.950     .343    -.267     .093
Educatio     .153     .097     1.578     .116    -.038     .344
Tenure       .029     .058     .499     .618    -.085     .143

Product terms key:
  Int_1      :      ZRewardS x      ZEmpower

Test(s) of highest order unconditional interaction(s):
      R2-chng      F      df1      df2      p
X*W      .034     13.119      1.000     252.000     .000
-----
      Focal predict: ZRewardS (X)
      Mod var: ZEmpower (W)

Conditional effects of the focal predictor at values of the moderator(s):

      ZEmpower      Effect      se      t      p      LLCI      ULCI
      -1.000      .463     .072     6.430    .000     .321     .604
      .000      .287     .054     5.292    .000     .180     .394
      1.000      .112     .074     1.521    .130    -.033     .257

*****
OUTCOME VARIABLE:
  ZEmpPerf

Model Summary
      R      R-sq      MSE      F      df1      df2      p
      .815      .665      .346     62.236      8.000     251.000     .000

Model
      coeff      se      t      p      LLCI      ULCI
constant     .272     .341     .799     .425    -.399     .944
ZRewardS      .405     .041     9.901    .000     .324     .486
ZOrganiz      .408     .045     9.069    .000     .320     .497
ZEmpower      .185     .043     4.285    .000     .100     .271
Int_1        -.182     .036    -5.115    .000    -.252    -.112
Gender       -.005     .075    -.065     .948    -.152     .142
Age         -.105     .065    -1.607    .109    -.234     .024
Educatio    -.051     .070    -.738     .461    -.189     .086
Tenure      .100     .041     2.407     .017     .018     .181

```

Product terms key:

Int_1 : ZRewardS x ZEmpower

Test(s) of highest order unconditional interaction(s):

	R2-chng	F	df1	df2	p
X*W	.035	26.160	1.000	251.000	.000

Focal predict: ZRewardS (X)
Mod var: ZEmpower (W)

Conditional effects of the focal predictor at values of the moderator(s):

ZEmpower	Effect	se	t	p	LLCI	ULCI
-1.000	.587	.056	10.570	.000	.477	.696
.000	.405	.041	9.901	.000	.324	.486
1.000	.223	.053	4.230	.000	.119	.327

***** DIRECT AND INDIRECT EFFECTS OF X ON Y *****

Conditional direct effect(s) of X on Y:

ZEmpower	Effect	se	t	p	LLCI	ULCI
-1.000	.587	.056	10.570	.000	.477	.696
.000	.405	.041	9.901	.000	.324	.486
1.000	.223	.053	4.230	.000	.119	.327

Conditional indirect effects of X on Y:

INDIRECT EFFECT:

ZRewardS -> ZOrganiz -> ZEmpPerf

ZEmpower	Effect	BootSE	BootLLCI	BootULCI
-1.000	.189	.051	.097	.299
.000	.117	.037	.054	.197
1.000	.046	.039	-.019	.132

Index of moderated mediation:

ZEmpower	Index	BootSE	BootLLCI	BootULCI
	-.072	.026	-.124	-.018

***** ANALYSIS NOTES AND ERRORS *****

Level of confidence for all confidence intervals in output:

95.0000

Appendix X: Listed Banks in Kenya

1. Almalgated Banks of South Africa
2. CFC Stanbic Bank
3. Diamond Trust Bank Kenya
4. Equity Group Holdings
5. I&M Holdings Ltd
6. Kenya Commercial Bank Ltd
7. National Bank of Kenya Ltd
8. NIC Bank Ltd
9. Standard Chatered Bank Kenya Ltd
10. The Co-operative Bank of Kenya Ltd

Source: Nairobi securities exchange website.

Appendix XI: Plagiarism certificate

SR265



ISO 9001:2019 Certified Institution

EDU 999 THESIS WRITING COURSE

PLAGIARISM AWARENESS CERTIFICATE

This certificate is awarded to

MUGO MURITHI

SBE/D/126/12

In recognition for passing the University's plagiarism

Awareness test for thesis: **REWARD STRATEGY, ORGANIZATIONAL COMMITMENT, EMPLOYEE EMPOWERMENT AND EMPLOYEE PERFORMANCE IN COMMERCIAL BANKS LISTED IN NAIROBI SECURITIES EXCHANGE, KENYA** with a similarity index of 21% and striving to maintain academic integrity.

Awarded by:



Prof. Anne Syomwene Kisihu
CERM-ESA Project Leader Date: 4/09/2023