

# **Financial Rewards and Employee Commitment in Local Governments in Uganda: A Case Study of Apac Municipal Council**

Opio Gerald

Dr. Akello Judith Abal (PhD)

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The aim of this study is to assess the effect of financial rewards on employee commitment of employees in Apac Municipal Council. The specific objectives of the study were as follows: to determine the effect of financial rewards on affective commitment of employees in Apac Municipal Council; to assess the effect of financial rewards on normative commitment of employees in Apac Municipal Council; to assess the effect of financial rewards on continuance commitment of employees in Apac Municipal Council. The sample size of the study was 135 which comprised of 132 teachers, Municipal Education Officer, Senior Inspector of Schools, and inspector of schools.

Primary data was collected using the questionnaire method while secondary data was collected through documentary review. The data obtained was processed using statistical package for social scientists (SPSS) and was analyzed using both descriptive and inferential statistics. The analyzed data was presented using graphs, charts and tables.

Results indicate that there was a fairly positive significant relationship between financial rewards and affective commitment ( $r=0.506$ ,  $p<0.05$ ), moderately significant relationship between financial rewards and normative commitment ( $r=0.307$ ,  $p<0.05$ ) and moderately positive significant relationship between financial rewards and continuance commitment ( $r=0.346$ ,  $p<0.05$ ). The study found out that financial rewards had a positive significant effect on affective commitment (coef. 0.513,  $p<0.05$ ), normative commitment (coef. 0.306,  $p<0.05$ ) and continuance commitment (coef. 0.433,  $p<0.05$ ) of employees in Apac Municipal Council.

The study recommended that Apac Municipal Council should carry out salary 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 Apac Municipal Council should encourage employees to participate in decision making and they should implement employees' decisions.



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