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THE EFFECT OF NON FINANCIAL REWARDS ON EMPLOYEE
COMMITMENT IN MASINDI MUNICIPAL COUNCIL

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ABSTRACT

The study aimed to establish the effect of non financial rewards on employee commitment in Masindi Municipal Council. The objectives of the study were to establish the effect of recognition on employee commitment; examine the effect of training opportunities on employee commitment; and establishing the effect of promotion on employee commitment. The research design was correlational study that sought to establish whether there was significant relationship between non financial rewards and commitment of employees. The study employed stratified random sampling to select the 60 respondents out of the study population of 76 respondents. The study used primary data that was collected using a close ended questionnaire. Data was analysed using SPSS where Pearson's correlation was used to measure the degree of relationship between each independent variable with the dependent variable, and then a regression analysis was employed to test the effect of the independent variable on the dependent variable in a group. This stepwise method was used to determine the best predictor of employee commitment from the independent variables. The study found out that there is significant relationship between recognition and employee commitment; and promotion with employee commitment in Masindi Municipal Council, which means an increase or decrease in the independent variable leads to an increase or decrease in the dependent variable. It was discovered under the stepwise method that recognition was the best predictor of employee commitment. The study failed to reject the null hypothesis that there was no significant relationship between training and employee commitment. The study concludes that employees place much value to recognition and therefore Ministries, Departments and Local Governments should draw much of their efforts to staff recognition.