

# Reward Strategy and Employee Commitment: Moderated by Empowerment

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## Abstract

Organizational commitment also termed as employee commitment continues and remains to be an important element in any sector in the economy. Interest in triggers and stimulants of employee commitment has ramped up among researchers and organizations due to intensified competition for highly skilled and talented staff brought about by free labor market. The study set to find out the effect of reward strategy on employee commitment. Secondly, it also sought to establish the moderating effect of employee empowerment on reward strategy and employee commitment. Social exchange theory in this study illustrates the connection between reward strategy and employee commitment through the reciprocity principle. Data was collected using a self-administered questionnaire on a sample of 394. Regression analyses was used to test the hypotheses. The results were that reward strategy applied by the commercial banks had a positive significant effect on employee commitment. Further, it was established that employee empowerment had a moderating effect on reward strategy and employee commitment therefore validating the aims of the study. From these findings, organizations should leverage on reward strategy and empowerment to bolster and strengthen commitment in their employees. The implications, recommendations and conclusion have been comprehensively discussed in the study.

**Keywords:** Reward Strategy, Employee commitment, Empowerment, Moderation.

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## 1. Introduction

Employee commitment is one of the essential work attributes that influences employee behavior and their cause of action (Nguyen, Do and Dinh, 2020). Commitment has been described as a triad of affective, continuance and normative dimensions all of which are nested in a psychological state brought about by feelings of eagerness, inclination, necessity, indebtedness and even a yearning to sustain employment and continue working in an organization (Meyer and Allen 1991). Ke and Deng (2018) describe employee commitment as a psychological bond between employees and their employer which reduces turnover. Bodjrenou and Bomboma (2019) refers to scholars as defining employee commitment as a sentimental response reflected in employees' conduct, habits, perception and attitude expressing their affiliation to an organization. Employee commitment has been the subject of much attention in organizational psychology especially so on its impact on having committed employees (Caldwell, Chatman, and O'Reilly 1990). Strong employee commitment may imply employees' acceptance of organizational goals (Widodo and Damayanti 2019). Chelangat and Gachuga (2016) argue that organizations treasure commitment of employees since it minimizes negative behaviors such as turnover, lateness and absenteeism which have adverse consequences on overall organizational performance. Employee commitment is critical in this era of free market and intensive competition for retention of high-quality employees. Rewards are an essential tool in fostering commitment because the by-product of appropriate reward systems is higher job satisfaction, improved performance, enhanced staff retention and higher employee commitment (Mabaso and Dlamini, 2018). Reward strategy, therefore, influences the attraction and retention of the workforce. Organizational goals inform the reward strategy utilized to motivate an employee fundamentally based on their output in the organization. Reward strategy is the template that serves to develop and design programs to ensure that performance output which upholds the fulfillment of its organizational goals are rewarded (San, Theen and Heng, 2012). It elaborates what entities propose to grant employees as a reward for performance and further constitutes a mechanism for developing and implementing reward policies, practices and processes (Bwowe and Marongwe, 2018). Commitment depends upon rewards and recognition offered by the organization (Andrew and Kent, 2007). Given that commitment as an attitude, results from a feeling that one's efforts are acknowledged, appreciated and reciprocated by the organization, it follows that the reward strategy of a firm should acknowledge and reward performance, reflect a sense of reciprocity and bolster the level of concern that the organization appears to have for its employees (Ogilvie, 1986). This strategy would be an efficient approach in developing commitment among employees in organizations.

Previous studies have identified significant connections between reward and employee commitment

(Mottaz, 1988; Malhotra *et al*, 2007; Korir and Kipkebut, 2016; Nazir *et al*, 2016; Kokubun, 2019) and employee empowerment and employee commitment (McDermott *et al*, 1996; Borghei *et al*, 2010; Bani *et al*, 2014; Kanesan and Ling, 2015; Zaraket *et al*, 2018; AlKahtani *et al*, 2021). Research on the area of reward has primarily leaned towards reward techniques in examining the effect of reward on the desirable job outcomes. This study however incorporates reward techniques, objectives and policies into reward strategy and applies it as a more comprehensive mechanism to understand the relationship between rewards and employee commitment. Although past studies have consistently established the relationship reward and empowerment have on employee commitment, to the best knowledge of the author, there is limited research on the moderation effect of empowerment on the relationship between reward and employee commitment.

## 2. Literature Review

### 2.1 Concept of Employee commitment

Commitment is described as a strong desire of employees to remain with an organization (reluctance to depart from the organization for the room for innovation, career growth, and fulfillment), preparedness of an employee to contribute their level best, and a high degree of belongingness and loyalty to an organization (Porter 1968; Lee 1971; Hrebiniak and Alluto 1973). Most of these scholars conceived of commitment as a psychological bond between employees and organizations (Buchanan 1974). Evolution in employee commitment concepts can be categorized into several theories however among these theories Allen and Meyer (1990) multidimensional perspective on employee commitment is regarded to be the most dominant theory and has an edge over other theories in explaining employee commitment (Meyer *et al*, 2002; Ghosh and Swamy, 2014).

Allen and Meyer (1990) conceptualized commitment as a multidimensional psychological state consisting of three distinct components; a desire (affective commitment), a need (continuance commitment), and an obligation (normative commitment) to retain employment in organization. Jaros (2007) notes that in Meyer and Allen's (1990) model, affective commitment reflects sentimental ties employees have for an organization developed through a good work environment and constructive enriching work experiences; normative commitment is brought about by feelings of a sense of duty to remain in an organization and continuance commitment is mirrored in the assessment an employee makes of the loss they can incur (monetary and non-monetary) because of leaving the organization. Meyer, Becker and Vandenberg (2004) contend that all that the three components of commitment have a propensity to bond and secure employees to their employers since they are experienced by employees simultaneously and not exclusively. Muthuveloo and Rose (2005) argues employee commitment is a critical tool in human resource management, claiming that the purpose of initiating human resource management policies aims at enhancing the magnitude of employee commitment for better performance, job satisfaction, and higher motivational levels; the conscious move of applying the monetary and non-monetary resources of an organization to collectively direct the contribution of employees towards actualizing its vision and mission.

### 2.2 Concept of reward strategy

Reward strategy is the deliberate utilization of the pay system as an essential integrating mechanism through which the efforts of various sub-units and individuals are directed towards the achievement of an organization's strategic objectives (San, Theen and Heng 2012). Reward strategy also seeks to motivate employees to perform better and to reinforce those actions that generate the achievement of the goals of the organization (Agarwala 2011). Milkovich *et al* (2011) describes components of reward strategy in a pay model as containing three basic blocks; one reward objectives, two reward policies that form the foundation system and three the techniques of compensation. Employee reward management comprises of organization's practices, policies and processes to grant the rewards to its employees as per their competences, skills, abilities and their value in the market (Pal, 2013). Güngör (2011) advances a similar view that reward management systems contain the organization's plans and systems for compensating its employees in tandem with their contributions, abilities, and artifice. Reward systems ought to reflect the beliefs, norms, and aspirations of an organization since this can promote profitability, innovation, improved service delivery, and growth of the organization (Hoole and Hotz 2016). Reward systems differ from organization to organization and if properly administered and geared towards recognition and appreciation of staff may lead to the sustenance of commitment in an organization (Ling *et al*, 2000). Organizations use different compensation strategies and have discriminatory power in choosing their reward and pay choices (Larkin *et al*, 2012). Armstrong (2010) gives four dimensions of rewards in terms of salary, allowances, career advancement and appreciation. Salary and allowances comprise transactional rewards whereas training, development and work environment are relational (intangible) or non-financial rewards that are essential to enhance the value of financial rewards. Additionally, Williamson *et al* (2009) has a similar view where he relates rewards as consisting of financial, non-financial, and affiliations. Financial rewards encompass substantial gain such as salaries and other monetary benefits. Likewise, non-financial rewards cover recognition, appreciation, feedback and staff involvement in decision making. Affiliation rewards are sourced from

interactions among colleagues within the workplace. Reward strategy comprises of reward systems and programs that are applied differently according to a company's structure and goals. Therefore, in designing a reward strategy firms should uniquely specify behaviors and performance that will attract reward in order to shape behavior of their employees towards achieving the organization's goals (Nnaji-Ihedinmah and Egbunike, 2015).

### **2.3 Concept of empowerment**

In organizational literature Kanter (1977) is credited to first table the notion of empowerment (Jocelyne and Kariuki 2020). Empowerment draws from disciplines such as management and organizational behavior like motivation and task design and engagement (Tuuli and Rowlinson, 2007). It is broadly classified into structural empowerment and psychological empowerment. O'Brien (2011) defines structural empowerment as the organization's ability to offer access to information, resource, support and opportunity in the work environment. According to Rappaport (1987) psychological empowerment is one's perception that he or she has control over their environment and feels congruence between his or her values and those of the organization. Ameer *et al* (2014) argue that over the last two decades, two contemporary perspectives on empowerment have emerged in literature. The first is much more macro and focuses on social-structure (or contexture) conditions that enable empowerment in the workplace. The second is micro in nature focusing more on individual experiences at the workplace. Travers *et al* (2020) on structural empowerment argue that management in institutions must create an empowered work setting that increases productivity through the provision of resources, information access, growth and development opportunities. On the other hand, Alazzaz and Whyte (2015) views psychological empowerment as being demonstrated through feeling one's work is crucial (meaning) job qualification and skill (competence), professional freedom and space (self-determination), and value addition and influence of output (impact). Empowerment as a dynamic of power-sharing does not only give employees the freedom and autonomy to act but also delegates a higher degree of responsibility and accountability (Kumar and Kumar, 2017).

### **2.4 Reward Strategy and Employee Commitment**

A reward strategy is useful in sourcing potential employees for an organization as well as maintaining a motivated and committed workforce. Effective use of reward strategies would be necessary for staff retention, minimizing labor cost by reducing counter-productive behaviors such as tardiness and fraud. On the rewards extended to an employee by an organization, social exchange theory, the principle of reciprocation channels the flow that these rewards augment employee commitment (Taba, 2018). Employees will display higher emotional attachment to the organization when the employer is observed to reward their efforts in return (Haar and Spell, 2004). From the exchange perspective, work rewards are the key determinants of employee commitment (Mottaz, 1988). When organizations provide resources valuable to the employees, it creates a feeling of obligation at work and exchange occurs creating obligations on organizations and their employee (Wikham and Hall, 2012). Over time social exchange relationships evolve into a dynamic that contributes to trust, loyalty and mutual commitment (Chou, 2016). According to Wijaya (2016) employees working in conducive social exchange relationships, where they feel that their work is appropriately rewarded, have a commitment to develop positive attitude about their overall job context. Ahmed *et al* (2018) argues that the provision of desirable rewards that satisfies employees needs and wants increases employee's commitment towards their employer. The recompensing aspect of a reward system in an organization leads to the production of mutual fulfillment of needs for both the employee and the employer (Casimir *et al* 2014). Commitment in the literature of social exchange theory is regarded as a form of employee appreciation of what they receive from the organization (Debyla and Putra, 2021). Evaluations have proven rewarding in alignment with performance is an effective exercise in increasing productivity, innovation, and commitment of employees at the workplace (Pfeffer, 1998). Maiti and Sanyal (2018) encapsulate that a reward system impacts employee commitment when it encompasses wages and salaries, allowances and benefits, training and development that ultimately generates a conducive work environment. Similarly, Saqib *et al* (2015) found that tangible and non-tangible rewards have significant positive outcomes on employee commitment. According to Mottaz (1988) work rewards have a strong positive effect on commitment with intrinsic rewards being significantly stronger determinants of commitment than intrinsic rewards (Newman, 2012). Malhotra *et al* (2007) found that when employees are content with pay at their workplace there is an inclination to remain with the organization. Subsequently, elements such as appreciation and recognition foster a strong attachment of employees with their employers. From the review of literature, numerous studies report a positive relationship between reward and employee commitment. It is therefore hypothesized that:

*Hypothesis 1: Reward strategy has a positive effect on employee commitment.*

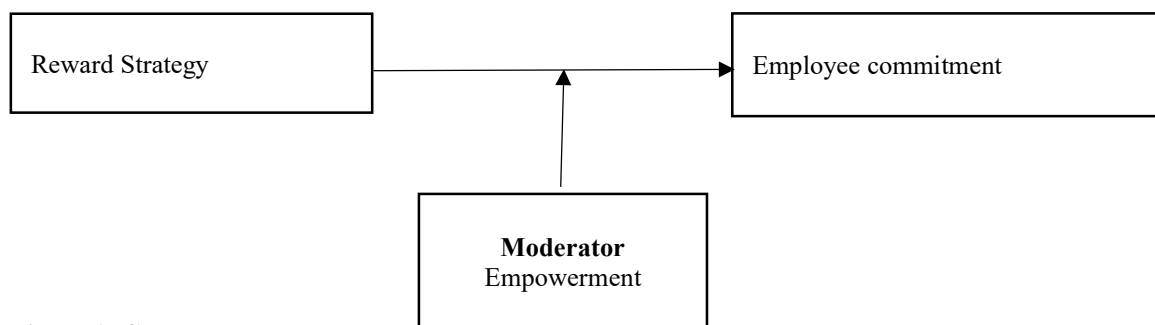
## 2.5 Empowerment as a moderator

The concept of empowerment has gained traction and interest among scholars especially on outcome variables such as productivity, motivation, job gratification, engagement and staff retention. Empowerment is essentially the practice of giving employees authority and freedom in decision making, distributing duties within an organization. It is often allied with developing trust by eradicating access barriers across the hierarchy of command within an organization (Meyerson and Dewettink, 2012; Saif and Saleh, 2013). Scholars have associated empowerment as a great benefit that promotes commitment, therefore, leading an organization towards achieving its set goals and objectives (Gholami *et al*, 2013; Insan *et al*, 2013; Bani *et al*, 2014). Developing a workplace environment that encourages the application of empowerment directly improves the levels of employee commitment (Laschinger, Finegan and Shamian, 2002). Employees who work in organizations that have room for career development, job autonomy, and access to training, information, and resources tend to be more connected with the organization (McDermott *et al*, 1996; Bulut and Culha, 2010; Dude, 2012; Maina, 2016; Zaraket *et al*, 2018). Previous works have discovered that the variables; empowerment and commitment are effectively correlated; when employees are granted access to information and resources involvement in work processes and decision-making they are envisioned as desiring to remain in an organization (DeCicco, Laschinger and Kerr, 2006; Vacharakiat, 2008). On psychological empowerment, employees that view themselves as more capable exhibit high levels of commitment as they act independently and derive purpose from their jobs (Liden and Sparrowe, 2000; Liu *et al*, 2006). Ahadi (2014) found that the two forms of empowerment are effectively and significantly linked to employee commitment. Organizations can therefore use empowerment as a strategy to foster the commitment of employees in their workplace (Hanaysha, 2016; Limpanitgul, 2017).

This research sought to determine the moderating effect of empowerment on the relationship between reward strategy and employee commitment. It is assumed that high empowerment of employees coupled with an appropriate reward strategy will result in the enhancement of commitment.

*Hypothesis 2: Empowerment will moderate the relationship between reward strategy and employee commitment*

In this study the conceptual framework is developed from the literature review. It was formulated to bring out the relation of the variables with each other.



**Figure 1: Conceptual Framework**

**Source: Author's own**

## 3. Methodology

### 3.1 Sample and procedure

The study was conducted in ten commercial banks traded in the Nairobi Securities Exchange in Nairobi, Kenya. This study followed an explanatory design. The 26361 staff of the ten banks formed the target population for the study from which a sample of 394 was calculated using Yamane formula with 95% confidence level. Data was collected using self-administered questionnaires adopted from previous related studies. The respondents were provided with the questionnaire with questions that required them to score according to their perception. The response rate was 68% and among the 268 respondents, 52.6% and 47.4% were male and female respectively. The age distribution of the employees ranged from 20 years to 59 years with the mean age being 38 years. The level of education, 59.3% were university graduates (Bachelor's degree) while those with postgraduate master's degrees were 36.6% and the remainder had tertiary certificates (diploma). Majority of the respondents had worked at their respective banks for a period of between five to fifteen years.

### 3.2 Measures

In this study, questionnaire served as a measuring instrument. Statements in the questionnaire were evaluated on a range starting from strongly agree to strongly disagree (five-point Likert scale). Employee commitment was measured using 18 items as recommended by (Alam, 2011); reward strategy was measured using 47 items developed from (Milkovich, Newman and Gerhat 2011, Hadziahmetovic and Dinc 2017). Additionally, 28 items

were adopted from (Yasothai *et al* 2015) and (Spreitzer 1995) and used to measure empowerment. The control variables were age, gender, education and tenure consistent with the previous research. Cronbach Alpha was also used to test for reliability of instrument. The reliability tests obtained overall Cronbach Alpha of 0.967 for the 47 items of reward strategy, 0.951 for the 28 items of empowerment and an 0.818 for the 18 items of employee performance. All reliability measures exceed the acceptable threshold of 0.7 therefore implying that the measures are reliable.

#### 4. Results

##### 4.1 Descriptive Statistics for the Constructs

Multiple items were measured for a unique structure in the questionnaire, average construct numbers were calculated and utilized in subsequent analysis for regression and correlation analysis. To construct the final data aggregated survey data set were merged basing on the means responses as presented in Table 1.

Table 1 describes the descriptive statistics for the sampled variables. Employee commitment had the highest mean of 4.18 and a standard deviation of 0.607. This signifies that most of the respondents concurred with most of statements regarding this variable. Moreover, the study showed that the respondents also concur on the statements describing empowerment giving rise to a mean of 3.98 and a standard deviation of 0.717. However, respondents were neutral with statements on reward strategy as evidenced by a mean of 3.81 and a standard deviation of 0.610.

**Table 1: Summary of the Descriptive Statistics for the Constructs**

Name of Variables	Mean	Std. Dev.	Skewness	Kurtosis
Employee commitment	4.18	.607	-.670	.601
Reward Strategy	3.81	.610	-.041	-.486
Employment Empowerment	3.98	.717	-1.247	2.142

Source: Research Data (2020)

##### 4.2 Correlation Analysis

Findings in Table 2 indicate that the correlation between employee commitment and empowerment had the strongest relationship with  $r = 0.472$ ,  $p = 0.01$ . This was followed by the association between reward strategy and employee commitment  $r = 0.402$ ,  $p = 0.01$ . 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. According to the preceding information, it can be stated that all predictor variables have a linear relationship with the outcome variable. In addition, the findings show that there is no multicollinearity among the variables since the highest correlation coefficient is 0.472 (Table 2).

**Table 2: Correlation Analysis**

Name of Predictor	1	2	3
1. Employee commitment	1		
2. Reward Strategy	.402**	1	
3. Employee Empowerment	.472**	.307**	1

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

Source: Research Data (2020)

##### 4.3 Hypotheses Testing

###### 4.3.1 Reward Strategy and Employee commitment

To test  $H_{01}$ , regression equations were estimated to assess the relationship between reward strategy and employee commitment and other control variables. Control variables and the moderator were held constant as shown by findings in table 3, Model 1. The study reveals control variables were statistically insignificant with  $p > .05$ . However, employee empowerment was found to influence employee 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 explains 23.2% of the variation in employee commitment.

Model 2 of Table 3 reveals the results of  $H_{01}$ , the effect of reward strategy on employee 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 statistically significant positive effect on employee commitment with  $\beta = 0.292$ ,  $p = 0.000$ . Based on this outcome, hypothesis  $H_{01}$  is accepted by the study.



**Table 3: Results for Reward Strategy and Employee commitment**

Variable Name	Model 1 (OrganComm)		Model 2 (OrganComm)	
	$\beta$	<i>p-value</i>	$\beta$	<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 <sup>2</sup>	.232		.308	
$\Delta R^2$	.232		.075	
F	15.362***		27.541***	

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

Dependent Variable- OrganComm = Employee commitment

#### 4.3.2 Assessment of the moderating effect of empowerment

Table 4 reveals the results of hypothesis H<sub>02</sub>. Moderated multiple regression analysis was performed to examine the moderating effect of empowerment on the relationship between reward strategy and employee commitment. Results indicate that control variables were statistically insignificant in this model 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 employee commitment. These findings further indicate that employee empowerment moderates the reward strategy-employee commitment relationship 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 employee commitment. In addition, the interaction term of employee empowerment on reward strategy and employee 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 employee commitment. Based on these findings' hypothesis H<sub>02</sub> is also accepted by the study.

**Table 4: Results for Moderating effect of Employee Empowerment**

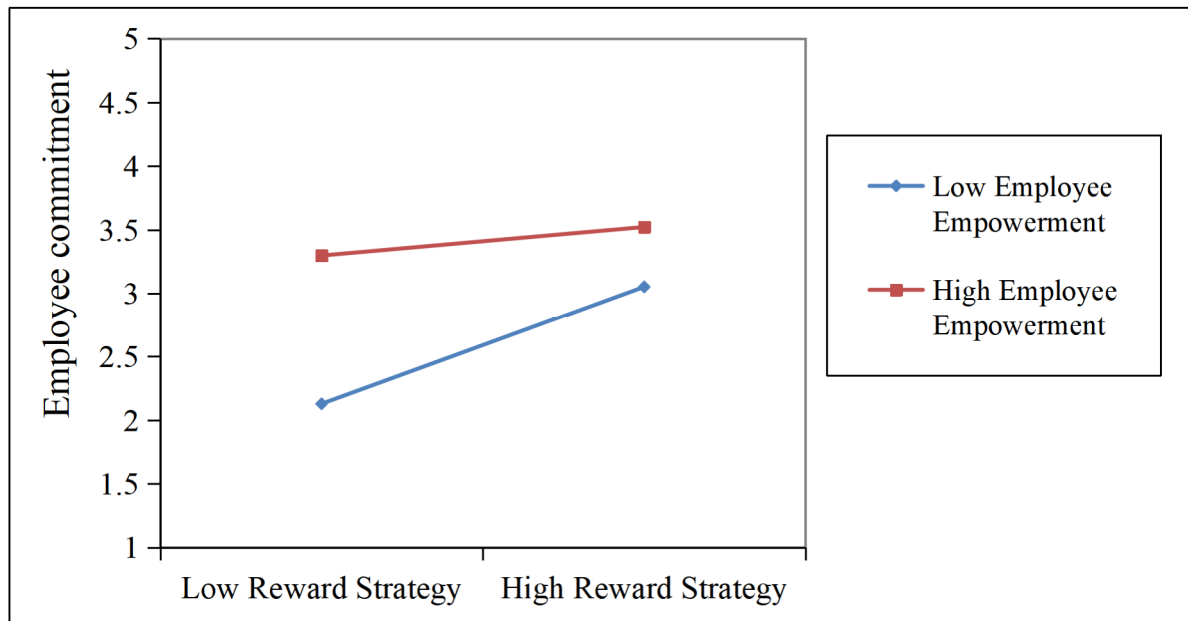
Predictor Name	(Employee commitment)	
	$\beta$	<i>p-v</i>
Constant	-.609	.202
Gender	.087	.403
Age	-.087	.343
Education	.153	.116
Tenure	.029	.618
Reward Strategy	.287***	.000
Employee Empowerment	.410***	.000
Employee commitment	-	-
RewardStra $\times$ EmEmpower	-.175***	.000
R <sup>2</sup>	.342, F = 18.697***	
$\Delta R^2$	.034, F = 13.119***	

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

Where;

RewardStra  $\times$  EmEmpower = Moderation,

These results are further illustrated by Figure 2 which shows that when reward strategy in a firm is low, employee 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 employee commitment. Thus, for an organization to achieve high levels of commitment, employee empowerment acts as a remedy for low levels of reward strategy.



**Figure 2: Graphical representation of Employee empowerment on Reward Strategy and Employee commitment**

## 5. Discussion

The aim of this research was to establish the impact of reward strategy on commitment as well as to demonstrate the role employee empowerment as a moderator in the relationship between reward strategy and employee commitment. Reward strategy was found to impact employee commitment positively and further, empowerment moderated the reward strategy-employee commitment relationship. Both hypotheses were validated by the research. First, reward strategy was found to have a positive and significant effect on employee commitment. This result is in line with previous studies (Malhotra *et al*, 2007; Newman and Sheikh, 2012; Kee *et al*, 2016; Nazir *et al*, 2016; Galetic, 2020) that have established a positive connection between rewards and commitment. Malhotra *et al* (2007) highlights the significance of both intrinsic and extrinsic rewards on the development of affective, normative and continuance commitment. Kee *et al* (2016) found a significant relationship between employee commitment and monetary rewards such as bonuses, merit pay and salaries. The finding of this present study has its bearing in the social exchange theory, which implies appropriate reward strategy will have an effect of increasing employee commitment as supported by the reciprocity principle. The employees in this study reported that they are fairly rewarded according to the responsibilities of the job, and they receive recognition from their immediate superior for providing good service. This could explain the employees' sense of loyalty and commitment since the reward strategy bonds them to the organization.

The second hypothesis was accepted and validated as it was found that empowerment moderated the reward strategy-employee commitment relationship. The result of this study is in line with those of (McDermott *et al*, 1996; Bhatnagar, 2005; Bani *et al*, 2014 and Zaraket *et al*, 2018) that found empowerment is positively associated with employee commitment. Empowerment is an essential factor in the management of employee commitment (Ahadi, 2014). The results of empowerment can be justified by employees' perception that their work is meaningful and important to them and they feel they have an impact on what happens in their department. Furthermore, respondents in the survey agreed that they are confident in their ability (competence), have control and freedom in how they do their work as well as information and resources required while undertaking work responsibilities. The moderation effect of empowerment strengthened the relationship between reward strategy and employee commitment. It was found that when reward strategy in a firm is low, employee commitment is high with high levels of empowerment than when empowerment is low. Thus, for an organization to achieve high levels of commitment, employee empowerment acts as a remedy for low levels of reward strategy. However, as reward strategy and employee empowerment increase a firm experiences high level of employee commitment. Employees demonstrated the highest level of employee commitment when empowerment was high. The main finding in the study is that an appropriate reward strategy and high degree of empowerment in an organization will positively and significantly enhance employee commitment.

## 6. Conclusion and Implications

The study set to investigate the effect of reward strategy on employee commitment and the moderating role of empowerment. The study confirmed literature and theory by establishing that reward strategy which includes

objectives, policies and techniques has a significant effect on employee commitment. It was also confirmed that employee empowerment plays a moderating role on reward strategy-employee commitment relationship. The study clarifies the important role an appropriate reward management strategy plays in creating committed employees. Employee commitment has other implications on employee behaviors like absenteeism, turnover, retention, work performance and the overall organizational performance. The study in particular contributes to knowledge in availing an understanding which can be applied to enhance employee commitment. The study affirms the principal of reciprocity espoused in the social exchange theory and fairness in equity theory which exists between employers and employees in organizations and has implications on employee commitment and ultimately organizational outcomes including overall organizational performance.

It is therefore recommended that firms need to have reward strategy and empowerment mechanisms at their disposal which have positive outcomes and elicit desirable behavior leading to employee commitment. It is clear from the study that high empowerment leads to high commitment and the reverse is also true. Secondly, that when organizations apply both reward strategy and empowerment it leads to even higher commitment in the organization.

Management and policy makers can use reward strategy and empowerment to determine the level and state of employee commitment in organizations. In this era of intensive competition and changing environment, reward strategy and empowerment can be used positively to influence employee commitment in turn affecting other outcomes like retention, motivation and performance. Also, empowerment can play a complimentary role where organizations are constrained in their reward strategy as a tool of sustaining employee commitment. Further, the outcome can be used to make choices on the appropriate strategy the firm can apply to enhance employee commitment. Where the firm has moderate financial strength and needs to boost employee commitment the policy makers and management can use high empowerment even with a low reward strategy and achieve high employee commitment of their employees. For firms which have strong financial and economic base the best option of enhancing employee commitment would be to use both high reward management practices and empowerment. This will yield better results as shown in the study. Properly executed reward strategy and empowerment will work for the good of the organization by creating high commitment which is important for achievement of goals of the organization.

## 7. Limitations

The study was limited to reward strategy and empowerment as explanatory variables to explain changes in employee commitment in Commercial Banks listed in Nairobi Securities Exchange, Kenya. Future researchers should focus on other elements that may have an effect on employee commitment such as human resource and organizational behavior practices such as work-life balance. The current study was based in commercial banks located in Nairobi, Kenya. The study can also be replicated in other organizations other than the banking sector to cover a wider scope and a larger target population. Therefore, future researchers could consider carrying out a similar study in different sectors of the Kenyan economy. Furthermore, the study was limited to a relatively small sample size.

## Disclosure statement

The authors disclosed no potential conflict of interest and no funding was received for this study.

## Declaration

This manuscript is my original work. This manuscript has not been published before and is not under consideration for publication elsewhere.

## Data Availability Statement

The data used for this study is openly available in Mendeley Data at <https://data.mendeley.com/datasets/s87n4y2yw7/2>; DOI:10.17632/s87n4y2yw7.2

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