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**THE IMPACT OF PSYCHOLOGICAL CAPITAL, EMPLOYEE  
SALARIES AND ORGANISATIONAL COMMITMENT ON  
EMPLOYEE WORK PERFORMANCE. THE CASE OF UGANDA**

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## ABSTRACT

The desire to continuously improve organization's operations, most organisations have shifted their priority to the development of resources that offer a competitive advantage. Because of this, conventional competitive methods like financial, physical, and technological capitals, even when necessary, in long-term rivalry, are losing their efficiency and effectiveness. This has led to rise of emerging forms of capitals like human, social, and psychological capital. Despite the extensive body of research that has looked at the significance in these new types of capital, several topics have still not been properly explored in order to fully comprehend the influence they have on employee work performance. This research investigated the impact of psychological capital, organizational commitment, and employee salaries in increasing employee work performance. The collected data from the targeted 240 employees using the online questionnaire, which was distributed using a simple random sampling technique, was analysed using Spss software program where several tests were carried out to test the hypotheses of the study. Furthermore, the Pearson's correlation analysis revealed a strong positive correlation among the variables. Specifically, increasing employees' salaries was found to lead to an increase in their psychological capital, ultimately resulting in improved employee work performance, enhanced organizational commitment and competitiveness. Thus, to gain a competitive edge in today's dynamic work environment, organizations should prioritize enhancing psychological capital, revising salary structures, and actively engaging employees to foster strong organizational commitment.

**Key Words:** Psychological capital, Employee salaries, Organizational commitment, Employee work performance.

## TÜRKÇE ÖZET

Kuruluşun işleyişini sürekli iyileştirme arzusuyla çoğu kuruluş, önceliklerini rekabet avantajı sunan kaynakların geliştirilmesine kaydırmıştır. Bugünlerde kurumlar hizmetleri, hammaddeleri, gereksinimleri ve ürünleri değiştirebilir ya da yerlerine başkalarını koyabilirler. Ancak nasılsa durum, insan kaynaklarını değiştirmeye çalışınca karmaşıklaşıyor. Bu yüzden çoğu kurumun, çalışanların (insan kaynaklarının) giriş, kalış ve çıkışlarını idare etmek için politika ve programları vardır. Bu, çalışanları oldukça değerli kılıyor. Bu nedenle kurumlar, yüksek motivasyona sahip olduklarından ve sonuç olarak çalışanların yüksek iş performansı konusunda rekabetçi kalabilmelerini sağlamak için ellerinden gelen her şeyi yapıyorlar.

Bu yüzden finansal, fiziksel ve teknolojik sermayeler gibi geleneksel rekabet metotları uzun süreli rekabette gerekli olsalar da- yeterliliğini ve etkisini yitiriyor. Bu da beşerî, sosyal ve psikolojik sermaye gibi sermaye türlerinin ortaya çıkmasına sebep oluyor. Bu sermaye türlerinin özelliklerini inceleyen kapsamlı araştırmalara rağmen çalışanların iş performansı üzerindeki etkisinin tam olarak anlaşılması üzere bazı konular hâlâ düzgün bir şekilde araştırılmadı. Bu araştırma, psikolojik sermaye, örgütsel bağlılık ve çalışan maaşlarının yükselen çalışan iş performansı üzerindeki etkisini araştırmıştır. Basit bir rastgele örneklem tekniğiyle dağıtılan çevrimiçi bir anket kullanılarak hedeflenen 240 çalışandan toplanan veri, çalışmanın hipotezini test etmek için farklı testlerin yapıldığı SPSS yazılım programında analiz edilmiştir. Ayrıca, Pearson korelasyon analizi, değişkenler arasında güçlü bir pozitif korelasyon ortaya koydu. Özellikle, yükselen çalışan maaşlarının psikolojik sermayelerini yükselttiğine, bunun sonucu olarak da çalışan iş performansını geliştirdiğine ve örgütsel bağlılıkla rekabeti artırdığına ulaşıldı. Böylece, günümüz dinamik çalışma ortamında rekabetsel üstünlük elde etmek için kuruluşlar, psikolojik sermayeyi artırmayı, maaş yapılarını gözden geçirmeyi ve güçlü örgütsel bağlılığa teşvik etmek için çalışanları aktif olarak dahil etmeyi öncelik haline getirmelidir.

**Anahtar Kelimeler:** Psikolojik sermaye, Çalışan maaşları, Örgütsel bağlılık, çalışan iş performansı.

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## **PREFACE**

It is with great pleasure and a sense of purpose that I present this thesis, which dives into the intriguing and exciting realm of organizational studies, psychological capital, organizational commitment, and the desire for better employee salaries. The journey of this research was born out of a deep passion and a burning curiosity that ignited within me during my time working in private organisations. During my tenure, I had the privilege of observing the dedication and commitment displayed by many employees, despite their modest and very low salaries. It struck me profoundly how these individuals remained steadfast and devoted to their work, demonstrating an unwavering loyalty that went beyond monetary rewards. This experience sparked a deep interest in understanding the factors that drive such strong desire for organizational commitment as well as understanding the role played by psychological capital in changing and shaping employee behaviours. Motivated by this passion and a desire to shed light on these essential aspects of employee work performance, I embarked on this research endeavour.

However, as fate would have it, the world was soon engulfed in the unprecedented challenges posed by the global COVID-19 pandemic. The outbreak and subsequent lockdowns brought about a significant difficulty in conducting traditional face-to-face interviews, compelling me to adapt research methodology that would help gather a lot of data. This led me to embrace the use of online questionnaires. While this approach presented its own set of challenges, such as reduced personal interaction and potential limitations in capturing nuanced responses, it also provided opportunities to reach a wider range of participants from diverse backgrounds and locations. Adapting to the new normal and embracing technology, I navigated the complexities of remote data collection, determined to gather meaningful insights that would contribute to the already established knowledge.

This research is a testament to the resilience and dedication of employees worldwide. It aims to enrich our understanding of organizational commitment and the impact of psychological capital. The findings are meant to inspire future research and interventions that empower employees to reach their full potential and enhance work performance. Gratitude is expressed towards the thesis advisor, family, friends, and participants for their support. The thesis envisions a future where organizations embrace employees' passion and potential, creating a fulfilling and prosperous work environment for all.

## **LIST OF ABBREVIATIONS**

OCQ	Organizational Commitment Questionnaire
OC	Organizational Commitment
TCM	The three-component model
PC	Psychological Capital
ES	Employee salaries
EWP	Employee Work Performance
SDT	The self-determination theory

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# 1. CHAPTER ONE

## 1.1 INTRODUCTION

### 1.1.1 Background of the study

Over time organizations have embarked on increasing work performance of employees (Westover et al., 2010). Many systems have been developed and introduced to achieve the goals and objectives specified in the strategies of the organization. Previously, it's known that people believed in hard work and that, a person needed to earn his or her reward by sweat (you reap what you sow). Unlike today, Most individuals nowadays have obtained money (wealth) with little or no effort or via inheritance (Wolla, 1997).

The evaluation of the value produced by a single employee over the course of a certain amount of time has been considered as a standard measure of Employee Work Performance in recent times. This has necessitated a balance of all production factors that results in the highest output with the least amount of effort put in. This can only be achieved through consideration of both psychological and employees needs which enhance the overall productivity of the Organisation.

As explained by (Koopmans et al., 2012), employee's core job responsibilities and duties are described by task performance which is shown through the behaviours that are expressed while performing the Job and other related activities. The results of such behaviours expressed by employees are reflected in specific duties, work outcomes and deliverables in relation to quality and quantity of those outcomes and deliverables as well. In addition, (Koopmans et al., 2012) asserted that Contextual performance extended beyond the traditional job responsibilities of an employee. This is because it is expressed in the extra role behaviours also known as "discretionary extra-role behavior". An employee goes ahead and performs activities beyond his or her defined job parameters. These include helping coworkers finish their work, training the new Job entrants, strengthening social networks as well as expressing Organisational citizenship behaviours. These enhance the Employee's work performance but they are linked to the welfare of employees as well as other factors that influence the employees' desire to be able to have both Task and Contextual performance behaviours within the organisation.

In addition, for many years Salaries have been known as the most constant sole motivator for why people express certain behaviours and attitudes towards work. Most of them want to make

a livelihood and therefore given the circumstances and other factors that may influence employee work performance, salaries should be given a close look at in order to understand its influence. This relationship has been reinforced by the exceptional qualities found in individual psychological capital, which in turn leads to higher levels of organizational commitment. Consequently, this enhanced commitment positively contributes to increased employee work performance, (Akbar Etebarian, 2012a). By comprehending the influence of psychological capital, organizational commitment, and employee salaries on employee work performance, it becomes possible to develop more effective tools and systems that can enhance performance. This understanding can contribute to gaining a competitive advantage by optimizing employee work performance. Today in Organizational Management different tools and procedures have been suggested which sometimes are non-monetary but have improved an Employee's commitment to still work even when salaries may be low (Westover et al., 2010). This may not be adequate to support or overcome the constraints of high employee work performance, hence Organisations should utilise the available resources as well as employee information on how they feel about their work. More study in the areas of management and employee needs should be prioritized in future studies. This will boost the maximization of employee's work performance.

The study used SPSS 24 to analyze the data that was collected from the surveys. This data was analyzed using a variety of analytical and descriptive approaches so that it would help to understand the influence of the variables.

### **1.1.2 Statement of the problem**

Uganda, just like numerous developing countries, is allocating resources and investing significant efforts into entrepreneurship as a means of driving economic development. This emphasis is evident in the (*UGANDA VISION 2040 Accelerating Uganda's Socioeconomic Transformation*, n.d.). This however cannot be achieved if Employee Work Performance is very low. Employee work performance is impacted by a variety of factors (Afshan et al., 2014), Many organizations have focused on increasing Employee Work Performance but have ignored some of important variables that should be considered to attain a very good competitive edge while increasing employee work performance (Asio, 2021). Both Task and Contextual performance of employees should carefully be given a close look at because these influence the behaviours expressed by the employees which affect both the quality and quantity output (Koopmans et al., 2012).

It is crucial to emphasize the influence of psychological capital, organizational commitment, and employee salaries on employee work performance. Understanding their contributions and impact can empower organizations to gain a competitive advantage in attaining their goals and objectives. By recognizing the significance of these factors, organizations can effectively enhance employee work performance and drive success (F. Luthans & Church, 1993; Silaban et al., 2018a). The employees' salaries have played a vital role in enhancing productivity over the years; Traditionally salaries have been looked at as a sole motivator for employee work performance (Wolla,1997.) While Organizational commitment has consistently been a captivating subject of research, scholars have dedicated their efforts to comprehend how it can positively contribute to organizational success (Silaban et al., 2018a).

Poor salary structures, decreased motivation, inadequate benefits, increased grievances, and turnover tensions have also been discovered as a source of disappointment to most employees in Uganda. This has resulted in dis-satisfaction, which could lead to a decline in the Employee performance at work as well as making Organisations lose their ability to compete with other organisations in the same industry. This study will therefore focus on exploring the existing influence of psychological capital, Organizational commitment and employee salaries on employee work performance.

### **1.1.3 The study's purpose and objectives**

The purpose of this study is to analyse the relationship between psychological capital, employee salaries, organizational commitment, and employee work performance specifically within private organizations in Uganda. This objective was accomplished by determining the relationship that exists among the variables of psychological capital, employee salaries, organizational commitment, and employee work performance. The understanding of relationships between variables themselves will help determine if there is a positive or negative relationship.

This was through understanding the connections and relationships that exist involving the linkages and interactions in (1) Psychological capital and Employee salaries, (2) Organizational commitment and Employee work performance, (3) Psychological Capital and Employee work performance, (4) Organizational Commitment and Employee salaries, Psychological Capital and Organizational Commitment, Employee Salaries and Employee Work Performance. This gave the overall focus of the understanding of the independent variables as well as the dependant variable and how they influence each other.

The research seeks to ascertain the predictive capacity of psychological capital, organizational commitment, and employee salaries in relation to employee work performance. It is worth noting that predicting how these variables influence Employee Work Performance is key for Organisations while making decisions that involve employees. This may influence the rewards, remunerations and other incentives offered by Organisations to employees as well as foster Organisational commitment among the employees as a result.

#### **1.1.4 Scope of the study**

This study focused on enhancing Employee work performance in private Organisations in Uganda. Conceptually, the study focused on Psychological capital, Organizational commitment, Employee salaries and Employee work performance as the main variables of study. Employee work performance viewed through task and contextual performance will be linked to how they are influenced by the variables under study. It should be noted that activities that contribute to an organisation's technical core will be linked with the contextual performance involved with how an employee behaves and the voluntary nature of employees while performing their roles in their different positions in the organisation.

Geographically the study considered private organisations. The employees who will provide the required data to make this research successful, will be considered in a homogeneous nature where the aspects of social context such as age groups, work experience, education, values will be considered. This is because respondents will be from different work environments that always influences the type of work they do as well as the way they may behave. As the most competitive commercial banks in Uganda, the study focused on three large private banks to gain an understanding of how various organisations utilize different employee practices by examining the study variables. Equity Bank, Orient bank and Centenary Bank were used as the sample population to collect the data.

#### **1.1.5 Significance of the study**

The findings of this study will be utilized by Private organizations in Uganda in boosting Employee work performance and thus leverage their competitive advantage. This is because the findings of the study will suggest new areas for capacity building by indicating where attention should be placed as private institutions try to expand and prosper because they are the most active in profit-making Sector. This will also help policy makers and regulators to learn how to leverage performance and productivity to maintain stability and sustainability in private organisations in Uganda.

This research was designed to serve as a wake-up call for firms to prioritize human capital in order to gain a durable strategic advantage in risky sectors of the Ugandan economy. This is intended to be achieved through assessing workers' positive psychological capital, which is critical for individuals to flourish under the pressures of any Job.

This study will also enable the researcher to graduate with a Master Degree in Business Administration from Bursa Uludag University, as it is a requirement before being awarded this degree to do a research study. Furthermore, the study will contribute to the existing body of knowledge on the variables under investigation, allowing other researchers to use it as a standard for future research in the same field.

### **1.1.6 Summary of Study Hypotheses**

The following are three hypotheses offered in this study:

**Hypothesis 1 (H<sub>1</sub>):** Psychological capital and Employee work performance are positively related.

**Hypothesis 2 (H<sub>2</sub>):** Organisational commitment mediates a casual positive relationship between psychological capital, employee salaries and employee work performance.

**Hypothesis 3 (H<sub>3</sub>):** Employee salaries and Employee work performance are positively related.

### **1.1.7 Definition of Key Terms**

**Psychological capital.** This pertains to an individual's capability to utilize a diverse range of resources in order to enhance their success and performance at work. These resources include self-efficacy, optimism, hope, and resilience.

**Organizational commitment.** This refers to a strong desire to keep up membership or devotion to an organization. It is expressed through a profound conviction and acceptance of the objectives and principles embraced by the organization as well as willingness to put forth a significant number of efforts in realising these goals and objectives.

**Employee Salary.** This is a standard and regular payment made to an employee by their employer or Organisation based on their performance in a particular role or activity. It is usually paid, weekly, fortnightly, monthly, bi-monthly, or even annually.

**Employee.** An employee is a person engaged by an employer or Organisation to do a certain task. Employers usually are in charge of deciding and directing how much an employee should earn, when they should work, and how they should work.

**Organization.** An organization is a one- or more-person entity with a specific purpose, goals and objectives to be achieved, these can be categorised in form of a company, institution, or association.

**Employee work performance.** This is about how well employees do their jobs, including things like quality of work, productivity, teamwork, and following company rules and regulations. Good or high performance involves meeting or exceeding expectations, while poor performance means not doing well enough. Evaluations, feedback, and measures are often used to assess performance. Good performance helps the organization succeed as well as little support may be needed for improvement.

**Productivity.** Productivity refers to how quickly an individual completes a task. The efficiency of an individual can be observed through contextual and task performance. In contextual performance an employee's performance is assessed within the parameters of his or her given obligations where the extra-role behaviours may be observed at work whereas in task performance, an individual is involved in activities that support the technical part and services of an organization these may include activities such as co-ordinating and planning.

### **1.1.8 Search Strategy**

The key variables under research will guide the search strategy, the key words include psychological capital, employee salaries, organisational commitment, as well employee work performance. It's important to note that we shall focus also on the competitive advantage the variables will offer to the organisations that will be essential in understanding the impact the variables under study will have on employee work performance.

### **1.1.9 Structure of the Study**

The structure will include the abstract, introduction, literature review of the variables under study, methods that were used to carry out the research, the results obtained from the research, discussions, conclusions from the analysed data as well as recommendations that will help and foster further research.

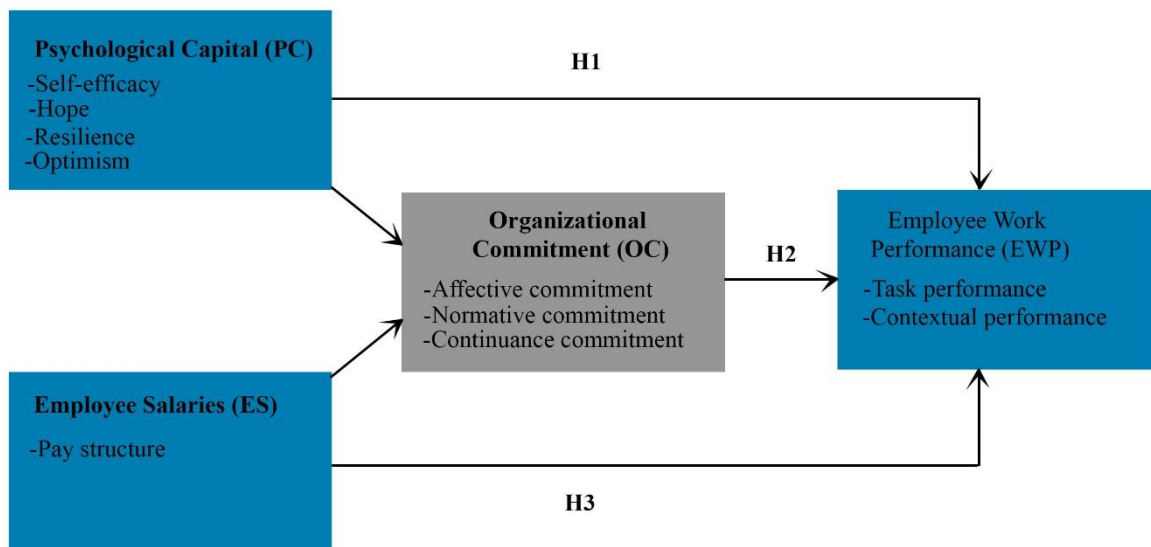


### **1.1.10 Conceptual framework**

This study's conceptual framework was based on intrinsic motivation which was observed through psychological capital as well as extrinsic motivation that comes from the employee salaries. Furthermore, the framework derived statements made by (Zeb-Obipi, n.d.) on Johnnie (2002)'s book called Organisational Behaviour and Organization Theory (A Theoretical and Philosophical Perspective). He asserted that, in general, organizations in emerging economies are not regarded as places where decent salaries are offered, nor places in which an individual with a strong attitude towards work thrive, but rather viewed as a place where individuals with a high need for socially significant achievement thrive (Oparanma, 2011).

Organizations seeking to attract and retain highly productive, effective, and efficient employees must address the challenges posed by the need to pay high salaries, improve organizational commitment, and enhance psychological capital as a means to attain a competitive edge over rival competitors (Agburu II, 2012).

The correlation between psychological capital and employee salaries can affect work performance, by providing resources acting as a motivator. Psychological capital, encompassing elements such as self-efficacy, optimism, hope, and resilience can influence intrinsic motivation, leading to improved work performance. Similarly, employee salaries, as an extrinsic motivation factor, can also affect performance by providing tangible rewards. Employees with high psychological capital may be intrinsically motivated thus leading to better performance regardless of salaries. Understanding the role of different intrinsic (psychological capital) and extrinsic resources (employee salaries) on employee work performance can provide valuable insights for organizations seeking to optimize employee work performance. Below is a description of the research model is illustrated.



**Figure 1. Description of the research model**

## **1.2 THEORETICAL FRAMEWORK**

### **1.2.1 Expectancy Theory**

As asserted by (Lokman et al., 2022) it's known that employees will always be motivated to have high Employee Work Performance if they know that their efforts are known by the management as well as when they are being recognized and rewarded. Expectancy theory provides reasons why choices can be influenced through motivation. Its core focus is on the cognitive process of how employees perceive different elements of motivation. However, it's important to remember this can be psychological as well as mental while making these choices. This is asserted by (Gerhart et al., 1995; Lokman et al., 2022) who emphasized that a response from a reward is likely to be repeated overtime in the future. Therefore, it's important to know that when designing rewards for motivation and increased Employee Work Performance is not just a mere job of giving anything available to employees, but rewards should always be those that are already wanted by the employees. This will increase their organizational commitment as well as improve their hope and self-efficacy while carrying out their work.

The theory bolsters the justifications for paying salaries in organizations. They are a source of remuneration for the hardwork and performance put in by employees and when the salaries are higher definitely the morale and high productivity of employees will increasingly improve. This encourages and motivates employees who always yearn for higher salaries so that they are

able to cover their costs and standards of living. As put well by (Aswathappa & Com, n.d.), (SA & Sharavan, 2015), they asserted that behaviors that happen as a result of a rewarding experience are likely to be repeated. This should be a motivation to managers to always motivate employees by increasing their salaries. To employees that shows organizational commitment so that these behaviors can always be repeated over time.

We cannot discuss expectancy theory and forget to highlight the law of effect principle that was developed by Edward Thorndike who asserted that responses that show an employee's behavior are determined by the input that is likely going to cause the same behavior to occur again in future. This means that when there is a positive response from the rewards or any other kind of motivation given by an organization, it is likely going to cause the same response in future and the vice versa is true (Gray et al., 2011). According to (J Buchan & O'may, 2000), employee's behaviors may be changed if they are recognized and receive the rewards when they show the behaviors desired by the organization. If these incentives and rewards are given frequently enough, they can develop into repeated behaviors needed by an organization to acquire high productivity from the employees.

### **1.2.2 Equity Theory**

Equity theory has always been relevant in today's working environments. It perceives work and pay structures fairness as a way of attaining motivation as well as increasing the Employee Work Performance. This theory was developed by John Stacey Adams who was a behavioral psychologist and emphasized that fairness at workplace lays ground for equality hence doesn't create classes among the employees. As (J Buchan & O'may, 2000) put it, employees are motivated when they look at themselves as peers hence adjust their work in line with fairness because they can see it through their eyes. This can be negative too especially when an employee learns that someone doing the same job is earning a different salary. They become demotivated hence leading to decreased employees' productivity. However, these pay structures should be communicated clearly to employees so that such kind of negativity behaviour can be avoided and prevented from affecting the work.

According to (Aswathappa & Com, n.d.), the theory promotes equality in employee remuneration and pay structures which are key in attaining high Employee Work Performance. The way Employees look at their organizations is very important because that's exactly what they will say to other people outside the organization. Organizations should have a policy for a fair day word for a fair pay and should be well communicated to employee's so that they feel

the equity hence the employees would not feel injustice or inequity at work. This will enhance the psychological capital of the employees as well improve their commitment to the organization they represent.

### **1.2.3 Agency Theory**

The theory focuses on the relationship in which one or more people (organisation)(s) hire or employ another person (employee) (the agent) to do some work on their behalf. This relationship exists when this agent hired has the needed knowledge and skills required to perform a given task offered by the principle (Buchan & O'may, 2000). However the focus for the agency theory according to (Landstrom, Hans, 1993) is on the way different interests of these parties involved in this kind of relationships are fulfilled. The remuneration, pay structure, as well as other benefits involved to perform a job productively are expected from the organisations. The employee expects them to be higher which is in contrast with the organisations interest who seeks to cut and minimise the agency related costs. This is the role of the agency theory to align these different interests of the parties involved so as to find a balance so as to attain the needed Employee Work Performance.

In addition, (Aswathappa & Com, n.d.) put it well emphasizing that remuneration in form of wages and employee's salaries should be agreed upon basing on an employee's behaviour as well as how they interact with the rest of organisations core values. In fact, (Worsham 1997, n.d.) suggested that one way of achieving a desirable balance between principal and agent is through considering a performance-based compensation or remuneration. The differences in goals or differences in risk aversion can be addressed through striking the balance. For example Organisation's Management may want to expand a business into other new markets or other areas for strategic reasons bearing in mind the need to increase short-term profitability and compensation. This as well doesn't ignore that the employees need to be committed to realise these goals hence the need to address their needs through increasing their organisational commitment which will radically increase their self efficacy as well as give them hope for a better future with the Organisation.

### **1.2.4 Goal Setting Theory and Feedback Theory**

This theory dates back to 1960's when Edwin Locke proposed it as a way to enable employees enhance their productivity through setting goals. Goal setting theory is known for its fundamental link to task performance. Employee Work Performance focuses on two concepts of conceptual and task performance and therefore goal setting theory provides a clear

understanding on how to bridge the gap between the two to attain the desired outcome. The goal theory was further developed and expanded upon in the 1980s, these were times when theories were related to psychology and commitment. The emphasis of research during that time primarily revolved around the importance of establishing goals for employees (David, Song, Hayes and Fredin, 2007). According to theory's proponents, when employees are given specific goals that they are expected to reach, their motivation levels are higher (Gómez-Miñambres, 2012). This is very good for enhancing the employee work performance.

In addition, providing appropriate feedback to employees contributes to higher and better task performance (Pat El et al., 2012). This has been used by Organisations as an employee-engagement strategy which entails setting specific and measurable goals in order to improve productivity. It should be noted that by incorporating goal-setting theory into the workplace, organisations have an advantage to improve both employee performance and employee engagement which will radically enhance employee productivity as well as Organisational Commitment.

In (Locke, 1968)'s essay titled "Towards a Theory of Task Motivation and Incentive." he demonstrated how clear, quantifiable goals will radically increase employee motivation which will enhance the likelihood that these goals set would be attained. In addition Locke stressed the importance of defining clear goals as well as the notion that people work best when given challenging tasks. Employees that take on these more challenging targets put in a lot of effort and advance their skills, which leads to good feedback and an overall sense of accomplishment. When employees have clear and difficult goals, their productivity increases (Bipp & van Dam, 2014). This Increases Employee engagement, productivity, and job satisfaction necessary to attain overall Organisational productivity.

This notion finds support in the concepts of psychological capital, such as optimism, resilience, hope, and self-efficacy. These concepts specifically highlight an individual's confidence and belief in their ability to effectively undertake and invest efforts into challenging and intricate activities or tasks, (Bandura, 1982). According to (F. Luthans, 2002) Psychological capital, with its emphasis on an individual's belief and confidence in their ability to execute and perform necessary actions to handle various situations, complements the benefits of the goal-setting theory in achieving employee work performance. By fostering a sense of self-assurance and competence, psychological capital strengthens the effectiveness of goal setting in driving employee performance and accomplishments.

### **1.2.5 Self Determination Theory**

The self-determination theory (SDT) offers a theoretical framework that aids in comprehending how psychological capital, employee salaries, and organizational commitment influence employee work performance. In SDT, employees have three basic psychological needs that drive their motivation and well-being in the within the work environment, the self-determination theory emphasizes the significance of autonomy, competence, and relatedness (Deci & Ryan, 2000). In autonomy an employee has total control of his or her work whereas in competence an employee reflects on the need to feel capable and effective in performing job tasks. Relatedness pertains to the need for positive social connections with others at work.

Research has shown that these psychological needs are positively related to employee work performance (Luthans & Youssef, 2007; Judge & Bono, 2001). When employees perceive that their psychological needs are being fulfilled, it enhances their likelihood of experiencing job satisfaction and cultivating a strong sense of commitment to their organization (Hom & Kinicki, 2001; Rhoades & Eisenberger, 2002). Organizational commitment is a critical factor in employee work performance and has been defined as the extent to which an individual identifies with and exhibits a sense of loyalty towards the organization (Meyer & Allen, 1997).

The self-determination theory offers a valuable framework for comprehending how psychological capital, employee salaries, and organizational commitment influence employee work performance. According to this theory, employees who have a sense of autonomy, feel competent in their work, and have positive interpersonal connections are more likely to develop a strong commitment to their organization, leading to improved performance in their work. Moreover, by considering the five different components of organizational commitment, organizations can gain a more comprehensive understanding of how employees are committed to their work, and design interventions to improve their work performance.

The self-determination theory (SDT) is widely acknowledged as a comprehensive framework for understanding human motivation and behaviour within organizational settings (Ryan & Deci, 2000). According to SDT, individuals possess three fundamental

psychological needs that must be fulfilled to attain optimal levels of motivation and well-being: autonomy, competence, and relatedness. Autonomy pertains to the desire to have control over one's own actions and goals, competence relates to the aspiration to be skilled and effective in one's endeavours, and relatedness involves the need to feel connected to and appreciated by others (Luthans & Youssef, 2007). In the context of this study, SDT provides a theoretical framework for understanding the relationship between psychological capital (i.e., the positive psychological resources that individuals possess) and work performance, as well as the potential mediating role of organizational commitment (Luthans & Youssef, 2007). Additionally, the inclusion of forced commitment and habitual commitment as components of organizational commitment may provide a more comprehensive detailing of the elements that impact employee work behaviour.

## **2. CHAPTER TWO**

### **2.1. REVIEW OF LITERATURE AND DEVELOPMENT OF HYPOTHESES**

#### **2.1.1. INTRODUCTION**

This chapter examines the findings of several researchers' reviews of the literature on the study variables of psychological capital, organizational commitment, employee salaries, and Employee Work Performance, as well as the relationships between them.

### **2.2. Literature Review Of Study Variables**

#### **2.2.1. Psychological capital**

Psychological capital is an emerging idea that has been utilized by organizations to inculcate positive organizational behaviour in its personnel, with an emphasis on how they approach their Jobs. In recent years, organizational psychology has paid a lot of attention and focus on psychological capital. This has led to organizations using PC to get an edge in an organization's competitive activities. It is possible to get a competitive edge by investing in or developing "who you are" in addition to social and human capital (F. Luthans, 2002). Employees' psychological capital is utilized to improve their job performance (Scheier et al., 2004). An employee's job performance has been viewed as a collection of actions related to the aims of the organization in which he/she works (Yozgat et al., 2013). Psychological capital can be characterized as a valuable positive personal resource that possesses the capability to enhance an individual's performance in a particular job within any organization (K. W. Luthans et al., 2019).

According to (F. Luthans et al., 2006), PC as a positive psychological state of development in individuals. Luthans defined psychological capital as the examination and utilization of positively oriented human resource qualities and psychological capacities that can be assessed, developed, and effectively managed to enhance performance in today's workplace. (F. Luthans, 2002) categorized the most essential aspects of PC such as: i) It depends on psychology pattern such as strong human characteristics, ii) It encompasses psychological conditions that are rooted in positive organizational behaviour characteristics, including uniqueness, theoretical and research foundation, valid measurement, and state-likeness iii) It expresses "who we are" by going beyond human capital (for example, "what we know") and social capital (for example,



"who we know"), and includes investments and improvements that contribute to performance enhancement and competitive advantage (such as , economic and financial capital).

The concept of PC over recent times has been strongly linked to increased work rate, wellbeing, and personal life satisfaction which has been proved through surveys carried out by different scholars. PC has been perceived as “a core confidence higher order construct” that comprises of four overlapping components, which suggests that “the four constructs share a common confidence core that exists at a higher level of abstraction (Stajkovic, 2006). PC is open to improvement and development which opens a variety of organizational opportunities that helps in enhancing the wellbeing and personal successes among the employees thus creating a positive flow-on its effects for the organization such as increased productivity (Avey et al., 2011) . In addition, Psychological Capital can be developed through constant investment in cognitive resources, which will allow one to experience rewards from the present moment while also increasing the likelihood of future benefits (F. Luthans et al., 2007).

Psychological capital is comprised of four constructs: (1) self-efficacy, which focuses on an individual’s confidence to carry out and invest the efforts needed to overcome very difficult and complex activities or tasks. The most commonly used definition of self-efficacy originates from (Bandura, 1982) as cited in (F. Luthans, 2002) which focuses on an individual's belief and confidence and how well they can execute and perform courses of action that are required to deal with different situations. (F. Luthans, 2002) however also proposed a more redefined and applicable definition of self-efficacy as a person ‘s conviction about their abilities to organize and mobilize the cognitive resources, motivation and courses of actions that can be taken in order to execute a specific task successfully within a specific context.

Individuals with high self-efficacy always challenges themselves by setting higher goals and generally choose the difficult tasks. They always persist towards the achievement of their set objectives and goals. Sometimes they are faced with difficult and stressful circumstances, but they never give up, they never bow down, they try to always recover quickly from failure even when faced with impossible conditions. When in situations that are over whelming, they still believe they will get up and overcome difficulty (Youssef & Luthans, 2007). When individuals express the ability to have a great conviction in one's own abilities, they are always ready for the worst scenarios and hence prepare for cognitive resources to attain specific goals and objectives (Youssef & Luthans, 2007).

According to Research the more self-efficacy an individual possesses, the more likely they are to make better choices to execute a task and welcome the challenges. They show more effort and motivation that they will without doubt complete the tasks successfully. This increases their satisfaction and the more they are satisfied they more they will likely be satisfied with their jobs and experience greater levels of life and personal satisfaction (F. Luthans, 2007). According to (F. Luthans, 2002), a person's self-efficacy may be created and increased through (1) performance accomplishment or mastery; (2) vicarious learning; (3) feedback on progress; and (4) psychological or physiological arousal. (F. Luthans, 2002) suggested that success should be attained through hard work rather than through performing easy tasks. This will ensure that an individual masters the task as well as attains high level performance. Feedback on progress has always been helpful in scenarios where individuals start to doubt their capabilities leading to struggle in the given tasks. This makes positive psychological or physiological arousal serves as a good point of departure for the other sources of self-efficacy development (F. Luthans & Church, 1993).

The second construct of Psychological Capital is Optimism, which is defined as an individual's positive attributional style (Cheung et al., n.d.) regarding their capacity to achieve now and in the future (F. Luthans et al., 2007). Optimism is referred to as having a good outlook on the future (Peterson et al., 2011). Optimism can also define as having an optimistic attitude to achieve any acts or tasks that one chooses to pursue in the present and future. Any individual focuses on his or her ability to achieve certain set goals and objectives that may be at hand or that may be in future. Being optimistic helps to believe that anything can be done and that a positive outcome is highly likely to happen (Wang et al., 2018).

Optimism is generalized as a broad anticipation of good things happening in one's life (Scheier et al., 2004). This has been defined as a cognitive attribute or an expectation about future events about which a person has strong feelings that go beyond optimistic thinking (F. Luthans & Church, 1993). Optimistic employees anticipate wonderful things to happen to them, whereas pessimistic employees expect unpleasant things to happen to them. They always strive for better outcomes and strongly believe in the potential they possess to achieve the targets regardless of the failures they may have encountered before (Sweetman et al., 2011).

Optimistic individuals have strong energy and belief which enables them to persevere amidst tough challenges. Optimism necessitates objective judgments and conclusions that a person must adhere to so as to be successful in any given task (F. Luthans, 2002). According to (K. W.

Luthans et al., 2019), Individuals who possess a high level of optimism are often more engaged and motivated in their work. They consistently put in maximum effort and display a strong sense of passion. They have a positive outlook on the future while remaining grounded and realistic in their approach to the present (Scheier et al., 2004), (Avey et al., 2006).

According to (Gillham et al., n.d.), an optimist person assigns external attribution to bad occurrences especially when in the event of any unfavourable or undesired incident happens, that person will likely blame external circumstances and other people. This makes it even harder because even in adverse times, this external attribution prevents them from reducing their efforts and commitment. Optimists always look at the internal positive parts of their life not just in the present and past, but also in the future (Youssef & Luthans, 2007).

While optimists are adamant about their goals and strive to achieve them, pessimists are impatient when faced with challenges and difficulties. Optimists, as opposed to pessimists, gain from high-level employment prospects, and pursue their goals in difficult circumstances (Scheier et al., 2004). Optimists individuals are always motivated with high morale and its always even easier to work harder, press on even in adversities while staying more satisfied with their work output (F. Luthans & Church, 1993).

The third construct of psychological capital is hope. Hope has been defined as the belief that one's goals and objectives may be achieved (F. Luthans & Church, 1993). The concept of hope can be understood as a positive motivational state characterized by a sense of effective agency or goal-directed energy. It is a mood that is formed through interactive processes, where individuals experience a belief in their ability to take action and make progress towards their goals (Snyder, 2002). According to (Snyder, 2002), it's the capacity to make paths that lead to desired outcomes and then self-motivate to follow those paths through agency thinking.

An individual determination to always achieve the set goals and objectives reflects the highest aspect of hope (F. Luthans & Church, 1993). Hope has will power and way power thinking (Snyder, 2002). In will power thinking, an individual is determined to achieve the goals whereas in way power thinking an individual can be able to make an alternative way or paths to achieve the set goals and objectives. Way power helps in navigating different ways to overcome an obstacle that may hinder the progress to achieve the set goals. Individuals who possess hope, always set short term goals with long-term motivation to never give up whilst trying to achieve them. They are supposed to have the ability to think of different ways or routes to still achieve the goals even when threatened with hardships or obstacles.

The 'pathways component' differentiates hope from optimism. This is because in hope an individual has an inner dialogue, assuring and reinforcing their self-view which cannot be stopped nor blocked but rather provide different ways to overcome the blockage to achieve the goals set. In addition the duality of both willpower and way power distinguishes hope from other PC constructs such as optimism and self-efficacy.

Hope originates from within oneself whereas others are influenced by outside forces or formed through experiences (F. Luthans & Church, 1993; Snyder, 2002). Most individuals feel they can achieve the targets sets and this belief makes them motivated and engaged to be successful. Most employees always prefer staying positive expecting better future even when situations seem to be hard. Hope drives individuals to have faith and a strong desire to achieve the set goals and objectives, they believe different pathways can be formulated to achieve those goals (F. Luthans & Church, 1993).

Many researchers have emphasized the importance of hope due to its impact on emotional health, stress, academic achievement as well as its ability to help an individual cope with hard times and sicknesses (F. Luthans & Church, 1993). It's been proved that Individuals with high levels of hope tend to be more certain of goals even when no one believes them, they are always challenged by these goals hence value every single progress they make towards achieving these goals. These individuals always love interacting with others which makes them less anxious and less emotional hence they easily adapt to any situation they come across with whether its due to their surroundings (environment) or the relationships with other people (F. Luthans, 2002). Hopeful employees are likely to stay with their organizations even when their jobs may be stressful.

The last construct of Psychological Capital is resilience. (F. Luthans, 2002) described resilience as the ability to recover or rebound from hardships, adversity, conflict, and failure, as well as good occurrences, progress, ongoing changes, and greater responsibility. It has been described overtime as the ever-changing capacity to be able to come out of a negative experience, hardships stressful obligations. According to (Tugade & Fredrickson, 2004), resilience enables individuals to learn from experiences and helps them to grow through overcoming the challenges they face. Individuals with high levels of resilience are believed to be more effective in life. This is because resilience recognizes the need to be flexible, improvise as well as adapt to uncertainties they may face in their lives (Youssef & Luthans, 2007). They accept reality which makes them focus on values that bring about a deep belief that life has a purpose therefore

improvise and adapt to different and significant changes they come across (F. Luthans et al., 2006). They are also socially competent, skilled, team players, problem solvers, and have a strong sense of purpose in their job. (F. Luthans et al., 2007) suggested that organizations should develop resilience among the employees because there are different ever-changing dynamics of work. This will improve their commitment, performance as well as creating a happy working space.

### **2.2.2. Organisational commitment**

Organizational commitment can be defined as a relationship (bond) that exists between employees and the organization. It cuts across the commitments of employees to the organization and what they offer to make the organization better. Commitment, according to some psychologists, is a multifaceted, complicated structure. As a result, specialists in industrial and organizational psychology have advocated distinct forms of commitment. Commitment can be described as a powerful force that connects an individual to a specific course of action or pursuit that holds significant importance and value. In the specialized literature, commitment is often defined as: ‘psychological state’ (Allen & Meyer, 1990) ‘psychological attachment’ (O’ et al., 1986) or ‘psychological bound’ (Mathieu & Zajac, 1990a).

The relationship can be described by an employee’s psychological attachment to the organization (employer). The level of organizational commitment can be used to determine and predict an employee’s satisfaction, involvement, performance, morale, and the scattering of leadership (Putra et al., 2020). When employees feel they have a sense of attachment to the organization, they feel invested and work towards achieving the future goals of the company both personally and professionally (González & Guillén, 2008). This leads to high work standards as well as high productivity due to the desire to see the organization become successful and achieve its goals and objectives (Porter et al., 1974).

The employees always understand the organization’s goals, vision, mission, and the develop a sense of being recognized for their input to the organization’s success hence feel compensated for their hard work (Porter et al., n.d.). According to (Cook & Wall, 1980), organizations have used organizational commitment to maintain employees with talent as well as reward such employees so as to stay competitive. This results in higher employee productivity as they are actively involved, committed, dedicated, and motivated to contribute to the organization over an extended period (Cook & Wall, 1980).

Organizational Commitment can be measured using an Organizational Commitment Questionnaire (OCQ) that was developed by (Mowday et al., 1979a). The three stages of organizational commitment (OC) developed by (Allen & Meyer, 1990) can also be used to measure organizational commitment. A 15-item OCQ was developed by (Porter et al., n.d.) and codified by (Mowday et al., 1979a). During a span of nine years, a total of 2,563 employees working in various organizations were interviewed for this study. The participants included individuals from diverse job classifications such as university employees, hospital personnel, bank and telephone company employees, scientists and engineers, auto company managers, psychiatric technicians, and retail management trainees. This wide range of job classifications contributed to a diverse set of results obtained from the study. However, (Cook & Wall, 1980) developed a shorter nine-item version scale which was adapted from the 15 OCQ which was intended for a working-class group. The shorter version developed by (Cook & Wall, 1980), was supposed to capture three of the following interrelated dimensions which included: (a) identification, (acceptance of the organization's values and goals) (b) involvement (willingness to put effort on behalf of the organization) and (c) loyalty. (a desire to remain an employee of the organization).

However, the most widely accepted tool used to measure organizational commitment to date is a 24-item questionnaire by (Allen & Meyer, 1990). This questionnaire includes 8 items in each of the three stages of organizational commitment. Three-stage model by (Allen & Meyer, 1990), was broken-down into different psychological states which helps to understand which type of organizational commitment an individual may possess. These included: the affective commitment scale, continuance commitment scale, and normative commitment scale. In the questionnaire the participants were asked to rate how they feel on a scale. The Statements included:

- This organization has a great deal of personal meaning for me.
- Right now, staying with my job at this organization is a matter of necessity as much as desire.
- This organization deserves my loyalty.

OCQs are an effective way to determine how happy, engaged and committed employees are to their jobs and organizations.

The constructs of OC include, [1] **Affective commitment**. This is the first stage of organizational commitment. Employees reveal a high level of dedication to their work (Porter et al., 1974). Employees possess an emotional attachment to the organization (Akbar Etebarian,

2012a). This approach was taken by (Kanter, 1968) who described 'affective commitment' as 'the attachment of an individual's fund of affectivity and emotion to the group and by (Porter et al., 1974) who conceptualized commitment as a 'partisan, affective attachment to the goals objectives, mission, vision and values of the organization, to an individual's role in relation to the goals, objectives, mission, vision and values, and to the organization for its own sake, apart from its purely instrumental worth'.

The affective attachment approach can perhaps be well represented by the work of Porter and his colleagues ((Mowday et al., 1979a) & (Porter et al., n.d.), (Reichers, 1985), (Porter et al., 1974) who defined organizational commitment (OC) as 'the relative strength of an individuals' identification with and involvement in a particular organization'(Mowday et al., 1979b). The Employees have a high desire to commit their entire lives and time to the organization. They are always happy, involved, dedicated, and always want to be a part of major decisions of the organization as well as have an input in suggestions to be implemented in the organization (Reichers, 1985). They do this because they want to, they are not forced and always strive to be an integral part of the organization (Allen & Meyer, 1990). It is believed that the chances of an employee staying with an organization are higher.

The second construct of Organisational Commitment is (2) **Continuance Commitment**. In continuance commitment an individual feels there is uncertainty therefore weighs on whether he or she should stay or leave the organization (Dirani & Kuchinke, 2011). The initial desire and love for the organization is turned into need. They sometimes feel leaving the organization would be costly in terms of looking for other opportunities since they invested most of their time and energy with the organization (Hulpia et al., 2009).

According to (de Cuyper et al., 2009), there is an emotional and mental attachment to the organization because of this uncertainty the employee feels a gap that may not be filled once they leave their friends and co-workers hence weigh on this possibility (Kanter, 1968). Some employees look at pension accruals, employees saccos within the organisation and decide to stay due to fear of losing such benefits. The change on perdonal level plays a big role since most employees at a certain point they become comfortable with an organisation and feel leaving is hard since they have spent many years working with the organisation therefore weigh on disruption leaving would cause on their personal level (Dirani & Kuchinke, 2011).

The last construct of Organisational Commitment is **Normative Commitment**. At this stage , employees feels a sence of duty (commitment) to stay with their current Organisation (Allen &

Meyer, 1990). They don't care whether there are other opportunities somewhere else. They ignore whether they are happy or not, they believe it's the "right thing to do" to stay with the organisation. According to (Porter et al., 1974), Most employees tend to consider the resources that have been invested in them by the organisation hence feel like they have a responsibility to stay and make up for what the organisation has done for them. There are several factors that may make employees feel a sense of normative commitment such as, if the organisation has been good to them (Porter et al., n.d.), when there may be family ties or businesses with the organisation, fear of uncertainty when they leave the organisation is experienced.

To-date, (Allen & Meyer, 1990)'s three component construct has played a significant role as a model for organizational commitment as well as understanding employee behaviors and attitudes toward the organization. However recently a five model of organisational commitment has been suggested which looks at other additional stages. These have included [1] Habitual commitment. This looks at processes and routines which the employees get used to do at the work place and they feel like they are at the organisation because they feel there is no other thing they would be doing at the moment. It acts as their convenience hence develop a latent commitment to the organisation hence they stay with the organisation.

The additional Construct that has been suggested is the [2] Forced commitment. This happens when the employees feel they don't have other options. It may be because they are depending on the organisation's salary for a living and hence don't think they can earn or get any other source of income if they left. They are sometimes feeling they can't get another Job somewhere else. This fixes them to the organization hence stay committed to the organization. The employees sometimes hate being at the organization but find it a must to be there. i.e., "I don't want to be here, but I must be here"(González & Guillén, 2008).

Organizational commitment however can be positively influenced through job satisfaction, managerial support, and empowerment and can also negatively be influenced through job insecurity, role stress and role ambiguity (Dirani & Kuchinke, 2011). Employees should always be informed and be familiar with the organization's values, goals, purpose, vision, and objectives (Hulpia et al., 2009). This will help them understand the needs of the organization as well enhance their commitment to the shared goals of the organization. In addition, when employees are well aware of the goals and objectives, they tend to make better day to day decisions more effectively at both individual and at Team level (Ahmad & Oranye, 2010).



Fostering transparency (de Cuyper et al., 2009) and clear communication helps in aligning the future of employees with the organization long term plan for its employees. Letting employees participate in the company's growth process helps in making them feel more invested and part of a big picture of the organization. This builds trust, enhances performance and employees feel more valued (Allen & Meyer, 1990). Organizations are encouraged to employ job design strategies to improve job satisfaction which leads to organizational commitment (Kanter, 1968). In job design, a job is simultaneously redesigned to coordinate and optimize work processes (Cook & Wall, 1980) to create value and maximize performance. A well-designed job analysis enables the organization to meet its goals and also motivates the employees through rewards which increases organizational commitment (González & Guillén, 2008; Morgeson & Humphrey, 2006). There are different strategies of job designs that could be used to increase the organizational commitment (Korkmaz et al., 2020).

These include: [1] Job rotation: this looks at creating more variety while allowing employees to experience other roles and duties within the organization. Employees are rotated to other roles which exposes them to new challenges and hence avoiding boredom of repeating the same work process (Globerson & Tamir, 1980). [2] Job simplification: This refers to making the complex tasks easy as well as streamlining the processes. Instead of having hard and complex processes a job could be simplified hence allowing the employees to love their tasks and roles (Oldham & Fried, 2016). [3] Job enlargement: This process focuses on widening the scope of responsibilities and opportunities, broadening the scope of work obligations and merging multiple activities at the same organizational level for advancement and growth.(Oldham & Fried, 2016) [4] Job enrichment: This technique involves motivating employees by designing a job with exciting and hard activities that can raise skill and income while also strengthening team bonds through training (*Levine1984*, n.d.). [5] Job crafting: This process involves individuals pro-actively making small changes to their job to change the characteristics of the job to better align it personal needs, goals and skills.

Organizations are encouraged by (Porter et al., 1974) to promote an inclusive environment at work which gives employees a sense of belonging and feel respected as well as heard by others. When an organization is large there are more likely to be majority and minority groups where minorities un-intentionally will feel left out and excluded like as if they are outsiders (Reichers, 1985). This reduces the organizational commitment therefore should be addressed through inclusive practices described by (Ahmad & Oranye, 2010), which emphasized that without a sense of belonging as described by (Dirani & Kuchinke, 2011) or feeling they are included

(Hulpia et al., 2009), the employees are less likely to be engaged, involved and happy in their roles and duties and committed to the organization. In contrast, when employees feel included, recognized, respected, and heard, they are much more likely to thrive at work and be committed.

Organizations that have focused on employee development as explained by (Cook & Wall, 1980) have had a higher organizational commitment because the employees feel they owe the organization loyalty (Kanter, 1968). This can be achieved through job design strategies, career development strategies which lead to competency hence leading to satisfaction and commitment at work (Oldham & Fried, 2016). The employees can also be provided with internal promotion opportunities and sufficient training and development to enable them to reach the next stage of their career development. Continual opportunities like skill training help employees feel more competent and confident (Globerson & Tamir, 1980) in their roles at work and this enhances their performance.

Employees who are regularly given constructive feedback highlighting opportunities and areas for improvement always have a high desire to achieve their personal and organizational goals in a desired time frame (Mathieu & Zajac, 1990a). This is because they are challenged which opens up opportunities and rewards, hence increasing their organizational commitment. Committed employees offer plenty of benefits to any organization. According to (Dirani & Kuchinke, 2011), the organizations should understand that the benefits of committed and engaged employees are far-reaching. This should encourage every organization to ensure that its employees are happy in their roles by having a solid employee's strategy in place that will foster their commitment. Committed employees are likely to be more productive, perform better, remain in an organization longer, and therefore help an organization thrive and maintain its competitive edge within any industry (Mathieu & Zajac, 1990a).

### **2.2.3. Employee salaries**

Employee Salaries have been viewed as one of main factor that influences employee work satisfaction and commitment to continue working even amidst uncertainties. The payment of salaries to employees by the employer (organization) is required by law. It is well known that salaries have always been a motivator or a driving force to workers to maintain their daily or life expenses. Employees who work 8 hours a day Monday to Friday, spend a total of 1960 hours every year when we subtract 3 weeks of vacation. It's worth to note that all these hours deserve a remuneration which is received in form of a salary. It is of course known that a person

gets far more out of those 1,960 hours than just a salary. In those hours friendships with workmates are created, significant experiences and emotions are also felt.

According to (Mansour, 2015) and (Onyanha et al., 2014) a salary is a fixed monthly payment for employees and non-manual personnel. An employee salary can also be defined as a predetermined sum provided to employees at regular periods (monthly) in exchange for their hard work, performance and output (Arora, n.d.). In addition, (Surbhi, 2015) went on to say that employees who receive salaries, have been referred to as working with white collar office jobs which meant that such employees are highly educated, skilled, and employed with corporate organizations as well as holding a good status position in society. Many organizations have regarded salaries to compensate an employee's efforts and performance in accordance with the organizations policies and procedures. Due to this, organizations have embarked on creation of a salary wages administration policies and pay structures that help to monitor, evaluate, and determine all employees' salaries so as they are being fairly compensated in comparison to other organizations in the same industry.

Salary increment has been looked at as a motivator for employee efficiency and effectiveness which increases performance outcomes hence improved Employee Work Performance. As explained by (Cheema et al., 2017) and (Opatha, 2009), if compensation is excellent, employee performances will be good hence quality and quantity of labor which will be reflected in employees improved productivity. Salaries have traditionally been viewed as a cost of labor in an economic sense. The salary of an employee is determined by the dynamics of supply and demand. However, this has set a discussion on how the salaries are determined in the real world today. What are the factors that are influencing it? Many people are believed to start their jobs with a low salary, sometimes even overqualified applicants have applied for a low salary job, and this has led to a discussion to understand the dynamics surrounding the salary tags on certain jobs. (St-Onge, 2000), (Weiner, 1980).

According to researchers many people have accepted low salaries to be a building stone to start a career or be successful in future as well as use the opportunity to network so as to increase their better chances on what they intended to achieve in the near future. There are different scenarios that have led people accepting to overwork in order to increase their salaries. For example, when an employee gets married and starts a family, the partner may decide to start working overtime hours so as to cover some bills even when a job may be unsatisfying. Some employees have also considered after retirement benefits, hence continue working even when they know they don't like the job. This clearly shows the different perspectives surrounding

employees and salaries which have not been limited to industry, geography, culture, as well as individual goals.

It's very important to recognize a very well-designed salary pay structure is key in the management of employee salaries. Employee salary structure that is fair will encourage and motivate employees to come up with new ideas and they start to be more creative which gives an organization an advantage to use the recommendations from employees for innovations which is extremely valuable to have a competitive edge in the market.

According to research, employee health improves when they are being paid a good salary and if an employee maintains excellent health, his or her productivity will be enhanced. Of course, it's known if an employee is always present, there are limited disruptions in the workflow and on top of that the number of hours an employee is available are very crucial to achieve an optimal task. Most researchers have found out that one of the reasons why most employees leave their current jobs is because of a better pay promise from another organization. This should be mentioned that inadequate or little pay will discourage the employees hence may decide to leave or start a competing company which will negatively affect the organization in hiring costs, and also disruption of workflow hence affecting productivity (Sola, 2013a). Employee salaries have helped cover basic needs of an employees for example clothing, paying rent, and paying for food so every organization should always know in mind that these employees have personal obligations hence consider the amount they are being paid to earn a living (Gunawan & Amalia, 2015a).

Despite these variances, this study will focus on the universal elements that influence employee salaries. It tries to find these universal elements by examining a cross-section of current data on salary. In most previous studies in this topic, Employee salaries have previously been examined through both a theoretical economic and an empirical sociological lens. In economic theory, Salary is viewed as a dependent variable in supply and demand, however it is viewed as an independent variable in empirical sociology where it influences other aspects of employment like working hours, engagement, job satisfaction as well as commitment. However, because of the variety of features and the variety of professions and situations that they are designed to reflect, the links and relationships between these many aspects of employment are difficult to pin down. In the absence of a consensual framework, this research aims to combine both economic theory and empirical sociology lens in its examination of employee salaries.

#### **2.2.4. Employee Work Performance**

An employee being productive plays a very important role in an organizations operations. Employee Work Performance has been known for so long as an employee's output. It is also referred to as workforce productivity. It looks at efficiency and effectiveness of an employee or a group of workers while performing a particular task. Organizations have assessed productivity in terms of how much is output from the input over a specific time period. Generally, an employee's work performance is assessed in terms of work hours spent on a specific activity. Employee Work Performance was defined by (Ferreira, 2009) in terms of how much and how well an employee produces given resources. Many studies have extensively put into study of Employee Work Performance in an organisation. In order to know the overall performance of an individual in an organization productivity is measured in comparison to the average for individuals doing the similar job (Khan et al., 2013). Employee Work Performance has become an integral part of an organizations because in order for them to have a competitive advantage they ought to perform through high productivity of individuals and as a group at large. Organizations have implemented several approaches over time on how to improve the Employee Work Performance (Khan et al., 2013).

From the studies carried out by (Azumah et al., 2017a) on Employee Work Performance explored the effects of Employee Work Performance on an organizations overall performance. This has led to understand the concept of employee performance (Pradhan & Jena, 2017) as the level of an employees work success after having put efforts to accomplish the given task. Employee Work Performance was described by (Kell & Motowidlo, n.d.) as the overall expected value from employees' behaviors and efforts during a specified time period. It was also characterized as a method by which an employee finishes a given task at hand. we cannot talk about Employee Work Performance without emphasizing that performance is directly associated with quality, quantity output, efficiency of the task done as well as effectiveness of task completed.

Employee Work Performance is viewed through contextual performance and task performance. In Contextual performance employees performs and expresses extra role behaviours which are outside his or her work obligations. The evaluation of the value produced by an employee over a certain amount of time as a result of having such kind of behaviours cannot be underestimated. (Koopmans et al., 2012) asserted that Contextual performance can be extended beyond the traditional and usual job responsibilities of an employee. This is because it is known

as "discretionary extra-role behavior". An employee performs activities beyond his or her defined job parameters. These range from helping coworkers, guiding people who visit the organisation, finishing the colleagues' works in case of a deadline to beat, training the new job entrants as well as strengthening social networks while expressing Organisational citizenship behaviours.

As asserted by (Koopmans et al., 2012), task performance explores employee's core job responsibilities and duties which are expressed through the behaviours while performing the job and other related activities. These behaviours expressed by employees are reflected in specific duties, work outcomes, and deliverables in terms of quality and quantity of those outcomes and deliverables. Furthermore, these kind of behaviours improve Employee Work Performance because they are linked to employee welfare as well as other factors that influence employees' desire to be able to have both Task and Contextual Performance behaviours within the organization.

As emphasized by (Ibrar & Khan, 2015), effective recognition can increase Employee Work Performance, resulting in improved organizational performance. This can be accomplished through monetary [salaries] and non-monetary incentives such as scholarships, which will boost their psychological capital as well as motivate them to work harder in the long run, which will drastically increase productivity. As asserted by (Chinyanyu Mpofo & Watkins-Mathys, 2011) Working environment, job security, employer-employee relationships, training and development, and employee incentive schemes are just a few of the other factors that may improve Employee Work Performance.

### **2.3. The Study Variables in Relation to the Development of Hypotheses**

#### **2.3.1. The relationship that exists between psychological capital and Employee Work Performance**

Employee attitudes and their attempts to achieve the established goals and objectives of the organisation, may be traced back to Employee Work Performance. Most employees work in specific ways and act in certain ways in order to contribute and cause an impact to the organization's set goals. Organizations have no purpose to exist if their employees' performance does not provide value (Bauer et al., 2006). It is widely known an organization cannot achieve its set goals if employees are not collectively involved in the organization's activities. Their performance is of high importance and how they react to different situations as well as how they behave determines their output (Waris, 2015a). The state of an individual during the performance of a task has a great impact on the outcomes. The contextual and task performance

of employees is directly linked to their state of being. The resilience and hopefulness add more value in executing the tasks that may be challenging and complicated. Most findings have found out that psychological capital has positive relationships with Employee Work Performance. This is because an employee's ability to be resilient, hopeful even in complicated tasks enhances his or her performance, hence increasing the productivity.

Employee performance is very critical because it may be used as a gauge of success in assisting the employees in achieving their goals (Nyberg et al., 2016; Peterson et al., 2011; Waris, 2015a). However Individual characteristic such as age, gender, education, and work environment may all impact performance. Therefore, as a result, external forces (learning through experience) and self-acting (internal belief) can be developed hence leading to improved Employee Work Performance. Mental attitude is typically used to describe Employee Work Performance as a consequence of enhanced psychological capital, with the belief that today is far better than yesterday as well as tomorrow.

### **2.3.2. The relationship that exists between Employee salaries and Employee Work Performance**

Work has been considered as life itself because of its nature and the amount of time a person spends working. Employees, who work 8 hours a day, Monday through Friday, spend a total of 1960 hours every year, including 3 weeks of vacation. Every week, they spend 40 hours working with the same co-workers, employers, and work routine, all of which come with a distinct set of feelings and experiences. Employees are affected by a variety of emotions such as contentment, rage, togetherness, boredom, and competitiveness, among others, all of which have an impact on their job performance.

According to studies, many employees consider at least one of their co-workers to be a close friend or a best friend even. Many people set out to have a good influence through their employment. From 1,960 hours the employees get a significant number of privileges that isn't based on a salary. Employee salaries and Employee Work Performance have a positive relationship especially when you measure it using net value added, however even though the rise in net value-added rate per worker increases faster, the rate of increase in salaries per worker is slower (Nyberg et al., 2016). Research shows that employees become more productive when their salaries are increased, however let's not forget other numerous factors that affect Employee Work Performance (Gunawan & Amalia, 2015b). When the organizations offer higher salaries, it attracts many skilled employees from other organizations. According to (Azumah et

al., 2017b; Frye, 2004; E. G. Lambert et al., 2001; Sola, 2013b; Tessema & Soeters, 2006)'s research, many employees feel their productivity is driven by job satisfaction and a feeling of purpose in an organization. However, we cannot eliminate the fact that the salaries they receive play a significant role on how they perform and approach their duties. Over time salaries have provided a sense of security and assurances that at the end of a month they will collect their pay hence increases their commitment to the organization.

In addition, even though salaries provide security to the employees, it can negatively also affect their output because of assurance that no matter what they produce or carry out their pay is fixed hence tend not to improve productivity in a long run (Gunawan & Amalia, 2015b). This call for other non-monetary reward that may serve as a motivator so as to make sure they are working very hard to increase their productivity. Organizations should implement policies that may lead to increase in salary based on performance which will increase productivity. Increasing salaries based on for-example time spent with an organization, can limit or reduce the Employee Work Performance (Georgiadis, 2013; Owens & Kagel, 2010). It should also be highlighted that raising employee salaries in the hopes of increasing productivity might also backfire because what works for one employee may be different from what works with other employees doing the same job. If one employee receives an increase in salary, another person in the same position may believe he or she isn't working hard enough which can lead to envy, hatred, and a drop in Employee Work Performance (Gunawan & Amalia, 2015c) . It is critical to have a bonus and non-monetary incentive policies in place since they have proved to motivate employees resulting in increased employee work performance.

### ***2.3.3. The mediation impact of organisation commitment on psychological capital, employee salaries and employee work performance.***

According to (F. Luthans et al., 2007), management science recognizes two approaches to guiding employees in order to advance organizational objectives. These approaches include, mechanism of external control (extrinsic motivation), and internal control (intrinsic motivation) also regarded as commitment strategy, that provides a psychological linkage in employee and the organizational goals to match employee ambitions with the general goals and objectives of the organization. When employees achieve a perspective such as commitment to the organization, it will be so easy to attain an overall organization performance.

This explores the intrinsic motivation employees get whilst working with the organisation. Psychological capital is mostly increased from within the organisational setting. The antecedents of hope , resilience , self efficacy ,optimism are acquired from within the organisation. The



way the employees get attached with the organisation and some times feel they cant leave the organisation leading to creation of an intrinsic led motivation of the employees due to the factors surrouding their jobs , routines , workmates and other within factors.

On the other hand Employee salaries relate to the extrinsic motivation where by sometimes the salaries other organisations offer for the same job from a different organisation affect how they perform. Most times the need for a raise because other employees have had a raise may influence their work perfromance.

## **3. CHAPTER THREE**

### **3.1. Introduction**

This chapter explains the tools and processes used to better understand the variables under research. It covers the research methodology, research strategy, research model and design, sampling size, procedure and instrument, sources of data, data collection procedure and instrument, measurement, and scales of variables under study, data coding, analysis and presentation, scale validity and measurement of variables.

### **3.2. Research Methodology**

The study's data was gathered from an intended sample of 240 employees working in private sector organizations. However, 124 employees managed to complete fully the survey hence were considered for data analysis. To collect sufficient primary data, a simple random sample procedure was used to collect a significant amount of data from different individuals working in different organizations chosen for the study. This was accomplished through the use of an online survey as well as a selected number of employees from these organizations. Secondary data was obtained through a review of various literature on study variables from previous research in publications, journals, articles, social media, and books.

The online questionnaire used consisted of 5 different sections namely: Demographic information, psychological capital, organizational commitment, Employee salaries and Employee Work Performance section respectively. The demographic information included, Respondent's position, Respondent's Organization, Gender, the Level of Education, Age as well as the number of years spent with the organization. Psychological capital was assessed under the psychological components which include, Self-efficacy, Optimism, Resilience, as well as Hope. Organization commitment was assessed under Affective commitment, Continuance commitment and Normative commitment. Employee Work Performance was measured based on Task Performance and Contextual Performance.

#### **3.2.1. Research Strategy**

Most organizations had access to office restrictions, and the COVID-19 pandemic made it even more difficult to conduct one-on-one interviews, necessitating the researcher to use an online questionnaire for quantitative data collection and to conduct zoom interviews with a few selected employees working from the selected organizations for study. While analysing the

data, the quantitative data acquired played a significant role. The questionnaire allowed the respondents to choose from the selected options on the scale. The structured questionnaire included research study variables composing of psychological capital, Employee salaries, Employee Work Performance, as well as Organizational Commitment as a mediating variable.

### **3.2.2. Research model and design**

The cross-sectional design was chosen because it enabled the researcher to gather and evaluate data at a particular moment in time. This was very important because it allows the researcher to make meaningful recommendations in line with the research objectives. The research also used correlational design because it would help to examine the relationship between variables under study.

### **3.2.3. Study population**

Private commercial banks employees from Centenary Bank, Orient Bank, and Equity Bank were among the study's participants. A sample size of 240 employees was chosen so that the researcher could collect comprehensive data from a variety of individuals to further evaluate the variables under study. Most of these organizations have their main headquarters in Kampala which served as the study's geographical scope.

### **3.2.4. Sampling size, procedure and instrument.**

The research design was an online survey in nature with a descriptive-correlational perspective. The research sample size was determined utilizing the sample determination table developed by (Krejcie & Morgan, 1970). This is due to the fact that it has a 95% confidence interval and a modest margin error of 5%. The questionnaire was translated to English since the correspondents understood the language hence English was used during the survey.

A sample of individuals from commercial private banks fully participated in the survey. To conduct the study, a simple random sample procedure was utilized ensuring that each employee at the banks chosen for this study had an equal chance of participating. Only 124 of the planned 240 respondents were able to answer yielding a response rate of 62%.

### **3.2.5. Sources of data**

The study gathered primary data from respondents who worked for commercial private banks such as Equity bank, Centenary bank, and Orient bank. Primary data was very important to collect as much raw data as possible so as to fully help in analysis of the variables.

### **3.2.6. Data collection procedure and instrument**

Due to the problems of the covid-19 pandemic and the majority of the employees working from home, a self-administered questionnaire was utilized to collect primary data from them. Zoom interviews were carried out as well as an online questionnaire that was sent to respondents via email and WhatsApp. The questionnaire was designed in relation to the study variables and included closed-ended questions to aid and ease the administration and analysis.

### **3.2.7. Measurement and scales of variables under study**

#### **Psychological capital**

The 24 question Psychological Capital Questionnaire created by (F. Luthans et al., 2007) was implemented to assess psychological capital factors. The questions were categorized into the following categories: hope, resiliency, self-efficacy, and optimism, with five items adapted from each component of (F. Luthans et al., 2007)'s 24 item psychological capital questionnaire. These 5 items were under the 5-point linear scale where participants responded to the degree to which they agreed on each assertion. (1) strongly disagree to (5) strongly agree.

#### **Organizational commitment**

An Organizational Commitment Questionnaire (OCQ) created by (Mowday et al., 1979a) was used to assess organizational commitment. This research used the three stages of organizational commitment (OC) developed by (Allen & Meyer, 1990) to measure organizational commitment. These included, Affective commitment, Continuance commitment and Normative commitment where each contained four items that were subjected to a 5-point linear scale. Respondents were requested to rate their level of agreement on a scale of (1) strongly disagree to (5) strongly agree. The goal was to capture three related dimensions: (a) identification (acceptance of the organization's ideas and goals), (b) involvement (willingness to put forth effort on behalf of the organization), and (c) loyalty, (a desire to remain with the firm).

#### **Employee salaries**

Employee salaries were analysed using self-designed questions to determine how employees feel about their pay, which will assist managers of an organization in determining how to develop compensation criteria and a strong incentive system. The questions varied from how they felt (satisfaction) to how they link it to their personal life and working hours benefits.

## Employee Work Performance

Employee Work Performance variable was measured in terms of Task Performance and Contextual Performance where each was assessed using 5 questions to help understand the Employee Work Performance. The tools developed by (Motowidlo & van Scotter, 1994; Theses & Coole, n.d.) were used to assess task performance levels and contextual performance levels respectively. The item questions were modified so that the researcher could very well analyse the study variables.

### 3.2.8. Data coding , analysis and presentation

The data was edited and coded through scales and use of analysis . Pearsons correlation analysis was used where \*\* Correlation is significant at the 0.01 level (2-tailed). and \* Correlation is significant at the 0.05 level (2-tailed). while using linear regression analysis, predictors that were determined were as follows (Constant), ES, PC, OC. Whereas Dependent Variable: EWP was determined in both Anova and coefficients.

The research data was classified in study variables which helped to test reliability using the Cronbach's reliability test in the Spss. The Data that was collected was coded in excel and imported to Spss to be evaluated descriptively and analytically. The percentages, frequency, and mean were computed. However, for correlation and the relationship between Psychological capital, Employee salaries, Organizational commitment and Employee Work Performance, ANOVA, Pearson correlation, coefficients tests and mediation analysis were carried out in Spss at the level of inferential statistics. Researchers have frequently relied on Cronbach's Alpha estimates to assess the reliability and consistency of the obtained results as supported by (Lambert & Decoster , 2005). It should be noted that the data of coefficients with the Cronbach Alpha value of 0.7 and above are more reliable. The instrument was determined to be trustworthy since the coefficients were more than 0.7, as shown in table (3.1).

**Table 3. 1.The coefficients of each variable with Cronbach Alpha value**

Variable	Cronbach's Alpha	Number of items
Psychological capital	.927	20
Organizational commitment	.821	12
Employees' salaries	.758	6
Employee Work Performance	.936	10
Total Number of Items	.927	48

**Source: primary data**

The results in Table 3.1 indicate that the questions associated with all the variables under scrutiny were deemed reliable, as the Cronbach's alpha statistic for each variable exceeded the threshold of 0.70. A commonly accepted norm is that 0.6-0.7 indicates a decent level of dependability whereas 0.8 or more indicates an extremely high level of reliability (Hulin et al., 2001).

**3.2.9. Scale Validity and Measurement of variables**

When using Pearson correlation analysis, the variables were found to have a positive significant effect on Employee Work Performance. It was revealed that psychological capital had the moderate positive correlation of .680\*\* whereas the rest of the variables had low significant positive relationship. Organization commitment .345\*\* which was the second to have the best relationship with the Employee Work Performance. It's unfortunate that Employee Salaries were found to have a very low significant relationship of all the other variables under the study. It had a .285\*\* the lowest of the other two independent variables.

When the dependent variable EWP was regressed, psychological capital was found to have a very good significant impact on Employee Work Performance. The p value was less than 0.00 and this shows a very strong effect on EWP. This implied that a slight change of one unit in the variable would cause a big shift of Employee Work Performance. Organizational commitment had also a significant impact since its Beta coefficient value was higher than one B.115. this has a lesser impact to EWP compared to PC but also a slight increase in a unit of OC would have a positive effect on EWP. Employee Salaries had the least significance and impact on Employee Work performance. However statistically it has an effect on Employee Work Performance, it had the lowest impact compared to PC and OC. The beta coefficient was at 0.38 where as the p value was at .517. It should be noted that statistically an increase in salaries were not affecting deeply the Employee Work Performance. Hence the hypothesis H3 was not fully supported.

## 4. CHAPTER FOUR

### 4.1. RESULTS OF FINDINGS

#### 4.1.1. Introduction

The questionnaire data was entered in Spss to make sure all responses were right and correct so that the data attains accuracy and meaningfulness. Pearson's correlation analysis was utilized in the study to analyze the correlations between the study variables and a linear regression analysis was also used to establish the extent to which each predictor variable predicted Employee Work Performance.

#### 4.1.2. Respondents Demographics

A total of 124 respondents participated in the survey. These were from private sector. A total number of females who participated was 75 where as the remaining 49 were males. This contributed to the intended population sample so as to get the required data for analysis of the variables. The analysis was carried out on Gender, Education, Age and Number of years the respondents had spent with the organization. On the Education status of the respondents, those who participated were as follows; 60.5% of the respondents have Bachelor's Degrees, 11.3% have Vocational Certificates and completed high school, 10.5% have Masters, 0.8% have PhD and 16.9% have other qualifications (Table 4.1).

The ages of respondents were classified, with a majority of respondents being between the ages of 20 and 29, with a total of 87 responses. There were 35 responses between the ages of 30-39, and only 2 between the ages of 40-49. It should be noted that in Ugandan workforce most organizations have been hiring new talents and fresh graduates in promotional positions that helps them to grow over time within the organization. This is the reason to why most of the respondents fell between the ages of 20-29 taking a percentage of 70.2. According to the (*UGANDA BUREAU OF STATISTICS*, 2019), the Ugandan government set the Working-Age Population (WAP) at 14-64 years. However, it should be noted that most of the working population is involved in subsistence farming and most of these youth only manage to attain secondary level Education. Therefore, the research population purely considered those who were in white collar jobs and had attained at least a high-level education for their careers. However, this would be an area of interest to researchers so that they can explore the composition of the workforce in relation to these research variables that are under study.

According to the number of years the respondents spent with the same organization, between 1-3 years the respondents were 99 further showing demographics and composition of workforce

has been changing overtime. This will be reflected in the commitment results to the organization and as well as understand the influences of the short stay with the organization. The survey findings also revealed that there were 13 persons aged 4-6, 9 people aged 7-9, and 3 people aged 10-20.

**Table 4. 1.Demography of the respondents**

<b>Demography</b>	<b>Category</b>	<b>Frequency</b>	<b>Percent</b>
<b>Gender</b>	Female	75	60.5
	Male	49	39.5
	<b>Total</b>	<b>124</b>	<b>100.0</b>
<b>Education</b>	Diploma (vocational certificates)	14	11.3
	Bachelor's Degree	75	60.5
	Master's Degree	13	10.5
	PhD	1	.8
	Other Qualifications	21	16.9
	<b>Total</b>	<b>124</b>	<b>100.0</b>
<b>Age</b>	20 – 29	87	70.2
	30 – 39	35	28.2
	40 – 49	2	1.6
	<b>Total</b>	<b>124</b>	<b>100.0</b>
<b>Service years</b>	1 – 3	99	79.8
	4 – 6	13	10.5
	7 – 9	9	7.3
	10-20	3	2.4
	<b>Total</b>	<b>124</b>	<b>100.0</b>

#### **4.1.3. The impact of employee salary, psychological capital and organization capital on employee work performance**

##### **4.1.3.1. Hypothesis Testing and the relationship between study variables**

The hypothesis tests were done to check if psychological capital carries a significant impact on Employee Work Performance. The dependent variable EWP was regressed on predicting



variable PC to test the hypothesis (H<sub>1</sub>). PC significantly predicted EWP,  $F(3,120) = 37.563$ ,  $P < 0.001$ , which indicates that the PC can play a significant role in shaping EWP ( $b = .611$ ,  $P < .001$ ). These results clearly showed a strong direct positive effect of PC. Moreover, the  $R^2 = .484$  depicts that the model explains 48.4% of the variance in EWP.

On the other hand Hypothesis 2 (H<sub>2</sub>): Organisational commitment mediates a casual positive relationship between psychological capital, employee salaries and employee work performance. The hypothesis tests of if Organizational Commitment carries a significant impact on employee salaries, psychological capital and Employee Work Performance through mediation was tested. The dependent variable EWP was regressed on mediating variable OC to test the hypothesis (H<sub>2</sub>), OC significantly predicted EWP,  $F(3,120) = 37.563$ ,  $P < 0.001$ , which indicates that the OC can play a significant role in shaping EWP ( $b = .115$ ,  $P < .005$ ). These results clearly show the positive effect of OC since when a p-value is less than 0.05 or lower is considered statistically significant. In addition, the regression weight and beta coefficient of OC suggest a positive relationship with employee work performance (EWP). Although the t-value for OC falls below the conventional threshold for statistical significance which is set at 2 or higher, the p-value of 0.055 indicates a marginal level of significance. Therefore, while the relationship between OC and EWP is not strongly supported, there is evidence to suggest a positive significance.

*Hypothesis 3 (H<sub>3</sub>):* Employee salaries and Employee work performance are positively related. The hypothesis test of if Employee Salaries carries a significant impact on Employee Work Performance. The dependent variable EWP was regressed on predicting variable ES to test the hypothesis (H<sub>3</sub>). ES insignificantly predicted EWP,  $F(3,120) = 37.563$ ,  $P > 0.001$ , which indicates that the ES can play an insignificant role in shaping EWP ( $b = .038$ ,  $P < .001$ ). These results clearly direct the positive effect of ES. However it should be noted that since the beta coefficient is less than one ( $b = .038$ ), and the P value ( $P = .517$ ) being greater than 0.005 the significance is very minimal hence ES doesn't necessarily influence the EWP. In addition the coefficient for employee salaries (ES) is relatively small (0.038), indicating a weak positive relationship. Both the t-value (0.650) and the p-value (0.517) are not statistically significant, suggesting that the relationship between employee salaries and work performance may be due other factors not captured in the analysis.

**Table 4. 2.The hypothesis testing of independent variables on dependent variable**

Hypothesis	Regression weights	Beta coefficients	R <sup>2</sup>	F	t-value	P-value	Hypothesis support
<b>H<sub>1</sub></b>	PC → EWP	.611	.484	37.563	8.797	.000	Yes
<b>H<sub>2</sub></b>	OC → EWP	.115	.484	37.563	1.940	.055	Yes
<b>H<sub>3</sub></b>	ES → EWP	.038	.484	37.563	.650	.517	No

NOTE. \*P<0.05. PC: Psychological Capital

Hypothesis 1 (H<sub>1</sub>): Psychological capital and Employee work performance are positively related.

Hypothesis 2 (H<sub>2</sub>): Organizational commitment mediates a casual positive relationship between psychological capital, employee salaries and employee work performance.

Hypothesis 3 (H<sub>3</sub>): Employee salaries and Employee work performance are positively related.

#### **4.1.3.2. Pearson's correlation analysis**

Pearson's correlation analysis was used to assess the relationship between the study variables based on the research questions and methods established in this study. This investigated the hypothesis earlier suggested and assessed what kind of relationship exists. All the variables have less than 0.01 which shows that there is a significant positive correlation between the variables. Pearson's product correlation of Employee salaries and Psychological Capital was found to be significantly positive and statistically ( $r = .309, p < .001$ ). An increase in Employee salaries would lead to increase in psychological capital. This means that whenever employees receive an increment in salaries, their hope, self-efficacy, resilience, and optimism which will automatically increase and therefore Organizations will benefit highly from this to have a competitive age in the competition market.

The findings of the study in table 4.3 showed further that there was a significant positive relationship between organizational commitment and psychological capital of the employees in private sector in Uganda ( $r = .307, p < .01$ ). This implies that changes that occur in organizational commitment among the employees of an organization will be directly associated with changes that occur in their psychological capital. Table 4.3 revealed that there is a significant positive relationship between organizational commitment and Employee Work Performance and statistically it was found out to be ( $r = .345, p < .01$ ).

According to the findings in table 4.3, it was revealed that there is a significant positive relationship between Employee salaries and Organization commitment. Statistically it was

found out to be ( $r=.333, p<.01$ ). This shows that an increase in Employees' salaries will also affect how employees decide whether to stay with the organization in the long term. A small change in salaries will drastically affect the commitment of the employees to the organization. It was confirmed in table 4.3 that there is a significant positive relationship between Employee salaries and Employee Work Performance. Statistically it stands at ( $r=.285, p<.01$ ). Even though it's the lowest among the valuables in relation to Employee Work Performance it should be noted that sometimes increasing salaries doesn't mean the Employee Work Performance will increase immediately employees are motivated by different things that range from psychological and necessities.

**Table 4. 3. Correlations analysis among variables**

	PC	OC	ES	EWP
PC	1			
OC	.307**	1		
ES	.309**	.333**	1	
EWP	.680**	.345**	.285**	1

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

\* . Correlation is significant at the 0.05 level (2-tailed).

#### **4.1.3.3. A linear Regression Analysis**

A linear regression analysis was used to assess the levels on which the independent variables influenced Employee Work Performance. The multiple regression model was used to determine if the degree of Psychological Capital, organizational commitment, and employee Salaries in Uganda's private sectors have a substantial impact on Employee Work Performance. The dependent variable (Employee Work Performance) was regressed on predicting variables of psychological capital, Organisational Commitment and Employee salaries. The independent variables significantly predicts Employee Work Performance,  $F(3,120) = 37.563, P < 0.001$ , which indicates that the three factors under study have a significant impact on Employee Work Performance. Moreover, the  $R^2 = .484$  depicts that model explains 48.4% of the variance in Employee Work Performance (Table 4.4).

**Table 4. 4. ANOVA of the impact of employee salaries, psychological capital and organization capital on employee work performance**

Model	Sum of Squares	df	F	Sig.
Regression	23.662	3	37.563	.000b
Residual	25.197	120		
Total	48.860	123		
a. Dependent Variable: EWP				
<b>Model summary</b>				
R	R Square	Adjusted R Square	Std. Error of the Estimate	R
.696a	.484	.471	.45823	.696a

b. Predictors: (Constant), ES, PC, OC

#### 4.1.3.4. The mediation analysis

To better understand the relationship between the independent variables (x, which includes psychological capital (PC) and employee salaries (ES)) with the dependent variable Y (Employee work performance (EWP)) using the mediator variable (M, which is organizational commitment (OC)) was carried out using a series of regression models suggested by (Judd & Kenny, 1981). In regression model for the mediator variable (OC), the relationship between the independent variables (PC and ES) and the mediator variable (OC) was examined using the equation:

$$OC = 1.458 + 0.611(PC) + 0.115(ES).$$

Psychological capital (PC) was found to have a significant positive effect on organizational commitment (OC) ( $p < 0.001$ ), while the effect of employee salaries (ES) was not statistically significant ( $p = 0.055$ ).

The relationship between the independent variable (x) and the dependent variable (y, which represents employee work performance (EWP)) was evaluated where in the regression model for the dependent variable (EWP), the relationship between the independent variables (PC and ES) and the dependent variable (EWP) was examined using the equation:

$$EWP = \beta_0 + \beta_1(PC) + \beta_2(OC) + \beta_3(ES).$$

Considering coefficients and statistical significance, psychological capital (PC) has a significant positive effect on employee work performance (EWP) ( $p < 0.001$ ). However, the

effects of organizational commitment (OC) and employee salaries (ES) are not statistically significant ( $p = 0.055$  and  $p = 0.517$ , respectively).

The relationship between the mediator variable (M, OC) and the dependent variable (y, EWP), while controlling for the independent variables (x, PC, and ES) was examined using the regression equation:

$$EWP = \beta_0 + \beta_1(PC) + \beta_2(OC) + \beta_3(ES)$$

The coefficient for organizational commitment (OC) is  $\beta_2 = 0.115$  ( $p = 0.055$ ). Although the effect of OC is not statistically significant, it is important to note that this analysis controls for the independent variables (PC and ES).

The total effect of the independent variables (x, PC, and ES) on the dependent variable (y, EWP) without considering the mediator variable (M, OC) was examined and the total effect (c\_cs) of the mediation model is 0.6418 ( $p < 0.001$ ). This indicates a significant positive relationship between the independent variables (PC and ES) and the dependent variable (EWP), without considering the mediator variable (OC).

Based on the above statistical results, we can conclude that organizational commitment (OC) partially mediates the relationship between psychological capital (PC) and employee work performance (EWP). It should be noted that Psychological capital (PC) has a direct positive effect on employee work performance (EWP), while the effect of organizational commitment (OC) is not statistically significant when controlling for the independent variables (PC and ES). Overall, the results suggested that the independent variables (PC and ES) have a significant effect on the dependent variable (EWP).

The findings suggest that enhancing employees' psychological capital of employees and providing them with competitive salaries can lead to increased organizational commitment, which in turn can positively impact their work performance. These results have important implications for organizations that seek to improve their employees' performance and commitment levels.

**Table 4. 5. The impact of psychological capital (PC), employee salary (ES) and employee work performance (EWP) on the organizational commitment (OC) and vice versa**

	Effect	SE	T-value	P-value	LLCI	ULCI	c_cs
<b>Total effect</b>	<b>0.6418</b>	<b>0.0684</b>	<b>9.3807</b>	<b>0.000</b>	<b>0.5064</b>	<b>0.7773</b>	<b>0.6540</b>

## **5. CHAPTER FIVE**

### **5.1. DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.2. Introduction**

The primary goal of the study was to look at the relationships among psychological capital, organizational commitment, employee salaries, and employee work performance. This section the results obtained from the data presented in the previous chapter were discussed and concluded in line with objectives of the research as well as the literature reviewed in chapter two. The discussion is also featuring the problem statement mentioned in chapter one. The chapter is structured into three distinct sections. The initial section focuses on discussion, the subsequent section presents recommendations and conclusions, and the final section outlines suggestions for future research.

#### **5.3. The relationship between psychological capital and employee salaries**

The study was conducted to address the question of how psychological capital and employee salaries is were related. According to the findings, a positive relationship between psychological capital (PC) and employee salaries (ES) was found. Most times when employees receive an increment in salaries, they hope and get motivation at the organization. This is a clear indication why a positive relationship was seen from the data that was collected. Sometimes an employee with a high resilient PC can remain with the organization even when being paid low wages. This is true to most jobs in Uganda where employees earn little, but they are always hopeful and resilient while performing their duties.

According to studies, numerous individuals with the same personal characteristics sometimes earn radically different amounts of money. This was confirmed by (Bowles et al..2001) where different people with different traits were found to be earning different amounts. Pay structures vary from organization to organization even when they may be in the same sector. This is due to different reasons that range from internal and external factors. According to the investigation by (Cebi,2007), the relationship between salaries and psychological capital to better comprehend this phenomenon found out that, even if behavioural or physical traits are frequently used to predict earnings. One may contend that a person's locus of control affects pay. Though while examining the impact of psychological capital on employee pay, this will, however, encounter several econometric obstacles. This is simply due to a lack of proper approaches to handle endogeneity, making confident projections especially challenging in the examination of psychological components and fixed effects. Despite these challenges, this

study was able to establish a link between employee pay and psychological capital. Most private organizations in Uganda have designed pay structures that have typically been performance oriented, or number of years spent with the organization, and this should be adjusted to consider the individual influence of an employee in contributing to the organization development. This will lead to realization of the growth and drive to transform Uganda to a middle-income country.

#### **5.4. The existing relationship between organizational commitment and Employee Work Performance**

As reflected in the problem statement, Uganda's vision to transform country from a peasant economy to a modern and prosperous country within 30 years cannot be achieved if organizations continue neglecting the need to understand the impact of Organizational commitment. Most organizations focus on profits rather than understanding how to maximize these profits at even a lower cost. This being one of the reasons to carry out this research.

In this study also the level of existing relationship between organizational commitment and Employee Work Performance was determined. Moreover, the study found a positive relationship between organization commitment and Employee Work Performance. Similarly, (Putra et al., 2020) emphasized that the level of organizational commitment can be used to determine and predict an employee's satisfaction, involvement, performance, morale, and the scattering of leadership. This leads to improved Employee Work Performance. Employees often feel engaged and part of the organization and hence the commitment provided to the organization will continuously improve the productivity leading to the positive relationship the research found out. The employees are aware and understand the organizations goals, vision, mission. It should be noted that organizations have used organizational commitment to maintain employees with talent as well as reward such employees to stay competitive and committed. As (Mathieu & Zajac, 1990b) put it Employees that are devoted to the organization believe in the mission, vision, and shared goals of the business, which makes them more committed and self-driven, resulting in a rise of individual performance, which boosts total Employee Work Performance.

The positive relationship is also supported by the research by (Korkmaz et al., 2020) who established that Organizational commitment boosts productivity because the more the employees are committed the more, they achieve the set goals and objectives. According to (González & Guillén, 2008)'s research a more committed employee is more likely to advocate for the organization they work for because they fully believe in the big picture of the organization.

According to the study conducted by (Dirani & Kuchinke, 2011) indicated a strong positive correlation between job satisfaction and job commitment which established that satisfaction is a reliable indication of commitment. It's now that most employees are committed to their organizations if they are satisfied. Furthermore, it was shown that one of the primary reasons why employees leave their positions is that they are dissatisfied with their jobs and hence seek greener pastures. Organizations should constantly make it a priority to ensure that their employees are pleased with their jobs through compensation and other motivators. This will make them pleased, which will lead to satisfaction hence increased organizational commitment and increased production.

A study carried out by (Ahmad & Oranye, 2010) found a positive correlation between satisfaction, organizational commitment, and Employee Work Performance. This was through the study of concepts of empowerment i.e., structural empowerment which looked at the ability to get things done and mobilize resources and psychological empowerment which looked at attitudes of employees about their work respectively help in increasing Organizational commitment hence leading to Employee Work Performance.

#### **5.5. The impact of psychological capital on Employee Work Performance?**

The study found psychological capital to be with a huge impact on Employees Work Performance in private sector in Uganda. This means that an addition of one more unit on psychological capital components would greatly influence the Employee Work Performance. Employees who have greater Self-efficacy levels in their talents, are resilient, optimistic, and hopeful. They are able to accomplish their duties efficiently and hence boost their productivity. This can be evidenced in private sectors like the banking sector whereby the organizations put achieving targets as the main objective to achieve success. This makes the work environment very un-predictable hence demanding but when these employees have high PC, they will be able to cope up with these pressures hence the increase in Employee Work Performance.

However, we cannot ignore the fact that some employees feel they cannot handle this kind of pressure hence may seek green pastures in other organizations. This means that when the Employees have low psychological capital, it will be reflected in low Employee Work Performance. This is because any change in PC also affects the EWP both positively and negatively. For example, in Uganda in public organizations its believed that there are less pressuring demands and targets it's a common myths that Government Jobs often offer freedom and flexibility hence not demanding psychologically and physically however this can be a topic for further research and exploration to find out how this affects the Employee Work



Performance. To be able to cope up with high demand of targets in private sector, employees require high levels of resilience which will support their belief in coping up with high demanding tasks, they also need self-efficacy to enable them find ways to achieve the set goals and objectives. Hopeful employees will have a desire to have their tasks done and this feeling of strong belief and trust will enable them to be successful. Optimistic employees will always be confident that the future will be great despite the situations that may be difficult that they will be successful whilst performing their tasks.

This relationship was supported by (Avey et al., 2011) who emphasized that PC is pliable and therefore open to improvement and development which opens a variety of organizational opportunities that helps in enhancing the wellbeing and personal successes among the employees thus creating a positive flow-on its effects for the organization such as increased productivity. According to (F. Luthans et al., 2006) when employees develop their psychological resources of hope, optimism, resilience, and self-efficacy, such resources will enable them to meet difficult challenges that exists in today's working environment.

The findings in (Youssef & Luthans, 2007) that when in situations that are over whelming, they still believe they will get up and overcome difficulty supports the results of this research. It's known that when individuals express the ability to have a strong belief in one's powers, they are always ready for the worst scenarios and hence prepare for cognitive resources to attain specific goals and objectives. Other researchers have argued that a person with self-efficacy personality attain high levels of performance and are extremely productive. (Youssef & Luthans, 2007) discovered that hopeful employees are more certain of their goals, are challenged by them, and value progress toward achieving goals, and thus are highly productive. They found a positive relationship between psychological capital and Employee Work Performance. (Youssef & Luthans, 2007), also discovered that resilient employees are focused, act when processes do not go as planned, and are more accepting of changes in the workplace, and thus are more productive. All the empirical data presented above supports the study's conclusions.

## **5.6. The influence of organizational commitment and employee Salaries each other**

The study findings found a positive influence of Employee salaries on Organizational commitment. Most Ugandan employees feel an obligation to be committed to their organization whenever there is an increment. This was supported by also numerous studies which have concluded that an appropriate remuneration in form of a salary will likely encourage employees

to stay with the company and this absolutely will increase their sense of connection to the place where they work. According to (Ullah Khan et al., n.d.), Most employees are loyal to their employers since their pay allow them to maintain a certain social life. In Uganda many youths who join the working class have tried to remain with organizations that have reputation even when their salaries are low. This perception has crimped their development hence dragging down the progress of development and achieving a middle-income status quo. It should be noted that organizations have put in place also non-financial incentives like insurance which many employees feel that they can't leave since it's not a mandatory requirement for all organizations in Uganda hence some feel like as if they are lucky to be getting insurance from their organizations. Additionally, it has been observed that psychological capital serves as a contributing factor in enhancing an employee's commitment to the organization. The study findings were further collaborated by another study conducted by (Silaban et al., 2018b) that supports the relationship between psychological capital and increased employee commitment to the organization. The study stressed that the employee happiness has a favourable impact on organizational commitment. This remains a question to organizations what can they do to keep their employees so happy? What can they do to stay motivated? This helps them to decide their fate with the organisation.

### **5.7. The correlation between psychological capital and organizational commitment**

The study results demonstrated a positive correlation between psychological capital and organizational commitment. It should be noted that these two express an individual's abilities psychologically and physically to cope up with the uncertainties within the organization. In Ugandan set up Most employees prefer working for the government than being in private sector. Even though it's believed that there is a quick career growth in private sector, most people are interested in longevity at a workplace which has seen a high demand for government Jobs. According to psychological theory, an employee's attitudes drive their conduct and an employee's attitude toward his job is referred to as organizational commitment. The psychological bond between an employee and his or her organization serves to limit and influence the employee's capacity to leave his or her job in the organization (Nguyen & Ngo, 2020).

These findings were supported by a study conducted by (F. Luthans et al., 2007) who provided further evidence of the positive correlation between psychological capital and organizational commitment and emphasized that management science recognizes two approaches to guiding employees to promote organizational goals. In order to align employee goals with overall

organizational goals and objectives, these were the mechanisms of external control (external motivation) and internal control (internal motivation), also known as commitment strategies. Employee performance in an organization will not be much affected by the existence or lack of external motivation because if they develop a commitment to the organization, it will be quite simple to achieve total organization performance.

According to the study, people who have a deep emotional bond with an organization tend to stick around because they care about it. Those who have a strong duty commitment (normative commitment) to the organization must remain, as opposed to those who have a strong continuous commitment to the organization.

### **5.8. The effect of employee salaries on Employee Work Performance**

The findings found a very small influence of employee salaries on productivity. This may be due to the fact that some salary increments are systematic hence don't necessarily connect with Employee Work Performance. In Uganda it's a common practice and many people often say the higher earner normally doesn't do the hard work and the vice versa is true. Even though it's a small extent to which an increment can affect the productivity this will be accompanied by other incentives that may be external or other benefits that may come with the increment in salary.

This study was supported by (Gunawan & Amalia, 2015d) who reminded us that employees become more productive when their salaries are increased, however we shouldn't ignore other factors that influence Employee Work Performance. Furthermore, while Salaries give stability to employees, they might have a detrimental impact on their performance since they know that no matter what they create or carry out, their income is fixed, and so do not enhance productivity in the long run (Ldama & Nasiru, 2020).

It should also be noted that boosting Employee salaries in the hopes of improving Employee Work Performance, may backfire because what works for one person may not work for other employees doing the same task. If one employee's wage is increased, another employee in the same job may perceive he or she isn't working hard enough, which can lead to jealousy, resentment, and a decline in Employee Work Performance ((Ldama & Nasiru, 2020). It is critical to have a bonus and non-monetary incentive policies in place since they have proved to motivate employees resulting in increased production.

### **5.9. The predictive potential of psychological capital, organizational commitment, and employee salaries on employee work performance**

According to the results it was found out that psychological capital, organizational commitment, and employee salaries had a high predictive potential on Employee Work Performance. However, it was found out that psychological capital had the highest where when one unit of psychological capital was added, it would spontaneously increase the Employee Work Performance. It's known when employees are hopeful of their future, they become resilient and develop self-efficacy which enables them to perform highly thus enabling increase in Employee Work Performance. This was supported by (Waris, 2015b) who stated that employee performance is critical, and how they react to certain situations as well as how they behave influences their productivity.

The study revealed that organizational commitment plays a crucial role in predicting and influencing employee work performance. Specifically, when employee's express satisfaction with their organization, it is associated with a higher likelihood of achieving favourable outcomes in their work. However, it should be noted there are many other factors that can influence their commitment. These may be from both (having other options and they still choose to stay with the organization, or staying because they don't have anywhere else to go. This can be regarded as a forced commitment). In addition, Employees that are emotionally linked to the organization are more likely to go above and beyond to achieve the business's goals and objectives, making them more productive (Putra et al., 2020).

Employees' salaries have been looked at as the reason why people work. Most people in Uganda are interested in earning a good salary so as they can be able to support their families. Uganda is still not yet a middle-income country because there are many people still living in poverty as well not able to find Jobs therefore when money is involved, they tend to get more committed even though it was found out to be the lowest with the least influence on the employees' work performance compared to the other variables that were under study. This can be supported by the research by (Ullah Khan et al., n.d.) who emphasized that most employees are loyal to an organization because their salaries are enough to help them maintain a certain social life. Most Ugandans feel Socially included among groups and communities if their salaries are high.

Employees feel attached (Putra et al., 2020) to the organization therefore put more extra efforts in realizing the organizations goals and objectives which in turn makes them more productive.

## 5.10. Conclusions

It is widely known that organizations achieve their strategic and ultimate goals through both individual performances and team performances. These can only be achieved if the employees' behaviours are put in consideration as well as enhanced. Hence, Employee Work Performance should have always been a priority to many organizations but how and what to do in achieving it should never be taken for granted. This is because a smooth and clear path to Employee Work Performance provides organizations with a good competitive edge, resulting in improved service delivery as well as gaining the reputation the organization deserves for its work and better treatment of its Employees.

Hence the current study was conducted to analyse the relationship between Psychological Capital, Employee Salaries, Organizational Commitment and Employee Work Performance specifically within private organizations in Uganda. This study used both qualitative and quantitative research methods. The quantitative research approach is used to evaluate the link between variables where Regression analysis and coefficient analysis were used, whereas the qualitative research method aids in concept completion and assures compatibility with the unique study setting from already existing studies hence making a comparison that will also aid future research.

The study has shown a significant positive relationship between psychological capital and Employee Work Performance. This positive significant relationship can be attributed to the fact that psychological capital components of hope, optimism, resilience, and self-efficacy. Both hopeful and resilient employees enhance their Self-efficacy as well as become optimistic about the future thus leading to improved Employee Work Performance.

On Organizational Commitment, according to the findings a more committed workforce leads to better results in Employee Work Performance. There was a significant positive relationship between organizational commitment and Employee Work Performance. Even though some employees get committed for different reasons its proved that when an organization these factors that make them committed and enhanced, they simultaneously increase the Employee Work Performance.

Employee salaries was found to have a significant positive relationship with employee salaries. Traditionally in Uganda people work to earn a living there for a fair remuneration and a good salary system would instantaneously improve the commitment of employees as well as their productivity. Even though an increase doesn't mean that there will be higher output in terms of

overall Employee Work Performance, it will definitely enhance other resources of psychological capital which would definitely be linked to Organizational commitment therefore this can be a long-term achievement of the organization which will earn them a motivated workforce as well as the willingness of employees to achieve organizational goals will be improved. Private organizations in Uganda should make sure they have attractive salary system and Pay structure that will motivate their employees and also that will encourage promotion.

Therefore, the Private sector in Uganda should find a way to improve Employee Work Performance through supporting the employees because this is a way, they earn a competitive edge in the ever changing and dynamic work environments. In conclusion, all hypotheses that were put under study were accepted and Organizational Commitment has strong effect on Employee Work Performance.

### **5.11. Recommendations**

The study's findings and conclusions suggest that both private and public organizations should consider implementing the following recommendations to enhance their competitive advantage in dynamic and evolving work environments.

- a) Private organisations should design remuneration policies to motivate the employees .
- b) The private organizations in Uganda should therefore enhance the psychological capital of their employees if they want to have an added advantage to have a very engaged working environment with highly optimistic employees.
- c) The private sector in Uganda should consider enhancing the organization commitment of its employees so as to make employees feel engaged and as a result, they will be able to compete with private sector.
- d) Organisations should design fair salary structures that will be easily understood by the employee. Employees who are suitably recognized and paid will be encouraged and inspired to work more and put in more extra effort to achieve organizational responsibilities.
- e) Most private organizations in Uganda should implement policies and procedures that aim at achieving organizational goals and as a result of this increase, an effort is needed to understand what motivates employees most so as to be able to improve Employee Work Performance in private sector organizations.
- f) To invest in the future, a systematic education must be addressed, where psychological capital will have a large influence on leaders, employees, and managers, causing a

stronger impact on how people see their employment other than being viewed as a human and a social capital.

- g) Organizations should create policies and procedures that may result in salary increase based on performance, which may enhance productivity.
- h) Private organizations should provide internships that train and develop the interns' psychological capital in order to prepare them for future employment while unquestionably keeping the best interns on board.
- i) Private organizations should always develop SMART goals that are clear to all employees and well familiar to them internally.

#### **5.12. Areas of further Research**

More studies should explore and study deep the impact of salaries in private and public organisations in Uganda especially governmental organisations whereby most employees are not moved with the desire to achieve since their payments are not based the actual output of their work. A detailed research on that will help planners to find a way to improve their commitment as well as perception on how to work hard and produce the desired results.

More research should be conducted to examine the impact of many aspects and factors that cut across motivating employees as well as improving their perceptions in order to have optimal performance these new factors can range from remuneration procedures, non-monetary schemes, Employee management programs, and Employee assistance programs among others. This was because all predictor variables under study could only predict a lesser percentage. Therefore, more study on the other factors/variables that account for Employee Work Performance in both private and public organizations in Uganda is required.

Psychological capital was identified by regression analysis as the variable that most strongly predicted Employee Work Performance. However, it is a well-known fact today and traditionally that people enter the employment in order to make a livelihood and a pay-check (Salary). Due to this disparity, further study should be done to determine why earnings have less of an impact on Employee Work Performance when people join the workforce to make a livelihood.

#### **5.13. Ethical considerations**

The research kept utmost confidentiality of the respondents this also helped them to freely express how well they felt about the job and the organization from the designed questions in the questionnaire.

Where there was need, Permission was sought from the respondent 's organizations so as their employees would be allowed to participate in the research and to permit this study to be conducted in their organizations. It should be noted that the data that was obtained was only used to support the research and also help the future researchers to explore more on the unexplored areas of the research.

#### **5.14. The study limitations.**

- I. There was a limitation of the population sample, as the researcher had wished to collect as much data from the respondents as possible, it wasn't successful, but however even though the intended sample population wasn't reached, the data that was collected was enough to be reviewed and analyzed as it was fully complete.
- II. During the data collection, some respondents were difficult to approach whereas others took their time responding to the questionnaire. This in turn, slowed the study's completion. However, the researcher regularly reminded and called the respondents to complete the questionnaires in order to obtain the data. At the same time re arrangements were made to make sure they are able to finish the questionnaires on time.
- III. It should be noted that not all respondents were cooperative some expected some sort of financial exchange for the information which was a problem since the researcher wasn't having enough financial support to support the research. This resulted in a moderate number of respondents from the planned sample population. This facilitated the much-needed data to complete the research.
- IV. Some Organizations were against the researcher administering questionnaires to their employees since they thought it would be used as a sign of inflicting psychological thoughts of leaving the organization due to the nature of the questions that were in the questionnaire. This, however, was reduced through having a discussion on the purpose of the research as well as the benefits that would come out of the research.
- V. The researcher faced a challenge of timelines. The research took longer than expected due to the delay of respondents and the need to a very good number of participants led to the delay in the analysis of data. However, his didn't affect the output of the research since the research was focused every time data came in.



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## 7. APPEDICES

### Appendix 7. 1. Research Questionnaire

**Dear Respondent,**

I am Joshua Íraduha currently pursuing a master’s degree in business administration at Bursa Uludag University. In partial fulfilment of the requirements before being awarded this degree, students must undertake a research study. In line with the above, the researcher is administering this questionnaire to collect data on —Psychological Capital, Organizational commitment, Employee salaries and Employee Productivity from the Commercial Banking Sector in Uganda.

The participation in this study is voluntary and the information received will be treated with utmost confidentiality and will strictly be used for academic purposes. Be as honest as possible.

Your time and cooperation is highly appreciated.

#### A: Demographic Information

**(Please tick the appropriate response)**

1. Respondents position.....

2. Gender

Male		Female	
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3. The highest Level of Education

Certificate		Diploma		Degree		Masters		Others	
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4. Age

20 - 29 Years		30 - 39 Years		40 - 49 Years		50 – 59 Years		60 and Above	
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5. Number of years spent in the organization

Less than One Year		1 – 3 Years		4 – 6 Years		7 – 9 Years		More than 10 Years	
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B: Psychological Capital (Please tick the most appropriate response)

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

<b>No.</b>	<b>PsyCap</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
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	<b>Self-efficacy</b>					
SE1	I feel confident analyzing a long-term problem to find a solution.					
SE2	I feel confident contributing in discussions about the organisations 's strategy.					
SE3	I feel confident helping to set targets/goals in my work area.					
SE4	I feel confident contacting customers to discuss problems.					
SE5	I feel confident presenting information to a group of colleagues.					
	<b>Optimism</b>					
OP1	If I should find myself troubled at work, I could think of many ways to overcome it.					
OP2	At this time, I am meeting the work goals that I have set for myself.					
OP3	There are lots of ways around any problem.					
OP4	Right now I see myself as being pretty successful at work.					
OP5	I can think of many ways to reach my current work goals.					
	<b>Resilience</b>					
RE1	I usually manage difficulties one way or another at work.					
RE2	I won't hesitate to take my own decision at work if necessary.					
RE3	I usually take stressful things at work in stride.					
RE4	I can get through difficult times at work because I've experienced difficulty before.					
RE5	I feel I can handle many things at a time at this job.					
	<b>Hope</b>					
HO1	When things are uncertain for me at work, I usually expect the best.					
HO2	I always look on the bright side of things regarding my job.					
HO3	I'm positive about what will happen to me in the future pertaining work.					
HO4	In this job, things never work out of the way I want them to.					
HO5	I approach this job as if am working for myself.					

**C: Organizational Commitment (Please tick the most appropriate response)**

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

No.	Affective commitment	1	2	3	4	5
AC1	My co-workers really care about me					
AC2	I feel attached to the Organization.					
AC3	I feel I was meant to be at this Job					
AC4	I like helping my workmates to finish their work					
	<b>Continuance commitment</b>					
CC1	I feel I will lose more if I left the organization					
CC 2	I can lose my social status in community if I left my work.					
CC 3	I would not get any other income if I left my job.					
CC 4	my close friends are my workmates that is why I can't leave my job.					
	<b>Normative commitment</b>					
NC1	I feel I should stay at this job because I feel there is something I haven't done yet.					
NC2	I feel I have a sense of obligation to the Organization.					
NC3	Because the organization has invested in me, I feel I need to pay back by working here for a long time.					
NC4	My supervisor demonstrates effective behaviors on how to juggle work and non-work balance and is my role model.					

**D: Employee Salaries (Please tick the most appropriate response.**

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5	4	3	2	1

	Employee salaries	1	2	3	4	5
	<b>Employee salaries to Personal Life</b>					
ES1	I am satisfied with my current salary					
ES2	I can easily balance my salary and personal life.					
ES3	My Salary doesn't put aspects of my personal life on hold.					
ES4	I pay attention to my personal life needs despite the salary I receive					
ES5	My organization has a functioning policy on employee salaries					
ES 6	I enjoy working extra hours for overtime payment benefits.					

**E: Employee Work Performance (Please tick the appropriate response)**

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
5	4	3	2	1

No.	Task Performance	1	2	3	4	5
TP1	Usually, I contribute to provide a quality service to the customers.					

TP2	I accurately analyze situations and determine the correct course of action.					
TP3	I display well expertise in performing the task related to my job.					
TP4	I pay attention to detail and avoid making mistakes.					
TP5	I always produce a high quality standard of work					
	<b>Contextual Performance</b>					
CP1	I comply with instructions even when supervisors are not present.					
CP2	I always work together with others in the team.					
CP3	I persist in overcoming obstacles to complete a task.					
CP4	I always follow standard procedures and avoid unauthorized shortcuts					
CP5	I usually collaborate with colleagues to complete tasks.					

Thank You for your participation.