

**TO ESTABLISH THE EFFECT OF RENUMERATION  
STRATEGIES ON EMPLOYEE PERFORMANCE IN THE  
BANKING SECTOR**

**(A Case Study of Meru Standard Chartered Bank)**

**By**

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## ABSTRACT

The purpose of the study was to establish the effects of remuneration strategies on employees' performance in the Banking sector a case study of Meru Standard Chartered Bank. The general objective of the research was to determine the effects of remuneration strategies on employee performance in an organization while the specific objectives were; To determine the effects of Meru Standard Chartered Bank staff monthly allowance on employee performance, To find out the effect of the Meru Standard Chartered Bank staff bonus pay structure on employee performance, To determine the impact of Meru Standard Chartered Bank staff welfare scheme on employee performance, To determine the effects of the organization's base pay practice on employee performance. The research design was descriptive survey design in order to describe the characteristics of variables in this study. The target population was the Meru Standard Chartered Bank staff totaling 114 respondents. A sample of 72 members was selected from all the departments. For an equal chance of interviewing respondents stratified sampling methods was used. The population was divided by department and a random sample taken from each department. Primary data was collected using standardized questionnaires which were administered to the respondents. The collected quantitative data was analyzed using SPSS student 17.0 version and Excel computer programs by grouping data, running the data in frequencies and percentages and interpreting the frequencies. Qualitative data was analyzed and inferences drawn from it for interpretation. The data from the questionnaire was presented in form of tables and charts for easier communication and comprehensible visual impressions. The results from the study clearly indicated the effects of remuneration strategies by an organization on employees' performance. From the study, 39% of respondents said basic pay based on position and qualification was very important aspect that affects their job performance. Monthly allowance given to employees also had effect on performance where majority 37% said it affected their performance. Asked about its importance, 64% indicated that it was actually important aspect that influences their performance at work. Paid leave and medical scheme were indicated as the most important factors that affected employees' performance in Meru Standard Chartered Bank. Qualitative data collected revealed also majority of respondents' favoured management and their superiors adopting individual aspects especially job security and safety of the worker at work due to nature of work and being prone to contracting diseases to have a cover and protection on the same. In summary all factors looked by this study had to some degree some effect but medical leave and safety stood out as major factors that influence employees performance at work place in Meru Standard Chartered Bank. The study recommended management to establish effective remuneration strategies that have the greatest effect on employees' performance in service delivery in the commercial banking sector. Based on the findings the researcher concluded that staff medical scheme and holiday vacation to be given more emphasis by management to boost staff motivation in service delivery. Consequently another research could be done to establish which factors influence staff satisfaction in commercial banking sector thus there is room for further research in the same area