© IJARHS July 2026, Volume 5, Issue 2 ISSN: 2957-8671 (Online)

International Journal of Advanced Research & Higher Studies (IJARHS)

DOI: https://doi.org/10.70818/ijarhs.v05i02.2026.260202

Strategic Human Capital Management through Reward-Driven Commitment and Impulsive Behavior Control: The Role of Employee Loyalty in Private Higher Education Institutions

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ABSTRACT

In the face of academic excellence, organizational stability and competitive advantage, management of human capital is now becoming more of a challenge in privately-owned institutions of higher learning. This paper will explore how human resource reward programs influence the behavior at workplace and specifically how the element of employee loyalty can be used as a moderating variable in reducing impulsive behavior in academic employees as well as administrative employees. A systematic review that reviewed forty-four peer-reviewed studies that were published between 2000 and 2025 measured HR reward mechanisms, organizational commitment and occupational behavior. Results have demonstrated that well-structured financial and non-financial reward system can enhance the employee commitment by promoting fairness, recognition and career support. The loyalty of the employees will make them emotionally attached to the institutions they work in and they will be able to make a thoughtful and responsible decision as opposed to impulsive decisions. The study also brings out the strategic importance of reward management being incorporated in the broader human capital development initiatives in privately provided higher education.

Keywords: Strategic Human Capital Management, HR Reward Systems, Employee Loyalty, Workplace Impulse Behavior, Organizational commitment

1. Introduction

The high rate of growth of the private higher institutions has significantly changed the face of higher education in the world. The same applies to Bangladesh whereby the growth has followed the rise of the private universities as a national developmental, human capital development and knowledge development player. Regardless of the fact that such institutions provide new opportunities to learners and faculty, they are also faced with significant managerial issues of the employee motivation, retention, and organizational efficacy. The human resource management has thereby invested itself as a conclusive determiner towards curbing these challenges. Universities have academic and administrative staff that engage in integrity, ingenuity, and diligence and, hence, formulation of sound HR policies is priceless in productivity, job satisfaction, and institutional viability. Employee motivation and behavior management are one of the most potent motivation engines and reward systems among other HR practices (Armstrong, 2020; Dessler, 2017).

The reward systems usually entail the monetary rewards comprising of salaries, bonuses and allowances and the non-financial rewards which entail recognition programs, and research support, career development opportunities and career advancement. These rewards not only dictate motivation but also other attitudes such as loyalty, commitment and job satisfaction. Despite the fact that there is a lot of writing on HR reward system and employee motivation, relatively little literature has been carried out on the implications of the same in the context of behavior stability in the academic arena. One of the areas of interest that need to be investigated is the impulsive behavior at the workplace. This type of behavior is defined as those that are done without proper planning or consideration and they are often caused by emotional reaction or emergent situations (Baumeister, 2002). Academically, hasty decisions may cause a contradiction, ineffective administration or disorganization in the school.

The loyalty of employees takes a central position in shaping the reaction of the staff towards organizational policies. The committed employees are usually more committed more professional relationship and have greater responsibility in decision making processes. Meyer and Allen triadic model of organizational commitment refers to the fact that affective, continuance and normative commitment reflect the loyalty (Meyer and Allen, 1991). When employees believe that their organizations are working with them and attentive to them, the employees will align their behaviors with those of the organizations.

The paper is an effort to elaborate the effect of the HR rewards programs on employee loyalty and vice versa on impulsive behavior at the workplace. By analyzing the case of Bangladesh and the private institutions of higher education, the research contributes to the literature of strategic human resource management as well as offers a practical input to the policy makers and the university administrators.

2. Literature Review

HR reward programs refer to those methods used by organizations to pay individuals and recognize their input. Armstrong (2020) assumes that reward management combines monetary compensation with recognition tools and career growth prospects in order to promote the desirable behavior. Financial incentives include salaries, bonuses and performance bonuses and allowances. These are rewards that specifically meet the economic needs of employees and they act as strong incentives to high performance. According to Rynes, Gerhart, and Minette (2005), compensation policies have a strong effect on employee performance, employee satisfaction, and employee retention.

Non-financial incentives include appreciation, advancement, career development, working hours, and conducive working conditions. In the context of the higher education, non-financial rewards are often of special importance, since academic professional's value intellectual recognition and developmental opportunities (Liu and Huang, 2018). Loyalty of employees is deep psychological attachment to an institution. The committed employees will stick to the organizational objectives and will exhibit responsible work behavior. Mowday, Porter and Steers (1982) argued that job performance, absenteeism and turnover are controlled by organizational commitment.

Meyer and Allen (1991) theorized organizational commitment as an aspect of three dimensions that involve affective commitment, continuance commitment and normative commitment. Affective commitment is the emotional attachment of an individual to the organization, continuance commitment is the perceived costs of leaving the organization and normative commitment is moral obligation to remain in the organization. The HR reward systems have been demonstrated to greatly influence the loyalty of the employees. Performance is appreciated, performance-based appraisal systems are open-minded, and there is fair pay which boosts confidence in the management of the organization (Allen and Meyer, 1990).

Impulsive behavior at work is a spontaneous behavior that is performed without thinking and planning. Baumeister (2002) considered such behavior to be the consequence of the inability to regulate oneself and negatively affecting the process of decision-making. This impulsive behavior in an organizational context may be in the form of unplanned administration, emotional reaction to conflict or unfair application of policies thereby negatively influencing organizational productivity and undermining the relationship between professions. A few of the researchers have suggested that HR reward systems psychologically influence employee behavior that encompasses motivation and organizational commitment. They also build a greater degree of loyalty to their organizations by making employees feel that reward systems are just and significant. Reward incentives are therefore mediated by loyalty to change to responsible behavior at the workplace. The loyal employees place interest of the long run institution interests ahead of short run personal interest hence curbing impulsive behavior.

Human capital theory stresses the fact that employees are priceless organizational assets whose knowledge, skills and abilities are important in the achievement of institutional success (Wright and McMahan, 2011). In the academic world, professors and administrators are the key players in quality of teaching, research output and growth of the institution. Therefore, strategic human resource management practices cannot be done away with in order to realize the human capital potential. Motivation of employees and promotion of productive behavior are based on reward management. Armstrong (2020) described reward systems as monetary and non-monetary rewards, which are applied to acknowledge the efforts of the employees and ensure the success of the organization. Direct economic benefits are granted by monetary rewards including salaries, bonuses, performance incentives and allowances, which may have impact on motivation and retention.

Non-financial rewards have however been argued to be able to influence employee attitudes as well particularly in the academic setting. Recognition enhances the feeling of achievement and belonging among employees, as well as promoting opportunities, research support, and professional development programs (Liu and Huang, 2018). Intellectual acknowledgement and professional development are also valued by academic workers, who usually do not consider monetary rewards as the most important factor. In addition, organizational justice is also associated with reward systems. Organizational commitment and trust in leadership are more likely to be demonstrated by the employees when they feel that the process of reward distribution is fair and transparent (Gupta and Shaw, 2014).

The significance of employee loyalty is well-established as a factor towards the success of organizations. Loyalty is a psychological attachment of the employees with the organization and thus determinant of their readiness to put resources to the institutional objectives. Meyer and Allen (1991) proposed a triadic model of organizational commitment and involves affective, continuance and normative commitment. Affective commitment means the emotional attachment, and continuance commitment is a perceived cost of quitting and normative commitment is a moral obligation to remain.

Empirical research reveals that fair compensation, career development opportunities and recognition programs are HR practices that have a considerable impact on employee loyalty (Allen and Meyer, 1990). Employees are likely to be committed and work towards the success of an institution when they feel committed and supported. The question of employee loyalty is particularly noteworthy in the domain of higher education, where academic work presupposes cooperation, intellectual work, and commitment to the latter in the long run. The loyal employees put more efforts in teaching, research, and institutional services (Islam et al., 2020).

Impulsive behavior at the workplace is a set of impulsive behavior actions that do not require any planning or thinking. This behavior is often a result of emotional responses, time constraints or lack of self-control (Baumeister, 2002). In organizations, impulsive behavior can be exhibited by making spontaneous decisions, escalating the conflict, or unequal application of policies, and this contributes to inefficiency, relationship, and reputation. According to Baumeister, Vohs, and Tice (2007), impulsive behavior is as a result of the breakdown of the self-control mechanisms. Employees who are not highly committed to organizations or have no emotional attachment can make short-term personal interests to be more important than long-term institutional objectives. Impulsive choices can affect policy in academic institutions, academic reviews, and relationships between scholars. The reduction of impulsive behavior will, therefore, be critical to maintaining professional integrity and stability of the institutions.

A number of researchers have hypothesized that the HR reward systems affect the behavior of employees indirectly via psychological aspects of motivation and organizational commitment (Malhotra et al., 2007). The reward systems that are seen as fair and significant encourage the employees to be emotionally attached to their organization and hence motivate them to work towards achieving the institutional goals instead of focusing on personal interests in the short term. Employee loyalty is therefore an intermediate mechanism that transforms reward incentives into responsible behavior at the workplace. Employees who are loyal are more self-contained, cooperative, and professionally accountable. In the context of the private sector in higher education, where teamwork and scholarly cooperation is an indispensable element, the reinforcement of employee loyalty can significantly inhibit impulsive behavior and lead to long-term sustainability of the institutions.

3. Objectives of the Study

Main Objective:

The main aim of this research is to explore the strategic value of human capital management in determining the employee behavior in the privatized institutional higher education, especially the impact of HR reward systems in employee loyalty and subsequent decrease in impulsive behavior in workplace.

Specific Objectives:

a. Test the hypothesis of how the financial and non-financial HR reward programs enhance the employee motivation and institutional commitment in the private higher education institutions.

b. Examine how HR reward systems relate to employee loyalty as one of the relevant aspects of human capital development.
c. Explore how employee loyalty affects impulsive behavior at place of work, especially in the academic and administrative decision making processes.
d. Investigate the moderating role of the employee loyalty in the transformation of HR reward incentives into responsible and stable workplace behaviors.
e. Florence, develop a conceptual framework of strategic human capital management that incorporates reward systems, employee loyalty, and behavioral outcomes in the private universities.
f. Present viable suggestions to the university administrators and HR managers on how to improve their reward management initiatives that will encourage sustainable institutional performance.

4. Conceptual Framework

The conceptual framework of this research study is that, the workplace impulsive behavior is influenced by the HR reward programs in employee's loyalty.

Independent Variable: HR Reward Programs: These include monetary rewards (ex: salary increment, bonuses) and non-monetary rewards (ex: recognition program, training opportunities, career advancement paths).

Loyalty of employees to the organization: Employee loyalty reflects the psychological connection between employees and their organization that promotes behavior that protects the interest of the institutions.

5. Methodology

The study is a systematic literature review, which aims at examining the interplay between HR reward programs, employee loyalty, and impulsive behavior at the workplace. Peer-reviewed academic journals, books, and conference papers were used as the source of secondary data. Forty-four academic articles of the last twenty years (2000-2025) were reviewed. Such articles were located in academic databases like Scopus, Web of Science and Google Scholar based on the topicality of the subject of the study. To examine the patterns and relationships between the key variables, the thematic analysis has been chosen to analyze the selected literature. The discussion was based on three major themes, which are reward systems, loyalty of employees and the resultant behavior in organizations.

Although the study relied on secondary sources, systematic reviews enable the researcher to combine the existing data and develop theoretical frameworks, which will be employed to conduct the empirical study in the future.

6. Discussion and Analysis

The critical analysis of available literature highlights the powerful effect of HR reward systems on employee attitudes and behavior. Monetary rewards like performance bonuses will increase motivation but non-financial rewards like recognition and career growth opportunities will increase emotional attachment to the organization. Staff loyalty turns out to be a key mediator in HR reward practice and workplace behavior. When employees believe that the reward systems are equitable and supportive, they will develop more trust in organizational leadership and become more responsible in their working roles.

In addition, the organizational justice has a critical impact on perceptions of employees. Open and fair reward system fosters co-operative and considerate behavior. Collaboration and academic integrity are essential in a private higher education institution; therefore, mitigating impulsive behavior is especially important. The HR reward policies can thus be an important factor towards bringing stability and professionalism to the academic environment. The literature review discussion shows that strategic human capital management plays a central role in the determination of employee attitudes, commitment and stability of behavior in the private higher education institutions. The HR reward systems, employee loyalty, and organizational justice perceptions all play a role in employee reaction to challenges and institutional policies in the workplace.

6.1 Effect of HR Reward Systems on Employee Motivation and Behavior

The literature is unanimous that HR reward systems play a crucial role in employee motivation and behavioral outcomes. Reward programs are strategic tools that help in directing the behavior of employees and bolster positive behavior. Monetary rewards-salaries, bonuses, research allowances and performance based rewards are directly affected by the economic expectations of the employees, which enhances efficiency and the alignment of the institutions. As an indicator, numerous private sector universities are more likely to award faculty research grants, or bonuses on publication thereby motivating scholars to create more research and adhere to high standards of professionalism.

Other incentives, which do not involve finances, are also very significant in the attitude of the employees. Profitability is achieved by boosting the sense of professional identity and belonging via recognition, career building opportunities, conference sponsorships and promotional channels. As an example, the positive psychological effect of the recognition of the teaching excellence of a faculty member by the public on both the individual and colleagues strengthens emotional bonds to the institution. Academic professionals tend to view non-financial rewards as similar to monetary rewards in terms of providing the academic professional with a chance to develop as a career, go to international conferences, and do so in a leadership role in an academic committee, which will bring both long-term satisfaction and commitment.

6.2 Mediating Factor Employee Loyalty

The employee loyalty becomes a valuable explanatory variable of the impact of HR reward systems on workplace behavior. Loyalty indicates the level of emotional and psychological determination that employees have with their institution. Once the reward systems are seen to be fair, meaningful and supporting, employees gain increased trust towards the organizational leadership, which consequently leads to increased responsibility and professionalism in the day to day operations. Loyal workers are more concerned with the interests of the institutions and are long-term oriented to organizational objectives.

Take the example of a faculty member who is regularly rewarded because of teaching excellence; this type of reward can result in the development of a strong sense of belonging and thus, this will promote efforts towards institutional activities, mentorship and active involvement in academic committees, which are behaviors that represent the good effect of loyalty on engagement in the workplace. On the other hand, workers that are not well attached to the organization can react in an impulsive manner to stress or managerial judgments. The content in this section addresses the topic of organizational justice and perceptions of fairness.

Attitudes are carefully formed by organizational justice, which is the level of perception of fairness among employees in the process of making decisions, resource distribution, and rewards distribution. Open reward systems will foster confidence in leadership and lead to cooperative behavior, teamwork and professional accountability. On the other hand, unfairness or favoritism is perceived as dissatisfaction, conflict and de-motivation. An example is that, merit-based promotion criteria make faculty more accepting of outcomes, and promotions based on personal relationships destroy dedication. Clear performance appraisal systems are therefore necessary to enforce fairness and maintain trust among employees.

6.3 HR Reward Systems and Minimizing Impulsive Behavior

The impulsive workplace behavior, which is spontaneous behavior that is undertaken without thinking or taking into account the long-term consequences, may be as a result of emotional response, stress at work or dissatisfaction with the policy. Impulsivity can be countered through strategic HR reward systems that enhance the commitment and emotional attachment of the employees. The more employees are made to feel valued and supported, the more likely they are to use deliberative and responsible decision-making. Leaders in academic environments who are faced with the stress of rapid course decisions, or are required to provide research funding are more inclined to engage others and refer to long-term goals in a culture that values fairness, cooperation and appreciation. These situational factors decrease the risk of hasty administrative measures. Patience and professionalism are also expressed by the faculty members who are well-fined by the constant funding of research, training programs, and career development opportunities.

6.4 Implications to the Private Higher Education Institutions

Higher education institutions in the private sector are extremely competitive, and reputation, research output, and student satisfaction are the key factors to long-term success. Retaining a loyal and dedicated human resource is a strategic concern. Good HR reward policy is capable of increasing **organizational** stability through spreading of positive attitudes towards employees and decreasing impulsivity. Comprehensive reward systems are more likely to keep talented faculty members and sustain high level of academic performance in institutions that invest in them.

6.5 The synergist approach to Human Capital Strategy and Reward Management

The discussion highlights the need to incorporate HR reward systems into wider human capital management strategies. Reward programs cannot be isolated HR practices but must be in line with institutional vision, academic objectives and employee development initiatives. Human capital development programs - including leadership training, mentoring systems and research collaboration initiatives strengthen the employee's professional capabilities and long term commitment. When these efforts are coupled with sound reward policies, a conducive environment that helps in bringing responsible behavior is created.

7. Findings

The systematic review recognizes four important findings on HR reward system, employee loyalty and workplace impulsive behavior. To start with, HR reward programs significantly increase employee motivation and organizational commitment; both monetary and non-monetary rewards help to increase satisfaction and engagement.

Second, the employee loyalty has a crucial impact on the behavior of the workplace. Unless employees are treated as valued, they will exhibit a stronger emotional attachment and professional accountability, as they will be more interested in the institutional goals, as opposed to their personal interests.

Thirdly, organizational justice transparent, reward allocation based on merit enhances trust in leaders and reduces the perceptions of biasness.

Fourthly, the employee loyalty works as the mediator that transforms the reward incentives into responsible workplace behavior.

Lastly, the more employees are loyal, the less impulsive behavior they have, more emotionally bound employees to their institutions make more deliberative decisions.

8. Recommendations

a. Upon these results, the following recommendations are promoted in improving the management of human capital and the HR reward strategy in the case of the private higher education institutions:
b. Establish elaborate reward mechanisms that combine both monetary and non-financial reward mechanisms.
c. Make sure that there is a balanced reward system to ensure financial and professional motivation.
d. Invest in the development of human capital by training, leadership and research support.
e. Offer sound professional development opportunities, such as workshops and international conferences.
f. Encourage open assessment and compensation of rewards to maintain employee confidence.
g. Promote participatory management in order to increase participation and loyalty.
h. Enact measures that promote sound decision-making and professional behavior.
i. Make rewards systems consistent with institutional objectives and explain the role of performance in success.
j. Maintain positive organizational culture which embraces teamwork, professionalism and integrity.
k. Monitor and assess reward practices continuously to be fair and relevant.

9. Conclusion

In this research, the strategic role of human capital management in defining employee behavior in the private higher institutions of learning in Bangladesh was studied. By analyzing the existing literatures on HR reward systems, employee loyalty and workplace behavior the study gives an in depth understanding of how employees act, their attitudes and the position of organizational policies in the behavior and decision making of the employees.

Results affirm that reward management is more than compensation but a strategic tool of developing human capital and maintaining organizational stability. Effective reward systems enhance morale among employees and the psychological commitment. Loyalty and commitment is increased when the employees feel the rewards are fair and substantial. This means that employee loyalty is the mediating factor that determines how the reward incentives will be transformed into responsible workplace behaviours and thereby reduce impulsive behaviours that can compromise the institutional harmony.

The private higher education institutions operate in the competitive environments, in the context of which it is impossible to operate sustainable and dedicated human capital. Integration of reward schemes, employee development and participatory management through strategic HR practices play an important role in performance and sustainability of the institution. Subsequent research should develop on these insights with empirical data and cutting-edge research such as structural equation modeling and longitudinal research to evaluate how HR reward policies alter across time and the impact they have on workers in terms of attitude and behavior.

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