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The Impact of Reward Management on Employee's Performance in the Nigerian Banking Sector

¹Chimeziem C. G. Udeze, ¹Joy Nonyelum Ugwu and ²Opara Nkechinyere Aku

¹Department of Accountancy/Business Administration Faculty of Management Sciences
Alex Ekwueme Federal University, Ndufu-Alike Ikwo, Ebonyi State, Nigeria.

²Department of Business Administration Our Saviour Institute of Science and Technology
(OSISATECH) Polytechnic Enugu, Nigeria.

ABSTRACT

This study on the impact of reward management on employee's performance in the Nigerian banking sector, specifically sought to assess the nature of the relationship between reward structure and employee motivation, examine how recognition of excellent performance affects employee's job satisfaction and investigate the effect of promotion on employee's commitment. The survey research design was adopted. The population for the study was 6,060 staff from fifteen (15) deposit money banks (DMBs) purposively selected from the five (5) states in South-East Nigeria. The sample size of 546 was obtained using Godden's statistical formula for calculating sample size from a finite population. Proportional stratified random sampling formula was used to calculate the proportionate sample size for the clusters. The Questionnaire was used to collect data from the respondents after being validated by experts from the industry and academia; out of the 546 copies of the questionnaire administered, 524 were returned and used for the analyses while 22 copies were not returned. Data were collected through primary and secondary sources. The hypotheses were tested using spearman correlation, ordinal logistic regression and chi square. After the analysis, the study revealed that there was a positive relationship between reward structure and employee motivation ($r = .872$, $p = .002 < .05$); recognition of excellent performance positively affected employees' job satisfaction ($\beta = 14.292$, $p = 0.007 < 0.05$) and promotion positively affected employee's commitment $\chi^2 (1) = 124.239$, $p < .05$. Based on the findings, the study recommended that human resource managers in every organization especially DMBs should ensure that they develop reward structures that are able to take care of the diverse motivational needs of their employees. DMBs should ensure that they fairly reward ethical behaviour and excellent performance. DMBs should make available variety of promotional opportunities in order to get their workforce committed to organisational goal.

Keywords: Reward Management, Employee's performance, reward structure, recognition of excellent performance.

INTRODUCTION

The contemporary business environment has been overwhelmed with stiff competition alongside the unbelievable advancement in technology and globalization this have caused organisations to become more sensitive as their concern to improve their competitiveness by maintaining their productivity increases by the day. To

survive in this dynamic and competitive business environment in the banking sector, forward looking organisations have therefore invested so much time and finance in their workforce as they believe that the most veritable of all organizational resources is the workforce and this has made most organization to place utmost priority and concern on

their employees to be able to motivate them to high performance. An Organisation's competitiveness depends on its performance which consequently depends on its employees' performances. If human resource management (HRM) invests in human capital, it's only logical that they expect a fair return on investment; reward management recognizes that rewarding people differently on the basis of their individual contributions is then the proper thing to do [1].

Employees, literally called human resources in the contemporary workplace, have been considered the chief eminent organisational assets. Most businesses now have the line in their promotional activities saying "Our employees are our most important asset". Modern organizations need to take care of their assets and when it comes to employees then taking care means satisfying them, rewarding them, by fulfilling their wants, both financial and nonfinancial [2].

The best way for deposit money banks to retain skilled and proficient workforce is to provide an environment where employees' contributions in relations to their expectations from the workplace are effectively managed. Thus, reward management is a critical source of gaining competitive advantage and superior performance in business organization.

Reward management is an integral part of the approach adopted in human resource management (HRM) in management of the workforce. A HRM strategy especially focused on the formulation and execution of the policies and strategies inherent in reward application process; which ensures that the workforce is not only rewarded justly and equitably but also with matching consistency conforming with the worth of employees to the organization. It focuses on developing the appropriate reward strategies; formulating, implementing and maintaining the reward systems (reward processes, practices and procedures) to meet up organisational objectives. As a philosophy, Reward management

encourages and propagates the beliefs in the need to attain fairness, consistency, equity and transparency in operating the reward system [3].

Reward management depicts the application i.e. procedures and processes involved in applying reward in the organization such that employees perceive it to be fair and equitable to their contributions, it also means rewarding exactly based on the standards provided in reward structure, conducting a proper job analysis in order to make sure that the right persons are placed on the right salary structure and also performance evaluation which will enable the better performing staff to be rewarded and for the for the right basis. [4].

Reward management is a process that not only showcases what a just and fair reward is but also x-rays procedures for rewarding employees for the right basis. Employees' performances to a large extent determine organizational performance; this in turn determines organizational success which is measured by reasonable return on investment, competitiveness and adequate realization of the objectives of the organization. The objective of every organization therefore (whether profit or non profit) always has been to improve performance, stay competitive so as to remain in business; to achieve this objective, resources have a fundamental part to play. Out of the organizational resources, human capital resources seem the most valuable, yet the most complicated to manage.

One of the leading challenges faced by organizations is the implementation of effective reward structures to enhance employee performance, especially in this period of economic downturn when employees are so agitated with the high cost of living without commensurate raise in pay. Employees are constantly demanding for pay raise when the employers see no tangible productivity, labour constantly threatening strike; the situation shows that employers are in dire need to motivate their employees.

Effective reward management system in banking sector as well as other sectors of

the economy is associated with a group of interrelated processes and activities known as the elements of reward management, they come together to make sure that reward management is effectively implemented in the workplace in order to benefit the organization and its entire workforce [5].

Reward system is an important tool that management can use to channel employee motivation in desired ways; in other words, good reward management systems seek to attract people to join the organization to keep them coming to work, and motivate them to perform to high levels. The reward system consists of all organization components- including people processes rules and decision

STATEMENT OF PROBLEM

Due to global competitiveness, organisations are compelled to enhance their performances in order to stay competitive and serve the society, stakeholders and employees effectively. The objective of every organisation thus has remained, to be successful by improving performance and staying competitive; organization success is determined by the performance of its workforce. For DMBs to maintain their banking licenses, they need to stay competitive and increase or maintain their capital bases. This has pressured DMBs to give individual targets to employees and reward them per performance; making organizational performance dependent on employee performance, employee performance relies on the reward system application of the organisation. DMBs that have effectively and successfully managed their reward systems end up with motivated employees who ensures their competitiveness; as they always have additions to their capital bases owing to well motivated employees with high morale, employees with the right work attitude, very committed and productive employees and high performing employees who will stop at nothing to meet their individual targets.

However, while struggling to sustain competitiveness by demanding high

making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization.[6].

[7] believed that effective reward management involve reward strategy, reward policy, total reward, total remuneration, base/ basic pay, job evaluation, market rate analysis, grade and pay structure, performance management. The forgoing helps the various DMBs to retain skilled and proficient employees and maintain good relationships with them in order to motivate them not only to high performance but also to gain their loyalty and lasting commitment.

performance as contribution from their employees, some DMBs forget to strike an equitable balance between the employee's contribution to organizational performance and the organization's contribution to the employees' welfare. In several cases the favourite persons have been rewarded over the better performing staff, which has resulted in the case of "Monkey dey work and Baboon dey chop". Some employees in the bid to achieve these almost impossible targets overstretch their abilities; they are always on their toes, breaking their backs working seriously hard, others go down to unethical practices. This is an oversight (deliberate or not) that have cost the banking sector so much; they drive their employees so hard and neglect to give them commensurate rewards. The misapplication of rewards has unfortunately sent the wrong signals to employees; some employees assume that the whole reward strategy is a farce since people are often not rewarded appropriately and that has frustrated employees, demotivated them, damaged their morale and reduce their job satisfaction; given the fact that their expectations were not achieved regardless of the huge efforts they have put in trying to meet or surpass their targets. In spite of the point that reward has been proven to be a prominent organizational tool

used to induce high corporate performance; in spite of the huge cost of reward budgets, yet some DMBs suffer high rate of employee turnover, incurred high production costs through recruitment, training and re-training,

employees have increasingly shown dissatisfaction by outright display of the wrong (negative) attitude to work; all of which consequently result to poor performance.

OBJECTIVES OF THE STUDY

The general objective of this study was to assess the implication of reward management on employee performance in the Nigerian banking sector. The specific objectives of the study are to:

- i. Assess the nature of the relationship between reward

structure and employee motivation.

- ii. Ascertain how recognition of excellent performance affects employees' job satisfaction.
- iii. Investigate the effect of promotion on employee commitment.

Research Questions

The study has the following research questions:

- i. What is the nature of the relationship between reward structure and employee motivation?

- ii. How does recognition of excellent performance affect employees' job satisfaction?
- iii. What is the effect of promotion on employee commitment?

Research Hypotheses

The following hypotheses were raised for the study:

- i. There is a positive relationship between reward structure and employee motivation

- ii. Recognition of excellent performance positively affects employee's job satisfaction
- iii. Promotion has a positive effect on employee commitment.

REVIEW OF THE RELATED LITERATURE

Reward and Reward Management

From the beginning, man has been seen as a total economic being motivated by incentives; hence the usefulness of reward in the organization, the study of reward dates back right from the antiquity period, through the 1950s, through scientific management era, up till this present era the founding premise of reward systems, focuses on motivating employees to improve performance and be more productive, has stood the test to time. Despite the diverse contributions of scholars such as:

Frederick W. Taylor in his "differential piece-rate system", Henry L. Gantt, in his "a bonus system of compensation management," Harrington Emerson, in "the concept of market pricing which involves setting pay structures based on rates paid in the external market," Frank B. Gilbreth, and Lillian M. Gilbreth in "the

issues regarding rewards, there has not been much difference between their theories. A comparison of reward systems popular today (Skill/Knowledge-Based Pay, Merit-based pay systems and Variable-based pay) with those of the previous era reveals that strategies recommended a century ago still have relevance and meaning today" [8].

Reward is a word which is commonly used when gratitude, repayment, punishment or appreciation come to play. Reward is the compensation which an employee receives from an organization for his or her services. Reward is amongst the major propellers available to an organization which controls employee's behavior, motivation and the commitment. Reward comprises both punishment and remuneration for the contributions and efforts of employees

towards the attainment of the organization's goal. Rewards in management perspective have been used to translate organizational compensations, pays, remuneration, punishments, and many other benefits [9].

The effectiveness of an employee is the key factor for the employer, because the profit the organisation makes depends on the employees' productiveness. Some of the ways that employees can get effective are when they are motivated and committed; these can be determined by the way and manner which reward is managed.

Reward management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in conformity with their value to the organization; it deals with the development of reward strategies and the creation, implementation and maintenance of reward systems (reward processes, practices and procedures) that is concerned in meeting the needs of both the organization and its stakeholders [10]. Reward management is a fundamental aspect of human resource management approach to managing people, and as such it supports the achievement of the business strategy and is concerned with developing a cordial employment relationship and psychological contract which address issues relating to how people should be valued for what they do and what they achieve. It embraces both financial and non-financial rewards, and thus all these need to be taken into account and integrated in order to maximise the effectiveness of reward policies and practices [11].

Relationship between Reward Structure and Employee Motivation

Reward structure defines the various level of pay for the group of jobs by their internal values as established through job evaluation and their external values through market rate survey. The reward structure goes a long way in motivating

employees and retaining them especially if it is within the reward market rate. A competitive reward structure not only retains employees but also engages them. Numerous studies have shown positive results on the effect of reward structures on the employee performance. A few implications on how the rewards structure influence on the team performance. The performance dimensions which are not affected uniformly by the reward structure should encourage the practitioners to reexamine some currently accepted theories and practices. [12].

This indicates that suitable reward structure development is indeed very important to each and every organization. Meanwhile, [13] have found that reward structure does have an impact on the organization's performance. In addition a reward structure can point out the significant areas of an organization, and guiding its future orientation. In recent times, a different and more flexible approach is needed in meeting changing lifestyles as well as the needs of today's young professionals. Recent trend shows that the financial sector has changed the mix of pay, switched their reward focus from short-term incentive schemes to long-term incentives scheme. They are changing to focus more on balanced, risk-adjusted performance measurement and deferral of bonus payouts over a multi-year timeframe [14].

Effect of Recognition of Excellent Performance on Employee's Job Satisfaction

Human resources are the most important among all the resources an organization owns. To retain efficient and experienced workforce in an organization is very crucial in overall performance of an organization. Motivated employees can help make an organization competitively more value added and profitable. Employees are motivated greatly when their outstanding contributions are acknowledged and reciprocated.

The recognition of excellent performance is a process of giving an employee a certain status within an organization. This is a very crucial factor towards an employee motivation. Recognition describes how the work of an employee is evaluated and how much the appreciation he receives in return from the organization. It also specifies the way an organization gives its employee the reward and status for his work and activities [15].

According to [16] rewards and recognition programs keep high spirits among employees, boosts up their morale and create a linkage between performance and motivation of the employees. The basic purpose of recognition and reward program is to define a system to pay and communicate it to the employees so that they can link their reward to their performance which ultimately leads to employee's job satisfaction.

That old saying, "Money can't buy happiness," rings true in the work environment when considering the value in praising employees' talent and contributions. The difference between reward and recognition isn't just monetary. It's the sincere expression of appreciation that makes employees happy that their work is valued. Employee rewards the financial kind are monetary carrots for good performance that eventually lose their appeal if they are simply automatic payouts for a job well done. Recognition, on the other hand, can often have a greater impact on the employer-employee relationship simply because the employee's value isn't reduced to cash. [17].

Public acknowledgement is another form of appreciating excellent performance. Managers who from time to time pat their employees on the back for outstanding job performance or congratulate a team for delivering on a particularly difficult project gain respect from peers and especially from their employees. This type of unplanned feedback and genuine appreciation for employees' contributions is one of the ingredients for sustaining employee engagement. Announcing

employees' accomplishments publicly is a simple, no-cost form of recognition that has tremendous return on investment. For example, during a staff meeting, a bank manager could say or announce the name of the employee who has met or exceeded target at the end of a quarter, semi-annually or annually, and employ the entire staff members to congratulate him or her; often time a portion should be given where the picture of the outstanding performing staff will be hung over a period of time. This serves as a good form of motivation. In these environments, where opportunity and well-being are part of the culture, strong manager performance in recognizing employee performance increases engagement by almost 60% [18].

Giving additional responsibility can also be a way of recognizing an employee's capabilities. Recognition is the very purest form of motivation, Frederick Herzberg, developed the two-factor motivation-hygiene theory related to job satisfaction. Based on Herzberg's theory, non-monetary recognition, such as giving plum assignments to employees with outstanding performance records, is one of the basic elements of job satisfaction. Therefore, increasing an employee's level of responsibility is recognition of the fact that they are capable to assume those tasks and that's for demonstration of increasing capabilities. A prime example of this form of recognition is delegating new-employee orientation and training to an employee who embodies the company's philosophy and goals through stellar performance.

[19] in their study discovered that organizations with recognition programs which are highly effective at enabling employee engagement had 31% lower voluntary turnover than organizations with ineffective recognition programs [20].

Brief compliments can also be a way of recognizing excellent performance and it works in motivating employees; a casual remark, such as, "Great job, you were elaborately brilliant in the way you handled that client's account issues." I

couldn't help but hear the way you elucidated the reconciliation of customer accounts so professionally and detailed, and in a very clear manner," this can obviously pass as brief compliments. As a manager, showering of praise should be handy and without any advance preparation. This often can be recognised as one of the most valid forms of appreciation because the spur of the moment act isn't planned or conceptualized as part of the strategy for employee-recognition [21].

Also things like congratulatory letters and plaques when given to employees as a form of appreciation can become part of an employee's collection of professional achievements. A personal letter which maybe personally signed from the top organization's managers may serve as a memento cannot be forgotten in a hurry. Hence, recognition, encouragement and appreciation are intangible rewards that can go a long way to motivation and inspire people.

[22] discovered from the 65% of the surveyed population that the major reason most employees leave their jobs is that they don't feel appreciated.

Effects of Promotional Opportunities on Employee Engagement and Commitment

Promotion is an excellent form of rewarding people; it is a way which the organization uses to appreciate employees and let them know that their excellent performances are being acknowledged, it is also a way of letting employees attain the peak of their career. Promotion shows that employees are competent as they move from one grade level to the next in the same progression till they reach the zenith of their career which is their personal goal. A good performance appraisal ensures that the right persons are promoted [23].

Promotion means moving of employees for a job of lesser significance and remuneration to a job of higher significance and remuneration based on the employee's previous record of outstanding performance and skill. It is

the upward movement of an employee in the hierarchy of the organization, usually that leads to a more elaborate responsibility and rank and an improved pay package. Promotion is the reassignment of an employee to a higher-ranked job than the previous [21] in [22]. Promotional opportunities also may include freedom to pursue excellence, the right to make decisions in relation to work processes and methods, ensure a balance between work and family, and satisfactory pay levels, as well as opportunities for career advancement [16].

Job promotion and career growth can meet the self-actualization needs of employees. Promotion opportunities and adequate training offered by organizations can meet employees' demand and reduce their turnover intentions.

[7] asserts that promotions create the opportunity for personal growth, increased levels of responsibility, a sense of achievement and an increase on social standing which is a central point towards employee motivation. It is in fact an extent that an organization provides to its employees for organizational growth and job satisfaction. It is a part of performance evaluation process where an employee is provided an opportunity for growth and development according to his or her abilities, skills and work. Promotion often comes with additional privileges, increase pay, official cars and houses, better offices and work condition, empowerment, moving from a lower grade level to a higher one, filling up a vacant higher position, additional status and responsibilities. When employees see that their contributions to organisational goals also help realize their personal goals in career growth and statuses, they will surely increase their efforts towards realizing organisational goals [4].

[9] argue that employees that perceived promotion decisions as fair are more likely to be engaged and committed to the organization, experience career satisfaction, perform better and subsequently have a lower intention to

leave the organization. Today, many employees will consider leaving the organisations where they work, if they do not have equal promotion opportunities as offered by other organizations, particularly young workforces who are looking for more work experiences from various organisations before deciding to remain with a particular organisation. Promotional opportunities correlate with employee engagement as employees tend to remain in their organization when they see that they have better chances of being promoted. Additionally, promotion can influence the instrument of exerting

better attempts, if employees put an important value on it. If not, the companies would focus on pay increase to reward high effort and productivity. Indeed, the employees may be worth the promotions since they make an increase in job services like spending account or a bigger office (the visible elements which managers do not have enough information about) or since they enjoy good performance; and this is the result of the promotion [12] in [13].

METHODOLOGY

The research approach for this study was the survey research design. Data was obtained from primary and secondary sources. The target population was the staff of the 15 selected deposit money banks in South East Nigeria which was given as 6060 from which a sample size of 546 was obtained using the modified Freud and William method for known population. The major instrument for data collection was a five point likert scale questionnaire titled reward

management and employee performance. 546 copies of the questionnaire were administered, while 524 were retrieved and used for the analysis, 22 copies were not. The techniques used for data analysis in the study were the Spearman Correlation Coefficient, ordinal logistic regression and chi square. The tests were conducted with the application of Statistical Package for Social Science (SPSS 15.00 windows), at 5% error.

RESULTS AND DISCUSSIONS

Hypothesis One

Ho: There is no positive relationship between reward structure and employee motivation

H₁: There is a positive relationship between reward structure and employee motivation

Table 1: Correlation Table for Hypothesis 1

			Correlations			
			Reward – Structu re	Willingness_ Work	Job_Satisfactio n	Attract_Retain _Employee
Spearman's rho	Reward_Structure	CorrelationCoefficient	1.000	.872*	.900*	.900*
		Sig. (1-tailed)	.	.027	.019	.019
		N	5	5	5	5
	Willingness_Work	CorrelationCoefficient	.872*	1.000	.975**	.975**
		Sig. (1-tailed)	.027	.	.002	.002
		N	5	5	5	5
	Job_Satisfaction	CorrelationCoefficient	.900*	.975**	1.000	1.000**
		Sig. (1-tailed)	.019	.002	.	0.000
		N	5	5	5	5
	Attract_Retain_Employee	CorrelationCoefficient	.900*	.975**	1.000**	1.000
		Sig. (1-tailed)	.019	.002	0.000	.
		N	5	5	5	5
			*. Correlation is significant at the 0.05 level (1-tailed).			
			**. Correlation is significant at the 0.01 level (1-tailed).			

Interpretation of Result: The result shows that there is a strong positive relationship between reward structure and employee motivation (r value .872*). It also indicates that employee motivation correlates significantly with reward structure, $r(5) = .00$, $p < .05$ (p - value

.002) is less than .05). Therefore, the alternate hypothesis which states that there is a positive relationship between reward structure and employee motivation is hereby accepted and the null hypothesis rejected.

Hypothesis Two

Ho: Recognition of excellent performance does not positively affect employees' job satisfaction

H₁: Recognition of excellent performance positively affects employees' job satisfaction.

Table 2a: Ordinal Logistic Regression

Case Processing Summary				
		N	Marginal Percentage	
Recognition	9.00	1	25.0%	
	13.0	1	25.0%	
	207.00	1	25.0%	
	295.00	1	25.0%	
Job_Satisfaction	3.00	1	25.0%	
	4.00	1	25.0%	
	189.00	1	25.0%	
	328.00	1	25.0%	
Hardwork	5.00	1	25.0%	
	8.00	1	25.0%	
	129.00	1	25.0%	
	382.00	1	25.0%	
Organizational_Targets	2.00	1	25.0%	
	3.00	1	25.0%	
	109.00	1	25.0%	
	410.00	1	25.0%	
Valid		4	100.0%	
Missing		0		
Total		4		
Model Fitting Information				
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	11.090			
Final	.000	11.090	3	.011
Link function: Logit.				

Significant at 0.011, hence the null hypothesis that the model without predictors is as good as the model with predictors is rejected. This shows that the model improves the ability to predict the outcome.

Table 2.2b: Goodness-of-Fit

	Chi-Square	Df	Sig.
Pearson	.003	6	.008
Deviance	.006	6	.011

Link function: Logit.

Model fits because the good-of-fit measures have large observed significance levels.

Pseudo R-Square

Cox and Snell	.938
Nagelkerke	1.000
McFadden	1.000

Link function: Logit.

R-square statistics are large (See Cox and Snell) in the table above which is 93.8%. This indicates that recognition of excellent performance explains a large proportion of the variation between employee's job satisfaction.

Table 2.2c: Parameter Estimates

		Estimate	Std. Error	Wald	Df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold Location	[Recognition = 9.00]	21.673	64.404	.113	1	.034	87.902	104.555
	[Job_Satisfaction=3.00]	14.292	50.422	.080	1	.007	48.117	84.532
	[Hardwork=4.00]	30.202	95.945	.099	1	.023	118.251	157.848
	[Organizational_Targets =189.00]	15.909	81.641	.038	1	.005	144.103	175.922

Link function: Logit.

Test of Parallel Lines ^a				
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	.000			
General	.000 ^b	.000	6	1.000

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.

The above test indicates that there was no violation of the proportional odds assumption.

Interpretation of Result: The result show that recognition of excellent performance positively affects employees' job satisfaction with an increase in the odds (likelihood/probability) of increased job satisfaction at an odds ratio of 14.292 (95% CI, 48.117 to 84.532), Wald $\chi^2(1) = 0.080$, $p < 0.05$ ($p = 0.007$). Therefore, the alternate hypothesis is accepted which says that recognition of excellent performance positively affects employee's job satisfaction.

Hypothesis Three

Ho: Promotion has a negative effect on employee commitment

H₁: Promotion has a positive effect on employee commitment

Table 3a: Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
X * Y	2096	100.0%	0	0.0%	2096	100.0%

			X * Y Crosstabulation					Total
			Y					
			0	1	2	3	4	
X	0	Count	270	235	5	9	5	524
		Expected Count	280.8	221.3	7.0	9.0	6.0	524.0
		% within X	51.5%	44.8%	1.0%	1.7%	1.0%	100.0%
		% within Y	24.0%	26.6%	17.9%	25.0%	20.8%	25.0%
		% of Total	12.9%	11.2%	0.2%	0.4%	0.2%	25.0%
	1	Count	323	180	8	6	7	524
		Expected Count	280.8	221.3	7.0	9.0	6.0	524.0
		% within X	61.6%	34.4%	1.5%	1.1%	1.3%	100.0%
		% within Y	28.8%	20.3%	28.6%	16.7%	29.2%	25.0%
		% of Total	15.4%	8.6%	0.4%	0.3%	0.3%	25.0%
	2	Count	340	155	7	15	7	524
		Expected Count	280.8	221.3	7.0	9.0	6.0	524.0
		% within X	64.9%	29.6%	1.3%	2.9%	1.3%	100.0%
		% within Y	30.3%	17.5%	25.0%	41.7%	29.2%	25.0%
		% of Total	16.2%	7.4%	0.3%	0.7%	0.3%	25.0%
	3	Count	190	315	8	6	5	524
		Expected Count	280.8	221.3	7.0	9.0	6.0	524.0
		% within X	36.3%	60.1%	1.5%	1.1%	1.0%	100.0%
		% within Y	16.9%	35.6%	28.6%	16.7%	20.8%	25.0%
		% of Total	9.1%	15.0%	0.4%	0.3%	0.2%	25.0%
Total	Count	1123	885	28	36	24	2096	
	Expected Count	1123.0	885.0	28.0	36.0	24.0	2096.0	
	% within X	53.6%	42.2%	1.3%	1.7%	1.1%	100.0%	
	% within Y	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	% of Total	53.6%	42.2%	1.3%	1.7%	1.1%	100.0%	

Table 4b: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	124.239^a	12	.000
Likelihood Ratio	124.793	12	.000
Linear-by-Linear Association	9.881	1	.002
N of Valid Cases	2096		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.00.			
Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	.243	.000
	Cramer's V	.141	.000
N of Valid Cases		2096	
a. Not assuming the null hypothesis.			
b. Using the asymptotic standard error assuming the null hypothesis.			

Interpretation of Result: Based on the result from Pearson Chi-Square $\chi^2 (1) = 124.239$, $p < .05$, the test has a chi-square p-value of 0.000, at 12 degrees of freedom [$DF (13-1) = 12$], which is significant at 0.5. In this case, there is sufficient statistical evidence to conclude

that promotion has a positive effect on employee commitment. Therefore, the alternate hypothesis which states that promotion has a positive effect on employee commitment is hereby accepted.

FINDINGS

- i. There was a positive relationship between reward structure and employee motivation ($r = .872$, $p = .002 < .05$).
- ii. Recognition of excellent performance positively affected

- employees' job satisfaction ($\beta = 14.292$, $p = 0.007 < 0.05$).
- iii. Promotion had a positive effect on employee commitment. ($\chi^2 (1) = 124.239$, $p = 0.000 < .05$)

CONCLUSION

The study concluded that effective reward management has the capacity to influence employees' performances and consequently profitability and competitiveness in the banking industry.

Therefore the performance of DMBs depends largely on effective reward management which strengthens and sustains employees' performances.

Reward for the extra ordinary work is very important so that employees remain motivated to work more

efficiently and hence empowers the organization to stay competitive. Recognition of excellent performance, promotion, Performance appraisal, a good reward structure and of course total reward approach significantly impact on employee effectiveness, performance and commitment. When employees' perceive the reward system in their organization to be appropriate i.e. the right persons are rewarded through performance appraisal they are satisfied and work harder.

RECOMMENDATION

Based on the findings of the study, it is recommended that:

- i. Management of Organizations especially DMBs and other human resource practitioners should ensure that they develop reward strategies, systems and structures that are able to take care of the diverse motivational needs of their employees
- ii. While financial rewards are important, DMBs should focus on

- rewarding excellent performance by non financial rewards.
- iii. Organizations should make available varieties of promotional opportunities in order to significantly engage their employees.
- iv. For any organisation to have competitive edge amidst her competitors there must be in place a market rate reward structure to attract and motivate people to join the firm.

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