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Effective Reward Management As A Tool For Improving Employee Performance In A Private Sector Organisation (A Study Of Selected Zenith Bank Branches In Nigeria)

MUOGBO, U.S Phd[1]jacobs CHINEZE J.[2]
Entrepreneurship Studies Department Faculty of Management Sciences Chukwuemeka Odumegwu Ojukwu University
Business Administration Department Faculty of Management Sciences Chukwuemeka Odumegwu Ojukwu University Anambra State Nigeria
Corresponding Author: MUOGBO, U.S Phd

ABSTRACT: *This study examined effective reward management as a tool for improving employee performance in a private sector organisation; a study of selected Zenith Bank branches in Anambra State Nigeria. The broad objective of the study is to examine the extent to which an effective reward management can be use as a tool for improving employee performance in a private sector organisation. A total of 180 respondents were selected from the Zenith Bank branches in Anambra State. Both primary and secondary data were used for the study. Descriptive survey design (Mean, frequency, standard deviation) and Pearson Correlation analysis was used for data analysis while Regression method and ANOVA was used to test the significant correlation between dependent variable and independent variable. The result from Pearson correlation analysis showed that there is a positive relationship between reward and employee performance; it also showed a highly positive relationship with intrinsic reward and extrinsic reward. The result also supported the hypothesis that there exist positive relationship amongst extrinsic reward, intrinsic reward and employee performance. The study therefore recommends that organisation should adopt the right reward mix that suit the desire of their employee in order to get the best out of them. Second, that organisation should carry out a survey to determine what appeals most to the employee in order to know the type of reward system suitable for them*.

KEY WORD: *employee performance, intrinsic reward, extrinsic reward, productivity, performance appraisal*.

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I INTRODUCTION

Good remuneration has been found over the years to be one of the policies the organization can adopt to increase their worker's performance and thereby increase the organizations productivity (Muogbo, 2013). With the present situation in Nigeria, most employers of labour have realized the fact that for their organizations to compete favourably, the performance of their employees goes a long way in determining the success of the organization (Muogbo, 2013). An organization must know its outstanding workers, those who need additional training and those not contributing to the growth, development and welfare of the company. Mc Cornick and Tifflin (2007) opined that reward can be either extrinsic or intrinsic. Extrinsic rewards are those that are external to the task of the job, such as pay, work condition, fringe benefits, security, and promotion, contract of service, the work environment and conditions of work. While Intrinsic rewards on the other hand are those rewards that can be termed psychological motivations and examples are opportunity to use one's ability, a sense of challenge and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner.

Reward Systems is a vital tool for organizational growth which can renew the overall sense of community and mission of an organization when actively engaged in. Reward and recognition can stimulate people to explore more effective ways to do their jobs and when employees feel otherwise it can utterly discourage their efforts and performance. Organisations often make use of reward management to attract and retain competent and suitable employees as well as facilitating them to improve their performance through motivation and to comply with employment legislation and regulation. Remuneration does not simply compensate employees for their efforts- it also has an impact on the recruitment and retention of talented people according to Milkovich and Newman (2001). It is therefore critical that organizations align their compensation practice with performance to enhance the achievement of organizational goals and competitive advantage. There are many factors that affect employee performance like working conditions, worker and employer relationship, training and development opportunities, job security, and company's overall policies and procedures for rewarding employees, etc. Among all those factors which affect employee performance, motivation that comes with rewards is of utmost importance. Motivation is an accumulation of different processes which influence and direct our behavior to achieve some specific goal (Baron, 1983). From the foregoing, the research deemed it fit to investigate the effective reward management as a tool for improving employee performance in a private sector organisation.

II STATEMENT OF THE PROBLEM

Overtime, reward management is one of the strategies used by organizations to improve organizational performance. Researchers, practitioners and scholars have established that there is a positive relationship between reward management and desired performance. Zenith Bank is one of the leading commercial banks in Nigeria with its network of branches scattered all over the country. The management has established rewards in their organization; these include cash bonuses in pursuit of increasing employee performance so as to ensure prompt and quality service. However, the extent to which cash bonuses influence employee performance is not established.

The turbulent management-labour crisis over continuous agitation for increased pay all over the world is challenging public sector organizations to utilize their employees more effectively to improve organizational performance. In Nigerian, pay has become the driving force for seeking employment in the industry. Indeed, due to poor reward management in work place over the years, some of these organizations went moribund. It therefore becomes imperative that organizations establish and adopt a compensation system that can motivate employees to work while at the same time not eating too deep into the organization's resources. This study therefore aimed at determining the effective reward management as a tool for improving employee performance at Zenith Bank Plc.

III OBJECTIVES OF THE STUDY

This study aims to examine the extent to which an effective reward management can be used as a tool for improving employee performance in a private sector organization using the Zenith Bank Plc as a study. The specific objectives are:

1. To ascertain if there is any relationship between financial reward and employee performance in Zenith Bank Plc.
2. To examine if efforts of the employees are commensurate with financial reward.
3. To determine if there is any difference between intrinsic reward and extrinsic rewards on employee performance?

Research Questions

The following research questions were formulated:

1. To what extent can the relationship between financial reward and employee performance be ascertained in the organization?
2. Is the effort of the employee commensurate with financial rewards?
3. To what extent can the difference between intrinsic reward and extrinsic rewards on employee performance be determined?

Research Hypotheses

The following hypotheses were formulated to guide this study:

Ho1: The relationship between financial reward and employee performance in an organisation cannot be ascertained.

Ho2: The efforts of the employees are not commensurate with financial reward they receive.

Ho3: There is no difference between intrinsic reward and extrinsic rewards on employee performance.

IV REVIEW OF RELATED LITERATURE

Overview of Reward Management (RM) RM is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. Reward management consists of analysing and controlling employee remuneration, compensation and all of the other benefits for the employees. R M aims to create and efficiently operate a reward structure for an organisation. Reward structure usually consists of pay policy and practices, salary and payroll administration, total reward, minimum wage, executive pay and team reward (Wikipedia). Reward management was developed by the behavioral science researchers. Psychologists started studying behavior in the early 1900s; one of the first psychologists to study behavior was Sigmund Freud and his work was called the Psychoanalytic Theory. Many other behavioral psychologists improved and added onto his work. With the improvements in the behavioral research and theories, psychologists started looking at how people reacted to rewards and what motivated them to do what they were doing, and as a result of this, psychologists started creating motivational theories, which is very closely affiliated with reward management. On the other hand, motivation is described as the degree to which an individual wants and choose to engage in certain specific behaviour, to which Vroom in Mitchell, 1982) adds that performance = ability x motivation. For organisation to have an efficient Reward System, it is important that employees know exactly what their task is, have the required skills to do it; the necessary motivation and work in an environment allowing the transformation of intended actions into an actual behaviour. From the company point of view instead, an effective performance appraisal has to be present, in order to let motivation be a major contributor to the rewarded performance (Mitchell, 1982)

Reward management deals with processes, policies and strategies which are required to guarantee that the contribution of employees to the business is recognized by all means. Objective of reward management is to reward employees fairly, equitably and consistently in correlation to the value of these individuals to the organization. Reward system exists in order to motivate employees to work towards achieving strategic goals which are set by entities. Reward management is not only concerned with pay and employee benefits. It is equally concerned with non-financial rewards such as recognition, training, development and increased job responsibility (Armstrong, 2007). Rewards serve many purposes in organisation for instance building a better employment deal, holding on to good employees and to reduce employee turnover (Watson & Stephen, 2003). The principal aim is to increase people's willingness to work in an organisation to enhance their growth and productivity. Most people assimilate "rewards", with salary raise or bonuses, but this is only one kind of reward, extrinsic reward. Studies proves that salespeople prefer pay raises because they feel frustrated by their inability to obtain other rewards, but this behavior can be modified by applying a complete reward strategy.

Types of Rewards

Two types of reward are Extrinsic and intrinsic reward; extrinsic reward is a concrete rewards that employee receive while intrinsic reward tends to give personal satisfaction to individual. Examples of Extrinsic rewards are:

Bonuses: Bonuses usually comes annually and motivates the employee to put in all endeavour and efforts during the year to achieve more than a satisfactory appraisal that increases the chance of earning several salaries as lump sum. Every organisation have different scheme of bonuses; some organizations ensure fixed bonuses which eliminate the element of asymmetric information, conversely, other organizations deal with bonuses in terms of performance which is subjective and may develop some sort of bias which may discourage employees and create setback. Therefore, managers must be extra cautious and unbiased.

Salary raise: this is achieved after hard work and effort of employees, attaining and acquiring new skills or academic certificates and as appreciation for employees' duty (yearly increments) in an organization. This type of reward is good for the reason that it motivates employees in developing their skills and competence which is also an investment for the organization due to increased productivity and performance. This type of reward offers long-term satisfaction to employees. Nevertheless, managers must also be fair and equal with employees serving the organization and eliminate the possibility of adverse selection where some employees can be treated superior or inferior to others.

Gifts: This reward is considered a short term in which a token is presented as an appreciation for an achievement or obtaining an organizations desired goal. Any employee would appreciate a tangible matter that boosts their self-esteem for the reason of recognition and appreciation from the management. This type of reward basically provides a clear vision of the employee's correct path and motivates employee into stabilizing or increasing their efforts to achieve higher returns and attainments.

Promotion: Promotions brings in long-term satisfaction of employees. It can be done by elevating the employee to a higher stage and offering a title with increased accountability and responsibility due to employee efforts, behaviour and period of service to an organization. This type of reward is vital for the main reason of redundancy and routine. The employee is motivated in this type of reward to contribute all his efforts in order to gain managements trust and acquire their delegation and responsibility. The issue revolved around promotion is adverse selection and managers must be fair and reasonable in promoting their employees.

Intrinsic rewards:

Information / feedback: this is a type of reward that successful and effective managers never neglect because it offers guidance to employees whether positive (remain on track) or negative (guidance to the correct path). This also creates a bond and adds value to the relationship of managers and employees (Business dictionary, 2012).

Recognition: this is a reward where employee performance is being recognized by verbal appreciation. This type of reward may take the presence of being formal for example meeting or informal such as a "pat on the back" to boost employee's self-esteem and happiness which will result in additional contributing efforts.

Trust/empowerment: in every organization, trust is a vital aspect between living individuals in order to add value to any relationship. This form of reliance is essential in order to complete tasks successfully. Also, takes place in empowerment when managers delegate tasks to employees. This adds importance to an employee where his decisions and actions are reflected. Therefore, this reward may benefit organizations for the idea of two minds better than one. Intrinsic rewards make the employee feel better in the organization, while Extrinsic rewards focus on the performance and activities of the employee in order to attain a certain outcome. The principal difficulty is to find a balance between employees' performance and happiness (Reif, William, 1975). The reward also needs to be according to the employee's personality. For instance, a sports fan will be really happy to get some tickets for the next big match. However, a mother who passes all her time with her children, may not use them and therefore they will be wasted.

Motivational Theories

Theories of motivation provide a theoretical basis for reward management, perhaps the first and best known of these comes from the work of Abraham Maslow (Maslow, 1943). Maslow's Hierarchy of Needs describes a pyramid comprising a series of layers from the base that is most fundamental physiological needs such as food, water, shelter and sex, rising to the apex where self-actualization needs included morality and creativity. Maslow saw these levels of needs being fulfilled one at a time in sequence from bottom to top. Employment and the resources it brings are classed under „safety needs‟ while the workplace may also contribute to a sense of „belonging‟ and recognition at work can satisfy the need for 'self-esteem". Frederick Hertzberg's motivator-hygiene theory, (1959) argues that an employee's job satisfaction or dissatisfaction is influenced by two distinct sets of factors and also that satisfaction and dissatisfaction were not at opposite ends of the same continuum but instead needed to be measured separately. The two sets of factors are motivator factors and hygiene factors. According to Herzberg, real motivation comes from the work itself, from completing tasks, while the role of reward is to prevent dissatisfaction arising (Herzberg, Mausner & Synderman, 2010) Expectancy theory posits that individual select his or her behaviour based on the desirability of expected outcomes of the action. It was most prominently used in a work context by Victor Vroom (Lunenburg, 2011) who sought to establish the relationship between performance, motivation and ability and expressed it as a multiplicative one – where performance equals motivation x ability. There are a lot of attractions for this kind of approach, particularly for employers who can target their motivation effort and anticipate a definable mathematical return for them. As this is a cognitive process theory it relies on the way employees perceive rewards. These three theories plus variants of them have been used in countless research studies and continue to inform the practice of reward management up to the present day.

Job Evaluation

Job evaluation is closely related to reward management. In every organisation it is important to understand and identify a job's order of importance. Job evaluation is the process in which jobs are systematically assessed to one another within an organization in order to define the worth and value of the job, to ensure the principle of equal pay for equal work. Job evaluation can be adopted by organisation in order to make sure that discrimination is eliminated and that the work performed is rewarded with fair pay scales. This system is very vital for managers to decide which rewards should be handed out by what amount and to whom. Job evaluation provides the basis for grading, pay structure, grading jobs in the structure and managing job and pay relativities (Armstrong & Stephen, 2005) It has been said that fairness and objectivity are the core principles using an assessment of the nature and size of the job each is employed to carry out. There are many methods of job evaluation which organisation can use but the three simplest methods are ranking, classification and factor comparison. However, there are more complex methods such as the point method which uses scales to measure job factors. This method does not rank employees against one another but looks at the job as a whole. Major disadvantage of these methods of job evaluation are that they are very static and it would be very difficult to perform a job evaluation quickly if it was needed. Research regarding job evaluation has mainly been conducted using qualitative data collection methods such as interviews, large scale surveys and basic experimental methods. Therefore, there is a large gap for research on job evaluation collecting quantitative data for a more statistical analysis. A comparison between public and private sectors and the methods of job evaluation is another area that should be considered for further research.

Performance Appraisal

Performance appraisal is the method in which an employee's job performance is evaluated and reviewed (Muchinsky, 2012). This compares employee work behaviour with the organisation pre-set standards to provide feedback on job performance. Performance appraisals are a form of motivation through either positive or negative reinforcement, depending on outcome. Basically,this information is gained through interview and questionnaire functions annually, executed among management of larger organisation primarily, as a method of motivation to gain full potential of staff (Dalay & Dennis, 1992). The goal of which is to align and manage all organizational resources "to achieve highest possible performance" by improving your current staff through encouragement, setting targets and improving on past mistakes. Performance appraisal was set up originally as a justification for the pay of an employee. If his performance was seen as insufficient, his pay would be cut down. However, if it was seen of a higher quality, he could receive a pay rise. Performance appraisals have been described as a "flawed system", One must ask, can an entire year's work be reviewed at one point in time? It has been argued that the time, money and energy needed is not comparable to its effectiveness (Broderick & Renae, 1991).

Various appraisal methods include:

Rank and yank: this is a method by which an organisation ranks its employees against each other and terminates the employment of the employee who finishes at bottom place. That corresponds to the yanking.

Critical incident technique: with this method organisation collects information and observes human behaviour that have a strong impact whether positive or negative on an activity or procedure. Each employee has different idea and can bring in something beneficial to the organisation. Each employee has a specific job to fulfill. Performance appraisals are needed in order to understand how every employee can produce the best performance.

Improve performance: here performance improvement is the notion of measuring the productivity of a certain procedure, and then finding solutions in order for the productivity to rise, the capability of the employees and their effectiveness (Latham & Gary, 1993)

Increase motivation: Performance appraisal is used as a motivation tool. An employee's efficiency can be proven if the targets he was set, have been achieved. The employee will be motivated to do even better and his performance will rise in the near future.

Identify training/development needs: The fundamental step of training and development is establishing the organizational needs for the employees at this time and in the near future. A few questions may be asked in the process: What can an employee learn in order to be more productive? In which field is training most necessary? And finally who should benefit from the training most? The effectiveness of an employee is the key factor for the employer, because the profit the organisation makes depends on the employees' productiveness. The training and development needs should begin with an assessment of the organisation as it lies currently, how it operates and what each employee is best at. This assessment will enable the training to be based oncertain factors which seem most important. Knowledge of the organization's strategic plan and its needs for the future must help the training to bring the organisation up a step on the ladder. In using a performance appraisal, an organisation can build an employee profile of poor performances which allows a reduced risk of legal implications for redundancies. Seeing additional benefit, as the company can decide who is worthy of promotion or bonus.

Relationship between Rewards and Performance in the Banking industry

Banks needs employees that will be both satisfied and motivated, for without them customer satisfaction level would be affected. In banking industry interpersonal relationships established between bank personnel and the customers is a big driving force behind ensuring that a customer is satisfied or dissatisfied and target achieved. Reynolds & Beatty (1999) posit that the relationship established between the employees and the customers may lead to an increase in values perception with regards to the bank's products and services. When a high perception of value is achieved, then it is also likely that the customer will be satisfied, thereby bringing in more business for the bank. Rewards can be used to improve performance by setting targets in relation to the work given e.g. surpassing some sales targets. When the employee surpasses their target, he or she can be given an additional amount to their salary; this will make them strive to achieve more (Maund, 2001). Research has proven that when human being are appreciated and praised they tend to improve their performance. This is another way an organization can apply as a reward so as to improve performance. Praise could be shown in the organization's newsletter or in meetings. When managers take time to meet and recognize employees who have performed well, it plays a big role in enhancing employees‟ performance (Torrington & Hall, 2006).On the whole, while motivation is at the heart of organizational behavior, the interactive and direct effects of extrinsic and intrinsic rewards can be the center of the motivation study.

Extrinsic motivations include the actions that are extracted from external rewards, such as payment, esteem, material properties, and positive evaluations. In addition, via the change and the identification of environmental contingencies, involving extrinsic empowerment, the increases of motivation are realized in workplace behaviors such as attendance, selling, promptness, cost reduction, productivity, sales work quality, and customer service (Komaki, 2013). Extrinsic rewards are external to the job and include elements like fringe benefits, pay, promotions, private office space, the social climate, and job security. Other examples are competitive salaries, merit bonuses, pay raises, and indirect payment forms as compensatory time off (Mahaney & Lederer, 2006). On the other hand, team rewards should be used in a way that managers can avoid destroying staff intrinsic motivation in doing their jobs. Indeed, the application of extrinsic rewards which are tightly related to team‟s performance can teach the members to become hungry to money and to destroy their intrinsic interest in the job (Balkin & Dolan, 2007). Furthermore, giving rewards has become a part of firm's policies as it has been shown to improve worker's performance and the organization‟s productivity.

Theoretical framework

Rewards motivate performance when certain conditions exist. Individuals are best motivated when they believe that the behaviour will lead to certain outcomes that are attractive and that performance at a desired level is possible. Motivation therefore best explains element of reward and the effect it has on performance. The motivational theories that are relevant for this research are the Equity theory (Adams, 1963; in Harder, 1991; in Robbins, 2003; in Kinicki and Kreitner, 2003 in Muogbo, 2013), Expectancy theory (Vroom, 1964 in Harder, 1991; in Robbins, 2003), Goal setting theory (Locke and Latham, 2002; in Robbins, 2003; in Kinicki et al, 2003) One thing that is common for humans is to compare themselves to others. One theory that comes forth from this evaluating of one's -self and each other is Equity Theory. Equity theory is a theory that centers on perceived fairness of an individual. An employee reflects on how much effort he has expended and compares this to what he has gotten from it. After this individual evaluation of his input-output ratio, he will compare his ratio to the input-output ratios of others, especially the direct peers. If the employee considers his input-output ratio to be equal to ratios of other relevant employees, a state of equity exists. In this situation of equity, the person is seemingly content and will not act to imbalance the condition (Cosier and Dalton, 2003). Naturally, when an employee perceives unequal ratios between him and his counterparts, there will be a state of inequity. The equity theory is relevant for this study because it is interesting to see how employees compare themselves to each other. Important is that equity theory shows that beliefs, perceptions, and attitudes influence motivation. On the other hand, Expectancy theory refers to a set of decision theories of work motivation and performance (Vroom, 1964; in Ferris, 2007). Perception plays a central role in expectancy theory because it emphasizes cognitive ability to anticipate likely consequences of behavior (Kinicki et al., 2003). As said by Vroom (1964; in Kopfi, 2008), the expectance theory has two major assumptions. The first assumption is that individual persons have perception about the consequences that result from their behavioural actions, and the causal relationship among those outcomes. These perceptions, or beliefs, are referred to as expectancies. The second assumption is that individual persons have effective reactions to certain outcomes. Affective reactions reflect the valence (Positive or negative value individuals place) of outcomes (Kinicki et al., 2003) According to the expectance theory, individual will be motivated to perform by two expectancies (Ferris 2007, Isaac et al, 2001). The first expectance is the probability that the effort put forth will lead to the desired performance. The second expectancy (also referred to as instrumentality) is the probability that a particular performance will lead to certain preferred outcomes. When the probability of some effort will not be rewarded, the employee will not be highly motivated to perform a certain task. External rewards are viewed as inducing motivational states that fuels behaviours, as opposed to intrinsic motivators, where behaviours are derived from internal forces such as enjoyment of the work itself because it is challenging, interesting, etc. (Isaac 2001). In Goal-setting theory, Locke, Shaw, Sarri and Latham (2008) defined a goal as what an individual attempt to accomplish; it is the object or aim of certain action. The basic assumption of goal-setting is that goals are immediate regulators of human action (Locke et al., 2008).

Evidence from the goal-setting research indicates that specific goals leads to increased performance and that difficult goal, when individuals have accepted them, result in higher performance than easy goals (Locke 1968 in Austin and Bobko, 1985; in Locke, 2014). Regarding the impact of goal-setting on intrinsic motivation, Elliot and Harackiewiez (1994) show some interesting evidence in their article. They explain, by means of regression analysis that the effect of performance or mastery-focused goals on intrinsic motivation depends on the degree of achievement orientation of an individual. Therefore, Goals serve as the inflection point or reference standard for satisfaction versus dissatisfaction (Mento, Locke and Klein, 2002).

Empirical Literature

Several studies have been carried out on motivation, intrinsic and extrinsic reward and compensation and employee performance. Below are some of the empirical works done by different authors.

Ahmed & Ali (2008) carried out a research on the "impact of reward and recognition programs on employee motivation and satisfaction". Research design used was exploratory. Sample chosen for the study was 80 employees of Unilever companies and data collection instrument used was a questionnaire. Pearson's correlation was used to analyze data to determine the degree of relationship between reward and satisfaction and motivation. Major findings indicated a positive relationship between rewards and work satisfaction as well as motivation. Factors affecting satisfaction were identified; payment 86%, promotion 74%; work conditions 61%, personal 37%. Analysis showed support for a positive relationship between reward and employee satisfaction. The study recommended that further studies can be done on „impact of reward and recognition on motivation and satisfaction for diverse groups of people‟ example gender, race and disability.

Duberg & Mollen (2010) undertook a study on reward systems within the health and geriatric care sector. The problem of the study was how reward systems designed in health and geriatric care are and whether the current reward systems affect the care quality. The thesis aimed to extend the knowledge of reward systems in health and geriatric care and know how these systems are designed and what their effects on quality of health and geriatric care are. The methodology took a qualitative approach and interviewed a sample of six leaders in both private and public organizations. Two of the leaders worked in geriatric care and four in health care. The theoretical framework was based on scientific literature about motivation and reward systems. Also literature specifically about wage conditions in the health care sector and the public sector was used. Findings showed that salary is an important aspect in the reward system; however other incentives like bonuses and shares were seen to generate an enjoyable work place and happy workers than motivate employees to be more efficient. Results showed that conditions for working with reward systems in the public sector are limited due to the lack of resources and complex large organisation structures with old traditions. This must be reconsidered to be able to work with well-designed reward systems similar to those in private care organizations. The researcher recommended that further studies should be done to compare reward system and investigate its impact on an organization in relation with one that does not.

Garlick (2009) carried out an online study of 1913 full-time employees and asked people to rank order 14 potential performance incentives in order of preference. These performance incentives included common extrinsic rewards such as cash bonuses, gift cards, award points, and travel awards, as well as intrinsic rewards such as having more freedom and autonomy at work, being able to choose interesting projects, and being assigned to mentor other employees. Not surprisingly, cash bonuses were listed as the most preferred incentive by three-out-of-four people (74%) surveyed. Nine-out-of-ten (89%) listed cash bonuses within their top three preferences. However, the primary issue the study investigated was whether offering cash bonuses really influenced employee attitudes, as well as other business outcomes. The results showed that offering a cash bonus exclusively does not seem to make much of an impact on performance, despite the fact cash bonuses are nearly everyone's preferred reward. While cash bonuses are the most preferred reward for three-out-of-four, and among the top three rewards for nine-out-of-ten, those who only receive a cash bonus are just slightly more satisfied than those who get no reward at all. Furthermore, offering exclusively cash bonuses only seems to have very little impact on company performance, either in terms of increased customer service, or in increased profitability. The above studies have dealt with reward in organizations and its relationship with factors such as employee motivation, employee performance, employee satisfaction and effect on quality of work done. Overall the studies show reward to have a positive effect. However, different rewards seem to have a different impact on employee attitude, satisfaction and performance. There are mixed findings when it comes to individual rewards and their effect on performance.

V RESEARCH METHODOLOGY

This study is an empirical study, based on the primary data. The population of this study was 200 staff of Zenith Bank from selected branches in Anambra State. Considering the nature of the present study, a combination of structured questionnaire was used in order to collect relevant information from a sample of 180 commercial bank employees. A total of 180 employees were randomly selected from Zenith bank branches in Anambra State (Awka, Onitsha, Nnewi, Ekwuluobia and its environs). The number of questionnaire distributed to the respondents was 200. The number returned was 189, 9 was invalid and the number of useable questionnaire was 180. Both primary and secondary data were used for the study. Primary data collected through the questionnaire with case study method, which was designed on the basis of objectives and hypotheses. It is the most inexpensive way to gather data from respondents. The questionnaire consists of four sections namely demographics profile, intrinsic reward, extrinsic reward and employee's performance. Likert 5(five) Scale point was used for these purposes. Descriptive and Pearson correlation analysis was used for data analysis. A well-known statistical package SPSS (Statistical Package for Social Sciences) version 21 was used in order to analyze the data.

VI FINDINGS AND DISCUSSION

Bio-Data information of the respondents (N=180)

Table 1: Frequency distribution of the respondents with respect to their age

		Frequency	*Percent*	*Valid Percent*	*Cumulative Percent*
Valid	20-25	7	3.9	3.9	3.9
	26-30	44	24.4	24.4	28.3
	31-35	60	33.3	33.3	61.7
	36-40	45	25.0	25.0	86.7
	41-45	7	3.9	3.9	90.6
	46-50	13	7.2	7.2	97.8
	51-55	4	2.2	2.2	100
	Total	**180**	**100.0**	**100.0**	

Source: Field survey 2017

Table 1 indicates the age of respondents from the commercial banks at which the research was conducted. As can be seen from the figure and table, the majority of the respondents‟ age (n= 60) was 31-35.

Table 2: Frequency distribution of the respondents with respect to their gender

		Frequency	*Percentage*	*Valid Percent*	*Cumulative Percent*
Valid	Male	140	77.8	77.8	77.8
	Female	40	22.8	22.8	100
	Total	**180**	**100**	**100**	

Source: Field Survey 2017

Table 2 indicates the gender of the respondents, as can be seen from the figure and table, the majority of the sample (n=60) or 77.8% was male, while the remaining 22.2% (n=40) were female.

Table 3: Educational qualification of the respondents

		Frequency	*Percent*	*Valid Percent*	*Cumulative Percent*
Valid	SSCE	2	1.1	1.1	1.1
	HND	2	1.1	1.1	2.2
	BSc	24	13.3	13.3	15.6
	MSc	143	79.4	79.4	95.0
	DIPLOMA	8	4.4	4.4	99.4
	Others	1	6	6	100
	Total	**180**	**100.0**	**100.0**	

Source: Field survey 2017

From table 3 above, 1.1% of the respondents have SSCE, 1.1% has HND, 13.3% has Bsc and 79.4% has master degree. It shows that majority of the employees were Master's Degree holders (n=143)

Table 4: Respondents years of experience

		Frequency	*Percent*	*Valid Percent*	*Cumulative Percent*
Valid	1-3	44	24.4	24.4	24.4
	4-6	48	26.7	26.7	51.1
	7-9	27	15.0	15.0	66.1
	10-12	40	22.2	22.2	88.3
	13-15	3	1.7	1.7	90.0
	16-19	15	8.3	8.3	98.3
	20 & Above	3	1.7	1.7	100
	Total	**180**	**100.0**	**100.0**	

Source: Field survey 2017

Frequency distribution of the respondents‟ experience level is shown in table 4, it can be seen that most of the respondents‟ experience level was 4-6 years (26.7%), 1-3 years (24.4%) followed by 10-12 years (22.2 %).

Descriptive Statistics

Descriptive statistic in the form of arithmetic means and standard deviations for the independent variables and dependent variable for the respondents were computed and presented in Table 5

Table 5: Descriptive Statistics: Overall mean for rewards and employee performance

Variables	**Mean**	**Standard Deviation**
Employee Performance	2.2320	127.83857
Basic Pay	5.1840	229.76140
Performance bonus	7.1240	330.77984
Career Advancement	7.4580	393.25208
Recognition	3.0300	133.65584
Learning Opportunity	6.0700	331.09817
Challenging Work	4.1740	193.30753

Source: Field survey 2017
Dependent variable: Employee's Performance
Table 5 shows that the mean for the basic pay, performance bonus career advancement, recognition, learning opportunity and challenging work ranged from as low as 3.03 to a high of 7.46. Results of the descriptive statistics in terms of arithmetic mean and standard deviation show that reward of the employee in the sample are relatively good. The mean values for the entire variable are relatively high. Above mean values of independent variable and dependent variables show that employees‟ performance depend on the recognition, challenging work and basic pay compared to other variables.
Model Summary

Table 6: Regression Analysis

Model	R	R square	Adjusted R square	Std. error of the estimate	Change Statistics	
					F changes	Sig. F change
1	.702a	.492	-.015	128.80188	.970	.254
2	.994b	.987	.983	72.02799	236.116	.000

a Predictors:(Constant), Intrinsic rewards, Extrinsic rewards
b Predictors: (constant), Intrinsic Rewards.
From above calculation it shows that there is a significant correlation between dependent variable and independent variable which means that employees‟ performance 70.2% depend on intrinsic and extrinsic reward. From the table above, it also shows that there is a strong significant correlation between extrinsic and intrinsic rewards. R Square was .492 and .987 which told us that 49% and 98.7% relation between dependent variable and independent variables is explained by independent variables included in this model.

Table 7: ANOVA Test

Model	Sum of Squares	Mean Squares	F	Sig
Regression	32190.951	16095.476	.970	254
Residual	33179.849	16589.924		
Total	65370.800			
Regression	1224976.706	5188.031		.000a
Residual	15564.094	5188.031		
Total	1240540.800			

From ANOVA test it shows that the table Sig. value 0.05 is greater than the calculated Sig. value 0.000. So, it rejected the null hypothesis at 5% level of significance and also 1% level of significance. It means that there is a significant correlation between dependent variable and independent variables. Therefore, employees‟ performance depends on rewards just as intrinsic rewards strongly depend on extrinsic rewards in different commercial banks in Anambra State.

Table 8: Dimension Correlations rewards and employees' performance

	Employee Performance	Extrinsic rewards	Intrinsic rewards
Employees' performance	1	549(.169)	.496(.197)
Extrinsic rewards	.549(.169)	1	.994**(.000)
Intrinsic rewards	.496(.197)	.994**(.000)	

**. Correlation is significant at the 0.01 level (2-tailed).
Table 8 above shows all the correlations between the variables examined in the study. The correlation coefficient showed a strong relationship, r = 0.549 between extrinsic rewards and employees‟ performance. The correlation coefficient showed a strong relationship, r = 0.496 between intrinsic rewards and employees‟ performance. Meanwhile intrinsic rewards also showed a strong relationship r = 0.994 toward extrinsic rewards with the significant level less than 0.01.

Table 9: T-test Employees' performance over intrinsic and extrinsic rewards

Model	Standard Coefficient	t	Sig
	Beta		
Basic Pay	.642	1.452	`.121
Performance bonus	.478	.941	.208
Career Advancement	.491	.977	.200
Recognition	.374	.698	.267
Learning opportunity	.427	.819	.236
Challenging work	.671	.1.566	.107

Dependent Variable: Employees‟ performance.

The t-test shows that there is significant relation between extrinsic and intrinsic rewards and employee performance.

VII FINDINGS, SUMMARY AND CONCLUSION

The result from this study examined and determined the relationship between rewards and employees‟ performance and also determined the relationship between intrinsic and extrinsic rewards. Based on a result from Pearson Correlation Analysis, it showed that there is a positive relationship between rewards and employees‟ performance and also showed a highly positive significance in the relationship between intrinsic and extrinsic rewards. The results of correlation matrix have supported the hypothesis that there exist a positive relationship among extrinsic rewards, intrinsic rewards and employees‟ performance. Based on result of the study, it therefore showed that only extrinsic or intrinsic rewards are not sufficient to motivate employee to perform work highly. From the data analyzed, it is obvious that compensation/reward play a vital role in increasing employee performance. This is in line with the view of Jack Welch that “If you pick the right people and give them the opportunity to spread their wings - and put compensation and rewards as a carrier behind it - you almost don’t have to manage them.” It was also observed that that effective reward system is the “glue” that binds the employee and the employer together and in the organized sector, this is further codified in the form of a contract or a mutually binding legal document that spells out exactly how much should be paid to the employee and the components of the compensation package. Hence, reward management is something that companies must take seriously if they are to achieve a competitive advantage in the market for talent.

Reward strategy is seen as one of the most important strategies in the human resource management function as it influences the productivity and growth of an organization. Hence, modern corporate organizations have deemed it imperative to incorporate effective compensation strategies for workers as part of their corporate goals and objectives. This is believed will shape a work force focused on strategic performance goals and capable of achieving them. This research work is also about reward management and productivity, or what used to be called pay and benefits. The total compensation solution is based on a rethinking of employee compensation and investment systems into an employee-driven system. Compensation thinkers have been raising questions about the structure of existing and often rigid pay systems for some time. But in addition to monetary rewards, contemporary employees are increasingly demanding reward diversity and reward choice. In today’s diverse, employers are finding that employees want a range of different things from the work place. Employees will even exchange some level of base pay to get some of the other things they want.

Conclusively, the significance of effective reward system cannot be overemphasized in a bid to attracting, retaining and motivating employees for improved organizational productivity. Amajor task from a human resource management and industrial relations perspective is to understand how to design and administer compensation policies that best meet the goals of employers and employees in the employment exchange. In this sense both the employers and the employees benefit and in general positively and significantly influence the overall corporate performance. There is a relationship between employee performance and reward management, it is possible to recognize the existence of a trend that suggest that compensation, when both concepts are properly manage; influence the employees to show better performance. When the organization is implementing some compensation plan, it is necessary to consider a number of factors specific to each organization to ensure and achieve its objectives: attract, retain and motivate employees. The reward system is directly related to all human resources processes, for which strategic coordination is essential, in particular, performance evaluation systems. When implementing a reward system, it is necessary to understand the culture of the country where the organization is working; this will cause a differential impact on the perceptions and priorities of employees, depending on the cultural aspects valued as rewards.

VIII RECOMMENDATIONS

By all standards and with inference from the implications of the findings, good and well-designed reward strategy play a major role in providing for an integrated and coherent range of human resource management processes which are mutually supportive and contribute as a whole to improving organizational effectiveness. Consequently, management should design, formulate and implement reward/compensation strategy objectively in order to enhance the attainment of overall organizational goals with a view of getting the best contributive and supportive effects from organizational workers.

Based on the findings of this research, it is recommended that:

- That organization should adopt the right reward mix that suit the desire of their employee in order to get the best out of them.
- That the three element of reward which includes basic remuneration, incentives and benefit should be adequately harnessed in the overall reward package.

 That the organization should carry out a survey to determine what appeals most to the employee in order to know the type of reward suitable for their employees.
Finally, both management and workers should be made to understand the objectives contained in the reward strategy so that unintended and subjective motives can be played down on while trying to enhance the common objective strategically. This, without doubt, will give room for good organizational performance.

Suggestion for further Study

This study therefore suggests that this same study be conducted to at least four African countries or more (Ethiopia, Kenya, Tanzania, and Ghana or any other one). In each of these countries selected, the researcher will pick randomly five commercial banks and carry out the research on the same topic to enable him or her generalize the result in all Sub-Saharan Africa.

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