

The Impact of Rewards on Employee Performance: A Study of Commercial Banks in Noakhali Region.

Abstract

Rewards are benefits that come from performing a job, providing a service, or performing a duty. Rewards are one of the most important tools to encourage employees in the workplace. The goal of the reward system is to deliver positive results. The purpose of the study was to examine and analyze how the rewards system of the banking sector in Bangladesh helps employees to acquire work skills. The aim was to find out which aspects of the reward system work best and which aspects can be further improved and enhanced to increase employee satisfaction. The experimental part of the project was conducted using a quantitative research method. The size of the sample was 80. Data was collected with the help of questionnaires issued to the respondents working as ban bankers. The questionnaire consists of nine variables that are being used as rewards for employees. Frequency tables and graphs based on descriptive statistics were used in the study to provide information about variables in the population. The result shows that the mean for salary evaluation, bonus, benefit, promotion, recognition, career, responsibility learning opportunity from a low 2.82 to a high of 4.02. The responses of salary evaluation, benefit, promotion, career advancement show that employees consider this factor slightly important than factors as mean value is greater than 3.5. The standard deviation of promotion and responsibility shows that these variables have extensive responses than their mean as value indicates 0.98 and 0.94 respectively. The results of the study revealed how employees responded to current reward systems. The results conclude that reward systems have a significant effect on employees' attitudes toward work. The study suggested improving the reward system of companies to increase the level of satisfaction among employees.

Keywords: Rewards, Employee, Performance, Extrinsic, Intrinsic, Remuneration, Quantitative research method, Descriptive statistics.

1 Introduction

It is an everlasting fact that men are having an affection of being remunerated, appreciated and motivated for their works by the highest authority of their filed. Effective human capital strategies can be enhanced by the organization all over the world. It is clear that the employee's productivity is considered a key factor in the expanding organization. Organizational performance highlights the importance of awarding employees in today's world.

Reward Systems is an essential aspect of any organization. It can actively involve the employees towards an organization and renovate the overall sense of community and mission of an

organization. A properly administered system of rewards can provide an incentive for quality workmanship and staff performance. Extrinsic rewards systems means financial rewards in organizations. It can be salaries and wages, bonus plan, fringe benefits and employee's promotion etc. Intrinsic rewards systems means non-financial rewards in organizations. It can be personal growth, responsibility and completion of task, the achievement of goals, and employee's autonomy over job etc. Employees are called human resources as well as most important assets in modern organizations (Ong & Teh, 2012). Employees are recognized as the most important treasure in developed countries and those countries give high consideration in promotion (Lawler & Worley, 2006). To achieve profit is the fundamental goal of the organization and employees should be motivated for achieving this fundamental goal in the profitable way. Reward systems are considered important management tools that contribute in the effectiveness of a firm. The justification behind the use of rewards to employees is that motivated employees so that they became satisfied in terms of their jobs and also fulfilling their wants, both financial and non-financial. Reward systems are conducted in order to able to employees work towards achieving strategic goals in the organizations through enhancing their productivity and performance levels. Organizations implement reward systems in order to motivate their employees or individuals to achieve the pre-determined goals of the company and reward systems are considered as planned activities in the organization. As human resources are the most valued asset of an organization, it is very important to handle human resource within organization in a better way. Because achieving strategic goals in the organization depends on the better handling of employees Therefore, rewards systems are consequence in the origination that motivates employees for fulfilling their work-related needs (Szilgyi, 1981). Giving rewards is one of the most important elements used to motivate employees so that the employees can develop ingenious ideas that lead to improving business performance both financially and non-financially. (Aktar *et al.*, 2012). Reward system not only assists on organizational contributions but also it accomplishes other objectives such as legal compliance, restraint labor cost, access employee fairness and prolongation of employee performance that raises entire organizational productivity. (Maire & Nick, 2002).

Carrying out of reward program is not only related with remuneration and employee welfares but also it is equally related with non-monetary rewards such as recognition, training, development and expansionary job responsibility. As human resources are gradually becoming one of the most important assets of business organizations; therefore, employees have to be effectively guided and highly appreciated by the organizations.

When the employee of the organization clarifies its policies as fair, compatible, and pertinent, its rewarding system will be most promising. Giving reward and recognizing employees is considered as an exquisite business. People can be motivated for searching for more competent ways for performing their jobs by the reward system.

Reward systems are consequence in the organization that fulfills job related needs of an employee. Reward systems includes not only intrinsic incentives such as bonus plan and stock options, but also includes extrinsic incentives such as promotions, re-assignment, non-monetary bonuses, vacation holidays or simple "thank you" from a manager. As high morale and productivity are interdependent on each other, managers of the organization should give rewards to the employees on the basis of fulfilling the standards and targets that are set by the organization (Szilgyi, 1981).

A completely directed rewards systems have the capability to flourish inducements for quality structure and employees performance and also to fascinate efficient employees artistically for involving them in the organization; on the other hand; the inverse may lead to inefficient employees as well as unproductive performance and creates a highest amount of employee resignation (Wilson, 2004).

Rewards can be extrinsic or intrinsic, tangible rewards are called extrinsic rewards and these rewards are used externally to the job or these types of tasks can be conducted by the personnel. External rewards can be in terms of salary/ pay, inducements, bonuses, promotions, job security, gratuities etc. Intrinsic rewards are intangible rewards or psychometric rewards like appreciation, meeting the new challenges, positive and caring attitude from employer, and job rotation after attaining the goal.

Rewards are basically of two types, financial and non-financial and through using these two types of rewards; personnel's conducts towards their works can be enriched in a positive way. Financial rewards means remuneration for enactment such as performance bonus, job promotion, commission, tips, gratuities and gifts etc. A non-financial reward means non-monetary/non cash and it is a social acceptance such as recognition, certificate, and genuine appreciation etc. (Luthans, 2000).

The objective of this research is to:

- Identify the effects of rewards on employee's performance.
- Identify the types of rewards system in job sectors.
- Identify the methods and strategies used in implementing rewards at employee performance.

The content and results of this study is of immense importance to all corporate entities and other stakeholders who recognize employees as a vital human resource that needs to be harnessed and developed. It has also exposed the excesses and weakness of the area of study thus, serving as a mirror for self-assessment of managers and employees' performance. It has also provided the needed criticism to serve as a wake-up call for improvement and offer advice on restructuring of the organization if the need be.

2 Literature Review

The literature review in this chapter is to focus on organizational rewards system and their effects on employees' performance.

2.1 Rewards:

Reward system are executed by organization, are considered as a way to motivate employees to achieve organizational objective. Managing human resource is one of most important tasks that get highest consideration in the organization and as a result, employees became the most valued asset of an organization (Szilzgyi, 1981).

Reward system can be narrated as a jacket of all interconnected action and mechanism that are assembled together in order to ensure the betterment of an organization and also for the involved employees of that institution (Armstrong, 2009).

Organization use reward system as an essential instrument in stimulating employee's enthusiasm in the positive way to build up work turnout and also help to attain the expected organizational goals in order to work out the reward system. Reward systems are also considered as a tool for raising employees' awareness and also add value to the employees work according to their position to the organization (Pratheepkanth, 2011).

Reward systems play an indispensable performance in case of expanding the number of awards of an employee and also modify the manners of a displeased employee. It is also included that the legitimate procedures of reward system also raise high contentment of an employee towards job (Mehmood, 2013),

2.2 Employee Performance

The performance of employee which exists in activity and organizational psychology is considered as fundamental theory. Although specific staffs acts is important and the comprehensive inquiry into the interrelationship in the middle of work presentation and administrative results, a broad definition has been developed for constructing very little effort and precision has been provided in the metrics for its assessments. (Sonntag&Frese, 2002).

Taking the initiative of complex valuable activities that combine skills and knowledge to give an effective outcome; and a group of people involved in a performance or a collaborative effort as individuals. It can also be said that staff actions can be narrated as an activity performed by a staff to make a viable or an effective result. (Elger, 2007)

There is a positive collection of employees rewarded on the basis of individual performance, including the overall performance of an organization. It can be through bonus or launching rewards or organizational recognition or appraisal. (Yang, 2008).

Most companies pay less devotion to the level of contentment of their personnel in order to achieve the contentment of their customers, forgetting that without satisfying the personnel, the performance level is usually lower which will eventually lead to customer discontentment. (Ahmad, Wasay and Malik, 2012).

Emphasis is placed on rewarding employee performance with the argument that when employees are less encouraged, they become unsuccessful in case of bidding their job, because they put fewer attempts into the workplace. (Azar and Shafiqhi 2013).

Staff act is considered as a degree that incorporates both efficacy and usefulness. It is further emphasized that a direct way of assessing employee performance is through the unit output of staffs during the unit period. (Bhattia and Qureshi, 2007)

The management of individual performances within an organization has traditionally centered on performance appraisal and award allocation, with effective performance seen as a result of interaction between effective skills and motivation. It is increasingly acknowledged that planning

and performance in a competent environment have a serious impact on individual performance, with goals and standards, appropriate resources, guidance and managerial support all becoming central. (Torrington et al., 2008).

Human resource strategies and principles actually affect organizational as well as individual performance. The performance of employees within the discipline of human resource management has been portrayed as a multidimensional concept. At the most basic level, employee performance is of two kinds: functional and contextual performance. (Sonnentag & Frese, 2002).

2.3 The Relationship between Rewarding and Performance

Rewarding high-performance levels in the real world is very essential because it performs and controls. In fact, reward approaches ensure the level and addition of non-monetary and monetary rewards needed to fascinate, maintain and encourage skilled and semi-skilled workers to enrich the organization. Even though some of these benefits are monetary forms, such as salary sacrifices and competitive pay options, there are many monetary paybacks that companies can provide to their employees. Indeed, there are some of the factors that can encourage staffs. Therefore, for a manager, it is important to know how to encourage real employees.

Explicit reward practice should be done by simplifying the connection between the reward given and the extra effort. There are also warnings about rewards managed within the rewards system. In this regard, it is suggested that in order to achieve positive motivational assets, companies should distribute encouraging rewards depending on performance. In fact, managers who try to run a fair rewards system seem to be more prosperous in the workplace than rewards for unjust behavior. (Porter et al., 1975).

In this case, the need to be impartial in rewarding others seems to be clearly assumed from a theoretical point of view, the unfairness of performance appraisal is often narrated in various economic studies. Thus, clear justice is needed to run an optimistic association with an organization winning awards. (Prendergast, 1999).

It also investigates the impact and effectiveness of financial incentives; and they showed that individuals who received individual inspiration performed better than those in control. (Bergum and Lehr 1964),

This is a study based on the search for model competence to predict job commitment as well as satisfaction. The results of the study showed that job satisfaction was the most expected by job rewards; and the promise of the work was best predicted by an arrangement of value, reward and investment. In fact, external and internal rewards motivate employees and this motivation leads to the realization of a higher performance level. (Daniel and Caryl, 1981)

It is strongly stated that promotions build chances for individual improvement, increase the level of responsibility and increase social status. Similarly, recognition is the central point of employee motivation as it realizes the appreciation of an employee and confers dignity on the individual as well as being an employee of the organization. (Robbins, 2001)

3. Research Methodology

3.1 Research Design: A research design is said to be a boundary of conducting a research study. A good research is founded on a good research design. According to Creswell, 2012; the research design narrates broadly the distinct function that are used in the research process; which is consists of data assembling, scrutinize and authoring of the report. For the purpose of this study, survey design was adopted in order to empirically investigate the variables of the research, have good response rates, attitude could be observed. The survey design employed the use of research instrument of questionnaire.

3.2 Target population: According to Polit and Beck, 2004, the population is the whole accumulation of occurrence where the researcher or the other person who is fascinated in conducting research. In the context of this study, the population was obtained from the several commercial banks of Noakhali district. To access employees and encourage them to participate in the study, it has been relied on the assistance and cooperation of the respective branch manager.

3.3 Sample size: Considering the size of the bankers in Chowmuhuni town of Noakhali district and the time available for the writing of this paper work, a sample size of 80 workers was selected and questionnaires administered.

3.4 Data Collection: Data collection is the process of selecting, estimating and analyzing accurate insights for research using standard validated techniques. . A researcher can evaluate their hypothesis on the basis of collected data. In most cases, data collection is the primary and most important step for research, irrespective of the field of research. The approach of data collection is different for different fields of study, depending on the required information. For this study, both primary and secondary data were used.

(i) **Primary Data Collection:** The Primary data were obtained from the self-designed questionnaire sent out and returned. The questionnaires were made based on 5 point Likert's Scale method ranging from 1 to 5 whereas 1 stood for strongly disagree, 2 for disagree, 3 for neither agree or disagree, 4 for agree and 5 for strongly agree. The questionnaire included questions on extrinsic rewards, intrinsic rewards and employee performance. The questionnaires were issued in person to the sampled respondents through the management. The filled questionnaires were collected after a period of about three days from the date of their issuance

(ii) **Secondary Data:** Secondary data were collected from journals, textbooks and online resources. This data was used to compute, analyze and interpret of primary data.

3.5 Data Processing: The obtained data were scrutinized and summarized carefully from the questionnaire before the final tabulation. Then the data were tabulated in a Microsoft excel spreadsheet. The qualitative data were transferred into quantitative data by appropriate scoring techniques.

3.6 Statistical Analysis of Data

The tabulated data were analyzed by using statistical tool SPSS (version 26) and Microscope excel 10. Various descriptive statistical measures such as mean, standard deviation (SD) were

used for categorization and describing the variables. Frequency and percentage of the respondents on various questions were shown in table and column chart.

4. Results and discussion:

Results

4.1 Demographic Information of Respondents

Demographic variables of the respondents in the study include gender, age, educational qualification and length of the service. The results in table 2 represent distribution of sample individuals according to below demographic variables. Table indicates that 45% of respondents are between 25 to 30 years. Next 17.5% of respondents are between 31 to 35 years, 20% of respondents are between 36 to 45 years and 17.5% of respondents are aged above 46 years. Table indicates that 70% of respondents are male and 30% of respondents are female. Table shows 32.5% respondents are graduate and 67.5% respondents are post-graduate. Table-1 also shows that 20% respondents length of service (years) 0 to 2 years, 32.5% respondents length of service 3 to 5 years and the rest respondents length of service more than 6 years.

Table 1: Demographic Presentations of the respondents

Factors		Frequency	Percentage (%)
Age (years)	25-30	36	45
	31-35	14	17.5
	36-45	16	20
	46-60	14	17.5
Gender	Male	56	70
	Female	24	30
Qualification	Graduation	26	32.5
	Post-graduation	54	67.5
Length of Service (years)	0-2	16	20
	3-5	26	32.5
	6-10	12	15
	10-15	18	22.5
	16-above	08	10

4.2 Data Analysis and Interpretation

The respondents were asked to put their score on a Likert scale ranging 1 (strongly disagree) to 5 (strongly agree) on provided questionnaire. The question was ‘Does the reward effect on your performance?’ with nine variables including Salary Evaluation, Bonus (in money), Benefit (in money), Promotion, Recognition for contribution, Career Advancement, Responsibility, Learning Opportunity (training and development) and Job Satisfaction (job environment). An extrinsic reward is an award that is tangible or physically given to employees for accomplishing something. It is a tangible recognition of ones endeavor. On the other hand, an intrinsic reward is an intangible award of recognition, a sense of achievement, or a conscious satisfaction. In nine variables, Extrinsic Rewards are Salary Evaluation, Bonus, Benefits and Promotions. Intrinsic Rewards are Recognition, Career Advancement, Responsibility and Learning Opportunity. Regards of Employee is Job Performance & Satisfaction. The analyzed data obtained from questionnaire are shown in table no 2.

Table 2 shows that the descriptive statistics in the form of arithmetic mean, median, mode, standard deviation, and variance, minimum, maximum for the independent variables and dependent variables for the respondents were computed and presented in the table. It shows that the mean for salary evaluation, bonus, benefit, promotion, recognition, career, responsibility learning opportunity from a low 2.82 to a high of 4.02. The responses of salary evaluation, benefit, promotion, career advancement show that employees consider this factor slightly important than factors as mean value is greater than 3.5. Standard deviation of promotion and responsibility shows that these variables have extensive responses than its mean as value indicates 0.98 and 0.94 respectively.

Table 2: Descriptive results of different variables of the study

Extrinsic Rewards

Variables	Respondent s	Mean	Median	Mode	Std. Deviation	Variance	Minimum	Maximum
Salary Evaluation	80	4.02	4	4	0.48	0.23	3	5
Bonus	80	3.22	3	3	0.92	0.84	2	5
Benefit	80	3.68	4	4	0.61	0.38	3	5
Promotion	80	3.55	3.5	3	0.98	0.97	2	5

Intrinsic Rewards

Variables	Respondents	Mean	Median	Mode	Std. Deviation	Variance	Minimum	Maximum
Recognition	80	2.82	3	3	0.75	0.56	2	5
Career advancement	80	3.98	4	4	0.66	0.43	3	5
Responsibility	80	3.33	3	3	0.94	0.89	2	5
Learning opportunity	80	2.95	3	3	0.72	0.51	2	4
Job Satisfaction	80	3.22	3	3	0.92	0.84	2	5

Discussion

The explanation of each variable is described in following sections.

4.2.1 Effect of Salary Evaluation on Employee Performance:

The sampled respondents admitted (with a mean value of 4.02 ± 0.48) that the salary evaluation at regular basis motivates their performance. Salary evaluation is the most righteous type of rewards program that helps workers to grow, mature and ultimately add value to the organization. Employees hope that evaluation of their abilities and performances will be financially meaningful. Zingheim (2010) agreed that companies that pay higher salaries drive higher performers and encourage similar average performance across the company. This study found 90% of respondents who agreed that salary evaluation affected their performance. This finding showed similarities with the works of Hellriegel et al. (2001), and Prendergast (1999).

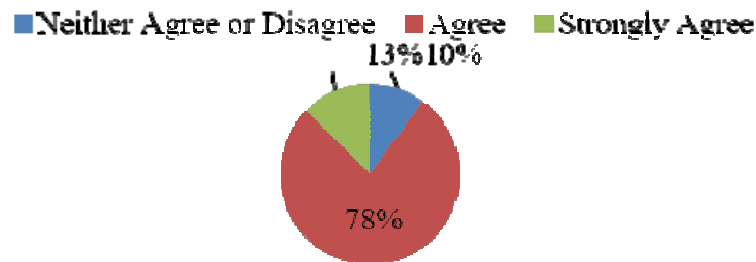


Fig. 1: Salary evaluation effect on Performance

4.2.2 Effect of Bonus (in Money) on Employee Performance:

The sampled respondents remained neutral (with a mean value of 3.22 ± 0.92) that bonus at regular basis motivates their performance. Bonus plans are very essential part of reward systems in an organization. This is so because they are related to the current performance of employees as it is an extra amount of money added to an employees pay. The effect of bonus on employee performance is that conscientious employees remind themselves month after month that their efforts and hard work will be rewarded at the end of the year. Almost 35% respondents of the study agreed on the term that bonus had effect on their performance and other 43% remained either neutral or disagreed.

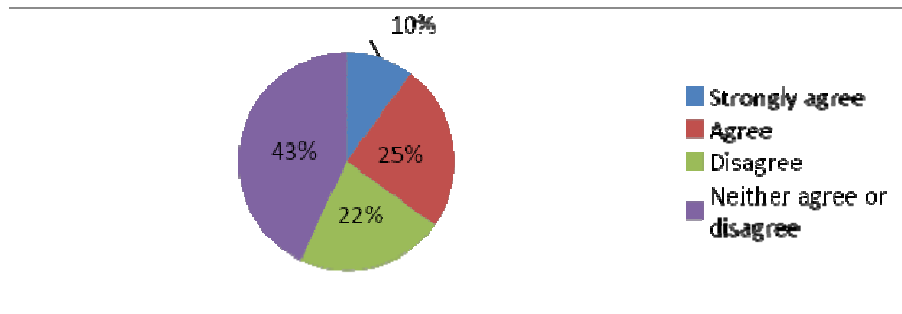


Fig. 2: Effect of Bonuses on Employee Performance

4.2.3 Effect of Benefits on Employee Performance:

The sampled respondents slightly agreed (with a mean value of 3.68 ± 0.61) that the benefits based on their activities effect their performance. Benefits are the programs an employer uses to supplement the cash compensation that employees receive. These programs are designed to protect the employees from financial risk and include: pensions, sick pay, insurance cover, company cars and annual holidays. About 60% respondents of the study said that benefits given to them helped financially and influenced them to perform efficiently. The finding of Yousaf et al. (2014) supports this result of the study.

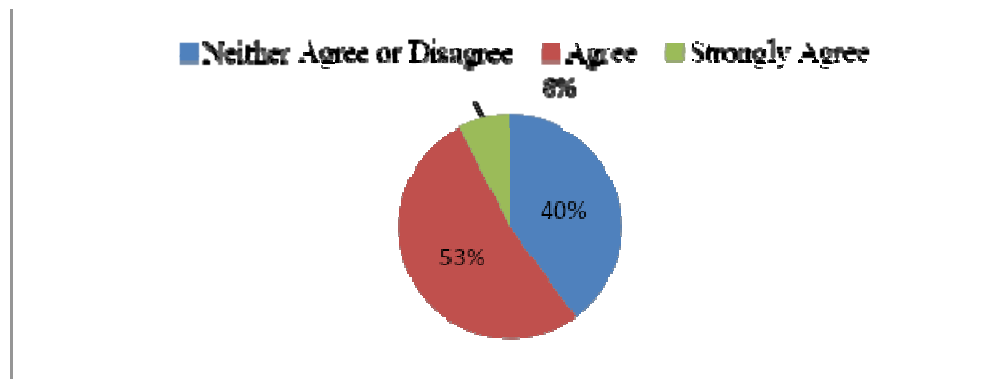


Fig.3: Effect of Benefits on Employee Performance

4.2.4 Effect of Promotions on Employee Performance

The sampled respondents almost kept neutral (with a mean value of 3.35 ± 0.98) that the promotions on regular basis affect their performance. Promotion is evidence of recognition of employee performance. Someone who promoted will be considered to have a good performance on the job. According to Kosteas (2009), it is hoped that promotions can affect employee satisfaction and that promotions will lead to a stronger role. Employees who are informed that they will never be promoted will have their performance reduced, until they have the opportunities to be promoted in the future. The study found that about 50% of the respondents agreed with the fact that promotion had effect on performance, about 35% kept neutral and remaining 15% disagreed. These results are supported by the findings of Savych (2005) and McCausland et al. (2005).

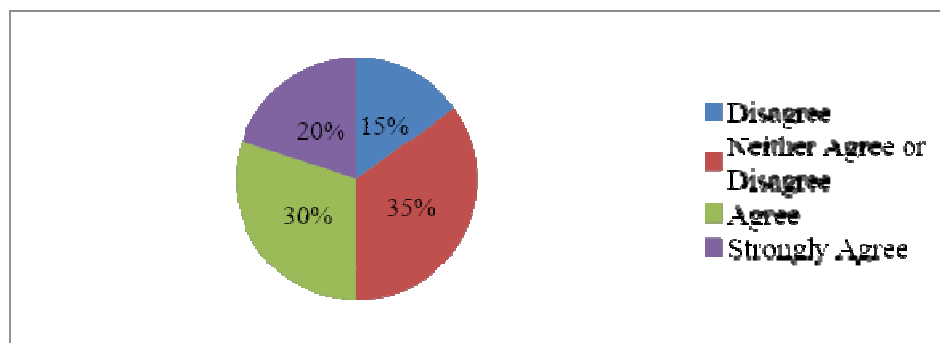


Fig.4: Effect of Promotions on Employee Performance

4.2.5 Effect of Recognition on Employee Performance

The sampled respondents disagreed (with a mean value of 2.82 ± 0.75) that recognition of their contribution effect their performance. Human beings will improve their performance when they are appreciated and their works being recognized with benefits. About 50% of the respondents kept neutral on this fact, 35% clearly disagreed and only 15% agreed that recognition had affect. This result dissimilar with the works of Alam et al. (2013) and Danish & Usman (2010).

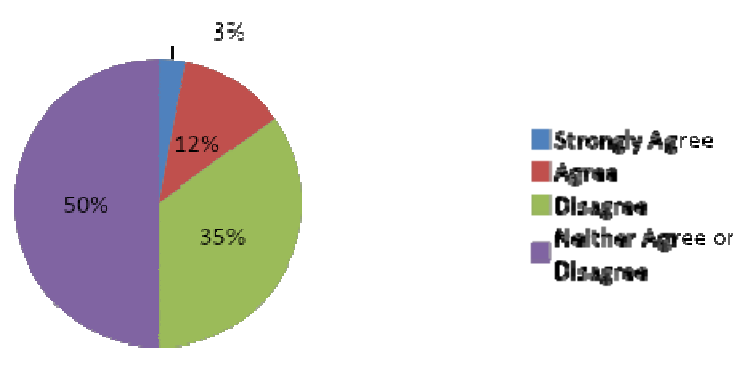


Fig.5: Effect of Recognition on Employee Performance

4.2.6 Effect of Career Advancement on Employee Performance

The sampled respondents agreed (with a mean value of 3.98 ± 0.66) that career advancement opportunity affect their performance. Career advancement is used as a variable for the term job security and defined as the assurance in an employee's job continuity. It refers to the chances of an employee keeping their jobs in order not to be unemployed. Job security therefore relieves the employee of any sense of fear of losing his/her job. About 77% respondents believed that assurance of the job continuity enhanced their performance and other 23% kept neutral. These findings showed many similarities with the studies of Adebayo & Lucky (2012) and Lucky et al. (2013).

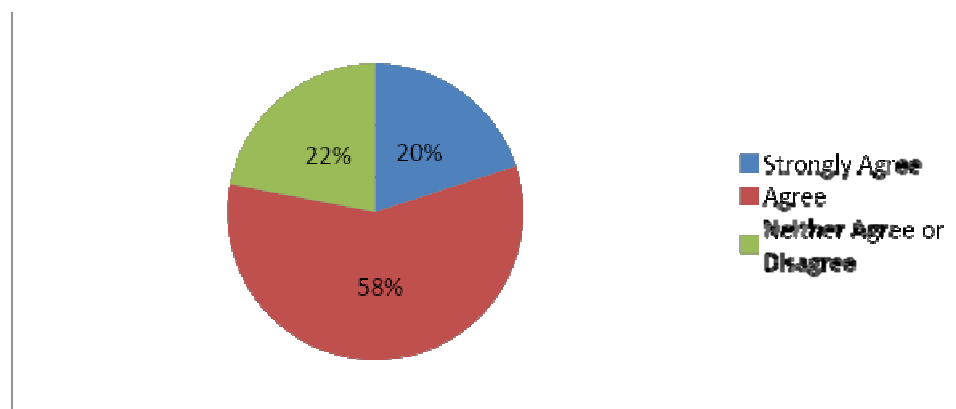


Fig. 6: Effect of Career Advancement on Employee Performance

4.2.7 Effect of Responsibility on Employee Performance

The sampled respondents kept neutral (with a mean value of 3.33 ± 0.94) that responsibility of their work affects their performance. The term responsibility represented the sense of equality. It referred the fact if the employee given awarded according to their abilities. The employees would not be satisfied if they didn't position what they deserved. The respondents of the study felt that responsibilities based on abilities had minor effect on their performance as only 40% agreed with that. About 40% respondents remained neutral and 20% disagreed. This result showed dissimilarities with the findings of Armstrong (2008).

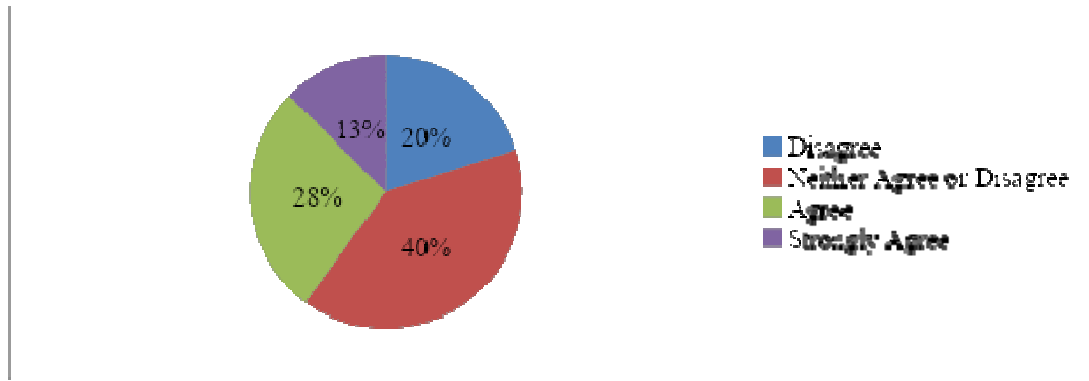


Fig. 7: Effect of Responsibility on Employee Performance

4.2.8 Effect of Job satisfaction on Employee Performance

The sampled respondents kept neutral (with a mean value of 3.22 ± 0.92) that job satisfaction for working environment effect their performance. Job satisfaction is an intrinsic reward and is concerned with the employee's inner state resulting from the value attached to his or her inventiveness at work, convenience of the job, the enrichment and evolvment resulting from accomplishing the job task. It is a reflection of the work environment and the characteristics of a job task. According to Haryati (2012), good quality of working environment will create productive human resources, qualified, committed and dedicated to the job, which in turn can improve employee performance. About 35% respondents of the study believed that job satisfaction had affected their performance.

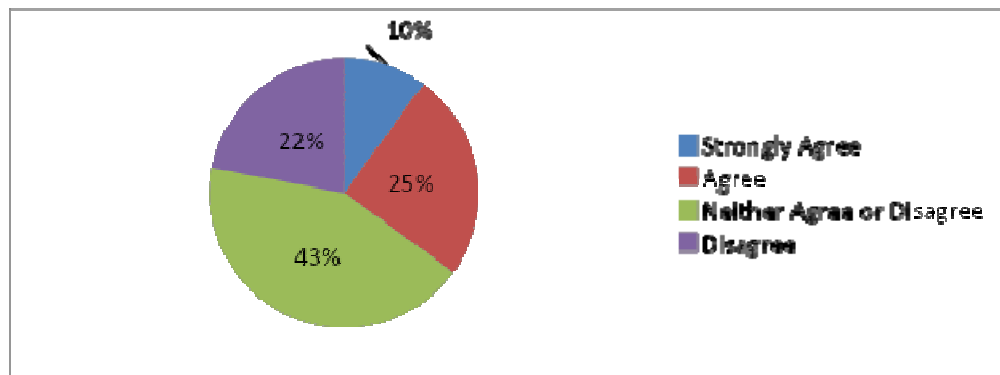


Fig.8: Effect of Job satisfaction on Employee Performance

4.2.9 Effect of Learning Opportunity on Employee Performance

The sampled respondents disagreed (with a mean value of 2.95 ± 0.72) that learning opportunity with training and development affect their performance. The organization that engages their employees in learning and development programs are likely to have human resources that are very productive and results to regular growth and long term sustainability of the organizations. This fact boosts employee performance because they have acquired the necessary tool and skill to tackle any work challenges. But the study found only 22% of respondents whose were agreed

with the fact. About 50% kept neutral another 28% disagreed with the term. This was not the similar findings as Bakker.

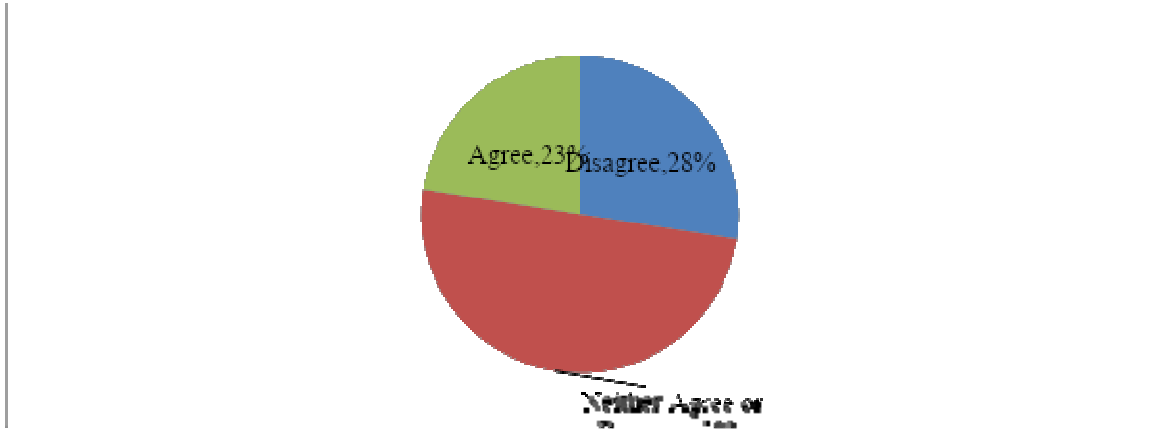


Fig. 9: Effect of Learning Opportunity on Employee Performance

Table 3: The opinion of the respondents on the basis of percentage on each variable are shown through the following table (likert Scale Basis)

Different Factors	The opinion of the respondents on the basis of percentage on each variable			
	Agree	Strongly Agree	Disagree	Neither Agree or Disagree
1. Effect of Salary Evaluation on Employee Performance	77%	13%	-	10%
2. Effect of Bonus (in Money) on Employee Performance	25%	10%	22%	43%
3. Effect of Benefits on Employee Performance	52%	8%	-	40%
4. Effect of Promotions on Employee Performance	30%	20%	15%	35%
5. Effect of Recognition on Employee Performance	12%	3%	35%	50%
6. Effect of Career Advancement on Employee Performance	58%	20%	-	22%

7. Effect of Responsibility on Employee Performance	27%	13%	20%	40%
8. Effect of Job satisfaction on Employee Performance	10%	25%	22%	43%
9. Effect of Learning Opportunity on Employee Performance	23%	-	27%	50%

Now a day's human resource is considered to be the most important resource of an organization to remain competitive in the business world. Acquiring the right workforce and then retaining that force is one of the biggest challenges to the organization. The result from this study examined and determined the relationship between rewards and employees performance. Based on the result from data analysis, it showed that there was a positive relationship between rewards and employees performance. Among these extrinsic rewards, such as basic pay, bonus, benefits and promotion. Basic pay is considered as most important factor as it affects the employee's performance in a significant way than other factors. In case of salary evaluation, 90% respondents agreed that it has significant impact on performance. In case of other variables such as bonus, benefits and promotion, the respondents percentage are 35%, 60% and 50% respectively. There are four factors included in the intrinsic rewards such as recognition, job satisfaction, responsibility, learning opportunity and career advancements. Career advancement among all other factors is considered as highly significant factors that affect the employee's performance. 78% respondents approved that career advancement has high impact on their performance for other variables including recognition, job satisfaction, responsibility, and learning opportunity they responded in percentage of 15%, 35%, 40%, and 23% respectively that they had effect on their performances. It can be said on the basis of result of the study that, only the extrinsic or intrinsic rewards are not enough for encouraging employees to perform their work highly. If commercial bank of Bangladesh keep both types of rewards for the employees than it will increase their employees performance.

Logically, it could be concluded that reward system will have an effect on employee performance in selected banking sectors in Chowmuhan town of Noakhali District. This logic is also affirmed by the literatures reviewed in this study that shows reward have an effect on employee performance which also conforms to the findings of this study. The findings of this study is consistent with the findings of Mullins (2005), it stated that reward systems have become a prominent means with which organizations have been able to enhance their employees' performance towards achieving organizational goals. The findings of the study are supported by the studies of Yang (2008), Daniel and Caryl (1981), Freedman (1978), Flynn (1998), Lawler (2003), Bull (2005), Robbins (2001), Barton (2002), Eastman(2009), Gagne (2009) and Ali and Ahmed (2009). It can be said that the research that was undertaken for this study has advanced our understanding of the relationship between rewards and of employee performance in banking sector.

5 Recommendations and Conclusions

Recommendations for HR Department

- Employee performance can be improved when both the manager and the employee understand where they are, where they need to be, and how they are going to get there. In addition to the manager and employee having open communication, the entire team should be encouraged to communicate everything from progress, deadlines, expectations, and resources. Doing this makes it easier to navigate an objective from start to finish within the framework of the team. It opens up opportunities to collaborate and can improve the performance for everyone.
- Employees will be more likely to contribute their good ideas and hard work to a company that wants to hear them. Employees who understand how their role helps the company succeed are more willing to do their very best. Talk to them and hear their opinions.
- Right from the start; provide all new employees with proper training. Make sure that employees know what to do, and the most efficient way of doing it. Once the processes for getting the job done are routine, they'll be able to contribute their unique ideas and be effective at getting things done.
- If you want to boost your employees' morale and motivate them to give the best they can, then you have to recognize their individual contributions and accomplishments. Be generous with your praises and you'll notice that staff will become more creative and eager to work.
- An efficient reward system provides ethical incentives that can be combined with virtually certain level of performance to differentiate great employees according to their performance as a way to improve employee's performance.

Recommendations for Researchers

- In the study, employees of a few banks were conducted due to lacking of time and funds. Future research should increase the respondent's frequency for accurate findings.
- Future research should examine the research variables in other research context and sectors so as to increase the generalizability of the findings.
- Future studies should adopt the use of reliable secondary data which are non-perceptual in nature and that could reflect firm's activities and performance over time, rather than using subjective self-reported perceptual measures in assessing the study.

- One type of reward systems cannot be fit for every types of firm; it will be fascinating to explore the outcome of reward system on employee performance in service firms. In service firms such as banks, employee task are more monotonous where the creativeness and invention level is very low than other firms. The probability of group work is very low and there is a higher level of specialty and job difference. It is very significant for research to be done in this track and with the intention of focusing to identify the most suitable reward system for service firms.

Lastly, the study of the relationship and effects of the reward system variables and employees performance variables used in this study in the banking sectors will open up more understanding on the subject matter.

Conclusions

Employee place a great role on different rewards given to them by their employers and this has a significant impact on their performance. For the beneficial of the employee's performance of any nature of business, organization and institution, the reward is more important. It is usual process that human performance is interlinked with motivation and motivation can be concerned in rewards. This study proves that rewards have effect on performance of employee in banking sector. Employee motivation is a growing part of the company' success and the ability to attract and retain top performers in a progressively competitive situation. It is essential for companies to improve their return on investment in human resources by aligning reward systems with business strategies and improving the quality of work in the hands of employees. In order to ensure the effectiveness of reward strategies, the organization needs to consider the uniqueness of the conditions and the variety of their employees. This study was executed in order to gain advanced knowledge of employee perceptions on current reward systems in banking sector. More specifically it assisted the bank to examine which rewards are most preferred. Finally, suggestions were made to the bank on how current reward systems can be improved to more effectively motivate employees.

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Appendix

Consent Form and Questionnaire

Declaration of confidentiality and privacy

Information in this interview questionnaire will be used only for this research study. You have my assurance that participation in this interview is:

- ❖ Voluntary
- ❖ Not necessary to answer any questions that make you feel uncomfortable
- ❖ Confidential
- ❖ Private (privacy guarantees)
- ❖ Only if permitted information will be attributable to you
- ❖ Happy to answer any questions about the project.

Personal Information

Name:

Age:

Gender:

Occupation:

Position/Designation:

Bank Name:

Length of the service:

Part A

General Questions

1. Do you know about Reward?

- a. Yes b. No

2. If yes, then what does it mean?

- a. Motivation of employee b. No motivation of employee.
c. No impacts d. Any other

3. Does the reward bring positive impact of employee performance?

- a. Yes b. No

4. If yes, clarify for what aspect..

- a. keeps more employee b. Lower turnover
- c. To achieving the target goals d. Any other

5. Which reward is more important for employee to motivate?

- a. Financial reward
- b. Non-financial reward
- c. any other

6. The reward system facilitates implementation of strategy by motivating desired levels of performance.

- a. Yes b. No

Part B
Statistical Evaluation

Put your evaluation on the responsive set according to the following 5 point Likert’s scale:

Type of Evaluation	Evaluation Scale
Strongly agree	5
Agree	4
Neither agree nor disagree	3
Disagree	2
Strongly disagree	1

Study Question:

Does the reward effect on your performance as a banker?

Concepts	Variables	Scale on 1 to 5
Extrinsic Rewards	Salary Evaluation	
	Bonus	
	Benefits	
	Promotions	
Intrinsic Rewards	Recognition	

	Career Advancement	
	Responsibility	
	Learning Opportunity	
Regards of Employee	Job Performance & Satisfaction	