

The Impact of Reward System on Employee Job Performance:

A Case of Commercial Banks in Putrajaya

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Research Project Submitted in Partial Fulfillment of the Requirements

for the Degree of Master of Business Administration

Universiti Tun Abdul Razak

February 2023

## DECLARATION

I hereby declare that the case study is based on my original work except for quotations and citations that have been duly acknowledged. I also declare it has not been previously or concurrently submitted for any other degree at Universiti Tun Abdul Razak (UNIRAZAK) or other institution.



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## ACKNOWLEDGEMENT

I want to start by expressing my sincere gratitude to my supervisor, Professor Dr. Benjamin Chan for his superb supervision, compassion, and patience while watching over me as I worked to finish my project report. Additionally, I would want to thank all of the faculty members who have taught me throughout my MBA programme and to show my gratitude.

Sincerity be told, I thoroughly enjoyed every minute of my MBA program's learning experience. All of the professors are capable of imparting knowledge to us with passion and sincerity.

Not to be overlooked is Prof. Dr. Benjamin Chan, also as the Dean of the Graduate School of Business, who was one of my lecturers and who always works to give us MBA students a top-notch education by hiring qualified instructors.

In addition, I want to thank my friends and family for giving me moral support throughout the writing of this project report. Finally, I'd like to thank all of my classmates for their encouragement and support in helping me complete a tonne of assignments and for being eager to share their knowledge.

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Abstract of the project paper submitted to the Senate of Universiti Tun Abdul Razak in partial fulfilment of the requirements for the Master of Business Administration

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**By Nurul Nabila Nasha Abdul Ghani**

**February 2023**

This study aims to investigate the connection between employee performance and compensation in the commercial banking sector. In order to convince the commercial banks to take into account a more systematic and structured approach to recognise employee efforts, which would in turn prosper high performance culture in commercial banks in Malaysia, especially in Putrajaya, the study examined factors determining extrinsic and intrinsic rewards and their impact on employee performance and actions. Frequency tables and graphs based on descriptive statistics were used in the study to provide data on demographic characteristics. Descriptive statistics are used to investigate the results, and then inferential statistics based on the variables are used. A total of 127 questionnaires were given out to commercial bank workers, and 121 of them correctly completed each one. The findings show a statistically significant association between all independent variables and employee job performance, as well as a positive relationship between all independent variables and employee work performance.

# CHAPTER 1

## INTRODUCTION

### 1.1 BACKGROUND OF STUDY

Since the dynamics of today's business environment are so extreme, companies actively looking for new methods to stay competitive and create unrivalled customer-focused products and services. This is especially significant considering that business customers (both internal and external) have a lot on their plates. Customers consequently prioritise those businesses that can supply the best services and products through innovative processes at a lower cost and with less resources. To stay imaginative and inventive in assembly the unending client needs the employees ought to be persuaded to gives their best. Murphy (2015) concurs that the most valuable assets in a company are the people who work there; nevertheless, due to human nature, people are also the most challenging resource to manage. This is because humans have unique wants that must be satisfied, as well as peculiar behaviours that must be managed, if they are to contribute to the twin organisational goals of growth and development (Osabiya; 2015). Access to cutting-edge technology and communication systems, as well as unrestricted access to global financial markets, has become a difficult barrier. Attracting and retaining qualified employees, as well as keeping them highly motivated, has also become a significant challenge. Employers are now requiring their employees to accomplish more with less, while employees are requesting greater rewards. According to Khan et al. (2014), one successful method used by top companies to make employees more satisfied, induce their creative potential, and quick responsiveness to client needs is an effective reward system. Employee happiness is determined by their attitudes, perceptions, and feelings regarding their jobs, which are frequently encountered in any business. Rewards can be extrinsic or intrinsic, extrinsic rewards are tangible rewards and these rewards are external to the job or task performed by the employee. According to Luthans (2000), there are two sorts of rewards: financial and non-financial, and both can be used constructively to improve employee performance habits. Financial rewards include pay-for-performance benefits such as performance bonuses, job promotions, commissions, tips, gratuities, and

gifts, among other things. According to Dewhurst et al. (2010), there are alternative ways to reward employees outside monetary pay. Some of these include receiving recognition from bosses, having the opportunity to take on key projects or duties, and even receiving leadership attention. Much study on leader power has discovered that supervisory reward power is positively related to employee task performance, productivity, contentment, turnover, and organisational citizenship behaviours (Simon,1976; Martin & Hunt, 1980; Jahangir,2006). Furthermore, employee reward systems are programmes implemented by various company to recognise and motivate employees on an individual and/or group basis. The company should establish group or company goals to be attained, as well as the precise behaviours or performance that will attract awards, while designing a reward system. By doing so, the rewards system will assist management in shaping employee behaviour while also achieving the company's goal. Reward systems have long been a vital part of the management process, although in many forms and, for the most part, without formalisation or clear standards (Guest; 2017). The rise and popularisation of various motivation theories resulted in the adoption of purposefully designed reward schemes to motivate employees to perform well. Employee awards, according to Yapa (2002), can be defined as "motivation packages meant to attract and retain skilled workers with the objective of attaining competitive advantage." Therefore, the study tries to establish a beneficial relationship between the rewards system and the employee performance. The remaining of this paper is divided into four sections: a literature review, methodology, analysis and discussion, and a conclusion. The methodology describes the process of generating and analysing data, while the literature review provides a thorough assessment of existing literature focused on theories and empirical research. The analysis and discussion section present and discusses the survey results, and the last section draws conclusions from the results and discussion and discusses the study's policy implications.



## 1.2 PROBLEM STATEMENT

Employee performance is one of the most important factors in company's success. Employee underperformance can be a huge issue for the entire company. Employees that underperform in the workplace often fail to accomplish the obligations of their role and fail to finish their duties to the degree that their supervisors expect of them. An underperforming worker will not be advertising the yield that their position requires. The work may be late or not completed, constraining other group individuals to need to choose up the slack. Additionally, the workers with underperforming behavior will carry on with troublesome, negative, or unsatisfactory conduct. They also will disintegrate compliance with rules, strategies, or approaches. When employees underperform, a company cannot operate to its full potential. A company cannot survive if its employees are not doing their role to help the business function as planned because of lack of motivation, which leads in underperformance. Employees who perform unsatisfactory duties will not deliver a quality results, giving consumers and others a negative impression of the business. Furthermore, because employees are not carrying out their tasks correctly, the level of service provided to clients may decline. Customers and clients will seek better service elsewhere. This will have an impact on the company's revenue. Moreover, destitute performance from one individual can cause hatred and dissatisfaction that undermines teamwork. The ultimate reasons to why employee's performance declining are the issue of job dissatisfaction and lack of motivation. Not only does job dissatisfaction reduce work performance and morale, but it can also harm your financial line. According to research, there is a link between a satisfied employee experience and a higher return on assets and sales. Companies in the top 25% for employee experience reported roughly three times the return on assets and double the return on sales when compared to those in the lowest quartile. Therefore, a rewards system that includes both financial and non-financial incentives has become critical to an organization's performance management. Reward system is a driving force that encourages people to work hard. It is critical for increasing productivity and performance (Korlen, Essen, Lindgren, Wahlin, & Schwarz, 2017). A reward is a tool used to honour an employee for completing an outstanding job. It encourages continuous performance

improvement, which leads to job advancement and a rise in morale (Ngwa, Adeleke, Agbaeze, Ghasi, & Imhanrenialena, 2019). Employee motivation can be a crucial component in company performance. When people are driven to work at higher levels of productivity, the organisation as a whole run more efficiently and effectively. Previously, many motivational theorists accepted that employee motivation influenced performance where the reward system is one of the reasons to motivate employees. As a result, enough resources must be used to motivate them and make them feel valued (Rai, Ghosh, Chauhan, & Sing, 2018).

### **1.3 RESEARCH OBJECTIVE AND QUESTIONS**

#### **1.3.1 Research Objectives**

- i. To identify the influence of bonuses/ incentives towards employee's performance.
- ii. To examine the influence of recognition towards employee's performance.
- iii. To study the influence of health care benefits towards employee's performance.
- iv. To determine the influence of promotion towards employee's performance.

#### **1.3.2 Research Questions**

- i. Whether bonuses/ incentives can influence the employee's performance.
- ii. Whether recognition can influence the employee's performance.
- iii. Whether health care benefits can influence the employee's performance.
- iv. Whether promotion can influence the employee's performance.

### **1.4 SIGNIFICANCE OF STUDY**

#### **1.4.1 Community**

This study will be considered to have an impact on the community as well as, most crucially, on businesses or companies that are trying to make ends meet. According to the research, the general public and business owners will be more aware of and grasp this issue. Aside from that, people will be aware of the issue and how it may influence them now or in the future. The company can create a better reward system that is appropriate for the situation, specifically to increase the productivity of the company's personnel.

#### **1.4.2 Researcher**

This study will be useful to other researchers who will be able to use it as guidelines when conducting research on reward system and employee's performance. This also implies that they will be able to identify other perspective of company and the employees based on this research. The researchers can then use the material they have gathered to further their research and raise awareness about the necessity of the reward system towards enhancing the employee's performance.

### **1.5 GLOSSARY**

Some of the term used in this research is regarding the Impact of Rewards System On Employee's Performance and can be defined as follows :

#### **1.5.1 Employee Performance**

Employee performance relates to how the employees act in the office and how well they carry out the tasks that were assigned to them. In the interests of providing high value to customers, minimising waste, and operating efficiently, the firm normally sets performance targets for individual employees and the company as a whole.

#### **1.5.2 Reward System**

The term "reward system" refers to all of the monetary, non-monetary, and psychological benefits that an organisation delivers to its employees in exchange for the work they do. An employee reward system is a motivational strategy used by businesses to motivate the employees to produce high-quality work. It is to attract talented people, encourage them, and retain those who are a better fit for the firm.

#### **1.5.3 Extrinsic Reward**

A physical and visible reward provided to an individual or employee for doing something is known as an extrinsic reward. It is frequently monetary in nature, such as a pay raise, bonus, award, or public recognition. It is an extrinsic because it is unrelated to the completion of the work and are managed by individuals other than the employee. An extrinsic reward rarely got

increased, it usually have a limited influence over time. It can be critical in generating initial buy-in or participation from people in the early phases of change preparedness.

#### **1.5.4 Intrinsic Reward**

The term "intrinsic rewards" refers to incentives given to employees of a company. An intrinsic incentive is an internal reward that employees receive for effectively completing certain jobs or projects. These rewards are primarily psychological and are dependent on a person's work and ability. Intrinsic rewards produce a favourable emotional response and work to drive employees to keep improving as well as make long-term behavioural changes when necessary (Ryan and Deci, 2020).



## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

This chapter expands on the literature review on the Impact of the Rewards System on Employee Performance. The discussion will begin with an explanation of what a reward system, types of reward system and followed by a discussion on the importance of the rewards system and employee performance. Following that, the impact of the reward system on employee performance will be explored. Following the review of the literature components, a conceptual framework will be constructed, which will include ecological theory to support the relationship between the independent variables and the dependent variable. Finally, certain hypotheses can be generated and presented to support the study's research questions and aims.

#### **2.2 REWARD SYSTEM**

##### **2.2.1 Definition of Reward System**

An employee reward system consists of a company's systematic policies, procedures, and system for recognising employees based on their involvement, abilities, potential, and market value. This system is built around the organization's reward principles, methods, and policies. It is a plan in the framework of progression, routine, and structure that will impart and sustain the appropriate type and degree of salary, perks, and other types of reward. The reward system is intended to attract, retain, and inspire employees (Wasiu, & Adebajo, 2014). This technique is critical in ensuring employee engagement by giving each worker with the most appropriate motivator. Because everyone has various wants and goals, they are motivated differently. For example, some people want a bonus, while others want a sense of recognition or a promotion to a higher position. As a result, these characteristics have an impact on their performance, behaviour, and devotion to the job. Developing a reward system that meets the needs of each employee is therefore critical (Bhattacharya & Mukherjee, 2009).

### **2.2.2 Types of Reward System**

A reward, according to Harris (2012), is an object or event that motivates approach and consummator behaviour. Neckermann and Kosfeld (2008) differentiate between two types of rewards: intrinsic and extrinsic rewards. Intrinsic rewards, also known as non-financial benefits, are intrinsic in an activity and are not dependent on the presence or acts of any other person or thing. Intrinsic motivation is focused with the sense of being recognised, commended for a job well done, and included in whatever we do. In contrast, intrinsic reward is a psychological pleasure that employees receive for doing important job and doing it well (Thomas, 2008). Intrinsic reward is essentially an individual's internal emotions of fulfilment, progress, autonomy, and self-competence during his or her profession. Achievement, challenge, autonomy, responsibility, variety, personal and professional growth, status recognition, praise from supervisors and coworkers, personal satisfaction, feeling of self-esteem, selfdiscernment, creativity, opportunity to use one's skills efficiently, and ability feedbacks are all part of it, according to Allen et al. (2004). The effect of non-monetary incentives on employees has been empirically demonstrated. According to Lewis (2013), praise and acknowledgment are excellent strategies of inspiring employee behaviour in the workplace since they are regarded as the most essential incentives. Extrinsic rewards, on the other hand, are monetary incentives provided by a third party. It contains monetary reasons such as money, retirement benefits, health insurance plans, pay, salary, bonuses, and so on. These two sorts of incentives work together to keep people interested and motivated at work. Though it is difficult to tell which sort of incentive is more significant, these two rewards can coexist in the organisation if they are balanced (Wasiu, & Adebajo, 2014).

### **2.2.3 Importance of The Reward System**

Employees are an organization's backbone. Thus, a business can only fulfil its objectives if its personnel are determined to work harder and contribute to the overall aim. This resolve stems from a desire to meet a personal goal that is related to their employment. Rewards serve as a bridge between these personal goals and the motivation to work. When employees believe

they have been fairly compensated for their talent, expertise, intellect, and involvement, they are regarded to be content with their jobs and hence work better (Bhattacharya & Mukherjee, 2009). Employees are motivated by factors such as receiving a bonus for exceeding sales targets and being recognised and praised for their efforts. This sense of accomplishment at work contributes to employee retention and turnover. According to (Ngwa et al., 2019) in their research work, frequent distribution of prizes and acknowledgment increases their performance indefinitely, provides them with a sense of success, and creates a path for professional progression (Ngwa et al., 2019). Bhattacharya and Mukherjee (2019) suggested a more creative way to rewarding employees in another article. According to the article, catering breakfast and lunch, as well as organising workplace vacations and parties when goals are met or profits are made, tells employees that they are valued and keeps them engaged. This contributes to the creation of a positive work atmosphere as well as the attraction of new talent (Bhattacharya & Mukherjee, 2009).

#### **2.2.4 Employee Performance**

According to researchers, employee performance is determined by the type of reward system in place within firms (Bari, Arif & Shoib, 2013). According to Anitha (2013), employee performance is an indicator of financial or other results of the employee that has a direct connection with the success and achievement of the business. As a result, persons in management, such as top, middle, and lower management, make a substantial contribution to performance (Xanthopoulou et al, 2009a). Employers discovered that it is difficult to comprehend employee behaviour and how to attract, retain, and motivate them for a longer amount of time in the company since their behaviour changes. Employee performance is defined in the company context of performance as the extent to which the company member contributes to the achievement of the company's goals. Employee performance is critical to the company since it serves as a critical mechanism that contributes to the success of the organisation. Most business can assess employee performance based on output amount, output quality, output timeliness, and labour productivity (George, 2015). What an employee

does or does not do will have an impact on the organization's reputation. The ability to successfully supervise, create, and empower personnel is a key foundation for organisational effectiveness (Christensen, 2011). As a result, employee outcomes can be quantified using indicators that characterise an employee's pattern of performance across time (Ying, 2004).

## **2.3 REVIEW ON THE PRIOR EMPIRICAL RESEARCH**

### **2.3.1 Impact of Bonus/ Incentives on Employee Performance**

According to Heathfield (2016), a bonus is remuneration that goes above and beyond the amount of pay that employees get as a basic salary or hourly rate of pay. Bonus plans are an important component of reward systems. This is due to the fact that the employees' bonuses will be dependent on their present success in the firm. According to Bardot (2014), bonuses are a type of remuneration that employees should not be expected to get because they are often discretionary or backward-looking. However, it can be viewed as an additional sum of money paid by the firm when employee performance is exceptional throughout the year. This bonus plan is intended to improve employees' job performance and effectiveness. Bonuses are typically paid at the end of the performance period established by an organization's policies, which is a year (Romanoff, 2008). He emphasised that bonuses are given to employees to recognise their exceptional efforts throughout the year in order to motivate them. Bonuses also serve as an incentive for employees to outperform low performers in the firm. Palmer (2012) on the other hands, defines incentives as external temptations and encouraging things that motivate the individual to work more; they are offered as a result of the individual's good performance since he will work harder and produce more effectively if he feels content in the institution. Furthermore, incentives can be described as the consideration of exceptional performance, provided that the compensation is sufficient to make the worker recognise the worth of the job while also meeting his fundamental necessities in life. Holtmann and Grammling (2005) conducted a preliminary study on 86 institutions and discovered that 83% of the total respondents agreed that incentive schemes had a high influence on enhancing employee productivity. They also stated that many managers employ incentive programmes



to increase productivity. Thus, staff incentive systems have a significant impact on organisational staff productivity and can thus improve employee performance. According to Perry (2006), financial incentives greatly boost task performance, although their effectiveness is depending on business condition. A meta-analysis of 72 field experiments found that monetary incentives enhanced task performance by 23%, while social recognition improved task performance by 17% and feedback improved task performance by 10%. However, when all three motivational reinforcers were combined, performance improved by 45%. This has a greater impact on performance than when each was used separately. The largest influence on performance was obtained when feedback was combined with money and social recognition. As Armstrong (2009) stated, financial incentives provided by employers in the form of pay will help to attract and retain employees and, for a limited time, may increase effort and minimise dissatisfaction. This sums up the key practical messages of the effect of incentive schemes on employees' performance.

### **2.3.2 Impact of Recognition on Employee Performance**

Recognition is categorised as a natural reinforcer under traditional behavioural management based on reinforcement theory (as opposed to a contrived reinforcer like money) (Komaki, Coombs, & Schepman, 1996). (Luthans & Kreitner, 1975, 1985). Recognition is seen as being generally relevant and, when used as a tool to control employee behaviour, may be a very effective reinforcer for raising performance. For instance, in the organisational behaviour modification (O.B. Mod.) approach developed by Luthans and Kreitner (1975, 1985), once the critical employee performance behaviours have been identified, measured, and functionally analysed, the intervention step can contingently apply recognition to strengthen and expedite the identified behaviours, leading to an improvement in performance. Recognition and appreciation focus on expressing gratitude to an employee for his or her actions. Employees can use such incentives to assess their performance and determine whether they are doing well or poorly (Sarvadi, 2010). Unfortunately, many managers appear to be too busy to recognise their employees' good achievements, instead focusing on correcting mistakes and

solving issues. Employee performance is frequently motivated by recognition of a job well done or full appreciation for work done (Koch, 2005). According to Shah and Shah (2007), recognition is a leadership strategy that communicates to team members what the boss values and what behaviours are appreciated. Kendra (1996) defined an award as something given after a particular activity occurs with the goal of positively recognising the conduct. Therefore, the prize aims to encourage the behaviour to occur once more. According to Gostick and Elton (2009)'s Carrot Principle, the most successful managers deliver frequent and effective praise to their employees. People are more willing to accomplish more if their good work is rewarded rather than punished, and employees who feel valued are less likely to be disloyal or leave the firm. Furthermore, employee rewards, wage hikes, promotions, and physical and verbal assistance are all forms of acknowledgment. The important thing is that the employee is recognised, not what kind of recognition is given. Furthermore, it is critical to create a venue for this acknowledgment so that employees can accept their awards in front of their peers. Nothing beats receiving an award commemorating success in front of the entire organisation during a formal awards presentation. This would encourage others to strive for great achievements so that they, too, might be rewarded for quality work (Hopkins, 1995).

### **2.3.3 Impact of Health Care Benefits on Employee Performance**

In this ever-changing economy, many people, particularly those in low-paying jobs, may face financial difficulties. This implies that they may place a high value on particular employee advantages like healthcare benefits. Some people can depend on the healthcare advantages their employer offers them to maintain their health. It is crucial to understand that some employee benefits could significantly enhance the lives of the workforce. Employees who respect their jobs and the benefits they come with are more likely to put up their best effort to keep these. Furthermore, many employers provide health benefits like gym memberships or access to clubs that emphasise wellness and good health. This benefit has the potential to significantly increase employees' output. Giving your employees access to exercise has numerous positive effects on the body that improve mood and concentration, therefore it's

likely that their performance at work will benefit from this benefit. Health care benefits are described as policies and initiatives that promote and sustain good health (WHO, 1948). Employee satisfaction will be affected by how they accept the health care benefits supplied. Aside from that, a business must be able to improve and care for employee health in addition to paying for health care rates. Employee productivity will suffer if the business is unwilling to pay for employee health benefits. As a result, staff health suffers and performance suffers. According to a study undertaken in other nations by Noe et al. (2015), the cost of benefits adds 44.5% to every dollar of payroll, accounting for 30.8% of total employee non-financial compensation. When the expense of health-care programmes continues to rise, businesses face significant challenges. According to Cogburn et al. (2012), organisations should be accountable for creating a less competitive wage structure for employees. Health care benefits that cover all employees, whether they are healthy or disabled, are more difficult to obtain in our globalised world because they are more expensive.

#### **2.3.4 Impact of Promotion on Employee Performance**

The most typical type of internal staff mobility in a business is promotion. In fact, it is extremely uncommon for someone to retire from the same position they started at when they first joined a company. Promotion is a crucial aspect of a person's career. Promotion is professional advancement that entails moving to a better job or position in terms of prestige and responsibilities. The transition to a better work typically comes with a rise in salary, benefits, and privileges (Prasad, 2010). Promotion is utilised as a reward for improved work performance and behaviour that is sanctioned by the business. If people believe that their efforts will result in a promotion, they will work more. It gives employees satisfaction, which raises their morale, productivity, and allegiance to the company. Since promotion depends on promotability, which comes through ongoing learning and development, promotion offers opportunities for individuals to grow professionally. This technique improves corporate performance and individual effectiveness (Prasad, 2012). Promotion is seen by Chruden and Sherman (1980) as a way to guarantee the efficient use of the talents and competencies that

people have been able to acquire. Promotion fosters a sense of contentment with the current circumstances and conditions and fosters the desire to stay employed by the organisation. When thoughtfully designed and implemented, it improves organisational efficiency, fosters employee loyalty, and boosts worker morale (Walter, 1986). Promotion may be given as compensation for prior performance when there is indication of potential competency (Koontz, 1992). Moreover, a promotion is the advancement of an individual from one job position to another with a better income range, a higher-level job title, and, frequently, more and higher-level job duties. When an employee is promoted, he or she may be given responsibility for managing or supervising the work of other employees. With a promotion, comes increased decision-making authority. According to Heath Field (2005), employees desire promotion because of the impact it has on income, power, responsibility, and the opportunity to influence broader corporate decision making. As a result, there is a favourable association between promotion procedures and employee perceived performance. According to Poisat (2006), employees generally respect the need for autonomy and authority, and they prefer jobs that demand more responsibility and risk. Employees should be given equitable promoting opportunities if the business want to accelerate employee performance. Furthermore, when it comes to managing employees, management must be strategic in terms of retaining, attracting, and motivating them. This is to prevent employees from leaving for another company, which would result in the organization's demise. As a result, incentive plays an important part in deciding an organization's major success, and it is positively connected with employee outcomes such as inventiveness.

## 2.4 CONCEPTUAL FRAMEWORK

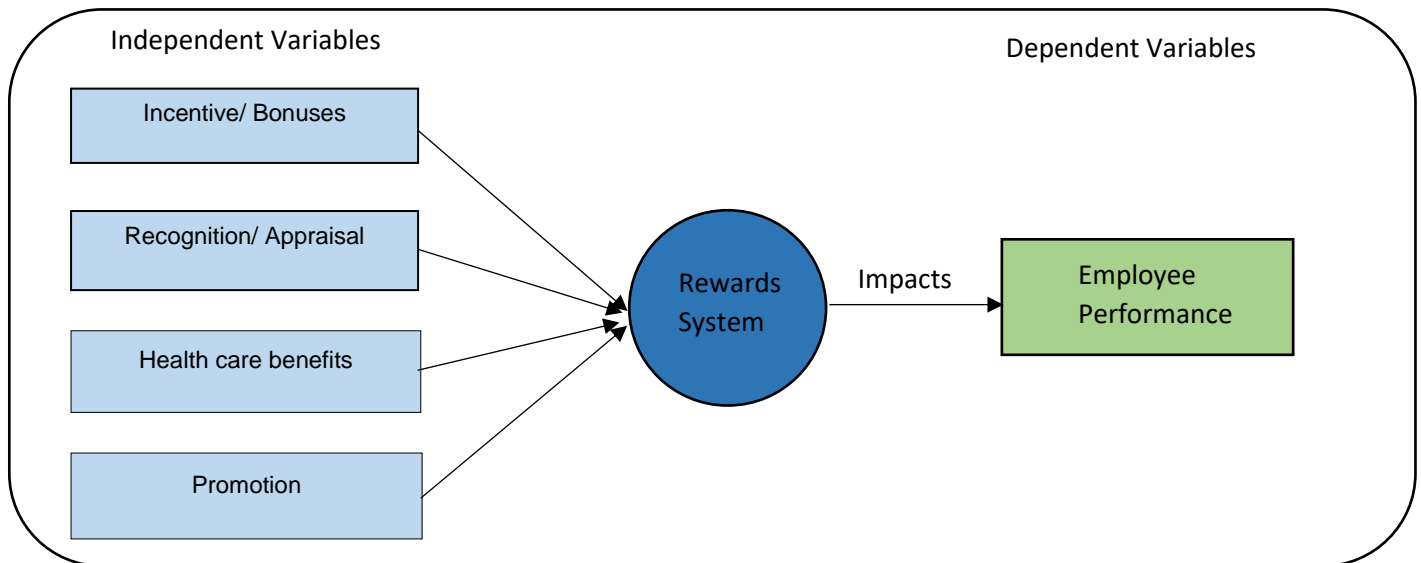


Figure 2.4 : Conceptual framework on the impact of the reward system on employee performance

Determined by using the literature reviews above and apprehensive towards them, the theory that relates with the impact of the reward system on employee performance can then be constructed. This conceptual framework shows the relationship between the four independent variables which are incentive/bonus, recognition, healthcare benefits and promotion and the dependent variable which is the employee performance. The independent variables above would influence the dependent variable. Though there are other types of rewards or benefits that may influence give impact to the employee performance, however we will studied only as stated above.

### 2.4.1 Conceptual Framework Definition

This section will explain each of the conceptual framework's variables, including the dependent variable and independent variables required for the study.

### 2.4.2 Incentive/ Bonus

Based on the literature review above, incentives are intended to motivate people to perform well. Regardless of the incentive structure, incentives actively contribute to advancing people's

potential and capabilities by inspiring them to advance their skills and strike a balance between the needs of the company and those of the individuals. This improves organisational performance effectively and efficiently. According to (Armstrong & Taylor, 2014), financial incentives are effective when there is a clear connection between effort and reward and when the reward's value justifies the effort.

### **2.4.3 Recognition**

As shown in the literature review above, Employees feel more a part of the organisation, perform better, and are more likely to stick around if they receive recognition. Employees are more engaged, motivated, and ready to go above and beyond for their employer when they feel valued. Businesses with formal recognition programmes see 31% lower voluntary turnover than those without such initiatives. The demand for gratitude among coworkers is a basic one. Employees will be more invested in their work, their team, and the company as a whole when they feel valued and recognised for their unique contributions.

### **2.4.4 Healthcare Benefits**

Employees are happier and more pleased with their jobs and the company when it provides healthcare benefits. Employee happiness increases engagement and productivity, which improves job performance. They are less inclined to abandon their employer since they feel more commitment to them. When employees have access to healthcare, they usually look after their families and themselves better. Healthcare costs are high. For many people, the cost of medical care, both curative and preventative, can be a barrier. With healthcare benefits, however, people are more likely to visit the doctor and experience fewer medical issues. Workers who are healthier and happier miss fewer days of work. Healthy workers lower absenteeism rates by 27%, according to one study, and businesses that engage in medical insurance and wellness initiatives see an increase in productivity.

#### **2.4.5 Promotion**

The above conceptual framework demonstrates that promotions are an essential human resources function in any business, and its primary purpose is to inspire individuals to increase overall organisational performance in order to meet organisational goals. A number of independent variables, including management, job security, performance management, length of service, and training, are expected to be involved in the implementation of promotion practises in order to achieve organisational objectives.

#### **2.5 RESEARCH HYPOTHESES**

i. Whether there is a relationship between incentives/bonus and the employee performance.

H0 – There is no relationship between incentives/bonus and the employee performance.

H1 – There is a relationship between incentives/bonus and the employee performance.

ii. Whether there is a relationship between recognition and the employee performance.

H0 – There is no relationship between recognition and the employee performance.

H1 – There is a relationship between recognition and the employee performance.

iii. Whether there is a relationship between healthcare benefits and the employee performance.

H0 – There is no relationship between healthcare benefits and the employee performance.

H1 – There is relationship between healthcare benefits and the employee performance.

iv. Whether there is a relationship between promotion and the employee performance.

H0 – There is no relationship between promotion and the employee performance.

H1 – There is relationship between promotion and the employee performance.

## CHAPTER 3 RESEARCH METHODOLOGY

### 3.1 INTRODUCTION

In Chapter 3, it will elaborate about the research methodology that is used in this study, it includes the research design, sampling procedure, data collection method, reliability and validity analysis. Detailed information on the measurement and data analysis technique for this study will also be included.

### 3.2 RESEARCH DESIGN

This study will use a quantitative approach based on a number of questionnaires and a descriptive design. Due to its benefits in detecting features of a large population from a sample of individuals, the research strategy chosen for this study was deemed adequate. The research's goal and the created theoretical framework will serve as the foundation for the questionnaire. The quantitative method should be chosen for this study, according to the literature review. This research design also has been used in all previous studies.

### 3.3 STUDY POPULATION & SAMPLING PROCEDURE

#### 3.3.1 Sample Size and Population

A sample is a subsection or portion of the population chosen for the study. Greater sample sizes result in lower error rates and more objective sample selection. According to Krippendorff's study, the sample size must be chosen based on informational requirements to ensure that the research questions' responses may be confidently answered (Krippendorff, 2004). As a result, the eight commercial banks in Putrajaya was used to be the subject of this study.

No.	Commercial Banks in Putrajaya	Number of employees
1.	Affin Bank	27
2.	Alliance Bank	24
3.	AmBank	23



4.	CIMB Bank	28
5.	MBSB Bank	21
6.	Maybank	30
7.	Muamalat Bank	23
8.	RHB Bank	24
Total		200

Table 3.3 Population size of the eight commercial banks in Putrajaya

TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size  
"S" is sample size.]

Krejcie, Robert V., Morgan, Daryle W., "Determining Sample Size for Research Activities", Educational and Psychological Measurement, 1970.

Table 3.3.1.: Table for determining sample size from a given population by Krejcie & Morgan (1970).

Based on the table 3.3, the population size is among the known population (200) and that makes the sample size would be 127. Therefore, 127 employees from eight commercial banks in Putrajaya were selected and became respondents to help with this study. 127 respondents were asked to answer the questionnaires that were given to them.

### 3.3.2 Sampling Technique

In his study, Taherdoost mentioned that the sampling frame is the list of the specific cases that would be selected from the sample (Taherdoost, 2016). The sampling frame needs to fit Taherdoost's definition of a representative sample of the population. The sampling procedure, on the other hand, is a method through which researchers choose a representative subset or portion of the population that could be researched in order to be able to make generalisations about the full population. The research is easier to manage as the number of elements decreases. Cluster sampling, convenience sampling, purposive sampling, random sampling, systematic sampling, strata sampling, and snowball sampling are some of the sampling techniques. Purposive and systematic sample techniques were selected by the researcher as the sampling methods.

Tongco (2007) claimed in his study that the purposive sampling method, also known as judgement sampling, is the deliberate selection of an informant based on the informant's level of possession quality. There is a purpose for being deliberate in the selection of the units in this sampling technique. For every unit, there are certain requirements that must be met. Applicants who do not meet the requirements are rejected, while those who do are picked. For instance, if a researcher is studying divorced parents, only divorced parents will be contacted. This sampling technique makes it simpler to generalise the sample.

The systematic sampling approach and the selection system both include the process of choosing every  $n$ th unit in a sampling frame. Bellhouse (2014) claimed that the systematic sampling technique is accomplished by choosing a random start towards the top of the population list, followed by a series of equally spaced samples for each unit. The order in which the units are listed in the sampling frame will affect how random the selection process is. Statistically speaking, systematic methodology is effective. As it is simple to generate process, systematic technique will be used in this study.

### 3.4 DATA COLLECTION METHOD

This study is an empirical study, based on the primary data. Considering the nature of the present study, a combination of structured questionnaire was used in order to collect relevant information from a sample of 127 commercial bank employees. A total of 127 employees were randomly selected from a listed 8 commercial banks in Malaysia namely Affin Bank, Alliance Bank, AmBank, CIMB Bank, MBSM Bank, Maybank, Muamalat Bank and RHB Bank. The survey had been done from executive level and above. Both primary and secondary data are 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.

### 3.5 RELIABILITY AND VALIDITY ANALYSIS

#### 3.5.1 Reliability Analysis

##### Case Processing Summary

		N	%
Cases	Valid	120	99.2
	Excluded <sup>a</sup>	1	.8
	Total	121	100.0

a. Listwise deletion based on all variables in the procedure.

Table 3.5.1(a): Case Processing Summary

##### Reliability Statistics

Cronbach's	
Alpha	N of Items
.902	20

Table 3.5.1 (b): Reliability Statistics

The table 3.5.1 (a) (Case Processing Summary) shown that N is the number of valid data (valid for at process) is 120 unit, while the missing data (excluded) is 1. Here means that all the data is processed. The table 3.5.1 (b) (Reliability Statistics) shown that from the output of Reliability Statistics obtained that Cronbach's Alpha value of  $0.902 > 0.600$ , based on the

basis of decision-making in the reliability test, it can be concluded that this research instrument was reliable where as a high level of reliability is.

### 3.5.2 Validity Analysis

		Correlations																				Total	
		Item 1	Item 2	Item 3	Item 4	Item 5	Item 6	Item 7	Item 8	Item 9	Item 10	Item 11	Item 12	Item 13	Item 14	Item 15	Item 16	Item 17	Item 18	Item 19	Item 20	Score	
Item 1	Pearson Correlation	1	.304*	.723*	.437*	.443*	.241*	.365*	.295*	.345*	.127	.281*	.118	.127	.149	.315*	.101	.112	.338*	.254*	.343*	.514*	
	Sig. (2-tailed)		.001	.000	.000	.000	.008	.000	.001	.000	.166	.002	.197	.164	.102	.000	.271	.223	.000	.005	.000	.000	
	N	121	121	121	121	121	121	120	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121
Item 2	Pearson Correlation	.304*	1	.573*	.654*	.260*	.514*	.484*	.227*	.162	.380*	.253*	.546*	.137	.130	.089	.186*					.048	.523*
	Sig. (2-tailed)	.001		.000	.000	.004	.000	.000	.012	.077	.000	.005	.000	.133	.155	.333	.042	.090	.274	.834	.603	.000	
	N	121	121	121	121	121	120	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121
Item 3	Pearson Correlation	.723*	.573*	1	.647*	.593*	.451*	.518*	.288*	.311*	.297*	.275*	.295*	.140	.173	.292*	.189	.139	.325*	.223*	.381*	.649*	
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.001	.001	.001	.002	.001	.001	.125	.058	.001	.064	.128	.000	.014	.000	.000	
	N	121	121	121	121	121	120	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121
Item 4	Pearson Correlation	.437*	.654*	.647*	1	.379*	.466*	.443*	.259*	.264*	.344*	.237*	.388*	.140	.163	.198*	.086	.077	.119	.140	.212*	.574*	
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.001	.001	.001	.002	.001	.125	.058	.001	.064	.128	.000	.014	.000	.000	
	N	121	121	121	121	121	120	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121

Table 3.5.2 : Correlations Table

The test of the validity of the questionnaire was conducted using Pearson Product Moment Correlations using SPSS. The validity test Product Moment Pearson Correlations done by correlating each item in questionnaires score to total score. Item-item questionnaire that significantly correlated with total score indicates that the items are valid. The table 3.5.2 above shown that item 1 to item 4 of the questionnaires, based on the significant value obtained by the Sig. (2-tailed) of  $0.000 < 0.05$  so it can be concluded that item 1 to item 4 were valid.

### 3.6 MEASUREMENT

The questionnaire consists of seven sections namely demographics profile, employee's performance, bonus, recognition, healthcare benefits, promotion and recommendation. Likert 5(five) Scale point is used for these purposes. This questionnaire was created to operationalize and quantify the variables and data required for this project. The first section of

the questionnaires will discuss on demographic profile where Part A will contain questions pertaining to the dependent variables. Part B to Part E will include the questions that will aid in the analysis of the independent variables. Descriptive and Pearson correlation analysis was used for data analysis. A well-known statistical package SPSS (Statistical Package for Social Sciences) version 16.0 was also used in order to analyse the data.

### **3.7 DATA ANALYSIS TECHNIQUE**

A particular statistical analysis method that is appropriate for this field of study will be used to analyse the quantitative data that were gathered. This is done to pinpoint the dispersion, distributional properties, and central tendency. The data gathered from the surveys will be analysed using the Statistical Package for Social Science (SPSS) version 2.0. The frequential analysis can be calculated by entering the data into the software, and the software can then present the data in the desired manner.

#### **3.7.1 Descriptive Analysis**

According to Healey (2014), descriptive statistics make it easier to accurately and effectively summarise the numerical data and information gathered during the study process. For ease of reference, the data representation can be shown in tabular formats (Neuman, 2014). Executing a descriptive analysis will provide a clearer overview and picture of the sample population for the purposes of this study. Descriptive statistics are generated using demographic information such as gender, age, marital status, race, and monthly income. The data will be presented in a variety of ways, including frequencies, percentages, averages, and standard deviation.

#### **3.7.2 Correlation Analysis**

This kind of analysis examines how strongly two variables are related or associated. It shows the magnitude and direction of the link between the variables (Bryman & Cramer, 2002). The following correlations were carried out in this investigation; I. The degree to which the

independent factors (bonus, commendation, healthcare benefits, and promotion) and the dependent variable (employee performance) are correlated.



## **CHAPTER 4**

### **RESULTS AND DISCUSSION**

#### **4.1 INTRODUCTION**

In this chapter, the data that the researcher obtained from the respondents' feedback will be evaluated using SPSS once the results from the Google form have been tallied. In order to get respondents to fill out the surveys, the researcher sends them out via email and Whatsapp. Given that the questionnaires pertain to both the department's official working hours and confidentiality policy, permission from the head of department was required before it could be distributed to all employees. The study used a convenience sampling strategy.

#### **4.2 RESPONDENT PROFILE AND PATTERN**

The graph below shows a detailed respondent profile and which includes gender, age, race, marital status and monthly income. From 121 respondents, most of them are female which represent 55.4% and male which represent 44.6%. Most of the respondent between the ages 25-30 years which represent 33.1%. This follows by the ages 46-50 years representing 20.7%, ages 36-40 years representing 19.0%, ages 31-35 years were 15.7%, and the smallest is ages 41-45 years representing 11.6% of total respondents. In terms of their marital status, the majority of the respondents are married with children which is 58.7%, followed by single which is 36.4%, married without children represents 4.1% and single parent is 0.8% of the total respondent. For the current pay scale, 33.1% of respondents were with the pay scale of RM2001 to RM4000, 26.4% of respondent were with the pay scale of RM2000 and below, 23.1% of respondents were with the pay scale of RM4100 to RM6000 and last but not least 17.4% of respondent were with the pay scale of RM6100 and above. A profile of the respondents is presented in Table below.

### Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	67	55.4	55.4	55.4
	Male	54	44.6	44.6	100.0
	Total	121	100.0	100.0	

Table 4.2.1

### Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-30	40	33.1	33.1	33.1
	31-35	19	15.7	15.7	48.8
	36-40	23	19.0	19.0	67.8
	41-45	14	11.6	11.6	79.3
	46-50	25	20.7	20.7	100.0
	Total	121	100.0	100.0	

Table 4.2.2

### Race

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Chinese	11	9.1	9.1	9.1
	Indian	1	.8	.8	9.9
	Malay	109	90.1	90.1	100.0
	Total	121	100.0	100.0	

Table 4.2.3

### Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married with children	71	58.7	58.7	58.7
	Married with no children	5	4.1	4.1	62.8
	Single	44	36.4	36.4	99.2
	Single Parents	1	.8	.8	100.0
	Total	121	100.0	100.0	

Table 4.2.4



### Monthly Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RM 2000 and below	32	26.4	26.4	26.4
	RM 2100 – RM 4000	40	33.1	33.1	59.5
	RM 4100 – RM 6000	28	23.1	23.1	82.6
	RM 6100 and above	21	17.4	17.4	100.0
	Total	121	100.0	100.0	

Table 4.2.5

### Descriptive Analysis for each Variables

The 5-point Likert scale used in this investigation ranges from Strongly Agree (1) to Strongly Disagree (5). (5).

According to Table 4.3.6, item 'my job performance depends on the rewards system' had the lowest mean score (M=3.55) and on the other hand, item 'the rewards system in the organization is important to boost my job performance' had the highest mean score (M=4.12).

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
The rewards system in the organisation is important to boost my job performance.	121	2	5	4.12	.635
My job performance depends on the reward system.	121	1	5	3.55	1.008
Receiving the rewards increase my job satisfaction hence increase my job performance.	121	2	5	4.03	.718
When the rewards are available, I am motivated to do my job properly.	121	2	5	3.99	.665
Valid N (listwise)	121				

Table 4.2.6

According to the Table 4.2.7 the item 'I work more when I know there is a bonus/ incentives for exceeding work targets' had the lowest mean score (M=3.91) and on the other hands, the item 'the bonuses/ incentives motivate me to perform a high-level job performance' had the highest mean score (M=4.21).

**Descriptive Statistics of Bonus/ Incentive**

	N	Minimum	Maximum	Mean	Std. Deviation
The bonuses/ incentives motivates me to perform a high-level job performance.	121	3	5	4.21	.503
I work more when I know there is a bonus/ incentive for exceeding work targets.	121	1	5	3.91	.885
The bonuses/ incentives help to increase my commitment towards my job.	120	2	5	4.08	.717
Valid N (listwise)	120				

Table 4.2.7

According to the Table 4.2.8 the item 'recognition with customised T-shirts, certificates and gold nameplates enhance my level of performance' had the lowest mean score (M=3.62) and on the other hands, the item 'recognition gives a positive influence towards my job performance' had the highest mean score (M=4.13).

**Descriptive Statistics of Recognition**

	N	Minimum	Maximum	Mean	Std. Deviation
Recognition will encourage me to perform better in my job.	121	2	5	4.05	.681
Recognition gives a positive influence towards my job performance.	121	2	5	4.13	.577
Invitation and recognition on annual dinners at which high-achievers are celebrated inspired my performance at work.	121	2	5	3.74	.902

Participation and recognition in company board meeting and decision making contribute significantly to my job performance.	121	2	5	3.79	.836
Recognition with customized T-shirts, certificates and gold nameplates enhance my level of performance.	121	1	5	3.62	.924
Valid N (listwise)	121				

Table 4.2.8

According to the Table 4.3.9, the item 'healthcare benefits help to improve my health hence give a positive impact to my job performance' had the lowest mean score (M=3.87) and on the other hands, the item 'healthcare benefits that focusing on mental health wellbeing can increase productivity and enhance the level of job performance' had the highest mean score (M=4.08).

#### Descriptive Statistics of Healthcare Benefits

	N	Minimum	Maximum	Mean	Std. Deviation
Health care benefits help to improve my health hence gives a positive impact to my job performance.	121	2	5	3.87	.706
Improving on health care benefits can increase employees satisfaction hence increase the level of job performance.	121	2	5	3.94	.687
Health care benefits that focusing on mental health well-being can increase productivity and enhance the level of job performance.	121	2	5	4.08	.702
If there is a health care benefit I am more motivated to perform well at my job.	121	2	5	3.89	.716
Valid N (listwise)	121				

Table 4.2.9

According to the Table 4.2.10 the item ‘changes from casual staff to permanent staff motivates me and enhance my job performance’ had the lowest mean score (M=3.88) while the item ‘I am happy and satisfied if I got a promotion and it can gives a positive impact on my level of performance’ had the highest score (M=4.10).

**Descriptive Statistics of Promotion**

	N	Minimum	Maximum	Mean	Std. Deviation
Changes from casual staff to permanent staff motivates me and enhance my job performance.	121	2	5	3.88	.791
Promotion that based on performance can boost my commitment towards my job.	121	3	5	4.04	.638
A promotion will make me want to perform better in my work.	121	2	5	3.99	.626
I am happy and satisfied if I got a promotion and it can gives a positive impact on my level of performance.	121	3	5	4.10	.597
Valid N (listwise)	121				

Table 4.2.10

### 4.3 HYPOTHESIS TESTING

#### Hypotheses One

There is no relationship between incentives/bonus and the employee performance.

The following model was used in estimating the effect of intrinsic rewards on employee performance  $YEP = \alpha + \beta X_1 + \beta X_2 + \beta X_3 + \mu$  Where: YEP –Employee performance; X1 (question one from the questionnaire); X2 (question two from the questionnaire); and X3 (question three from the questionnaire).

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.584 <sup>a</sup>	.341	.324	.824

a. Predictors: (Constant), The bonuses/ incentives help to increase my commitment towards my job., I work more when I know there is a bonus/ incentive for exceeding work targets., The bonuses/ incentives motivates me to perform a high-level job performance.

R-square had a value of 0.584 and adjusted R-square value is 0.324.

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.773	3	13.591	20.002	.000 <sup>b</sup>
	Residual	78.819	116	.679		
	Total	119.592	119			

a. Dependent Variable: My job performance depends on the reward system.

b. Predictors: (Constant), The bonuses/ incentives help to increase my commitment towards my job., I work more when I know there is a bonus/ incentive for exceeding work targets., The bonuses/ incentives motivates me to perform a high-level job performance.

The ANOVA table, showed F-computed to be 20.002 > 2.35 ( $p < .05$ ). There is a significant relationship between bonus and employee performance.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.567 <sup>a</sup>	.321	.292	.849

a. Predictors: (Constant), Recognition with customized T-shirts, certificates and gold nameplates enhance my level of performance., Recognition gives a positive influence towards my job performance., Participation and recognition in company board meeting and decision making contribute significantly to my job performance., Recognition will encourage me to perform better in my job., Invitation and recognition on annual dinners at which high-achievers are celebrated inspired my performance at work.

R-square had a value of 0.321 and adjusted R-square value is 0.292

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39.169	5	7.834	10.876	.000 <sup>b</sup>
	Residual	82.831	115	.720		
	Total	122.000	120			

a. Dependent Variable: My job performance depends on the reward system.

b. Predictors: (Constant), Recognition with customized T-shirts, certificates and gold nameplates enhance my level of performance., Recognition gives a positive influence towards my job performance., Participation and recognition in company board meeting and decision making contribute significantly to my job performance., Recognition will encourage me to perform better in my job., Invitation and recognition on annual dinners at which high-achievers are celebrated inspired my performance at work.

The ANOVA table, showed F-computed to be 10.876 > 2.35 (p < .05). There is a significant relationship between recognition and employee performance.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.194 <sup>a</sup>	.037	.004	1.006

a. Predictors: (Constant), If there is a health care benefit I am more motivated to perform well at my job., Health care benefits that focusing on mental health well-being can increase productivity and enhance the level of job performance., Improving on health care benefits can increase employees satisfaction hence increase the level of job performance., Health care benefits help to improve my health hence gives a positive impact to my job performance.

R-square had a value of 0.037 and adjusted R-square value is 0.004

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.569	4	1.142	1.128	.347 <sup>b</sup>
	Residual	117.431	116	1.012		
	Total	122.000	120			

a. Dependent Variable: My job performance depends on the reward system.

b. Predictors: (Constant), If there is a health care benefit I am more motivated to perform well at my job., Health care benefits that focusing on mental health well-being can increase productivity and enhance the level of job performance., Improving on health care benefits can increase employees satisfaction hence increase the level of job performance., Health care benefits help to improve my health hence gives a positive impact to my job performance.

The ANOVA table, showed F-computed to be  $1.128 < 2.35$  ( $p < .05$ ). There is no significant relationship between healthcare benefits and employee performance.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.255 <sup>a</sup>	.065	.033	.992

a. Predictors: (Constant), I am happy and satisfied if I got a promotion and it can gives a positive impact on my level of performance., Changes from casual staff to permanent staff motivates me and enhance my job performance., A promotion will make me want to perform better in my work., Promotion that based on performance can boost my commitment towards my job.

R-square had a value of 0.037 and adjusted R-square value is 0.004

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.925	4	1.981	2.015	.097 <sup>b</sup>
	Residual	114.075	116	.983		
	Total	122.000	120			

a. Dependent Variable: My job performance depends on the reward system.

b. Predictors: (Constant), I am happy and satisfied if I got a promotion and it can gives a positive impact on my level of performance., Changes from casual staff to permanent staff motivates me and enhance my job performance., A promotion will make me want to perform better in my work., Promotion that based on performance can boost my commitment towards my job.

The ANOVA table, showed F-computed to be  $2.015 < 2.35$  ( $p < .05$ ). There is no significant relationship between promotion and employee performance.

#### 4.4 DISCUSSION

Summary of findings were respondents agreed that when their work provides bonus/ incentives they will feel motivated to perform a high-level job performance. Secondly, respondents opined that when their contributions are recognized by superiors in the organisation they were encouraged to perform a better work. On the other hands, hypothesis one revealed that there is a significant relationship between bonus and employee performance. This fact was supported by both literature and data. The analysis of the responses of participants shows that employees respond positively when bonus/ incentives are present. The ANOVA table also confirms that. In addition to the above, hypothesis two also revealed that there is a significant relationship between recognition and employee performance. This could be attributed to the responses given by participants on questionnaires that dealt with questions on how recognition made them feel. The study agrees that there is no significant relationship between healthcare benefits and employee performance. The ANOVA table also confirms it. Lastly, there is no significant relationship between promotion and employee performance based on the data provided. Based on the data, it was agreed that most of the respondents like to be rewarded with bonus/ incentives and getting recognized by the superior really help to enhance positive impact on their performance.



## **CHAPTER 5**

### **CONCLUSION**

#### **5.1 CONCLUSION**

The most crucial resource for a business nowadays is believed to be its people if it wants to stay competitive in the business sector. One of the issues facing the company is finding and keeping the suitable labour force. This study's findings looked at and assessed the connection between incentives and workers' performance. Furthermore, the effectiveness of the human components of the system is crucial to the success of the majority of service businesses. Employee satisfaction and motivation are crucial managerial concerns since they represent the most important input in the service sector. In order to assess employee performance, managers must decide which metric to use or whether to rely on any one of the rewards system available such as bonus/ incentives, recognition, healthcare benefits or promotion.

#### **5.2 RECOMMENDATION**

Managers should maintain a balance when choosing which incentive strategies to employ. According to studies, intrinsic and extrinsic motivating variables can both have an impact on certain aspects of employee behaviour. To achieve the best results, managers should use these two strategies. Additionally, the management should use feedback methods to keep them updated on how the various reward systems are performing. To effectively change motivational variables that are not appropriate for or wanted by the employee, this becomes important.

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