

**REWARDS SYSTEM AND BANKERS' PERFORMANCE IN BENIN CITY****JOY Erimife (Ph.D)****&****JUDITH Amadasun**Department of Business Administration,  
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**Abstract**

The business environment of today is characterized by intense competition. One of the battlegrounds for competition is in the area of attracting and retention of competent staff. Today, the benefit of human resource is considered as one of the most important advantages of any organization; and in order to achieve results, motivation of the human resource is very essential. This study examines the impact of rewards system on worker's performance in the banking sector in Benin City. Specifically, this study sought to establish the relationship between intrinsic and extrinsic rewards system on bankers' performance, and also to identify the various rewards available in the banking sector in Benin City. Primary data were gathered through the use of a structured questionnaire. Two hundred and sixty-one (261) questionnaires were administered to branches of five (5) selected deposit money banks in three populated local government areas in Benin City, Edo State, out of which two hundred and fifty-five (255) were retrieved and used for the analysis. The Ordinary Least Square (OLS) regression was used to test the hypotheses. The regression result shows that both intrinsic and extrinsic rewards significantly impact bankers' performance. On the basis of our findings, we recommended, among others, that banks should ensure that they provide the needed motivation, reward, or remuneration that will spur employees to act towards improving their task performance.

**Keywords:** Banking sector; Benin City; extrinsic reward; intrinsic reward; workers' performance.

**Introduction**

The dynamics of business environment induced by intense competition has intensified research interest in the area of human resource management (HRM) and employees' performance. Many researchers including Milkovich and Newman (2014) specifically agreed that through HRM with particular reference to reward management, employee creativity and work performance are stimulated. Armstrong (2013) also observed that reward management plays a key role in stimulating innovation, resilience and adaptability of an organization. It is a key function in HRM systems in modern enterprises that play an important role in attracting, retaining and motivating employees (Milkovich & Newman, 2014).

The management of reward systems aimed at ensuring equity in rewards based on social exchange relationship as an employee-organizational relationship is grounded in perceptions of exchange, especially in light of reward-based premiums on performance (Eisenberger & Cameron, 2016). However, an inequity seems to exist when employees perceive that their efforts, contribution, skills, and competencies are not correctly rewarded by their employers. In this regard, several studies including Rumpel and Medcof (2016) have revealed that employees who perceive inequity will change their future input. They will exert less effort if underpaid, or more if overpaid. The consequence of this is that employees who perceive that they are highly rewarded for their effort reciprocate by increase commitment and performance levels, while others who perceive injustice tend to quit the job or withdraw their level of work performance as restoration of injustice in reward and effort imbalance (Ohiwerei, Ohiole, & Emeti 2011).

One of the challenges in the Nigerian work-place is that reward distribution are often built on biases, prejudices, stereotypes, and conjecture despite the premise that effective reward system is based on fairness, equity and justice and that it is a valuable asset in managing employee attrition and morale (Ohiwerei, Ohiole, & Emeti 2011). Much research addressing reward for work condition experienced by the Nigerian workforce have consistently revealed that reward policies were not deliberately put in place by most organization in Nigeria, and the banking sector is not an exception (Okwudili, 2015). This has resulted in workers in Nigeria being under rewarded for their effort or contributions. Clear evidence is the current minimum wage and other reward practice in Nigeria which appear to be among the worst in Africa. This situation is contrary to what it was in the 1960s and early 1980s when workers in private and public organization in generally were given the opportunity of owning vehicles, furniture among others through hire purchase or credit financing. According to Mbah, Mgbemena, and Ejike (2015) the withdrawal of helpful schemes in the 1960s and early 1980s consequent upon rising inflation and economic downturn, prompted the long, sad and gloomy deteriorating of qualities of life benefited by Nigerian workers.

Considering these challenges faced by Nigeria workers in general, considerable studies (Ezigbo, 2011; Mbah, Mgbemena, Ejike, 2015; Okwudili, 2015) have examined the issue of rewards and employees' reactions to reward systems in Nigeria. Unfortunately, only few studies have been mindful of addressing rewards systems in the Nigerian Banking industry even when anecdotal evidence has over the years suggests that reward practices in Nigerian banking sector has not been encouraging because some banks have involved in deliberate cutting down the pay and benefits associated with job-related of bank staff while many other banks have equally engaged in employing temporary workers, who are often referred as casual labour or contract staff in order to escape the offering of competitive rewards to employees (Agwu, 2013). Moreover, there are also gaps in empirical literature on how reward systems in banking industry impact on performance of employees in banking industry. The few studies (Zhou, Zhang, & Montoro-Sanchez, 2011) that have made attempts to link how extrinsic rewards and intrinsic rewards as HRM practices

enhance employees' performance were conducted in other countries and have failed to arrive at a consensus. In light of these research gaps, this current study examines how the intrinsic and extrinsic rewards system impact on the performance of workers in the banking sector and to identify the available rewards offered in the banking sector in Benin City, Nigeria.

### **Objectives of the Study**

Specifically, the objectives of this study are to:

1. ascertain the various rewards that are available to bankers in Benin City;
2. establish the relationship between extrinsic rewards and bankers' performance; and
3. ascertain the relationship between intrinsic rewards and bankers' performance.

### **Literature Review**

#### **Employee Performance**

Employees' performance has been defined as the degree to which employees carry out obligations efficiently (Ilgen & Schneider, 2011). Employee's performance can be assessed by how efficiently employees utilize organisation resources to generate value for the organisation (Ericsson & Lehmann, 2016). In alignment with this position, Sonnentag and Frese (2011) concur that the performance of employees is the result achieved by workers in relation to the resources provided. Armstrong's (2013) view is that performance means what people achieve and the degree to which they adhered to corporate values and rules in getting work done. Armstrong (2013) further opines that when employee's performance is appraised the effort that they put into the work and the results they derive from the work are both considered in the appraisal.

#### **Dimensions of Employees' Performance**

There are two dimensions of employee performance and these include task and contextual performance (Campbell, 1999). Each of these dimensions is explained below:

#### **Tasks performance**

Task performance has to do with the way in which employees handle tasks given to them for the benefit of the organisation (Borman and Motowidlo, 1997). It is conceptualized according to Viswesvaran, Schmidt, and Ones (2015) as the effective execution of technical and core aspects of a job. It has conjointly been outlined as the accomplishment of duties that are specific to workers job description (Viswesvaran and Ones, 2010), execution of job activities formally recognized as part of the employee's job (Borman, et al., 1997), and achievement of job responsibilities that are directly related to transforming input into products for economic exchange (Ilgen and Schneider, 2011).

### Contextual Performance

Contextual performances are behaviours that form and uphold the social and organizational culture allowing others to go about their personal tasks peacefully (Campbell, 1999). It has been defined as those behavioural and psychological aspects of a job including social integrations that shape and serves as the facilitator for work processes (Ilgen and Pulakos, 2009). It is individual behavior effort or actions that are not directly related to their main task functions but shape the result obtained by the individual employees (Ericsson and Lehmann, 2016).

### Reward System

The notion of rewarding employees for "a job well done" has existed since the 19th century when piece-work systems (reward based on output levels) were first implemented (Brown, 2015), while performance-based rewards emerged in the 1990's when both public and private employers began to lose faith in the traditional merit programs (Dale-Olsen, 2012). Though several studies believe reward systems have three main objectives: to attract new employees, elicit good work performance and maintain commitment to the organization (Armstrong, 2013), reward has been defined as the bundle of returns offered by employers in exchange for a cluster of employee contributions (Stajkovic & Luthans, 2001). Reward is the benefits that arise from performing a task, rendering a service or discharging a responsibility. The reward can be in form of financial and non-financial given to or received by employees for doing their job. This definition collaborate with Brown (2015) who seen reward as financial and non-financial benefits offered to employees by employers in order to compensate the effort they put into the success of organizations. The principal reward for performing work is pay, wage or salaries. In addition to this, some organization or employers of labour also offer reward packages such as bonuses, pension schemes, health insurance, allocated cars, beneficial loans, subsidized meals, profit sharing, share options and much more.

### Forms of Reward

There are different forms of reward employer's offer to employees. These rewards have been classified into intrinsic and extrinsic rewards (Abdullah & Wan, 2013).

**Intrinsic Rewards:** Intrinsic rewards are nonmonetary rewards that exist in the job itself or content of the job (Abdullah & Wan, 2013). They are derived from the content of the task itself or job-related factors that may take in form of enrichment and enlargement of job through redesigning employee's jobs to allow greater autonomy, self-direction, and freedom to use one's skills and ability to perform tasks and increase job responsibility (Kerr, 2008). Intrinsic reward is designing job in such that employees have high degree to control the planning, executions and evaluation of the work or given more freedom and independence to do a job (Ryan & Deci, 2000). Intrinsic rewards also take in form of offering flexible working hours or flexi-time which serves as a works scheduling scheme allowing individual employees, within established limits, to control and redistribute their working hours around organizational demands (Rehman, Khan, Ziauddin & Lashari, 2010). They can also

take in form of offering interesting, challenging work and sharing of a job, thus involve social interactions including organization of plaques, informal parties and formal dinners for award-winning employees (Zhou, Zhang & Montoro-Sanchez, 2011). More so, intrinsic reward involved issuing letter of certificate of recognition for work well done, praising employees, stimulating self-esteem, and achievement (Zhou, & Hong, 2008). On this basis, we state our first hypothesis that:

*H<sub>01</sub>: There is no significant relationship between intrinsic reward and bankers' performance.*

**Rewards:** The extrinsic rewards are external to the job itself (Rumpel & Medcof, 2016). It mostly involves monetary compensation of the effort or contribution of employees toward the overall performance of an organization (Ryan & Deci, 2000). Such compensation can be informed of pay incentives, bonus based on performance, gain sharing and profit sharing or long-term incentive plans (e.g. stock options), team-based rewards (e.g. profit-sharing plans), and security benefits and promotion (Stajkovic & Luthans, 2001). However, the most popular extrinsic rewards are salary increases, performance-linked bonuses, team-based incentive plans, long-term incentive plans and security benefits as well as fringes benefits including leave allowance, housing allowance, car allowance, clothes allowance, health allowance and pension schemes (Zeng, 2016). Based on the literature reviewed, we state the hypothesis that:

*H<sub>02</sub>: There is no significant relationship between extrinsic reward and workers' performance.*

### **Theoretical Review**

There are several theories and approaches that have been developed to explain the link between reward system and employees performance. For the purpose of this study, however, we have focused on the expectancy theory because of the explicit explanation it lends to explain clearly the relationship between reward and workers' performance. The expectancy theory is reviewed below:

### **Expectancy Theory**

This theory was developed by Vroom (1964). According to the expectancy theory, individual will be motivated to perform if the effort put forth into work will lead to the desired reward. Vroom therefore, puts forward the following formula: Motivation forces = valence \* expectancy. Valence is the value an individual places on the particular reward. This means that if either valence or expectancy is zero, motivation will be zero. In other words, if individual has a high expectation that effort will lead to desired reward, his motivation will be high. This means that when employee's believed that the effort will not be rewarded, the employee will not be highly motivated to perform a certain task. But if individuals expect that their level of effort will lead to a certain level of **reward or outcomes**, they will behave accordingly. Thus, individuals are motivated if the expected reward is high in meeting their individual needs and the task undertaken is attainable and will lead to the expected outcome.

The implication of this theory is that rewarding employees adequately could make them to do better, try harder and expend more energy on the job. It could make them more committed, as greater commitment is required for achieving and sustaining corporate performance. According to Okwudili (2015), because employees compare the effort or contribution they put in accomplishing a certain task with others, they feel motivated to do more in the future when they know that they would get fair pay for the amount of work done. Hence, monetary or financial (extrinsic) and nonmonetary or non-financial (intrinsic) reward can be utilized to positively enhance workers' performance.

### **Empirical Review**

Mbah, Mgbemena, and Ejike (2015) examined the effectiveness of reward management and employee performance in Anambra State Civil Service and found that pay reward and some non-financial rewards of employee recognition, conducive work environment and staff development are positively and significantly related to employee performance in civil service. Using a sample of 272 respondents drawn from selected firms in Anambra State, Mbah, Mgbemena and Ejike (2015) found that employee recognition as one of the nonmonetary rewards influence the performance of employees.

Hameed, Muhammad, Hafiz, Ghazanfar, and Muhammad (2014), examined the impact of compensation on workers' productivity of banks in Pakistan. A questionnaire was designed to collect the data on the factors related to compensation like salary, rewards, indirect compensation and worker's productivity. Findings from correlation and regression analyses showed that compensation has positive impact on employee productivity.

Sajuyigbe, Olaoye, and Adeyemi (2013), examined the impact of compensation on workers' productivity in selected manufacturing companies in Ibadan, Oyo State, Nigeria. Structured questionnaire was used to collect data from one hundred (100) participants through purposive sampling method and data were analyzed by multiple regression analysis. Result showed that reward dimensions jointly predict workers' productivity which accounted for 71% variance of productivity.

Other strings of empirical studies also confirmed the influence of reward practices on the firm's bottom-line performance or on employees' psychological and behaviour outcomes. This aligned with the philosophy of utilitarianism which suggests that people's behaviours are drivable and changeable, and extrinsic rewards can bring expected behaviours and performance (Rowlay, 2011). In supporting this position, some empirical studies show that rewarding results in higher levels of creativity and performance (Eisenberger, Haskins & Gambleton, 2009; Eisenberger, & Cameron, 2016; Eisenberger & Armeli, 2007; Eisenberger, Rhoades, & Cameron, 2009). They indicated that higher economic compensation correlates positively with increased extra-role performance and innovative behaviour performance. Moreso, extrinsic rewards and resource investment in employees are necessary to motivate employee creativity, especially in formalised tasks (Eisenberger & Cameron, 2016). These

strings of studies observed that performance-linked salary increases associated with monetary rewards positively influence performance of innovative behaviour. They showed that long-term incentive plans (e.g. stock options), team-based rewards (e.g. profit-sharing plans), and security benefits are also empirically shown to have a positive effect on employee performance and creativity (Eisenberger, Armeli, S. & Pretz, 2008).

### Theoretical Framework

This study builds on expectancy theory developed by Vroom 1964. The assumptions of the expectancy theory, as stated in previous section is that, certain behaviour will be exhibited only when there is congruence between reward expected for performing the behaviour and the actual behaviour demonstrated. Applying expectation theory, a large number of organizations have explained how rewards, particularly money could be linked to desired behaviour and performance outcomes (Brown, 2015; Rowlay, 2011). Therefore, this study adopts the expectancy theory to explain the relationship between rewards management and performance of bankers in Benin City.

### Methodology

#### Research Design

This study adopted the survey research design with the aid of questionnaire for data collection, specifically, the case study method. This technique was adopted because of its advantages over other methods in terms of coverage of relatively high population and the generalization of the sample selected to the population. The data for this study was collected through the administration of questionnaires to employees in the selected banks in Benin City. The research instrument for this study was administered using a research assistant who is an undergraduate student of the University of Benin. He assisted with designing the Google form used to retrieve data from respondents of selected banks. The data was then stored and sorted in Microsoft Excel. The population of the study consists of all employees of banks in Benin City. The bank includes First Bank of Nigeria, United Bank for Africa (UBA), Zenith Bank, Guarantee Trust Bank (GTB), and EcoBank. The banks were selected using purposive sampling based on their customer base. Therefore, the study was limited to workers from these banks, chosen from three local government areas in Benin City. The estimated population for each bank branch is set at 50 employees because of the population in the selected LGA. With a total target population of 750 bank employees in the three selected local government areas in Benin City (IkpobaOkha, Oredo, and Egor), we applied the Yamane (1967) approach to a scientific sample size determination as follows:

$$\text{Given that } n = \frac{N}{1 + \frac{N}{e^2}}$$

Where  $n$  = sample size,  $N$  = target population,  $1$  = constant and  $e$  = latitude of error. Assuming a 95% confidence interval,

$$n = \frac{750}{1 + 750(0.05)^2}$$

The sample size approximated =  $n = 261$  research elements. The sample size of 261 is distributed across the institutions with 18 questionnaires administered to each bank branch. The survey questionnaire was divided into two sections: sections A and B. Section A consisted of questions on the demographic information of the respondent while section B contained questions on the variables in question (available rewards in the bank, intrinsic reward, extrinsic reward, and bankers' performance). The 5 point Likert scale ranging from Strongly Agree (1) to Strongly Disagree (5) was used to measure all the questions.

### Reliability of the Instrument

To test the reliability of the instrument, twenty (20) copies of the questionnaires were administered to pre-test the research instrument. The data from the retrieved questionnaire were tested with Cronbach's Alpha reliability test to determine the internal consistency of the questionnaire items. The Cronbach's Alpha value for each item on the questionnaire is shown in the table 1 below:

**Table 1: Cronbach's Alpha Reliability Test**

Variables	Cronbach's Alpha
Intrinsic reward	0.731
Extrinsic reward	0.703
Workers' Performance	0.697

**Source:** Researchers' fieldwork 2020

### Model Specification

In order to estimate the relationship between non incentives on bankers' performance, we formulated the model below.

$$BNKPER = f(INRWDRD, EXRWDRD) \quad \text{(Eqn 1)}$$

In this study, the long-run equation is specified as follow:

$$BNKPER = \beta_0 + \beta_1 INRWDRD + \beta_2 EXRWDRD + \mu \quad \text{(Eqn 2)}$$

$BNKPER$  = Bankers' performance;  $INRWDRD$  = Intrinsic Reward;  $EXRWDRD$  = Extrinsic Reward

$\beta_0$  = Constant



**Table 2: Demography of Respondents**

Responses	Frequency	Percentage (%)
<b>Sex:</b>		
Male	126	49.4
Female	129	50.6
<b>Age:</b>		
25- 30 Years	87	34.1
31 - 36 Years	51	20
37 - 42 Years	62	24.3
42 Years and above	55	21.6
<b>Marital Status:</b>		
Married	117	45.9
Single	123	48.2
Separated	10	3.9
Widowed	5	2
Divorced	-	-
<b>Educational Qualification:</b>		
SSCE	4	1.6
HND/BSC	170	66.7
MSC/MBA	76	29.8
PHD	5	1.9
<b>Rank:</b>		
Management Staff	20	7.9
Senior Staff	49	19.2
Junior Staff	128	50.2
Contract Staff	37	14.5
Causal Staff	21	8.2
<b>Years of experience in the bank:</b>		
0- 5 years	121	47.5
6-10 years	31	12.2
11-15 years	63	24.7
16 -20 years	20	7.8
21 years and above	20	7.8

**Source:** Authors' Compilation, 2020

From Table 2 above, gender distribution of respondents who returned usable copies of questionnaire administered of whom, 126 (49.4%) were males and 129 (50.6%) were females. This implies that majority of the respondents were females. The age distribution of the sampled respondents, 87 (34.1%) of respondents were aged 25-30 years, 51 (20%) of respondents were aged 31-36 years, 62 (24.3%) of respondents were aged 37-42 years and 55 (21.6%) of respondents were aged 42

years and above. This shows that majority of the respondents were aged 25-30 years. On the issue of marital status of the sampled respondents, 117 (45.9%) of respondents were married, 123 (48.2%) of respondents single, 10 (3.9%) of respondents were separated and 5 (2%) of respondents were widowed. This shows that majority of the respondents were single. On highest educational qualification of the respondents who returned valid copies of distributed questionnaires of whom 4 (16%) of respondents possessed SSCE certificate, 170 (66.7%) of respondents possessed HND/BSC certificate, 76 (29.8%) of respondents possessed MSC/MBA certificate and 5 (1.9%) of respondents possessed PHD certificate. This means that majority of the sampled respondent's possessed HND/BSC certificate. On the issue of rank, 20 (7.9%) of the respondents were in top management, 49 (19.2%) of the respondents were senior staff, 128 (50.2%) of the respondents were in junior staff, 37 (14.5%) of the respondents were in contract staff and 21 (8.2%) of the respondents were casual staff. This means that majority of the respondents were in junior staff. On the number of years work in the organisation, 121 (47.5%) had work for the period of 0-5 years, 31 (12.2%) had work for the period of 6-10 years, 63 (24.7%) had work for the period of 11-15 years, 20 (7.8%) had work for the period of 16-20 years and 20 (7.8%) had work for the period of 21 years and above. This shows that majority of the respondents had work for the period 11-15 years.

#### **Objective One:**

The first objective of this study is to examine rewards that are available for employees in the banking industry in Benin City. From the reports in Table 3 the following: performance tied promotion, leave allowance, health allowance/free health care services, pension scheme, regular salaries, access to loans, merit bonuses, clothes allowance, transport allowance, career development such as training, frequent acknowledgement/praise for improved effort, award ceremonies to exceptional performance, job rotation, plagues/tropics/letter of commendations/acknowledgement for outstanding performance, involvement in goals settings/decision making, and increase job responsibility are the rewards available for employees in the banking industry in Benin City. Precisely, 225(69.4%) respondents identified performance tied promotion, 247(76.2%) respondents identified leave allowance, 254(78.4%) respondents identified health allowance/free health care services, 128(39.5%) respondents identified pension scheme, 323(99.9%) respondents identified regular salaries, 175(54%) respondents identified access to loans, 146(45.1%) respondents identified merit bonuses, 182(56.2%) respondents identified career development (training), 145(45.1%) respondents identified transport allowance, 115(35.5%) respondents identified clothes allowance, 251(77.5%) respondents identified frequent acknowledgement/praise for improved effort, 227(76%) respondents identified award ceremonies to exceptional performance, 246(75.9%) respondents identified plagues/tropics/letter of commendations/acknowledgement for outstanding performance, 195(60.2%) respondents identified job rotation, and 87(26.8%) respondents identified increase job responsibility, 186(57.4%) respondents identified involvement in goals setting and decisions making.

**Table 3: Rewards Available in the Banking Sector In Benin City**

Rewards Available in the Banking Industry In Benin City		F	%
1	Performance tied promotion	225	0.694
2	Leave allowance	247	0.762
3	Health allowance/free health care services	254	0.784
4	Pension scheme	128	0.395
5	Regular salaries	323	0.99
6	Access to loans	175	0.54
7	Transport allowance	146	0.451
8	Clothes allowance	115	0.355
9	Merit bonuses	146	0.451
10	Career development	182	0.562
11	Award ceremonies	227	0.76
12	Plaques/trophics/letter for outstanding performance	246	0.759
13	Frequent acknowledgement/praise for improved effort	251	0.775
14	Job rotation	195	0.602
15	Increase job responsibility	87	0.268
16	Involvement in goals setting and decisions making.	186	0.574

Source: Researchers' field Work (2020)

### Test of Hypotheses

Ordinary least squares regression was used to determine the effect of reward system on worker's performance. The hypotheses in this study were tested with the aid of regression (t-test) at 5% level of significance. Our decision in accepting a hypothesis is based on the p-value, we reject the null hypothesis when p-value < 0.05 and we do not reject the null hypothesis when the p-value is > 0.05 (that is, we accept the null hypothesis).

**Table 4: Coefficient of Determination**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df 2	Sig. F Change	
1	.737 <sup>a</sup>	0.544	0.523	0.2994	0.544	26.218	4	88	0	1.988

a. Predictors: (Constant), Intrinsic reward, Extrinsic reward

b. Dependent Variable: Bankers' performance

Source: Researchers' fieldwork, (2020)

The value of R<sup>2</sup> which is 0.74 indicates that all the independent variables (explain 74% of the systematic variation in the dependent variable (banker's performance). The F statistic of 26.22 is significant at 0.01. This means that there is a statistically significant relationship between the independent variables and the dependent

variable. The Durbin-Watson value of 2.0 is 2 which indicate the absence of autocorrelation in the model.

Table 5: This shows OLS estimation of the effect of reward system on bankers' performance. This is discussed below:

**Table 5: Regression Result on the Effect of Rewards System on Banker's Performance**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.684	0.821		4.487	0
	Intrinsic reward	0.657	0.195		3.362	0.002
	Extrinsic reward	0.237	0.093	0.336	2.557	0.014

a. Dependent Variable: Bankers' performance

Source: Researchers' fieldwork, (2020)

### Hypothesis One

H<sub>01</sub>: There is no significant relationship between intrinsic reward and bankers' performance.

The p- values of 0.02 shows that intrinsic reward has a significant effect on bankers' performance. We therefore reject the null hypothesis which states that there is no significant relationship between intrinsic reward and bankers' performance.

### Hypothesis Two

H<sub>02</sub>: There is no significant relationship between extrinsic reward and bankers' performance.

The p- values of 0.014 shows that extrinsic reward has a significant impact on bankers' performance because it is significant at 5% level of significance. We therefore reject the null hypothesis which states that there is no significant relationship between extrinsic reward and bankers' performance.

### Discussion of Findings

Findings of this study showed that intrinsic rewards significantly influence performance of bankers. This result confirms the findings of Mbah, Mgbemena, and Ejike (2015), whose result showed that some non-financial rewards are positively and significantly related to employee performance in civil service in Nigeria. The findings of this study also agree with Kida, Mahmed, and Nahu (2015) ; Hameed, Muhammad, Hafiz, Ghazanfar & Muhammad (2014), that employees perform better when they are motivated through non-financial incentives such as recognition. The second findings of

the study showed that extrinsic rewards significantly influence performance of employees. This supports the position of some empirical studies including Eisenberger, Haskins, and Gambleton, 2009; Eisenberger, and Cameron, 2016; Eisenberger and Armeli, 2007; Eisenberger, Rhoades, & Cameron, 2009 that higher economic compensation correlates positively with increased extra-role performance and innovative behaviour performance. Our findings agree with the work of Eisenberger, Armeli, and Pretz (2008) that revealed that extrinsic rewards and resource investment in employees positively influence employee performance and creativity.

### Conclusion and Recommendations

In the current competitive business environment, organizations are facing a lot of challenges and among these issues, getting the right employees and retaining them is one of the most important ones. Today, the benefit of human resource is regarded as significant advantages of any organization; and in order to achieve efficient and effective results from human resource, motivation of employee is very essential. In fact, employees will do their best when they feel or hope that their hard work are to be rewarded by their managers. This study examined the effect of intrinsic and extrinsic rewards system on bankers' performance. Findings showed that there is a significant relationship between extrinsic reward, intrinsic reward and bankers' performance. In line with this, we recommend that Bank managers should ensure that they provide the needed motivation, extrinsic reward or remuneration that will spur employees to act towards improving their task performance. However, it is not enough to just provide extrinsic rewards, but they should ensure such rewards are satisfying. This can be achieved by assuring employees of job security, offering fair performance tied promotion, fair profit sharing, good design of merit bonus, friendly leave allowance, access to free health care services, access to good housing allowance, access to clothing allowance. Also, Bank managers must ensure they provide adequate feedback, opportunity for training, development and job rotation to make the job motivating for employees. One of the major limitations of this study is the self-bias reporting that tends to characterize the use of questionnaires. This limitation was however mitigated by identifying, selecting and using only valid questionnaires. Another limitation of this study is the use of just one geographical location, Benin City. Therefore, we recommend that future studies can be done using other geographical locations in Nigeria, like the Northern, Eastern or Western geo-political zones. Also, a comparative study can be carried out in the public sector in Nigeria to verify the results of this study as the results of this study are applicable only to the Private banking sector.

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