

THE EFFECT OF REWARD SYSTEM ON EMPLOYEE PERFORMANCE OF KBZ BANK IN YANGON

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ABSTRACT

This study intends to investigate the effect of reward system on employee performance of KBZ bank in Yangon. The primary data is collected with structured questionnaires from 200 employees who are working under KBZ bank. The questionnaire is structured with five-point Likert-type-scale questions. The result of the study indicates that there is strong relationship between company's reward system and employee performance. There is also interconnection between employee commitment and employee performance. According to the survey results, among financial and non-financial rewards, bonus and recognition have the greatest contribution to the effect on employee commitment in KBZ bank. Besides, the employees of KBZ bank satisfy on financial rewards compare with non-financial because it improves their commitment and increases their performance. Moreover, the findings show high level of performance concerned with affective commitment because of their emotional attachment and involvement in the bank. And then the study recommends that in order to improve employee performance, they should engage in financial rewards rather than non-financial rewards because the financial rewards influencing on employee performance could improve organizational goals.

Keywords: Financial rewards, Non-financial rewards, Employee commitment, Employee performance

1. INTRODUCTION

The people who make up an organization are considered to be one of the most important resources of today's firms. People and how they are managed are becoming more important because many other sources of competitive success are less powerful than they used to. Recognizing that the basis for competitive advantage has changed is essential to develop a different frame of reference for considering issues of human resource management (Dyer and Reeves, 1995). An organization's success or failure is highly determined by effective and efficient utilization of resources at its disposal, such as human, material, financial, and information resources. Among these four resources, the human resource is the most important part and crucial of all resources for the survival of an organization or business firms. Rewards management has gained increased importance especially in the current dynamic and competitive environment. It is one of the most important components of an organization's retention strategy. The aim of reward management is to reward people fairly, equitably and consistently in accordance with employees' contribution to an organization (Michael & Helen, 2007). Reward system has been found to play a critical role in enhancing employee commitment. According to Armstrong and Murlis (2007), Reward management refers to the strategies, policies and processes that are required to ensure that the contribution of people in an organization is recognized by both non-financial and financial means. There are two categories of reward; financial rewards, tangible and they relate to pay as well as the benefits that an organization provides to its employees and non-financial rewards; rewards which focus on motivating employee as well as enhancing job engagement and commitment. This study tries to identify how these reward system impacts employee performance in an organization. The objectives of the study are specified as:

1. To examine the effect of financial rewards on employee commitment of KBZ bank in Yangon.
2. To investigate the effect of non-financial rewards on employee commitment of KBZ bank in Yangon.
3. To analyze the employee commitment on employee performance of KBZ bank in Yangon.

2. LITERATURE REVIEW

Reward is one of the most influencing factors that motivate employees. Reward management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably, and consistently in accordance with their value to the organization (Armstrong & Murlis 2004). According to Peterson S. J., & Luthans, F. (2006), there are two basic types of rewards, financial and non-financial and both can be utilized positively to enhance performance behaviors of employees.

Financial Rewards

Financial rewards are monetary incentives that an employee earns as a result of good performance. Financial reward, incentives and bonus structures can motivate employees to higher performance levels. These rewards are aligned with organizational goals. When an employee helps an organization in the achievement of its goals, a reward often follows. Financial rewards consist of the value of all cash payments such as salary, bonus and fringe benefits. Salary is the amount of basic pay (the fixed wage) paid to an employee by an employer in return for work performed. Basic salary refers to the amount that an employee earns before any extras are added or payments are deducted. It constitutes the rate for the job. It may be varied according to the grade of the job or, for shop floor workers, the level of skill required. Bonus is a sum of money offered to an employee over and above the salary or wages as a reward for his/her good performance. A company may use bonuses to reward achievements, to show gratitude to employees who meet longevity milestones, or to entice not-yet employees to join a company's ranks. Fringe benefits are additions to compensation that companies give their employees. Several organizations offer perquisites and fringe benefits such as

accommodation, pension, medical facilities, insurance cover, sick pay, car allowance, employer-provided cell phones, education facilities, travel expenses and allowances, etc.

Non-financial Rewards

Non-financial rewards are the tangible rewards, social practices or job-related factors that are used in an organization to commit and motivate employees without direct payment of cash. The non-financial reward system encourages employees to explore and apply their creativity and innovation ability, to take on greater responsibility and demonstrate commitment with their tasks execution, resulting in higher motivation and improved work performance. Lack of opportunity for advancement or growth can cause a high turnover rate for any organization. Promotion chances are the degree of potential occupational mobility within an organization. Promotional chances reduce turnover since an employee can stay on hopefully eyeing a vacancy. Employee training provides opportunities to employees to widen their knowledge and abilities for more efficient teamwork and achieve individual development (Jun et al., 2006). The purpose of career development is to enhance each employee’s current job performance, enable individuals to take advantage of future job opportunities and fulfill agencies’ goals for a dynamic and effective workforce. Job related non-financial incentives refer to the designing of jobs in such a way of job enrichment, employee participation and empowerment, job-role autonomy, job rotation and job security. It involves a higher level of knowledge and skill, a variety of work content, more autonomy and responsibility of employees, meaningful work experience and more opportunities of growth. Recognition is the demonstration of appreciation for a level of performance, an achievement or a contribution to an objective. It can be confidential or public, casual or formal. It is always in addition to pay (Pitts, 2005).

Employee Commitment

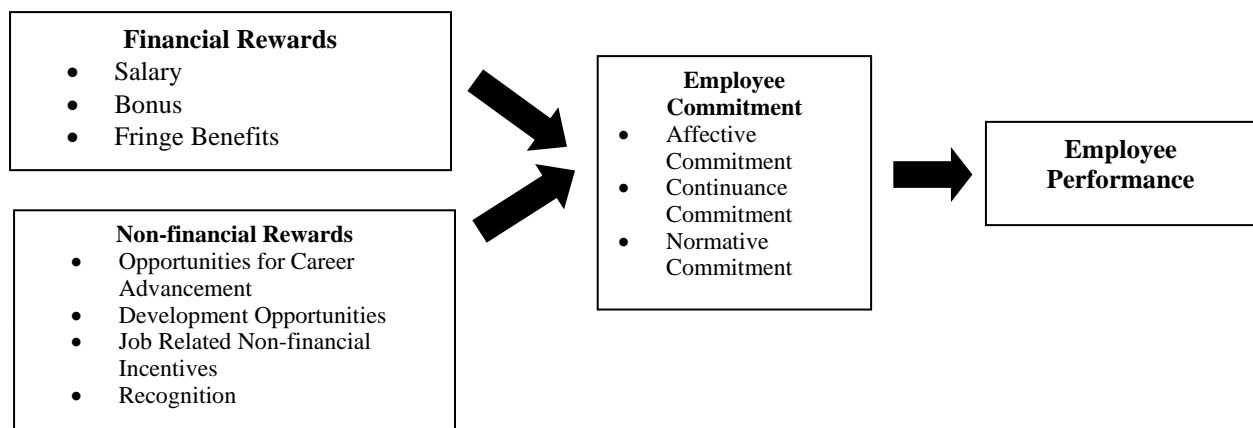
Employee commitment has an important place in the study of organizational behavior. This is in part due to the vast number of works that have found relationships between employee commitment and attitudes and behaviors in the workplace. Nowadays, it is widely recognized that multidimensional construct, offered by Meyer and Allen, is the most popular approach to employee commitment (SamGnanakkan, 2010). The first component of Allen and Meyer’s model of employee commitment is affective commitment. According to Meyer and Allen (1997), affective commitment is the employee’s emotional attachment to, identification with, and involvement in the organization. Affective commitment also referred to as attitudinal commitment (Swales, 2002) considers the employee’s emotional attachment as a person to the organization (Lumley et al., 2011), and is concerned with the extent to which the employees enjoy their membership and identify themselves with the organization. The second component of Allen and Meyer’s model of employee commitment is continuance commitment. Continuance commitment also called a calculative commitment (Hansen, Sandvik and Selnes, 2003) refers to the commitment based on the costs the employees associate with leaving the organization and so being more calculative and concerned with the individual’s need to continue working for the organization (Meyer and Allen, 1997). Meyer and Allen define continuance commitment as “awareness of the costs associated with leaving the organization”. The last component of Allen and Meyer’s model of employee commitment is normative commitment. This term, introduced by Weiner and Vardi (1980) refers to the employee’s feelings of obligation to remain with the organization and focuses on “the right or moral thing to do” (Meyer et al, 2002). The term is similar in some aspects to affective commitment but it is influenced by society’s norms about the extent to which people ought to be committed to the organization.

Employee Performance

Most organizations have realized that the performance of their workers plays a vital role in determining the success of the organization. Organizations need effective and productive employees whose job performance is at an optimal level to be able to achieve their organizational goals. The efficiency and effectiveness of the whole organization thus depends upon individual efficiency and effectiveness in achieving individual tasks and duties. Rothmann and Coetzer (2003) explain that the performance of employees is to achieve the goals and targets set by the organization.

Based on the above literature review and previous studies, the conceptual model for this study is developed.

Figure: Conceptual Framework of the Study



In above figure, reward system is an independent variable. From the financial rewards have three variables; from the non-financial rewards have four variables. Then, employee commitment is also an independent variable. Employee commitment has affective commitment, continuance commitment and normative commitment. In reward system and employee commitment, all these variables are measured with five likert scale. Employee performance is categorized as the dependent variable. Existence of effective reward system had to lead employee commitment and employee performance. According to literature review, employee commitment and employee performance are essential in every organization and the commitment of competent employees is critical to the success of the organization.

3. METHODOLOGY

Quantitative research method was used in this study. Both primary data and secondary data was collected. Primary data was collected from 200 samples by using simple random sampling method. The respondents were participated in face to face interview with structured questionnaire. Secondary data was collected from previous literature. For data analysis, SPSS version 23 was used to run both descriptive and inferential statistics. Simple linear regression was used to find the effect of reward system on employee performance. As research instrument, the structured questionnaire composed of 5-point Likert scales questions, ranging from "1 = strongly disagree" to "5 = strongly agree".

4. ANALYSIS AND RESULTS

Employee Perception on Reward System of KBZ Bank

The following Tables present employee attitude on financial reward practices in KBZ banks. There are three different financial reward practices to measure employees' attitudes on financial rewards of the company: Salary, Bonus and Fringe Benefits.

Table (1) Financial Rewards

No.	Salary	Mean	Std.Dev
1	Receiving the right amount of salary for effort and skills.	4.64	0.48
2	Receiving sufficient salary in relation to commitment and performance.	4.39	0.56
3	Incrementing salary motivate to perform better.	4.40	0.54
4	Efficient and effective compensation system.	4.24	0.49
5	Comparing pay scale to other banks.	4.38	0.56
Overall Mean		4.41	
No.	Bonus	Mean	Std.Dev
1	Receiving annual bonus.	4.85	0.36
2	Recognizing the extra effort in reward consideration.	4.47	0.55
3	Receiving bonus is fair/equitable for the effort and qualification.	4.51	0.57
4	Maintaining of employee commitment for going another year.	4.07	0.67
5	Making bonus plan of employee more committed to the job.	4.27	0.45
Overall Mean		4.43	
No.	Fringe Benefits	Mean	Std.Dev
1	Appropriating of fringe benefits with employees' need.	4.40	0.49
2	Refund leave policy of the employee at the end of every year.	4.56	0.51
3	Providing flexible travelling expense and allowance.	4.42	0.51
4	Keep employee commitment with fringe benefits.	4.23	0.48
5	Providing fair fringe benefits compared to other organizations.	4.49	0.55
Overall Mean		4.42	

Source: Survey Data (2020)

According to Table (1), overall mean scores for each of the financial rewards are greater than 3 and they all have equal mean values. The result on the level of employee commitment with respect to salary indicates that most employees are committed on being paid the right amount of salary for their effort and skills. Furthermore, the positive relationships show that employees are getting sufficient salary, salary increments and attractive pay scale in relation to their commitment and performance. The highest commitment level of the employees is the fact that they feel happy when they receive bonus annually and satisfied with their awarded bonus. But, they do not have the perception that they are being paid bonus for continuous maintaining of employee commitment for going another year with this bank. The fringe benefits are also important for the employees of the KBZ bank. Employees are more likely to agree leave refund policy at every end of the year. Fringe benefits are also important for them like any other rewards. According to the overall mean score, employees are satisfied that provided by KBZ bank.

Table (2) Non-financial Rewards

No.	Opportunities for Career Advancement	Mean	Std. Dev
1	Promoting based on individual performance.	4.51	0.55
2	Promoting in a fair and honest way.	4.26	0.71
3	Improving career prospects.	4.36	0.73
4	Motivating and committing to the job.	4.44	0.74
5	More opportunities for more advancement.	4.25	0.62
Overall Mean		4.36	
No.	Development Opportunities	Mean	Std. Dev
1	Providing job specific training.	3.96	0.71
2	Having clear employee development plan.	4.03	0.66
3	Involving in activities that promote professional development.	4.58	0.55
4	Training program helps to work adaptable and active.	4.24	0.47
5	Well-organized training program in the organization.	4.29	0.66
Overall Mean		4.22	
No.	Job Related Non-financial Incentives	Mean	Std. Dev
1	Allowing staffs to undertake delegate work in own way.	4.31	0.46
2	Involving in making major decisions.	3.93	0.70
3	Delegation altogether with proper degree of authority.	4.08	0.67
4	Assigning higher responsibility and work advancement.	4.09	0.70
5	Autonomy to handle most of the issues.	4.03	0.66
Overall Mean		4.09	
No.	Recognition	Mean	Std. Dev
1	Being praised and recognized in public.	4.47	0.50
2	Hardworking and result oriented are praised and rewarded.	4.45	0.50
3	Enhancing the achievement and feel involved in bank culture.	4.63	0.48
4	Having better perception of the work and workplace.	4.62	0.54
5	Encouraging low performers to work hard.	4.78	0.42
Overall Mean		4.59	

Source : Survey Data (2020)

Table (2) presents employee attitude on non-financial reward practices in KBZ bank. There are four different non-financial reward practices to measure employees' attitudes on non-financial rewards of the company: Opportunity for Career Advancement, Development Opportunities, Job Related Non-financial Incentives and Recognition. The mean score of all items that measure opportunity for career advancement of non-financial rewards in KBZ bank are well above neutral. The highest commitment level of the employees in opportunities for career advancement is the fact that promotion based on individual performance

The overall mean score for job related non-financial incentives is the least value among four different non-financial rewards. The lowest mean score of non-financial rewards is the fact that employees are able to access important information and involved in making major decisions. But, employees of KBZ bank have the perception that they are distributed relatively autonomy in the

workplace for solving problems. In general, senior delegate properly because the respondents rated that they are being delegated with suitable degree of authority. The bank managements tend to encourage their managers for delegating within the workforce. employees of KBZ bank have perception of being delegated is a good chance for them to develop new skills and competencies. The highest commitment level of the employees is the fact that giving recognition to high performer is motivating low performers to work harder. The organization recognized the good performance employees. The purpose of this recognition is to take example this good employees' behaviors. The overall mean score for recognition is the highest and strongest value within the four types of non-financial rewarding. The mean values are greater than 4 which can be made assumption that non-financial rewarding of recognition is well allocating in KBZ banks.

Employee Commitment of Premier Coffee Company Limited

Table (3) illustrates the measurement of the level of employee commitment in KBZ bank. There are three distinguishable employee commitments to measure employees' attitude to the work: Affective commitment, Continuance Commitment and Normative Commitment.

Table (3) Employee Commitment

No	Affective Commitment	Mean	Std. Dev
1.	Happiness in practicing this profession at this company.	4.45	0.50
2.	Describe this organization as a great place to work.	4.41	0.79
3.	Feeling like “part of my family” at this organization.	4.27	0.77
4.	Seriousness on company’s problem.	4.41	0.80
5.	Feeling as “emotionally attached” to this organization.	4.70	0.46
Overall Mean		4.45	
No.	Continuance Commitment	Mean	Std. Dev
1.	Leaving from this organization to be costly.	4.3	0.48
2.	Very hard to leave from this company.	4.4	0.48
3.	Problems will get when leaving now.	4.3	0.44
4.	Afraid of what happen after resigning the job.	4.4	0.48
5.	Considerable personal sacrifice when leaving	4.3	0.44
Overall Mean		4.3	
No.	Normative Commitment	Mean	Std. Dev
1.	Jumping from organization to another seems unethical	4.0	0.52
2.	Would not feel right to leave from this organization when getting better job.	4.1	0.43
3.	Feel guilty when leaving from this organization.	4.1	0.28
4.	Have a sense of obligation to the people in this organization.	4.1	0.26
5.	Would not feel right to leave if it were to my advantage.	3.9	0.31
Overall Mean		4.0	

Source: Survey Data (2019)

Based on the results obtained in Table (3), the mean scores of all the items that measure commitment of employees in KBZ banks are well above neutral and have high mean scores. The overall mean score for affective commitment is strongest value within the three types of employee commitment. The highest value of affective commitment indicates that they feel “emotionally attached” to this organization. The mean scores for each of affective commitment are greater than 4. This positive relationship show that they are happy in practicing this profession, they have the meaningful life doing the jobs and the working conditions at KBZ banks. One of the highest mean scores of continuance commitment is that the respondents strongly accept the fact that they are afraid of what might happen if they quit their job. Employees believe that it is not easy to get a new job. Most of the employees are working here because of interesting in their respective fields, taking experiences and having a loyal to this organization. Continuance commitment occurs when employees weigh up pros and cons of leaving their organization. Based on the results obtained in Table (3), the highest mean values of normative commitment are that the respondents feel that they should stay in this organization because of a sense of moral obligation and loyal is important for them. Most of the employees agree the fact that if they got another offer for a better job elsewhere they would not feel it was right to leave their organization. They believe that this organization has invested money and time for them to promote their professional development and to provide opportunities for career advancement. They believe that a person must always be loyal to their organization when the organization provides to meet their needs and satisfaction level.

Employee Performance of KBZ Banks

In this study, the combination of ten survey questions is used to explore the performance of employees on KBZ banks.

Table (4) Employee Performance

No	Employee Performance	Mean	Std. Dev
1.	Targets in the job stimulate to do the best.	4.55	0.50
2.	Use to complete quality work on time.	4.36	0.48
3.	Effectively collaborate with other department members.	4.19	0.69
4.	Actively participate in group discussion and work meetings.	4.26	0.76
5.	Love to handle extra responsibilities and want to put extra effort into a task.	4.45	0.57
6.	Enable to make use of skills and abilities.	4.54	0.55
7.	Encourage to deliver great job performance.	4.63	0.48
8.	Can do the decision well.	4.57	0.50
9.	Feeling of improvement at the work.	4.47	0.50
10.	Very passionate about my work.	4.60	0.49
	Overall Mean	4.46	

Source: Survey Data (2020)

As shown in Table (4), employees strongly accept the factor that their jobs can encourage them to deliver great job performance. Employees might have adequate skills and competencies to perform well in their own specific tasks in KBZ banks. And then, the employees always try to maintain a high standard on their work done. The second highest mean score is the fact that employees in KBZ banks are very passionate about their work. So, they can do the decision well and the targets in their job stimulate them to do the best. If problems and difficulties are found, solutions and appropriate actions are made by using their skills and abilities. To perform their jobs, employees in KBZ bank prioritize their tasks appropriately and use their time effectively. This result indicates that they well know how to handle their jobs and challenging works completely. The respondents did not accept the fact that they actively participate in group discussions and work meetings. This result indicates that employees do not have the chance to access important information and to be involved in making major decisions. The respondents did not accept the fact that they effectively collaborate with other department members. According to the organization structure and level of positions in KBZ banks, most of the employees do not need to get involved in other department’s processes. If problems and difficulties which are related with all departments are found, solutions and appropriate actions are discussed during top-level management meeting.

Effect of Financial Rewards on Affective Commitment

This section analyses the effect of financial rewards on their affective commitment in KBZ bank. The regression results to test the impact of financial rewards on their affective commitment in KBZ bank and the results are shown in Table (5).

Table (5) Effect of Financial Rewards on Affective Commitment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	-1.567	.333		-4.709	.000	
Salary	-.113	.084	-.078	-1.340	.182	1.962
Bonus	.808***	.082	.551	9.831	.000	1.817
Fringe Benefits	.664***	.103	.387	6.431	.000	2.097
R	.797					
R Square	.636					
Adjusted R Square	.630					
F Value	122.654***					

Source: Survey Data (2020)

According to Table (5), the power of the model to explain the variables supposed to financial reward factors effect on affective commitment of KBZ bank in Yangon. The value of R square is 63.6 percent and adjusted R square is 63 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level. The results indicate that both bonus and fringe benefits have the expected positive signs and highly significant coefficient values at 1 percent level. The respondents obtain the highest satisfaction on bonus and fringe benefits factors because KBZ bank provides the interesting bonus and fringe benefits plans for every employee every year. The bonus and fringe benefits plans can persuade to improve performance of employees who have affective commitment. Bank is making the new incentive plan and fringe benefits plan not different from year to year. Relating to salary (basic pay), the regression analysis result indicates negative and the variable has no significant relationship. It means that salary factor of financial rewards does not have an effect on affective commitment. Affective commitment of employees will not increase or decrease even though this factor changing.

Effect of Financial Rewards on Continuance Commitment

The regression results to test the effect of financial rewards on their continuance commitment in KBZ bank and the results are shown in Table (6).

Table (6) Effect of Financial Rewards on Continuance Commitment

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	2.444	.244		10.025	.000	
Salary	.312***	.062	.417	5.072	.000	1.962
Bonus	-.085	.060	-.112	-1.418	.158	1.817
Fringe Benefits	.199***	.076	.224	2.630	.009	2.097
R	.522					
R Square	.273					
Adjusted R Square	.263					
F Value	26.407***					

Source: Survey Data (2020)

According to Table (6), the power of the model to explain the variables supposed to financial reward factors effect on continuance commitment of KBZ bank in Yangon. The value of R square is 27.3 percent and adjusted R square is 26.3 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level. The results indicate that both of the salary and fringe benefits have the expected positive signs and highly significant coefficient values at 1 percent level. In this survey, the highest satisfaction level is salary (base pay) because the organization giving the salary on time and providing the systematically compensation plan and the right amount of salary. It is obvious that employees’ perception of salary factor on continuance commitment is the most influencing factor. Providing the interesting salary and fringe benefits factors really have a good impact on continuance commitment and the organization should provide on those factors as much as they can to retain qualified employees. The regression analysis indicates negative in the score of bonus factor and this variable has no significant relationship. It means that bonus factor does not impact on continuance commitment. Employee committed will not increase or decrease even though this factor changing. The standardized coefficient (Beta) of salary has the largest value (0.417) among financial reward factors indicating that salary has the greatest contribution to the effect on employees who have continuance commitment, whereas the compensation plan can persuade to improve employee commitment.

Effect of Financial Rewards on Normative Commitment

The regression results to test the effect of financial rewards on their normative commitment in KBZ bank and the results are shown in Table (7).

Table (7) Effect of Financial Rewards on Normative Commitment

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	2.588	.242		10.706	.000	
Salary	.128**	.061	.185	2.095	.037	1.962

Bonus	-.031	.060	-.044	-.512	.609	1.817
Fringe Benefits	.232***	.075	.282	3.090	.002	2.097
R	.400					
R Square	.160					
Adjusted R Square	.148					
F Value	13.409***					

Source: Survey Data (2020)

According to Table (7), the power of the model to explain the variables supposed to financial reward factors effect on normative commitment of KBZ bank in Yangon. The value of R square is 16 percent and adjusted R square is 14.8 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level. The result indicates that fringe benefits factor has the expected positive signs and highly significant coefficient value at 1 percent level. The relationship reveals that one unit of salary factors can lead to increase 0.128 units in normative commitment. It seems that giving fringe benefits to employees is a great way to save more money. The respondents obtain the highest satisfaction on fringe benefits factor because KBZ bank takes on some of their regular expenses. It is obvious that employees' perception of fringe benefits factors on normative commitment is the most influencing factor. Fringe benefits plans such as travelling allowance, meal allowance and transportation allowance can persuade to improve performance of employees who have normative commitment. Relating to bonus, the regression analysis result indicates negative and the one variable has no significant relationship. It means that bonus factor of financial rewards does not have an effect on normative commitment. Normative commitment of employees will not increase or decrease even though this factor changing. The standardize coefficient (Beta) of fringe benefits has the largest value (0.282) among financial reward factors indicating that fringe benefits have the greatest contribution to the effect on employees who have normative commitment. According to the survey findings, fringe benefits of financial reward factors could significantly raise the normative commitment of employees in KBZ bank.

Effect of Non-financial Rewards on Employee Commitment

In order to explore the effect of non-financial rewards (opportunities for career advancement, development opportunities, job related non-financial incentives and recognition) on employee commitment, linear regression model is deployed and analyzing is carried out based upon the 200 of employees in KBZ bank.

Effect of Non-financial Rewards on Affective Commitment

The regression results to test the impact of non-financial rewards on their affective commitment in KBZ bank and the results are showed in Table (8).

Table (8) Effect of Non-financial Rewards on Affective Commitment

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	-1.015	.170		-5.982	.000	
Opportunities for Career Advancement	.286***	.050	.285	5.771	.000	3.626
Development Opportunities	.461***	.043	.401	10.747	.000	2.066
Job Related Non-financial Incentives	.154***	.055	.143	2.813	.005	3.818
Recognition	.357***	.047	.261	7.662	.000	1.727
R	.927					
R Square	.859					
Adjusted R Square	.856					
F Value	319.309***					

Source: Survey Data (2020)

According to Table (8), the power of the model to explain the variables supposed to non-financial reward factors effect on affective commitment of KBZ bank in Yangon Head Office. The value of R square is 85.9 percent and adjusted R square is 85.6 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level. The results indicate that all of the non-financial rewards (opportunities for career advancement, development opportunities, job related non-financial

incentives and recognition) have the expected positive signs and highly significant coefficient values at 1 percent level. Employees aim to their career advancement and development opportunities as they get more experience and capacity. The positive relationships indicate that the increases in opportunities for career advancement and development opportunities factors lead to employees' affective commitment in the organization. In this survey, the respondents obtain the highest satisfaction on development opportunities and recognition factors. KBZ bank provides opportunities to be involved in activities which promote their professional development. The company appreciates and recognizes their employee's effort by giving rewards and certificate for outstanding employees in annual dinner, appreciation party, retreat programs and awarding certificates for the outstanding performance. The standardize coefficient (Beta) of development opportunities has the largest value (0.401) among four explanatory variables. It indicates that development opportunities have the greatest contribution to the effect on employees who have affective commitment. According to the survey findings, development opportunities of non-financial reward factors could significantly raise the affective commitment of employees in KBZ bank.

Effect of Non-financial Rewards on Continuance Commitment

The regression results to test the impact of non-financial rewards on their continuance commitment in KBZ bank and the results are showed in Table (9).

Table (9) Effect of Non-financial Rewards on Continuance Commitment

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	3.101	.171		18.113	.000	
Opportunities for Career Advancement	-.046	.050	-.088	-.915	.361	3.626
Development Opportunities	.528***	.043	.884	12.205	.000	2.066
Job Related Non-financial Incentives	-.296***	.055	-.528	-5.363	.000	3.818
Recognition	.088*	.047	.124	1.865	.064	1.727
R	.683					
R Square	.466					
Adjusted R Square	.456					
F Value	45.885***					

Source: Survey Data (2020)

According to Table (9), the power of the model to explain the variables supposed to non-financial reward factors effect on continuance commitment of KBZ bank in Yangon. The value of R square is 46.6 percent and adjusted R square is 45.6 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level. The result indicates that development opportunities factor has the expected positive signs and highly significant value at 1 percent level. However, job-related non-financial incentives variable does not have the expected positive sign but is highly significant coefficient value at 1 percent level. The negative relationship means that the increase in job related non-financial incentives lead to more negative impact on continuance commitment of employees in KBZ bank. An increase in job related non-financial incentives by 1 unit will decrease the effect on employee's continuance commitment of KBZ bank by 0.296 units. Relating to opportunities for career advancement, the regression analysis result indicates negative and the one variable has no significant relationship. It means that opportunities for career advancement factor of non-financial rewards do not have the effect on continuance commitment. Continuance commitment of employees will not increase or decrease even though this factor changing. The standardize coefficient (Beta) of development opportunities has the largest value (0.884) among four explanatory variables. It indicates that development opportunities have the greatest contribution to the effect on employees who have continuance commitment. According to the survey findings, development opportunities of non-financial reward factors could significantly raise the continuance commitment of employees in KBZ bank.

Effect of Non-financial Rewards on Normative Commitment

The regression results to test the impact of non-financial rewards on their normative commitment in KBZ bank and the results are showed in Table (10).

Table (10) Effect of Non-financial Rewards on Normative Commitment

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	3.197	.190		16.859	.000	
Opportunities for Career Advancement	-.035	.055	-.073	-.637	.525	3.626
Development Opportunities	.288***	.048	.522	6.002	.000	2.066
Job Related Non-financial Incentives	.044	.061	.085	.719	.473	3.818
Recognition	-.087*	.052	-.132	-1.663	.098	1.727
R	.480					
R Square	.230					
Adjusted R Square	.216					
F Value	15.714***					

Source: Survey Data (2020)

According to Table (10), the power of the model to explain the variables supposed to non-financial reward factors effect on normative commitment of KBZ bank in Yangon. The value of R square is 23 percent and adjusted R square is 21.6 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level. The result indicates that only development opportunities factor has the expected positive sign and highly significant value at 1 percent level. The negative relationship means that the increase in recognition leads to more negative impact on normative commitment of employees in KBZ bank. An increase in recognition by 1 unit will decrease the effect on employee’s normative commitment of KBZ bank by 0.087 units. Relating to opportunities for career advancement, the regression analysis result indicates negative and the variable has no significant relationship. It means that opportunities for career advancement factor of non-financial rewards do not have the effect on normative commitment. Normative commitment of employees will not increase or decrease even though this factor changing. Job-related non-financial incentives factor has the expected positive sign but no significant value in normative commitment. It means that this factor does not impact on normative commitment. Employee committed will not increase or decrease even though this factor changing. In this survey, the respondents obtain the highest satisfaction on development opportunities. KBZ bank provides employee development plan and well-organized training programs. These development opportunities programs can lead to improve performance of employees who have normative commitment. The standardize coefficient (Beta) of development opportunities has the largest value (0.522) among non-financial reward factors indicating that development opportunities have the greatest contribution the effect on employees who have normative commitment.

Effect of Employee Commitment on Employee Performance

The regression results to test the effect of employee commitment on employee performance in KBZ bank and the results are showed in Table (11).

Table (11) Effect of Employee Commitment on Employee Performance

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.434	.190		7.554	.000	
Affective Commitment	.537***	.021	.838	26.111	.000	1.115
Continuance Commitment	.175***	.045	.142	3.940	.000	1.405
Normative Commitment	.345***	.048	.258	7.157	.000	1.407
R	.897					
R Square	.805					
Adjusted R Square	.803					

F Value	290.862***
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Source: Survey Data (2020)

As can be seen in Table (11), the value of R square is 80.5 percent and adjusted R square is 80.3 percent. The overall significance of the models, F-value, is highly significant at 1 percent level. The results indicate that all of the employee commitments have the expected positive signs and highly significant coefficient values at 1 percent level. The relationship reveals that increases in affective commitment, continuance commitment and normative commitment lead to employee performance. Employees are committed on the affective, continuance and normative levels stay and they try to improve their performance because of their affective, continuance and normative commitment. In this survey, the highest satisfaction level is affective commitment because KBZ bank always gives festival bonus and year-end bonus, travelling allowances, cares about the personal cases of every employees and never fails to help the problems of every employees as they request to bank, and allow employees to access their leaves as much as possible. The standardize coefficient (Beta) of affective commitment has the largest value (0.838) among employee commitment factors indicating that affective commitment has the greatest contribution to increase performance of employees in KBZ bank. In conclusion, affective commitment really has good impacts on employee performance. Base on the result, affective commitment is the most influencing type among three types of organizational commitment of employees. Normative commitment is the second most influencing type. Employees with high affective commitment having on emotional connection to an organization and identification with that increase their commitment in the organization's activities, their willingness to pursue the organization's goals and their desire to stay with the organization. In summary, most of the employees in KBZ bank found that their emotional bond to their organization and it has been treated as an important determinant of dedication and loyalty. The results show that most factors have significant value and the main determination of employee's performance is found to be the affective commitment factors. Employee's performance of KBZ bank in Yangon is mostly affected by affective commitment factors.

5. CONCLUSION

Findings and Discussions

From analysis on employees' reward system towards financial rewards, most of the respondents express a high level of commitment concerned with bonus because KBZ bank always giving the bonus twice a year as a festival bonus. And then, the second highest commitment level of respondents concerned with fringe benefits. Employees also have the proper commitment level concerned with salary because company always provides the right amount of salary on time and attractive pay scale in relation to their commitment and performance.

From analysis on employees' reward system towards non-financial rewards, all of the employees are highly committed with recognition because the company always appreciates and recognizes their employee's effort by giving rewards and certificate for outstanding employees. The second highest commitment level of respondents is opportunities for career advancement. The bank has supported the good career progression to all employees to improve their career advancement. Employees also have the proper commitment level concerned with development opportunities because employees obtain a good chance for developing new skills and competencies from training and employees have the opportunities to be involved in activities which promoted their professional development. And then, the respondents unsatisfied on job related non-financial incentives because employees are not able to access important information and involved in making major decisions.

From this analysis, it is found that respondents express a high level of performance concerned with affective commitment because employees have a great emotional attachment to and involvement in and identification with the satisfaction factors of the company. Most of the employees in KBZ bank feel proud for their bank because the bank developed high performance and wide range of product categories within a few years. The employees feel that they have the meaningful life doing the jobs and enjoyed the working conditions at KBZ bank. They feel a strong sense of belonging to their organization and organization's problems are theirs. Employees in KBZ bank feel that this organization is the second family of their life.

It is found that the level of employee performance has slightly related on continuance commitment. Most of the respondents are working here because of interesting in their respective fields, taking experiences, enjoying systematic business style and having a loyal to this organization. Apart from those factors, respondents feel loyal is important and feeling a sense of moral obligation to remain, it was evidenced that respondents feel that they should stay in this organization because of a sense of moral obligation and loyal is important for them. According to the result of the study, all of those factors; financial, non-financial and employee commitment have positive relation on employee performance. Moreover, it is found that non-financial factors are the most influencing factor on employee performance. But, it should not neglect the other two factors; financial factors and employee commitment and it should make efforts to provide more employees' needs in order to increase employees' performance level.

Suggestions and Recommendations

Based on the findings, the bank gets many benefits to understand what it can do to reward its employees more effectively and increase employee performance in the workplace. Most of the employees are satisfied with the nonfinancial factors provided by KBZ bank. But, it needs some more things to provide and develop to increase the employees' performance level. The level of employee performance can increase more if KBZ bank will provide employees' financial factors such as salary ranges and transportation allowances. So, salary ranges and transportation allowances should be revised more adequate to promote employees' needs at all levels. The bank has good salary system and bonus plan rather than similar organization and the other benefits are not match as giving other organization. Thus, it is recommended that the other benefits program such as leave, loan and transportation

should be reviewed. Employees satisfy on salary pay and bonus plan provided by KBZ bank and it is moderately matched with the employees' needs and wants. But bank should revise salary increment and bonus programs more than the current to better according employees' needs and working conditions. The bank should analyze the employees' performance appraisal form for promotion and training procedures and operates job functions with HR department and tries to support employees' requirement. It is recommended that the current delegation and autonomy systems should be revised. Employees are a bank's most important asset. In order to achieve competitive advantage, upgrading the commitment and performance of employees plays a vital role in the business.

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