IMPACT OF REWARD SYSTEM ON EMPLOYEE'S MOTIVATION, A CASE STUDY ON AFGHANISTAN COMMERCIAL BANK (ACB)

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Abstract: Employee performance is the fundamental aspect of organizational performance. This is because individual performance contributes to the performance of teams or departments and aggregate of all team and departments is the organizational performance, particularly in terms of productivity. The rewards system is an important device not only to monitor performance of employees but it can also be used as a motivation method. Thus, by an adequate reward system, an organization can retain employees as well as attract new talent.

This research tempts to examine the impact of reward dimensions on employee's motivation with special reference to Afghanistan Commercial Bank (A.C.B), in this research is to expose the most significant impact of reward system on employee's motivation.

Prior research in the field accentuates the importance of determining the link between reward systems and employee motivation and how they subsequently affect the productivity of employees and the success of the company. The purpose of this research study is to explore the relationship between impact of reward and employee's motivation in A.C.B setting and determine how the total reward structure affects employee motivation levels within the given organization.

Furthermore, the current study is supposed to check this phenomenon in the (A.C.B) sector because now a day's banks are most versatile and competitive business of Afghanistan. Banks provide financial services to the customers and communities and play an important role in the economy of the country. All banks are constantly competing each other and as the products are relatively similar, it might be hard to be unique. People are coming with more

knowledge and better skills which enhance the competition in this sector. To compete in this competitive modern era banks are advised to focus on the things which will provide them the competitive edge over the other businesses. Through this study new insights about how to motivate employees and the impact of reward system on employee's motivation will be explored and if the end ups are made accordingly then it will be easier for any of the banking firm to get advantage from this study.

Keywords:*Employee, Motivation, Reward, Performance, Satisfaction, Work Efforts, Work Atmosphere, Work Efficiency*

1. Introduction

Most scholars consider motivation as the art of getting people to do what you want them to do because they want to do it.

Schuler and Jackson (1996), the connection and relationship between rewards, motivation and job satisfaction of employees have much significance to success of both public and private sectors. Employees want to get both types of rewards means financial and nonfinancial rewards. Some employees of school prefer the financial rewards and other are nonfinancial rewards that opportunity to take an important tasks and projects, attention and encouragement of leadership. In this way employees feel that they are being valued by the employers and also feel that the company is seriously involved in employee's career and development. So, these rewards contribute to improve the satisfaction level of workers (Dewhurst, 2010).

It's a common observation that most of us don't perform our tasks completely, not because they are difficult but because of low interest or motivation to perform that task. The desire or motivation is necessary for the performance of an activity. In this research is to expose the most significant impact of reward system on employee's motivation.

Employee performance is the fundamental aspect of organizational performance. This is because individual performance contributes to the performance of teams or departments and aggregate of all team and departments is the organizational performance, particularly in terms of productivity. The rewards system is an important device not only to monitor performance of employees but it can also be used as a motivation method. Thus, by an adequate reward system, an organization can retain employees as well as attract new talent.

It is hoped that the study will assist employees to be aware of their rights and be able to understand how to improve their performance to boost their pay. The study came up with findings that will add knowledge in improving decision-making process as far as maintenance of employees, rewards and grievance handling are concerned.

Furthermore, the findings of this study can be used by researchers to further explore different dimensions of reward systems; such as fairness, complexity, etc. to examine their impact on employee performance, employee satisfaction and motivation. The findings will also be useful for other similar organizations in the Afghan's government banks as well as other non-government banks and they will be able to use the insights from this study to improve their existing reward systems. The research study shall also be significant in further adding to the literature review pertaining to improving the performance level of the employees. From the point of practical implication, the study shall also be used to derive valuable recommendations for other banks, who are currently looking to improve their employee performance standards through the use of a better reward structure.

2. Literature Review

In the up and coming part the writing identified with the effect of remuneration framework on representative's inspiration. The analyst has consolidated the discoveries of other key study ponders comparable in nature to the ebb and flow inquire about so as to accomplish noteworthy data with respect to the key factors of the investigation. Extra data was assembled from various academic articles, look into papers, reference books, diaries and electronic libraries that lean-to additional bright on the different compensating techniques that might be utilized to upgrade the motivation of the representatives working in an association. Not exclusively were the key factors contemplated top to bottom, sub factors that are important for the provisions of employee inspiration, similar to job satisfaction were additionally considered in detail.

Saunders et al. state that "a critical review of literature is necessary to help you to develop a thorough understanding of, and insight into, previous research that relates to your research question(s) and objectives".

Auditing the present writing in this field will permit the researcher build up a base, so that additional research can be included. Conventional speculations regarding prizes have to a huge degree accentuated the significance of outward prizes. In the recent decades, the

predominance of extraneous reward speculations has been supplemented with hypotheses focusing on the significance of natural prizes. The creator of this investigation investigated both these point of view among the wide-running writing concerning rewards.

Employee's Motivation: "Motivation or inspiration is the hankering to achieve past wants, being driven by inside rather than outside factors, and to be related with a diligent gaining ground toward advancement". (Torrington, Hall, Taylor and Atkinson).

Goal theory of motivation: Latham and Locke (1979) built up a hypothesis called Goal hypothesis. Which infers when individuals are set with exact and sensible objectives, the inspiration and execution will be higher. At the point when person's beneficiary input on execution, objectives that are set high acknowledged, and this will have a constructive outcome. The employees should be associated with the objective setting and concede to higher defining objectives. During the time spent defining higher objective, input is critical to holding inspiration (Armstrong).

Reward System: The creators Nelson and Peter (2005) expressed "You get what you compensate". As per them, a prize framework is the sphere's most prominent administration head. In occasion that association compensates a particular kind of representative conduct positive or negative, which is the mechanism that association might acquire a superior sum.

Purpose of reward system: It occurs to be variety of direction of a reward structure. As indicated by Ax and Christer a very simple is to rouse representatives to do well, however in addition for holding the employees. For a reward structure to be rather inspirational, the reward should satisfy several norms; devour respect, be huge enough provide sway, be correct, be convenient, the effect must be sturdy finally the awards should be cost creative (Merchant, 2007).

Reward system and employee motivation: Agwu, (2013) led an examination on Nigerian oil organization to form the effect of remuneration framework on representative's inspiration by the utilization of irritable sectional review investigation configuration in producing the obligatory essential information. The outcomes showed that execution of reasonable prize framework in Nigerian oil organization to an enormous degree impacted improved employees' inspiration and leaded to more readily work execution.

Relationship between Reward System and Employee's Motivation: There are additionally different elements to upgrade the representative's inspiration and boost execution for instance by giving preparing and improving aptitudes of the employees. Mechanical advancement and

improving working conditions can likewise improve execution. In general, a firm might just choose to just lay off low entertainers and select superior employees.(Shields, et al., 2015).

Jehanzeb and Rasheed, (2012) in the financial part (open and reserved banks) of Saudi Arabia look at effect of remuneration framework on inspiration and on employment fulfillment over survey and discovered that prize framework has optimistic effect on inspiration and inspiration on occupation fulfillment and employment fulfillment to compensate framework.

3. Methodology

Research methodology alludes to clarification of logical decisions made in the examination. Research theory is identified with epistemological considerations that manage the standards and philosophy connected in an investigation to increase worthy learning. There are various ways of thinking that investigators vile their investigation on, for example, positivism and Interpretivism.

The examination philosophy is the detail of technique for gaining the data expected to structure or take care of the issue. This section clarifies the degree, look into plan, information accumulation, testing strategy; strategies followed in doing the exploration, the systems utilized and the confinements of the examination.

In this study, the wonders under thought is remunerate framework and its effect on employee's inspiration. Since the two prizes and representative's inspiration are quantifiable elements, accordingly, approaches for characteristic sciences, for instance, factual systems, are pertinent in contemplating these wonders through surveys.

Research Approach: In this research, first of all I have used librarian method of research and I have collected some terminology from the most valid and reliable books, topics and magazine's articles, eBooks, and websites. This examination aimed to test the connection between reward system and its effect on employees' motivation. It progressed to gather explicit perceptions from employees of A.C.B (Afghanistan Commercial Bank) through questionnaires to examine existing hypotheses about the connection among two variables. I will conduct this research and collect data through questionnaire to get the actual findings.

Research Strategy: There are various sorts of techniques that consolidate audits, examinations, action inquire about, logical investigation, recorded study, grounder theory, ethnography, etc.

As communicated previously, this investigation is a contextual analysis concentrating on A.C.B so as to test and explain the effect of reward system on A.C.B employees' motivation. This examination directed polls with the employees of A.C.B and by dissevering this info, derived implications around the hypothetical association among the factors.

Sampling Technique: Examining alludes to distinguishing an example for example a gathering of members from target populace as illustrative of entire populace. Info is collected from the example and it is accepted that outcomes and end drained from this information is illustrative of the entire populace. Test is recognized on the grounds that scientist can't gather information from entire populace (Myers 2013).

The underlying populace size of the exploration study was every one of the representatives and managers which works for A.C.B., this investigation gathered information from employees of ACB, since it was impractical for analyst to accumulate information from all employees; along these lines, an example was gathered as illustrative of all ACB representatives.

Data Analysis: In this examination, quantitative information gathered through poll overview was analyzed utilizing SPSS and MS Excel. Enlightening insights alongside utilizing the relapse and relationship investigation. Expressive measurements are most regularly utilized factual instruments in research. The principle advantage of unmistakable insights is that it uses tables and charts to dissect information which is simpler to peruse notwithstanding for the individuals who don't have research foundation. What's more, spellbinding insights are simpler to lead when contrasted with different procedures, for example, relapse investigation, and give a progressively significant translation of the information. Besides, the utilization of relapse and relationship examination was utilized to contemplate the impact of rewards on employee's motivations, with regard ACB.

4. RESULTS AND ANALYSIS

This section contains the examined information. Statistical Package for the Social Science (SPSS) was used in breaking down the information. The discoveries are exhibited in Tables, Line charts, Pie diagrams, and structured presentations. In this chapter the main segment is devoted to breaking down statistic polls, the second for preparing surveys, the third for association endeavors to prepare its representatives and the fourth segment to result of trainings.

An aggregate of 110 representatives were welcome to be the piece of this investigation, 15 of them didn't answer the questions and the rest 95 person released answered questionnaires back. I had the option to recover 95 addressed polls.

Autonomous factors or free factors will be factors which are controlled or transformed by scholars and whose effects are assessed and pondered. The expectation of complimentary elements is also known as Predictors. The free factors are named everything considered in light of the fact that independent components predict or guess the estimations of the dependent variable in the model.

Needy factors or diverse variables are moreover seen as the ward variables. The dependent elements imply that kind of factor that gauges the impact of the free variables on the examination elements. Similarly it can be said that the penniless elements are the sorts of elements which are absolutely reliant on the free variables. Dependent variables are also called as Predicted variables. As it has appeared above table, the Reward has immediate and obvious consequences for inspiration, work endeavors, work proficiency and emp fulfillment.

Variables:

Independent variable (Predictor)	Dependent variable (Predicted)
Reward	Motivation
Reward	Work efforts
Reward	Work efficiency
Reward	Emp satisfaction
Reward	Work Atmosphere
Total: 1	Total: 5

Cronbach'sAlpha Equation(Reliability Statistics)**:**

As shown in table the cronbach's alpha result for this research shows a value of 0.874 which point out a high reliability of questionnaire items.

To get this number 11 questions out of 23 question from the survey poll was selected which have the utmost connection to the hypothesis of this thesis.

Cronbach's Alpha	Cronbach's Alpha (Standardized Items)	N of Items
.874	.876	11

Pearson Correlation:

Dependent variables	Independent variable (R)
Motivation	0.484
EMP Satisfaction	0.453
Work efforts	0.412
Work efficiency	0.396
Work Atmosphere	0.312

**. Correlation is significant at the 0.01 level (2-tailed).

Pearson's Correlation Coefficient is a strategy for exploring the connection between two consistent factors. A relationship coefficient of 0.5 implies that factors are flawlessly decidedly straightly related; the above outcomes demonstrate that the trainings have gotten positive changes creation quality.

As particularized in table 4.24 five dependent variables was identified which are (Motivation, Emp Satisfaction, Work Efforts, Work Efficiency and Work Atmosphere), for finding their relation with dependent variable (Reward).

The result of this analysis shows that motivation has the highest correlation (0.484) with reward according to employees of Afghanistan Commercial Bank (ACB), followed by emp satisfaction with a (0.453) correlation which is also high. Work effort with (0.412) and work efficiency with (0.396) have a moderate correlation with reward, in this analysis work atmosphere has the lowest correlation (0.312) according to employees of Afghanistan Commercial Bank (ACB).

Regression analysis:

Regression analysis was done using SPSS for further analyzing of the data.

In measurements, linear regression or straight relapse is a direct way to deal with representing the link between a scalar reaction and at least one logical factor. In this relapse the five variables are indicator or free factor and embedded as an incentive to.

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Model	R	R Squared	Adjusted R Squared	Std. Error of the Estimate	Durbin-Watson
1	.754[a]	.565	.534	.432	2.201

a. Predicted: Motivation, Emp Satisfaction, Work Efforts, Work Efficiency, Work Atmosphere

b. Independent Variable: (Constant), Reward

The linear regression table achieved from SPSS shows the effect of independent variables on the reward. As the results shows in table 4.25 in the R column a value of (0.754) which signifies a very high correlation of (75.4%), therefore the model predict Reward rather exactly.

Coefficients:

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.799	.194		4.452	.000
Motivation	.645	.092	.785	7.159	.000
Emp Satisfaction	.460	.081	.512	5.341	.035
Work Efforts	.254	.069	.296	2.984	.086
Work Efficiency	.134	042	.159	1.452	.156
Work Atmosphere	-.146	.102	-.156	-1.401	.006

a. Independent Variable: Reward

$$\hat{Y} = a + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5$$

In the equation x_1 shows dependent variables, β_n shows estimated regression coefficients a is the constant value and $\hat{Y}$ is the independent variable (Reward)

As outcome:

Reward = 0.799 + 0.645 (Motivation) + 0.460 (EMP Satisfaction) + 0.254 (Work Efforts) + 0.134 (Work Efficiency) – 0.146(Work Atmosphere)

5. CONCLUSION

In this examination, the impact of remuneration framework - compensation structure on employee's inspiration and motivation were investigated. Bank laborers of Afghanistan Commercial Bank (ACB) made the case of the examination. The respond frequency was underneath the typical frequency as only 95 out of 115 specialists of bank tended to and addressed the poll. Moreover, the factor examination and faithful quality examination showed the plenty of the model gauge. Thusly, the outcomes of the factor and enduring quality examination were reasonable with the amount of the things and test gauge.

To the extent the outcomes of the true examinations, the main speculation (hypothesis) supported through the restraint examination or backslide examination. According to the revelations, it is set up that Fiscal Rewards have direct helpful results on employee's inspiration and motivation. The subsequent speculation expected to amount the basic effect of remuneration framework on employee's motivation. As such, as a mediating variable it is set up that reward structure influences Employee motivation.

The last hypothesis is intended to measure the gigantic effect of compensation structure or reward framework on Employee Performance. By the outcomes of the authentic test, it is set up that reward system has imperative impact on execution and execution.

From the composition, unmistakably HR motivation is seen as a champion among the most critical systems for supporting progressive headway. Individuals benefit by being impelled in light of the way that it causes them in self-headway to finally achieve singular goals, while associations advantage in light of the fact that moved delegates guarantee a gathering that is authorized, positive, adaptable, imaginative and productive, all of which possibly develop the feasibility and accomplishment of an affiliation.

In perspective on the result of survey that drove, the going with finishes can be made:

- Employees of association worth rewards as a spark, and will extend their undertakings for getting rewards. Every respondent sensed that they were set up to assemble their work effort to get rewards.
- Laborers are respectably content with the present reward course of action of the association.
- So as to persuade employees impressively more, the association should offer yearly additions as per extension, and upgrade exceptional augmentations.

- Different respondents demonstrated that the reward framework or prizes system at the association needs some improvement.
- The affiliation should recognize the hugest rousing.

Future work: This study was delimited to just Afghanistan Commercial Bank however, future investigations may focus on a relative report among open and private Banks in Afghanistan. Since, not all employees, having deferent capabilities, experience, and presentation might be propelled similarly it is basic to distinguish a particular spurring factor for representatives. Future looks into may likewise take a relative investigation of remunerations frameworks independently among male and female employees.

Recommendations:
- Organizations may plan proper compensation packages to their employees.
- Organizations may plan more about non-monetary rewards.
- Employee's performance factors like employee productivity, job accomplishment and satisfaction may be kept in view.
- Management of organizations may use both intrinsic and extrinsic reward to motivate its employees so that both individual and Organizational objectives could be achieved.
- Employees with one another vary individually, according to physically and mentally. So, management must identify their different types of needs and fulfill them.
- Employees can be allowed to participate in pay determination.
- Regarding salary and other allowance, management should may intensify the salary scheme of employees.
- The facilities provided to the employees may be compared with that of other organizations and facilities similar to it or more may be provided quickly.

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