REWARDS AND INCENTIVES SYSTEMS OPERATIONAL IN THE BANKING INDUSTRY

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Abstract

This study brings to light the impact of reward and incentives on organisational productivity. Thus, it is a logical and careful examination of how rewards/incentives facilitate the achievement of banks superior performance.

The paper examines the historical background and the relevance of rewards and incentives in particular and motivation in general for the improvement of productivity as an organisational philosophy.

Data were obtained through the use of questionnaires and the review of related literatures. Research questions were also developed for the study to examine the validity of this problem.

Findings resulting from the study revealed that productivity in the banks is attained through proper harnessing of the human resources using exciting rewards and incentives. Pay for Performance, profit sharing schemes, and bonuses are most exciting rewards that have positive correlation on bank's performance.

Notwithstanding these positive results, certain motivational methods and productivity problems still abound which attracted some recommendations. One of such is that survival of the banks depend largely on profitability and values created by human resources. Similarly, organistional productivity thrives on competitive rewards and incentives. A favourable organisational climate is a necessary panacea for superior performance.