REWARD SYSTEMS AND ORGANIZATIONAL PERFORMANCE OF DEPOSIT MONEY BANKS IN RIVERS STATE

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ABSTRACT

The study investigated the relationship between reward systems and organizational performance of deposit money banks in Rivers State, Nigeria. This study used data generated from 227 study elements which was analyzed using Pearson’s Product Moment Correlation technique. Based on the results, it was observed that reward systems dimensionalized using pay/salary contributed significantly towards employee satisfaction and customer satisfaction as measures of organizational performance. In the light of the findings, the study concluded that reward system is a critical and highly imperative factor in sustaining organizational performance. Consequently, it was recommended that banks in conjunction with senior management should develop innovative bonus plan that recognizes the efforts of non-managerial staff. This will not only motivate the employees to work harder during the year but will also influence the level of satisfaction of the banks’ customers; and overall, lead to a much greater performance in the organization.

Keywords: Customer Satisfaction, Employee Satisfaction, Organizational Performance, Pay/Salary, Reward Systems.
Introduction

As organizations play pivotal roles in the functioning of our society, it is therefore important we seek understanding of how best to provide the needed guidance on ways to improve organizational performance for the benefit of all stakeholders. This, we can achieve through researches aimed at improving the available information for enhanced performance. Organizational performance is a measurable result of the level of attainment of an organization’s goals (Daft & Marcic, 2001) or mechanism for improving the likelihood of the organization successfully implementing a strategy (Anthony, 1998).

Selvan, Gayathri, Vasanth, Lingaraja and Marxiaoli (2016) proposed that employee satisfaction and customer satisfaction among other indicators constitute valuable measures of organizational performance. Employee satisfaction is the psychological state of how an individual feels towards work. In other words, it is people’s feelings and attitudes about variety of intrinsic and extrinsic elements towards jobs and the organizations they perform their jobs. Employee satisfaction is supremely important because it is what productivity depends on. Adirika, Ebue and Nnolim (2001) explained that customer satisfaction means solving customers’ problems by giving the customers those goods and services or things of value they need at the right price, in the right place, at the right time and in the right combination.

Reward is described as all monetary, non-monetary, and psychological payments that an organization provides for its employees (Bartol & Locke, 2000). Anthony and Govindarajan (1998), Ahlgren, Andersson and Skoid (2007) observed that reward systems is aimed at motivating employees in order to perform better and above expectations. It further aims at retaining them in order to build up high levels of competence. The studies also noted that reward systems are designed to compensate individuals and groups which can be either financial or non-financial.

San, Theen and Heng (2012) suggested that pay/salary, benefits and career opportunities constitute valid dimensions of reward systems. Salary is a form of periodic payment from an employer to an employee, which may be specified in an employment contract. It is contrasted with piece wages, where each job, hour or other unit is paid separately, rather than on a periodic basis. Odoh (2011) posited that salaries which workers receive from their organizations are significant to them in three ways: economic, psychological growth and motivation.

Nwamuo (2019) investigated the effect of reward on organizational performance in Nigeria Breweries Company South-East, Nigeria; Ibrahim and Daniel (2019) assessed the reward package on employee’s performance in Nigerian banks; Muhammad and Mairafi (2019) examined the effects of training and performance appraisal on the performance of bank employees in Nigeria; Nnaji-Ihedinmah and Egbunike (2015) evaluated the effects of rewards on employee performance in selected commercial banks in Awka metropolis. While many of these studies have been directed towards employee performance, few have been carried out from the perspective of organizational performance (employee and customer satisfaction). From the studies above and literatures already reviewed, we intend to believe that there is limited literature specifically on relationship between reward systems and organizational performance in deposit money banks in Rivers State, Nigeria.
Aim and Objective of the Study

The aim of this study is to examine the relationship between reward systems and organizational performance of Deposit Money Banks in Rivers State.

Research Questions

The following research questions guide the study

1. What is the relationship between pay/salary and employee satisfaction of Deposit Money Banks in Rivers State?
2. What is the relationship between pay/salary and customer satisfaction of Deposit Money Banks in Rivers State?

Research Hypotheses

The following research hypotheses were formed to guide the study:

H01: There is no significant relationship between pay/salary and employee satisfaction of Deposit Money Banks in Rivers State.
H02: There is no significant relationship between pay/salary and customer satisfaction of Deposit Money Banks in Rivers State.

LITERATURE REVIEW

Theoretical Framework

Social Exchange Theory (SET)

This model of SET stipulates that certain workplace antecedents lead to interpersonal connections, referred to as social exchange relationships (Cropanzano, Byrne, Bobocel, & Rupp, 2001). Social exchange relationships evolve when employers take care of employees. This thereby engenders beneficial consequences. In other words, the social exchange relationship is a mediator or intervening variable. It provides for advantageous and fair transactions between strong relationships. These relationships consequently produce effective work behavior and positive employee attitudes. This line of reasoning has received much attention, most of which use Blau’s (1964) framework to describe social exchange relationships.

Blau’s contribution to SET represents a significant comparison of economic and social exchanges. The study maintained that the basic and most crucial distinction is that social exchange entails unspecified obligations that only social exchange involves favours that create diffuse future obligations, while the nature of the return cannot be bargained. Further, only social exchange tends to engender feelings of personal obligations, gratitude, and trust while purely economic exchange does no. The study also argued that the benefits involved in social exchange do not have an exact price in terms of a single quantitative medium of exchange implying that social exchanges create enduring social patterns.

The Resource-Based View (RBV)

The resource-based view (RBV/RBT) theory was widely been used in the studies of organizational performance (Innocent, 2015). The RBV concentrates on organizational unique resources and capabilities which differentiate one organization from other
organizations within the same industry. The RBV also attempt to address the issues of how an organization can achieve competitive advantage over other organizations and as such, enhance its organizational performance?

The RBV suggest that organizational achievements are truly based on the internal properties of an organization. Both organizational assets (tangible and intangible) and capabilities (internal knowledge and competencies) are defined as the organizational internal properties (Chuang & Lin, 2017; Teece, Pisano & Shuen, 1997). Similarly, the RBV considers that an organization is endorsed with different types of organizational resources such as, assets resources, capabilities resources, process resources, management competencies, technological resources and knowledge resources (Barney, 1991). These resources and capabilities enhance the organizational performance and work as a basis of competitive advantage (Barney, 1991).

Empirical Review

Okafor and Okeke (2019) examined reward strategy and employee performance in selected banks in Anambra State. The major purpose of the study was to determine the various strategies, which managers should adopt to improve workers’ morale and productivity in an organization. The specific objective was to ascertain the influence of training and development on employee performance. In conducting the research, a sample of three hundred and twenty-three (323) respondents responded to the questionnaire. These respondents were selected using a non-probability sampling method (purposive/judgmental method). The data gathered were analyzed using simple regression technique. The result revealed that training and development of employee have significant positive effect on employee performance in the banks under study. It was concluded that training and development always improve employee performance because they give the employees the reason to continue to put in more effort. Hence, it was recommended among other things that the management of banks under study should provide regular courses and adequate training for staff of all categories. This was hoped to sharpen their skills and make them more efficient and productive.

Anku, Amewugah, and Glover (2018) assessed the concept of reward management, reward system and corporate efficiency. Employees who make up a company remain the organization’s unique and biggest asset. While they provide performance, organizations aim to reward them in an equitable manner, which are viewed as fair, unbiased and consistent in accordance with the value they create in the organization. A reward system exists with a specific goal to motivate employees to work towards accomplishing vital objectives which are set by entities. The study clarified the phenomenon of reward systems and corporate efficiency. It additionally reviewed other studies within the scope of reward systems. It assessed emerging and critical issues that inform reward decision making. It again raised issues for example, the issue of measuring comparability and the concern of recognition programmes. The study concluded that the reward system plays an essential role in motivating workers to perform innovatively.

Idemobi, Ngige and Ofili (2017) investigated the relationship between organization reward system and workers’ attitude to work. It was aimed at determining the effects of organizations reward system on workers’ productivity; to determine the relationship between organizations reward system and workers attitude to work; to determine the relationship between organizations reward system and job satisfaction; and to find the
A relationship between rewards system and workers commitment. The data used was obtained with the aid of a questionnaire and analyzed using the chi-square test of independence. The results showed that: organizations reward system has a significant effect on workers’ productivity. It also showed the existence of a significant relationship between organizations reward system and workers’ attitude to work. Also, there is a relationship between organizations reward system and job satisfaction. These led to the conclusion that reward systems have significant effect on workers attitude to work. The study recommended improving the reward system of organizations for improved employee satisfaction and competitiveness within the industry.

Concept of Reward Systems

According to Armstrong (2010), the study observed that reward systems comprise of the interrelated processes and practices which combine to ensure that reward management is carried out effectively to the benefit of the organization and the people who work there. Reward schemes are based on the reward strategy. The Human Resources strategy may, for instance, focus on only resourcing. However, it ought to be likewise concerned with fulfilling the necessities of employees as well as those of the business. All parts of strategy are influenced by the environment. Reward strategies coordinate the advancement and operation of reward practices and processes, and furthermore shape the reward policies, which in turn influence reward practices, processes and procedures (Armstrong, 2010).

Nelson and Economy (2005) argued that a corporate organization obtains what it rewards. They added that, a reward system is the world's most noteworthy management principle. According to Svensson, (2001), an organization gets as a reward, multiple of the rewards it provides to the employee. Jaghult, (2005) observes that each current organization has some type of reward system, regardless of whether it is expressed or not. Kaplan and Atkinson, (1998) pointed out that rewards come in two distinct types. It can either be incentive motivation or personal growth motivation. The previous is the kind that originates from within the individual; an inclination, being glad over something, feeling content and happy about something that you have done while the latter is conveyed by someone else or an organization. Besides, extraneous rewards can be monetary or non-monetary. Jaghult (2005) points out that the monetary aspect is typically a variable remuneration, isolated from the salary. It is received as a result for exceptional performance or as an encouragement and it can either be independently based or group based. The conditions to acquire this reward ought to be set ahead of time and the execution should be quantifiable.

Concept of Pay/Salary

Braton and Gold (cited in Ojeleye, 2017) described salary as a fixed periodical payment for non-manual employees usually expressed in annual terms, paid per month with generally no additions for productivity. Surbhi (2015) also defined salary as a fixed amount paid to the employees at regular intervals for their performance and productivity.

One purpose of a person as an employee of a company is to earn income in the form of wages or compensation. Received wages are applied to meet basic needs such as food, clothing and housing. Agburi (2012) argued for the importance of improved salaries and wages in Nigeria. The study observed that wages should not be adequate but they must also show some element of equity. Accordingly, the author argued that anything short of a fair
and equitable wage or reward can quickly attract the wrath of employees in an economy such as Nigeria. For many Nigerian employees, wages or salaries are highly critical issues. Further, the study argued that as direct financial rewards, wages and salaries are the most emphasized by the employees. Thus, they tend to take a centre stage in the worker’s scheme of things as far as rewards for work is concerned.

**Concept of Organizational Performance**

The concept of performance is a fundamental and important concept for organizations in general. It represents a common denominator of interest to management scientists. It is almost universal to all fields of administrative knowledge, as well as the most important dimension to various studies that focus on the existence of the organization (Nasser, 2010). However, some researchers differ in the expression of the concept of performance. The concept differs according to the objectives to be achieved in different fields of science and indifferent standards and measures of performance (Hussein, 2010). Nasser, (2010) argued that performance could be attributed to the execution of responsibilities and duties according to the expectations of the employer.

Al-Ribiq (2004), noted that since all actions, regardless of their type and responsibility, involve duties and responsibilities that require achievement, some management scientists most times views performance as a reflection of an individual's success or failure to achieve the goals of his work irrespective of the nature of work. It is the sum of the results and outputs achieved by the individual as a result of his effort (Khader, 2014). In the view of some researchers, performance is closely related to the nature of the work done by the individual and the management of the various processes in which the work passes until the achievement is achieved and thus, the performance is the outcome of human behaviour in the light of the procedures and techniques that guide the work towards achieving the desired goals (Alsakran, 2004).

**Concept of Employee Satisfaction**

Satisfaction is the act of fulfilling a need, desire, appetite or the feeling gained from such fulfillment. It is a multifaceted construct with a variety of definitions and related concepts which has been studied in a variety of disciplines for many years till now. Many theories and articles of interest to managers, social psychologist and scholars, focus on satisfaction. Also, because most people spend their life time to work and understand the factors that increase satisfaction. It is therefore, important to improve the well-being of individuals in this facet of their living (Porter, 1985).

Employee satisfaction also plays a central role in the study of behavior at work. For the practitioner, knowledge of the determinants, the consequences and the other correlates of employee satisfaction can be vital. Indeed, Roznowski and Hulin (1992), observed that once an individual joins an organization, a vector of scores on a well-constructed and validated set of satisfaction scale become the most informative data which the organizational psychologist or manager can have.

**Concept of Customer Satisfaction**

According to Kotler and Keller (2016), customer satisfaction is generally important to a company since a highly satisfied customer is generally expected to remain loyal for a longer
period, buys as often as the company introduces new products, talks positively about the company and its products (good mouthing). Further, the customer is expected to pay less attention to competing brands as well as become insensitive to price changes. He is expected to offer product (goods and services) ideas to the company and also costs the company less to serve or retain than new many other new customers. This is because of the nature of relationship (transactions) between them. In other words, satisfied customers are assets to the company. This is because satisfied customers tell others about their pleasant experience about the company and their product(s) and consequently recommend the products to other consumers as well as potential customers. This results to repeated purchases and improved customers retention.

Variables used to measure customer satisfaction according to KPMG (2014), include convenience, customer care (customer service), transaction methods/systems (technology based or modern banking services) as well as pricing and product quality (financial services quality). On the other hand, Kombo (2015) posits that customer satisfaction could be measured with faster services at branches or quick service delivery, good quality of products, usage of E-banking, efficient services at branches and good network of ATMs. However, of all the variables used to measure customer satisfaction, this study used customer care, quick service delivery, meeting customers’ expectations and easy customers access to bank branches.

**METHODOLOGY**

A cross sectional survey design was adopted. The cross sectional survey research design relies on a sample of elements from the population of interest which are measured at a single point in time. Finally, it involves using questionnaire in drawing response on the variables under investigation (Baridam, 2001). The target industry for this study consisted of nine (9) commercial banks operating in Rivers State. Respondents included employees in charge of the commercial or retail banking units, corporate and investment banking units, as well as operations and services units in all the branches of these banks. This brought the population to six hundred and eighty-two (682) sample representatives purposively selected across a total of one hundred and fifty-two (152) branches of these banks operating in Rivers State.
Table 1: Population of the Study

<table>
<thead>
<tr>
<th>S/n</th>
<th>List of commercial banks</th>
<th>No. of branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Access Bank</td>
<td>28</td>
</tr>
<tr>
<td>2</td>
<td>Citibank Nigeria</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Ecobank Nigeria</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>Fidelity Bank</td>
<td>18</td>
</tr>
<tr>
<td>5</td>
<td>First Bank Nigeria</td>
<td>30</td>
</tr>
<tr>
<td>6</td>
<td>First City Monument Bank</td>
<td>15</td>
</tr>
<tr>
<td>7</td>
<td>Guaranty Trust Bank</td>
<td>13</td>
</tr>
<tr>
<td>8</td>
<td>Heritage Bank</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td>Keystone Bank</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>152</td>
</tr>
</tbody>
</table>

Source: Regional or Main branches of these banks in Rivers State

The sample size for this study was deduced using the Krejcie and Morgan table for sample size determination. From a population size of six hundred and fifty-two (652) representatives, a sample size of two hundred and forty-eight (248) representatives were allocated for this study.

To obtain the sample size for each of the banks, the Bowley’s (1964) population allocation formula was employed.

\[
nh = \frac{nNh}{N}
\]

Where,
- \(nh\) = number of units allocated to each bank
- \(n\) = the total sample size
- \(Nh\) = the number of bank unit heads
- \(N\) = the population size
Table 2: Sample size allocation to individual banks

<table>
<thead>
<tr>
<th>S/N</th>
<th>List of commercial banks</th>
<th>Number of branches</th>
<th>Population of representatives</th>
<th>Sample representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Access Bank</td>
<td>28</td>
<td>130</td>
<td>46</td>
</tr>
<tr>
<td>2</td>
<td>Citibank Nigeria</td>
<td>2</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Ecobank Nigeria</td>
<td>30</td>
<td>150</td>
<td>52</td>
</tr>
<tr>
<td>4</td>
<td>Fidelity Bank</td>
<td>18</td>
<td>72</td>
<td>30</td>
</tr>
<tr>
<td>5</td>
<td>First Bank Nigeria</td>
<td>30</td>
<td>140</td>
<td>50</td>
</tr>
<tr>
<td>6</td>
<td>First City Monument Bank</td>
<td>15</td>
<td>66</td>
<td>28</td>
</tr>
<tr>
<td>7</td>
<td>Guaranty Trust Bank</td>
<td>13</td>
<td>52</td>
<td>18</td>
</tr>
<tr>
<td>8</td>
<td>Heritage Bank</td>
<td>8</td>
<td>32</td>
<td>11</td>
</tr>
<tr>
<td>9</td>
<td>Keystone Bank</td>
<td>8</td>
<td>32</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>152</td>
<td>682</td>
<td>248</td>
</tr>
</tbody>
</table>

The analysis for this study was executed in 2 stages. These are:
(i) Demographic data analysis which is concerned with the demographic distribution of the respondents.
(ii) Bivariate analysis was analyzed using the Pearson’s Product Moment Correlation technique.

All statistical analysis were carried out using the Statistical Package for the Social Sciences (SPSS) version 25. Decision criteria (Pearson’s Product Moment Correlation Coefficient technique): Reject null hypothesis if probability value (PV) is significant or accept null hypothesis if probability value (PV) is insignificant (Reject the null hypothesis if PV < 0.05 or accept the null hypothesis if PV > 0.05)

RESULTS AND DISCUSSION

The useful and abandoned copies of questionnaire were recorded and displayed on tables. Table 3 shows the analysis of questionnaire issued and the percentage of copies retrieved were used in our analyses. A total of 248 (100%) copies of questionnaire were administered to the nine (9) Deposit Money Banks. The obtained useful copies were 227 (91.5%). This result indicates that huge number of the respondents participated in providing data for this study. This shows a success in questionnaire administrations.
Table 3: Demographic (Descriptive) Data Analysis

<table>
<thead>
<tr>
<th>Gender</th>
<th>Response Rates</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>85</td>
<td>37.4</td>
</tr>
<tr>
<td>Female</td>
<td>142</td>
<td>62.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>227</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age of the Respondents</th>
<th>Response Rates</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30 years</td>
<td>64</td>
<td>28.2</td>
</tr>
<tr>
<td>31-40 years</td>
<td>137</td>
<td>60.4</td>
</tr>
<tr>
<td>41-50 years</td>
<td>26</td>
<td>11.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>227</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educational Qualification</th>
<th>Response Rates</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.Sc/ Bachelors Degree</td>
<td>141</td>
<td>62.1</td>
</tr>
<tr>
<td>Masters/ Post-Graduate Degree</td>
<td>86</td>
<td>37.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>227</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The result on table 3 shows that 85 of the respondents indicated as male, while 142 were female. This shows that we have a greater proportion of females in the banks examined. From the age of respondents, 26 (11.4%) were between 41-50 years, 64(28.2%) were between 20-30 years, while 137(60.4%) were between 31-40 years. The evidence of the result indicates that majority were 31-40 years.

From table 3, 141(62.1%) were B.Sc/ Bachelors degree holders, while 86(37.9%) were Masters/ Post-Graduate Degree holders. Thus, from the result, high percentages were B.Sc/ Bachelors Degree educational qualifications.

Hypotheses Testing

Pay/ Salary and Employees Satisfaction:
Presented in table Table 4 is the result for the tests for the hypotheses of the study. The hypotheses (1 and 2) assessed the relationship between pay/salary and the measures of organizational performance. They are listed as follows:

**HO1:** There is no significant relationship between pay/ salary and employee satisfaction.

**HO2:** There is no significant relationship between pay/ salary and customer satisfaction.
Table 4: Summary of Result on the Tests of Hypotheses Ho₁; Ho₂

<table>
<thead>
<tr>
<th>S/N</th>
<th>Mediation Stage</th>
<th>Hypothesis</th>
<th>Pearson’s Product Moment Correlation</th>
<th>Sig. (2-tailed) (P-values)</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SY → ES</td>
<td>There is no significant relationship between pay/salary and employee satisfaction.</td>
<td>0.890</td>
<td>0.004</td>
<td>Not supported</td>
</tr>
<tr>
<td></td>
<td>(Hypothesis 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>SY → CS</td>
<td>There is no significant relationship between pay/salary and customer satisfaction.</td>
<td>0.821</td>
<td>0.003</td>
<td>Not supported</td>
</tr>
<tr>
<td></td>
<td>(Hypothesis 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS 25.0 output on research data, 2021

The first hypothesis (Ho₁), states that there is no significant relationship between pay/salary and employee satisfaction. However, table 4 indicates that pay/salary has a strong positive and significant relationship with employee satisfaction amongst deposit money banks in Rivers State (Rho= 0.890, p=0.004). Thus, Ho₁ was not supported. The evidence presents pay/salary as a strong predictor of employee satisfaction amongst deposit money banks in Rivers State. Statistically, it shows that when pay/salary goes up by 1 standard deviation, employee satisfaction goes up by 0.890 standard deviation. Correlation is significant at the 0.05 level (2-tailed).

The second hypothesis (Ho₂), states that there is no significant relationship between pay/salary and customer satisfaction. However, table 4 suggests that pay/salary has a positive and significant relationship with customer satisfaction amongst deposit money banks in Rivers State (Rho= 0.821, p=0.003). Thus, Ho₂ was not supported. This means that the presence of pay/salary, amongst deposit money banks in Rivers State, will lead to customer satisfaction. Statistically, it shows that when pay/salary goes up by 1 standard deviation, customer satisfaction goes up by 0.821 standard deviation. Correlation is significant at the 0.05 level (2-tailed). These outcomes present pay/salary as a significant predictor and antecedent of reward systems amongst deposit money banks in Rivers State. Thus, the two null hypothetical statements are rejected based on the lack of statistical evidence to show otherwise. The findings show as follows:
  i. Pay/salary drives and enhances the banks’ capacity for developing employee satisfaction amongst deposit money banks in Rivers State.
  ii. Pay/salary of employees will lead to banking services that beat imaginations and improves on customers’ satisfaction.

Discussion of Findings
Pay/Salary and Employee Satisfaction
The first specific objective was to evaluate the relationship between pay/salary and employee satisfaction. This objective was captured by a research question and expressed under Ho₁. It was postulated in Ho₁ that there is no significant relationship between pay/salary and employee satisfaction. This theorising logic was not supported. The result shows that there is a positive and significant relationship between pay/salary and employee satisfaction amongst deposit money banks in Rivers State. In other words, increase in pay/salary is associated with increase in employee satisfaction. This finding aligns with Young, Milner, Edmunds, Pentsil and Broman (2014) who found a significant positive relationship between salary and employee job satisfaction whereas increased salary results
in increased job satisfaction. Similarly, it has also been conceptualized that satisfaction results in increased pay. Indeed, Mohanty (2009) found that a positive attitude, which may arise from job satisfaction, among other factors in one’s life, helps one earn more money.

Pay/ Salary and Customer Satisfaction
The next objective was to examine the relationship between pay/salary and customer satisfaction, as captured by a research question and expressed under Ho. This second hypothesis stated there is no significant relationship between pay/salary and customer satisfaction. The result of this study did not support the hypothesis. The result shows that there is a positive and significant relationship between pay/salary and customer satisfaction. This means that increase in pay/salary is associated with increase in customer satisfaction. This finding agrees with Asekun (2015) who indicated that the relationship between pay and employee turnover intention and customer satisfaction was positive, this was the expected direction. The result also confirmed a positive association between pay, customer and job satisfaction. Value is created by satisfied, loyal, and productive employees. “Employee satisfaction, in turn, results primarily from high-quality support services and policies that enable employees to deliver results to customers” (Heskett, Jones & Loveman, 1994).

Schneider, Hanges, Goldstein, and Braverman (1994) also noted that past service sector findings have been replicated on academic samples. It is worth noting that in several studies, students have been viewed as customers, with instructors being seen as service providers (Masterson, 2001; Schneider et al., 1994). In particular, Masterson (2001) found a trickle-down effect linking instructors’ feelings of distributive justice to students’ evaluations of their instructors. Masterson argued that when instructors believe they are being fairly compensated for their effort, they feel more committed to their organization. Consequently, they will put more effort into their interactions with students. Although Masterson examined the effects of teachers’ attitudes on student reactions, intuitively it seems that teachers’ attitudes would have the same effect on student achievement.

Conclusion
On the basis of its observations and the empirical evidence, this study observed that reward systems contributed significantly towards organizational performance. The study affirmed that dimensions of reward systems (pay/salary) play significant and substantial roles in enabling the measures of organizational performance amongst deposit money banks in Rivers State. The results further substantiate the assertion and lend credence to the position that reward systems are critical in sustaining organizational performance.

Recommendations
This study recommends as follows:

i. Managers should use tools that increase loyalty and citizenship behaviour of the employees in the system for example, application of the rewarding methods that are non-material (presenting a plaque, promotion opportunities, travel free of charge) may have an effect on employee satisfaction which transverse to customer satisfaction.

ii. Human Resource Department of banks should in conjunction with senior management revise the current salary scale in line with prevailing economic environment and set an appropriate and competitive salary scale. This will not only
motivate employees but also increase employees’ performance and reduce employees’ turnover.

**Contributions to Knowledge**

The contributions of this study to the body of knowledge on the relationship between reward systems and organizational performance are stated as follows:

i. The data derived from the study, projects the manifestation of the variables particular to banking industry in Rivers State of Nigeria. The study therefore contributes through its specific focus on the Banking industry, as such findings can serve to enrich decision making and drive knowledge utility with regards to the activities of bank employees and customers in the study scope.

ii. Finally, the study provides a strong argument for the operational features and interactions between the measures and dimensions of the variables. The evidence from the study, signify strong and substantial interactions between dimensions such as pay/salary and also shows substantial levels of interaction between measures such as employee satisfaction and customer satisfaction. This validates their roles as components of their corresponding constructs and suggests their replicability in subsequent studies on the same or similar variables.
References


