

THE EFFECT OF FINANCIAL AND NON-FINANCIAL REWARDS ON EMPLOYEE JOB PERFORMANCE: A CASE STUDY OF THE ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT.

NAME: Amankwah Andrews.

Abstract

The issue of employee motivation and performance is a daunting one for human capital development and management professionals of many organizations. Recent developments in the global labor front calls for a well-motivated productive workforce. It is therefore, imperative that efforts, time and financial resources are directed towards the acquisition of a well-motivated productive workforce. Measures employed to spur employee performance include both intrinsic and extrinsic reward-based systems. This study examined how financial and non-financial rewards influenced the job performance of employees at the ECOWAS Bank for Investment and Development (EBID). Using a mixed method approach to research, data was collected from staff of EBID with structured questionnaires and face-to-face interviews. A survey of the level of satisfaction of 104 workers at EBID and an interview of three executives of the Bank was conducted. The quantitative data were analyzed using descriptive statistics and regression analysis with the help of the Statistical Package for Social Sciences (SPSS Version 23) software, while the qualitative data was analyzed thematically. The study found the respondents' specific preferences for both financial and non-financial rewards and their effect on job performance. It also identified the dominant financial and non-financial reward schemes provided by management of the bank. The study also found variance between the employees' preferred financial and non-financial reward schemes that are provided by the bank. The results of the study show that although both financial and non-financial rewards are significant in enhancing employee performance, financial rewards are better motivators to employee performance than non-financial rewards. The study notes that if rewards are to be an indicator for employee performance and job satisfaction, then rewards must be based on the eligibility, performance and preference of the employee. The findings will help researchers, human capital development and management professionals to understand what kinds of motivation and at what levels they will optimize employee performance. The implications, limitations, and future research directions are also discussed.