

## **Effect of Performance Management System on Employee's Performance of First Bank and Zenith Bank of Nigerian Plc (2012 – 2017)**

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### **Abstract**

*The study evaluates the effects of performance management system on employees' performance of First Bank and Zenith Bank Nigerian Plc, (2012-2017). The specific objectives of the study were to: ascertain the effect of performance evaluation on employees' performance, ascertain the effect of training and development on employees' performance and find out the impact of organisational reward and compensation on employees' performance in First Bank and Zenith Bank Nigeria Plc. The study adopted survey research approach. The population of the study consists of employees in First Bank and Zenith Bank Nigerian Plc Abia State branches. Primary and secondary data were used. Stated objectives were analysed using descriptive statistics, Multiple Regression analysis were used to test the hypotheses. Major findings revealed that: performance evaluation of First Bank and Zenith Bank Nigerian Plc have positive effects on their employees' performance. Training and development programmes of First Bank and Zenith Bank Nigerian Plc have positive effects on their employees' performance, and reward and compensation system of First Bank and Zenith Bank Nigerian Plc have positive impacts on their employees' performance. The study concluded that performance management have a significant and positive effects on employees' performance in First Bank and Zenith Bank Nigerian Plc within the periods covered by the study. The study recommended that First Bank and Zenith Bank Plc should constantly review their training and development programmes to ensure that these programmes are in attune with current developments in the sector in order to update their employees skills with the speed of development in the sector. The need for bank management to regularly review their remuneration packages to reflect current economic realities were also highlighted.*

*Every organisation performs its task with the help of resources as men, machine, materials and money. Except human resource, other resources are inanimate, human resource utilises other resources to produce output. If human resource is absent, then other resources are useless and cannot produce anything. Thus, human resource is the backbone of any organisation in coordinating and controlling the whole activities of the organisation directly or indirectly to ensure the achievements of organisational goals. Unlike other resources, human resource can develop and sustained competitive advantage by creating values which cannot be imitated by competitors if properly horn and harness through effective performance management system. So employees are assets whose value is enhanced by performance management. Therefore, managing employee performance is an integral part of human resource management that all managers and rating officials perform throughout the year. The work of Chris (2011) testifies the fact that performance management is important as managing financial resources and programme outcomes because employee performance or the lack thereof has a profound effect on both the financial and programme components of any organisation.*

## Introduction

Thus, performance management system has become more important in recent years because managers, especially in the banking sector are under intense pressure to improve the performance of their organisation by outsmarting their competitors and maintaining the status of Market Leader in the sector, and good organisational performance hinges on enhance employee's performance. Enhancing employees performance does not happen automatically, it is influence by managerial standards, knowledge and skill, commitment and instituting effective performance management system that are employee's performance oriented. For this reason, companies engage in practice of human resource management to capitalize on their manpower assets. Accordingly, performance management system enables individuals to develop their abilities, increase their motivation, job satisfaction and achieve their own benefit and that of the organisation as a whole. Performance management has been the main vehicle which managers communicates what is required from employees and gives feedback on how well they are achieving job goals. It brings together many of the elements that make up the practice of people management; learning and development. Performance management establishes shared understanding of what is to be achieved; as such, it is an essential element of a managers' role and support meaningful relationship with individuals and teams.

Therefore, having the right performance management system is a concern of every organisation because it is an important gear of any organisation to be a front runner in the market. Leveraging on this, First Bank, and Zenith Bank Nigeria Plc, which are the premium banks in Nigeria with the vision of becoming one of the best in the world operationalizes performance management oriented policies through job shadowing, coaching, counselling, mentoring, succession planning, career maps, and leadership development across all levels of employees within the organisation in order to establish outcome-oriented goals and performance targets, monitor progress, stimulate performance improvements, and communicate results to higher policy levels and the public. To that end, the need to appraise the effects that performance management system of First Bank, and Zenith Bank Nigeria Plc is having on their employees' performance inspired the present study: Effects of performance management system on employees' performance in First Bank and Zenith Bank Nigeria Plc within the periods under review.

Performance management system; which typically include performance appraisal and employee development, are the "Achilles' heel" of human resources management. Despite that, performance management system suffer flaws in many organisations, especially in the banking sector with employees and managers regularly bemoaning their ineffectiveness. Without effective performance management, there is little accountability for acceptable standard of performance as the divergence of employee performance can only be explored through effective performance management system. Besides, documentation and consistency would be in non-existence and most employees would never get any feedback about their performance, positive or negative. Also in banks, difficulties in performance management often arise because, at its core, performance management is a highly personal and often threatening process for both managers and employees. Managers are reluctant to provide candid feedback and have honest discussions with employees for fear of reprisal or damaging relationships with the very individuals they count on to get work done. While employees feel that their managers are unskilled at discussing their performance and ineffective at coaching them on how to develop their skills. This leads both managers and employees to treat performance management as a necessary evil of work life that should be minimized, rather than an important process that achieves key individual and organisational outcomes.

Be it as it may, First Bank and Zenith Bank Nigeria Plc, need highly performing individuals in order to meet organisational goals; to deliver the services they specialised in, to achieve

competitive advantage and maintain their “Market Leadership” status. As such, these organisations will not smile at poor performance of employees. Thus, the need to obtain an ongoing assessment of employees’ efforts towards achieving organisational set goals and targets in order to enhance employees’ performance can’t be achieved, unless it has a lessons learnt from previous experiences, or previous gap in planning procedures that did not accomplished its missions particularly in employees’ performance. Furthermore, the existence of performance management system in First Bank and Zenith Bank Nigeria Plc, indicates to their employees that their organisation is performance oriented, and as such regularly set targets that they should archive. To bridge the gap between the desired performance and achieved performance of these employees, and to evaluate their result with the stated objectives and goals of the organisation, effective employees’ performance management system is indispensable. To that end, the need to ascertain the effect of performance evaluation, training and development, organisational reward and compensation, which are the indices of performance management on employees’ performance, and the challenges militating the effectiveness of performance management system in First Bank and Zenith Bank Nigeria Plc in order to reconcile organisational performance management system and programmes with achieved employees performance is very essential. Thus, the need for this study: Effects of performance management system on employees’ performance in First Bank, and Zenith Bank Nigeria Plc within the periods under review.

### **OBJECTIVES OF THE STUDY**

The broad objective of this study is to evaluate the effects of performance management system on employees’ performance in First Bank and Zenith Bank Nigeria Plc. While the specific objectives are to:

- i. Find out the impact of organisational reward and compensation on employees’ performance in First Bank and Zenith Bank Nigeria Plc.
- ii. Ascertain the effect of training and development on employees’ performance in First Bank and Zenith Bank Nigeria Plc.

### **Review of Related Literature**

#### **Concept of Performance Management System**

Performance can be defined as “the act or process of performing a task or an action that involve a lot of effort” (Oxford Advanced Learner Dictionary 2006, p 1080). It is the accomplishment or outputs/outcomes of a task undertaken, it also involve doing the work effectively so as to achieve the desired goals. Performance can also be perceived as a non-job specific behaviour such as cooperation, dedication, enthusiasm and persistence that develop the effectiveness of the organisation to enhance the working culture and climate of the organisation. Performance is also an achievement of the organisation in relation with its set goals. It includes outcomes achieved, or accomplished through contribution of individuals or teams to the organisation’s strategic goals. The term performance encompasses economic as well as behavioural outcomes (Armstrong, 2009).

Thus, performance management is a process of improving the performance of an organisation by helping individuals and team to develop their capacity to reach the intended destination (Armstrong system in which the work is done rather than by the individual’s initiative, abilities and efforts.’ Performance management is the process through which managers assure that employee’s activities

Performance management is an integrated and systematic process of sustaining the success of organisation by improving the performance of the people who work in them and also it is developing the capacity of individuals and team who contribute to the organisation. It is also a strategic process in a sense that it deals with the broader issue of the organisation efficiency

to meet the market demands and long term goal. (Armstrong 2000). When we say performance management is an integrated process, first it is linking of the organisation objective with the teams and individual core competences as well as integration of different aspects of human resource management including, organisational development, human resource development, reward and recognition to ensure excellence in the management and development of people. Performance management is based on the agreement of objectives, knowledge, skill and capability (competence) requirements, performance improvement, and personal development plans. It involves the joint and continuing review of performance against these objectives, requirements and plans and the agreement and implementation of improvement and further development plans. (Armstrong 2000).

Performance management is a broad set of activities aimed at improving the performance of employees. The process involves aligning human resource management practices with the goals of the organisation to ensure that the performance and development of employees are both enhanced.

A performance management system is “a system that covers all aspects of performance that are relevant for the existence of an organisation as a whole”. This can involve motivating, monitoring, controlling, and rewarding employees for attaining desired outcomes (Lawler, 2003).

### **Training and Development**

Training is one of the variables that can affect the performance of individuals. Training is a process in which people acquire knowledge, skills, experience and attitudes that they need to perform their jobs well for the achievement of their organisation's goals (Mathias and Jackson, 1998). Though the effect of formal training on employee performance remains subjective and sometimes doubtful because of lack of sufficient direct transfer to the workplace, formal training remains an important strategy through which organisations ensure their employees' competencies (Beatrice 2009).

Viscal (2011), in his study points out that enhancing the employee competencies in the workplace strongly depends upon the learning environment of a given organisation. This implies that top management should be committed towards supporting staff training for all staff categories with equitable provision being made within the spirit of equal opportunity for all employees. In any organisation not everyone is fully equipped with different sort of expertise or carry the ability of handling every task he is assigned, except he is well versed in it and has strong track experience regarding that specific assignment. Training has been the main factor for influencing the employees' skills, abilities and attitude. People working in any organisation individually or in groups or in the shape of teams have never been able to handle their tasks by their own until and unless they provide healthy support to each other while working on their targets (DeLis, 2010). Training programmes helps in making acquaintance of employees with more advance technology and attaining robust competencies and skills in order to handle the functions and basics of newly introduced technical equipment. More rarely it happens that employees are not fully trained regarding new working and technical techniques and they are unable to deliver to their assignments according to the desire of the organisation. Effective training can bring down these flaws (Viscal, 2011). To summarize training and development is the true compliment of giving a better shape to employees' performance. According to Newton (2006), and Mubashar and Muhammad (2011), in their respective study found out that along with some others favour the importance of training in terms of not only attracting of new staff but also retaining the existing one and it pushes up the abilities of employees to higher stage from where they currently stands.

## **Reward System and Employee Performance**

Reward systems are the instruments that increase employee performance. An effective reward programme may have three components: immediate, short-term and long term. This implies instantaneous recognition of a good performance, short-term rewards for performance could be offered monthly or quarterly and long-term rewards are given for having been loyal over the years (Schoeffler, 2005).

Randell (2014) reports implicitly that when good performance is observed and then rewarded, the chances of it being repeated are increased, while poor performance is discouraged or even punished to decrease the chance of it happening again. The firm had performed well and industry observers felt that its performance management and reward system was responsible for this (Purkayastha and Chaudhari, 2011). In developing an appraisal system for organisations, management needs to think through pay increases and promotions (Moulder, 2011). Employees who get a large bonus will possibly want to get it next year too. On the other hand, employees who receive little bonus can reflect how the company assessed their performance, might consider improving next year (Finkle, 2011). Cash bonus is another way of rewarding employees for exemplary performance that is if they have performed higher or exceed their set targets, this hence makes them eligible (Finkle, 2011). The only way employees will satisfy the employers dream is to share in their dream (Kotelnikov, 2010). If the employees fail to meet the set target a career development plan can be implemented through training and provision of appropriate reward system to enhance their performance (Mone and London, 2010). The reward should reflect the business objectives and the fair contribution of employee individual effort to achieve high performance. Bannister and Balkin (2010) have reported that those appraised seem to have better acceptance of the appraisal process, and feel more satisfied with it, when the process is directly associated to rewards.

Long term rewards may comprise of being made partner, or monetary reimbursements that mature after many years of service or at retirement. The management of individual performance within organisations has traditionally centred on assessing performance and allocating reward, with effective performance seen as the result of the interaction between individual ability and motivation. It is increasingly being recognized that planning and having a conducive environment have a vital effect on individual performance, with performance goals and standards, suitable resources, direction and support from the managers all being central (Torrington, Hall and Stephen, 2008). Companies use cash bonuses to reward their employees' performance during the year under appraisal. But there is also the tacit prospect that these bonuses will be a factor in motivating employees' performance next year as well. Human resource policies and practices indeed do affect organisational as well as individual performance. Job satisfaction for example, has for a long time been seen as key to affecting business performance as well as commitment. In addition researchers have also identified motivation as the mediating mechanism and some identify trust and morale. In spite of more recent attention to commitment, motivation is still considered to be an important influence to performance (Torrington *et al.*, 2008). Rewards can be used to increase performance by setting targets in relation to the work given e.g. surpassing some sales targets. When the employee beats their target, he or she can be given an extra pay on top of their salary; this will make them strive to achieve more (Maund, 2001).

Axelsson and Bokedal (2009) did a study on rewards – motivating different generations at Volvo Car Corporation. Major findings showed that challenging work and non-monetary rewards motivate managers, bonuses and shares are not very motivating. Titles are not motivational at all. It was concluded that there exists generational differences. However, both generations considered salary as important and non-monetary rewards to be of great

importance. The authors recommended research to be carried out on reward systems and how they impact on other interesting aspects like gender, life stage. Garlick (2009) carried out an online study of 1913 full-time employees and asked people to rank order 14 potential performance incentives in order of preference. The primary issue the study investigated was whether offering cash bonuses really influenced employee attitudes, as well as other business outcomes. The results showed that offering a cash bonus exclusively does not seem to make much of an impact on performance, despite the fact cash bonuses are nearly everyone's preferred reward. While cash bonuses are the most preferred reward for three-out-of-four, and among the top three rewards for nine-out-of-ten, those who only receive a cash bonus are just slightly more satisfied than those who get no reward at all. The distribution of wealth, prospects for personal doings and social freedoms. Social justice designates rights and duties in the institutions of society which makes it possible for citizens to receive the fundamental paybacks and afflictions of cooperation. Other authors disapprove of the initiative that there subsist an objective standard of social justice; principled relativists disagree with the fact that there is any type of objective standard for justice in general. Some scholars also reject the view of social justice as irrelevant, religious, and self-contradictory and beliefs, thinking that to bring to fruition any degree of social justice is unworkable and that the effort to do so must wreck all autonomy.

### **Methodology**

Survey research design were used in conducting this research. Survey research design make use of questionnaire, oral interview and personal observation as its tools, the research adopted both primary and secondary sources of data and also made use of purposive and random sampling techniques. Purposively the two banks were selected because they are the premium banks in Nigeria. First banks has population of two hundred and sixty five in twenty branches in Abia State whereas Zenith bank has a population of 323 in 9 branches of the state given us a total population of 588 with the use of taro Yamane formula will arrived at a sample size of 239 which we used for the study.

**EFFECT OF TRAINING AND DEVELOPMENT ON EMPLOYEES' PERFORMANCE IN FIRST BANK AND ZENITH BANK NIGERIA PLC.**

**Table 1** showing Multiple Regression Analysis Result on the effect of training and development on employees' performance in First Bank Nigeria Plc.

Variables	Linear	Exponential	Semi Log	Double Log
Seminar/Workshop	21.725 (0.000)***	55.530 (0.000)***	0.626 (0.000)***	0.237 (0.000)***
coaching and counseling	-8.355 (0.673)	-28.627 (0.445)	-0.181 (0.651)	-0.014 (0.948)
Stimulation Techniques	10.429 (0.018)**	33.325 (0.010)***	0.369 (0.008)***	0.118 (0.014)**
Case Study Method	6.006 (0.157)	21.817 (0.067)*	0.158 (0.213)	0.036 (0.429)
Business Game Method	16.552 (0.016)**	60.154 (0.033)**	0.632 (0.036)**	0.175 (0.018)**
Classroom Method	8.988 (0.664)	24.390 (0.377)	0.188 (0.525)	0.027 (0.902)
Constant	40.076 (0.394)	63.953 (0.256)	4.046 (0.000)***	3.819 (0.000)***
<b>R<sup>2</sup></b>	40	40	44	43
<b>R̄</b>	37	37	41	39
<b>F</b>	10.727	10.745	12.485	11.932

**Source:** Field Survey 2020

\*Keys: \*\*\* = Significant at 1% level, \*\* = Significant at 5% level, \* = Significant at 10% level.

The result in Table 1, showed the effect of training and development on employees' performance in First Bank Nigeria Plc. Using Semi Log as the lead equation, because Semi Log has the best good fit in the model among the other equations. The result revealed that: Seminar/workshop with the coefficient regression of (0.626), stimulation techniques with the coefficient regression of (0.369), and business game method with the coefficient regression of (0.632), are the training and development programmes that are significant and positively related to the employees' performance at 1% level (Sig < .01) and 5% level (Sig < .05) of significance respectively. Therefore, training and development programmes of First Bank Nigeria Plc have positive effects on their employees' performance within the periods under review. Consequently, an increase in the effectiveness of training and development in First Bank Nigeria Plc will lead to corresponding increase in the performance of their employees and vice versa.

The **R-square** which shows the proportion of variation in the dependent variable that can be explained by the independent variables revealed that 44% of the variation was explained by the model. While the **Adjusted R** which shows the proportion of variance in the dependent variable that can be explained by the independent variables revealed that 41% of the variance was also explained by the model. The **F-ratio** (12.485) is significant at 1% level, showing that the dependent variable in the model can be explained by the independent variable.

**Table 2** showing Multiple Regression Analysis Result on the effect of training and development on employees' performance in Zenith Bank Nigerian Plc.

Variables	Linear	Exponential	Semi Log	Double Log
Seminar / Workshop	20.667 (0.000)***	52.722 (0.000)***	0.595 (0.000)***	0.224 (0.000)***
coaching and counseling	-10.365 (0.548)	-28.106 (0.359)	-0.143 (0.665)	-0.001 (0.998)
Stimulation Techniques	8.710 (0.033)**	30.501 (0.013)***	0.347 (0.009)***	0.104 (0.020)**
Case Study Method	5.864 (0.148)	21.211 (0.053)**	0.156 (0.178)	0.034 (0.437)
Business Game Method	15.555 (0.012)**	54.361 (0.036)**	0.559 (0.046)**	0.163 (0.016)**
Classroom Method	10.944 (0.544)	23.425 (0.297)	0.169 (0.485)	0.020 (0.920)
Constant	45.812 (0.394)	60.897 (0.229)	3.948 (0.000)***	3.812 (0.000)***
<b>R<sup>2</sup></b>	36	36	40	39
<b><math>\bar{R}</math></b>	32	33	37	36
<b>F</b>	10.620	10.940	13.002	12.216

**Source:** Field Survey 2020

\*Keys: \*\*\* = Significant at 1% level, \*\* = Significant at 5% level, \* = Significant at 10% level.

The result in Table 2, showed the effect of training and development on employees' performance in Zenith Bank Nigeria Plc. Using Semi Log as the lead equation, because Semi Log has the best good fit in the model among the other equations. The result revealed that: Seminar/workshop with the coefficient regression of (0.595), stimulation techniques with the coefficient regression of (0.347), and business game method with the coefficient regression of (0.559), are the training and development programmes that are significant and positively related to the employees' performance at 1% level (Sig < .01) and 5% level (Sig < .05) of significance respectively. Therefore, training and development programmes of Zenith Bank Nigeria Plc have positive effects on their employees' performance within the periods under review. Consequently, an increase in the effectiveness of training and development in Zenith Bank Nigeria Plc will lead to corresponding increase in the performance of their employees and vice versa.

The **R-square** which shows the proportion of variation in the dependent variable that can be explained by the independent variables revealed that 40% of the variation was explained by the model. While the **Adjusted R** which shows the proportion of variance in the dependent variable that can be explained by the independent variables revealed that 37% of the variance was also explained by the model. The **F-ratio** (13.002) is significant at 1% level, showing that the dependent variable in the model can be explained by the independent variable.

It was revealed from the content analysis that training and development programmes of the banks (First Bank and Zenith Bank Nigeria Plc.) has increased employees' job performance. The respondents related that the courses they undergo in their training sessions are relevant to their job and that they are replicating what they learn from their training courses to improve their job performance. According to the respondents, the training they undergo has led to



significant changes in cognitive outcome, and work processes has improved. They also related that informal feedback from their peers and customers on their job performance has improve, which has also improve their supervisors report and feedback on their job performance.

### Hypothesis

Training and development (Seminar/workshop, stimulation techniques, etc.) does not have any significant effect on employees' performance in First Bank and Zenith Bank Nigeria Plc. Based on the results in Table 4.3.1 and 4.3.2, which revealed that Seminar/workshop, stimulation techniques and business game method are significant and positively affect the performance of employees in First Bank and Zenith Bank Nigeria Plc. The researcher rejected the null hypothesis which states: "Training and development (Seminar/workshop, stimulation techniques, etc.) does not have any significant effect on employees' performance in First Bank and Zenith Bank Nigeria Plc" and accepted the alternative hypothesis which states: "Training and development (Seminar/workshop, stimulation techniques, etc.) have significant effects on employees' performance in First Bank and Zenith Bank Nigeria Plc."

### IMPACT OF ORGANISATIONAL REWARD AND COMPENSATION ON EMPLOYEES' PERFORMANCE IN FIRST BANK AND ZENITH BANK NIGERIA PLC.

**Table 3** showing Multiple Regression Analysis Result on the impact of organisational reward and compensation on employees' performance in First Bank Nigeria Plc.

Variables	Linear	Exponential	Semi Log	Double Log
Basic Pay	20.671 (0.622)	84.228 (0.498)	-0.336 (0.247)	-0.133 (0.188)
Contingency Pay	49.569 (0.007)***	106.791 (0.008)***	0.293 (0.002)***	0.136 (0.002)***
Bonus/Commission	-38.067 (0.258)	-52.887 (0.282)	-0.199 (0.084)*	-0.145 (0.074)*
Promotion Opportunities	27.631 (0.001)***	85.509 (0.003)***	0.262 (0.000)***	0.092 (0.000)***
Thirteenth Month Pay	40.172 (0.000)***	137.295 (0.000)***	0.336 (0.000)***	0.092 (0.000)***
Praise and Recognition	28.618 (0.000)***	78.505 (0.004)***	0.175 (0.006)***	0.065 (0.001)***
Constant	153.281 (0.223)	105.381 (0.423)	5.871 (0.000)***	6.020 (0.000)***
<b>R<sup>2</sup></b>	87	86	88	88
<b><math>\bar{R}</math></b>	87	85	87	87
<b>F</b>	111.211	101.443	114.960	118.263

Source: Field Survey 2020

\*Keys: \*\*\* = Significant at 1% level, \*\* = Significant at 5% level, \* = Significant at 10% level.

The result in Table 3, showed the impact of organisational reward and compensation on employees' performance in First Bank Nigeria Plc. Using Double Log as the lead equation, because Double Log has the best good fit in the model among the other equations. The result revealed that: Contingency pay with the coefficient regression of (0.136), promotion

opportunities with the coefficient regression of (0.092), thirteenth month pay with the coefficient regression of (0.092), and praise and recognition with the coefficient regression of (0.065), are organisational reward and compensation system that are significant and positively related to the employees' performance at 1% level (Sig < .01) of significance. Thus, reward and compensation of First Bank Nigeria Plc have positive impacts on their employees' performance within the periods under review. Subsequently, an increase in the reward and compensation of First Bank Nigeria Plc will lead to corresponding increase in the performance of their employees and vice versa.

The **R-square** which shows the proportion of variation in the dependent variable that can be explained by the independent variables revealed that 88% of the variation was explained by the model. While the **Adjusted R** which shows the proportion of variance in the dependent variable that can be explained by the independent variables revealed that 87% of the variance was also explained by the model which is very outstanding. The **F-ratio** (118.263) is significant at 1% level, showing that the dependent variable in the model can be explained by the independent variable.

**Table 4** showing Multiple Regression Analysis Result on the impact of organisational reward and compensation on employees' performance in Zenith Bank Nigeria Plc.

Variables	Linear	Exponential	Semi Log	Double Log
Basic Pay	27.505 (0.494)	103.440 (0.385)	-0.245 (0.361)	-0.099 (0.289)
Contingency Pay	46.683 (0.008)***	96.779 (0.013)**	0.286 (0.001)***	0.135 (0.001)***
Bonus/Commission	-35.524 (0.252)	-51.268 (0.269)	-0.189 (0.072)*	-0.132 (0.074)*
Promotion Opportunities	32.809 (0.000)***	109.634 (0.000)***	0.301 (0.000)***	0.100 (0.000)***
Thirteenth Month Pay	41.069 (0.000)***	130.172 (0.000)***	0.319 (0.000)***	0.093 (0.000)***
Praise and Recognition	25.866 (0.000)***	72.115 (0.004)***	0.164 (0.004)***	0.061 (0.000)***
Constant	159.641 (0.166)	133.581 (0.274)	5.853 (0.000)***	5.947 (0.000)***
<b>R<sup>2</sup></b>	87	86	88	88
<b>R̄</b>	87	86	88	88
<b>F</b>	134.568	123.029	146.824	150.991

Source: Field Survey 2020

\*Keys: \*\*\* = Significant at 1% level, \*\* = Significant at 5% level, \* = Significant at 10% level.

The result in Table 4, showed the impact of organisational reward and compensation on employees' performance in Zenith Bank Nigeria Plc. Using Double Log as the lead equation, because Double Log has the best good fit in the model among the other equations. The result revealed that: Contingency pay with the coefficient regression of (0.135), promotion opportunities with the coefficient regression of (0.100), thirteenth month pay with the coefficient regression of (0.093), and praise and recognition with the coefficient regression of (0.061), are organisational reward and compensation system that are significant and positively related to the employees' performance at 1% level (Sig < .01) of significance.

Thus, reward and compensation of Zenith Bank Nigeria Plc have positive impacts on their employees' performance within the periods under review. Subsequently, an increase in the reward and compensation of Zenith Bank Nigeria Plc will lead to corresponding increase in the performance of their employees and vice versa.

The **R-square** which shows the proportion of variation in the dependent variable that can be explained by the independent variables revealed that 88% of the variation was explained by the model. While the **Adjusted R** which shows the proportion of variance in the dependent variable that can be explained by the independent variables revealed that 88% of the variance was also explained by the model which is very good. The **F-ratio** (150.991) is significant at 1% level, showing that the dependent variable in the model can be explained by the independent variable.

### **Hypothesis**

Organisational reward and compensation (contingency pay, thirteenth month pay etc.) does not have any significant impact on employees' performance in First Bank and Zenith Bank Nigeria Plc.

Based on the results in Table 3 and 4, which revealed that contingency pay, promotion opportunities, thirteenth month pay, and praise and recognition are significant and positively impacts on employees' performance in First Bank and Zenith Bank Nigeria Plc. The researcher rejected the null hypothesis which states: "Organisational reward and compensation (contingency pay, thirteenth month pay etc.) does not have any significant impact on employees' performance in First Bank and Zenith Bank Nigeria Plc" and accepted the alternative hypothesis which states: "Organisational reward and compensation (contingency pay, thirteenth month pay etc.) have significant impacts on employees' performance in First Bank and Zenith Bank Nigeria Plc."

### **CONCLUSION**

Based on these research findings, the study concluded that performance management have a significant and positive effects on employees' performance in First Bank, and Zenith Bank Nigerian Plc within the periods covered by the study.

### **RECOMMENDATIONS**

Based on the study findings, the followings recommendations were made:

- i.** The management of First Bank, and Zenith Bank Nigerian Plc should sustain the training and development programmes of the organisation that are positively affecting their employees performance as revealed in the study analysis result. Nevertheless, the banking sector is technologically driven, to sustain the performance of their employees, the organisation should constantly review their training and development programmes to ensure that these programmes are in tune with current developments in the sector in order to update their employees skills with the speed of development in the sector for effective and improved performance.
- ii.** First Bank, and Zenith Bank Nigeria Plc management should not underestimate the impact of effective reward and compensation system in motivating employees to outstanding performance, as such the bank management should regularly review their remuneration packages, especially their basic pay to reflect current economic realities, and should maintain a remuneration that is above the benchmark in the banking sector. Bonus/commission should also be paid to outstanding performers in order to motivate them the more and encourage others to enhance their performance.

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