



INCENTIVE SCHEMES AND PERFORMANCE OF DEPOSIT MONEY BANKS IN ENUGU STATE, NIGERIA

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ABSTRACT

The study evaluated the Incentive schemes and Performance of Deposit Money Banks in Enugu State. The specific objectives were to: examine the relationship between bonuses and profitability; examine the relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State. The area of this study was Enugu state, Nigeria. The total population for the study was One thousand and one hundred and fifty (1150) staff of the selected banks. To determine the adequate sample size of 288 the study used Freund and William's statistic formula. Two hundred and forty-nine (249) staff returned the questionnaire and accurately filled. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Pearson correlation (r) statistical tool. It was found that There was significant positive relationship between bonuses and profitability ($r=.674 < .840, p < .05$). There was significant positive relationship between recognition rewards and amount of customer deposits, ($r=.664 < .842, p < .05$) of Deposit Money Banks in Enugu State, ($r=.452 < .892, p < .05$). The study concluded that bonuses, and recognition rewards had significant positive relationship with the profitability, and amount of customer deposits of Deposit Money Banks in Enugu State. The study recommended among others that the bank management and other organizations should introduce or improve in their bonuses to help keep staff engaged, by promising a higher level of reward for stronger performance.

Keywords: Incentive ,Schemes, Performance, Deposit Money Banks



INTRODUCTION

1.1 Background of the study

The administration and implementation of incentive schemes by organizations has been an important agenda. Therefore throughout history, incentives and rewards have driven motivation and behaviour to help ideas, industries and companies succeed. An incentive scheme is a plan or programme to motivate individual or group performance (Anjalee, 2018). An incentive scheme is frequently built on monetary rewards but may also include a variety of non-monetary rewards and prizes. Therefore, incentive schemes refer to performance linked compensation paid to improve motivation and performance of employees and thus enhance organizational performance.

Incentive scheme are designed to attract, engage, and retain talent. Incentives themselves are rewards and benefits used to motivate positive behaviors in your workforce. They come in many forms, like tuition reimbursement, more time off, and additional flexibility in work arrangements (Scott, 2019). Incentive schemes have been utilized by manufacturing firms, educational institutions, teaching hospitals etc to enhance their respective organizational performance.

Deposit Money Banks are resident depository corporations and quasi-corporations which have any liabilities in the form of deposit payable on demand, transferable by cheque or otherwise usable for making payments. To achieve these objectives, the workers must be motivated. It is against this background that this work evaluates the effect of incentive based schemes on the performance of Deposit Money Banks in Enugu State, Nigeria.

1.2 Statement of the problems

Incentives are payment for performance or payment by results (Rupali, 2022). The need for employee incentive plans cannot be understated. Incentives function as rewards that motivate workers to achieve set goals and challenge them to achieve even more. In turn, this motivation contributes to company success. For incentive plans to work effectively, employees must see a clear connection between the incentives they receive and their



performance. One of the most interesting problems of incentives is that just like drug addiction the introduction of rewards for completing a task creates the need for careful structuring and sufficient monitoring. Therefore, incentive based schemes can need inequities if they are not structured carefully or insufficiently monitored. Many incentive plans aimed at increasing motivation of employees often fail to achieve desired impact. Money may not be motivating to some workers and less motivation creates stress. There may be lack of instrumentality between efforts and rewards. The design of the incentive system itself may be rooted in false assumptions about what motivates employees. Today, some organizations reward systems are designed with yesterday's world in mind and what past employers assumed their employees desire from their jobs. These problems necessitate the need for this study.

1.3 Objective of study

The main objective of the study was to examine Incentive schemes and Performance of Deposit Money Banks in Enugu State. The specific objectives were to:

- i. Examine the relationship between bonuses and gross profit of Deposit Money Banks in Enugu State, Nigeria.
- ii. Examine the relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State, Nigeria.

1.4 Research Questions of study

The following research questions guided the study

- i. What is the relationship between bonuses and gross profit of Deposit Money Banks in Enugu State, Nigeria?
- ii. What is the relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State, Nigeria?

1.5 Statement of Hypotheses

The following null hypotheses guided the study



- i. There was no significant positive relationship between bonuses and gross profit of Deposit Money Banks in Enugu State, Nigeria.
- ii. There was no significant positive relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State, Nigeria.

1.6 Significance of the study

The study will be significant to the following stakeholders;

Management: The study will help the banks to understand how the incentive scheme contribute to the performance and if it is in line with organization goals and culture which ultimately attracts, reward and retain successful employees.

Employees: The study will motivate employees to push and challenge themselves to achieve higher degrees of productivity. When incentive plans are in place, employees recognize that significant effort on their behalf will be acknowledged and rewarded.

REVIEW OF THE RELATED LITERATURE

2.1 Conceptual Review

2.1.1 Incentive

The success of any organization depends, to a great extent, on the workers of that organization and the effective mobilization of the efforts of all people who make up the organization. Hence, much attention is paid to managerial responsibilities for eliciting productive behaviour. It is therefore necessary that all individuals in the system work together towards the achievement of objectives (Ozoemena, 2013). Incentive is an act or promise for greater action. It is also called a stimulus to greater action. The usefulness of good incentive policies which leads to motivation of the employee cannot be over emphasized. Every organization depends on motivation among other factors for the attainment of their objectives. An incentive is a form of a financial encouragement recognizing a particular contribution. An incentive is a form of made by the work force, in other words, it is a sum of money paid in addition to the basic rate which the organization pays to ensure that its most important production aspects are being optimized (Ademola & Kehinde, 2019).



2.1.2 Schemes

Schemes are an organized plan for doing something, especially something dishonest or illegal that will bring a good result for you:

<https://dictionary.cambridge.org/dictionary/english/scheme>.

A scheme is a plan or arrangement involving many people which is made by a government or other organization.

2.1.3 Incentive schemes

Incentive schemes are effective at preventing bore out because they provide an acknowledgement of effort. Their overall aims are to motivate, attract, and retain talent. It's helpful to think of them as a collection of rewards and benefits, such as flexible working, career development opportunities, and corporate discounts. When creating an incentive scheme it is important to understand what your employees value so that what you offer is meaningful to them,(Blake,2022). Incentive schemes include a selection of benefits and rewards that motivate and engage employees. Usually, some or all of them are accessible on digital platforms or comprehensive employee incentive programs. Rewarding employees is simpler if you are using an all-in-one solution as all of your benefits and perks are in one place. The exact types of rewards and benefits in each incentive system differ between companies, but usually, most contain a variety of flexible working policies, corporate discounts, and wellbeing resources.

2.1.4 Components of Incentive schemes

In the view of Hitesh,(2021), that designation as a permanent employee, seniority, promotion, and merit recognition, payment for holidays, bonuses, medical benefits, city allowance, house rent allowances, provident funds, Recognition Rewards, Profit sharing and conveyance as an indicator for incentive-based schemes. Blake(2022), in his own view, maintained that A reward and recognition program ,Corporate discounts and perks, Mental and physical wellbeing resources, Mentorship opportunities, Profit sharing, Autonomy over a passion project, Professional qualifications, Tuition-fee reimbursements and Performance-related bonuses

2.1.5 Components of incentive schemes that formed part of the objectives of the study



2.1.5.1 Bonuses

Bonuses and stipends are incentives that companies use to encourage, reward, and recognize the exceptional performance of their employees. Typically, these are given in the form of cash or gift items of non-monetary value. However, not all business owners realize the importance of giving bonuses and stipends because they think that these are an extra expense (Dragan, 2022). Employers can hold bonus payable to an employee if the employee is disqualified and dismissed on the basis of fraud, misconduct, or even absenteeism. Bonus needs to be paid as part of the settlement to the employee on a pro rata basis, when he or she exits before the completion of the financial year (Sreshtha, Kundu and Parishmita, 2020).

2.1.5.2 Recognition Rewards

Recognition has been held to be a constructive response and a judgment made about a person's contribution, reflecting not just work performance but also personal dedication and engagement on a regular or ad hoc basis, and expressed formally or informally, individually or collectively, privately or publicly, and monetarily or non-monetarily (Brun and Dugas, 2018). It could be said that rewards are slightly more costly to businesses as they often take the form of bonuses and profit-sharing. This system is proven to be just as effective as employee recognition as it increases engagement and motivation levels significantly (Jones, 2019).

2.1.6 Performance

Performance is a set of financial and nonfinancial indicator that provide information on the level of achievement of goals and objectives of an organization (Kunhui, 2020). Performance refers to both behaviour and results. Performance means both behaviours and results. Behaviours are emanating from the performer and turn the performance of an abstract concept into a concrete action. Not being just tools of obtaining some results, behaviours are by themselves outcomes - the product of the physical and cerebral exercise submitted for the execution of tasks and can be judged apart from results (Ion & Criveanu, 2016),



2.1.7 Components of Bank performance

Lucca, (2017) in his view maintained bank performance as: Revenue, Operating Expenses as a Percentage of Assets, Assets Under Management (AUM), Return on Equity and Return on Assets (ROA). Key Performance Indicators of Bank Performance in the views of Nicholas(2016),noted the following: Customer profitability; Profitability, Operating expenses Revenue per employee; Risk-adjusted net interest margin; The ability to generate fee income; Amount of customer deposits, Low-cost infrastructure allowing scalable growth; The ability to generate profitable growth; and, of course and Credit quality.

2.1.7.1 Gross Profit

Profitability means ability to make profit from all the business activities of an organization, company, firm, or an enterprise. It shows how efficiently the management can make profit by using all the resources available in the market. Profitability is the ‘the ability of a given investment to earn a return from its use (Harward & Upto, 2014). A profitable organization is one that generates more money than it expends. Profitable organizations are businesses that use a variety of tactics to make a profit. Businesses may use different managerial styles and leadership approaches to increase employee motivation and satisfaction, which has been shown to increase worker productivity. Therefore, gross profit means sales minus cost of goods sold.

2.1.7.2 Amount of customer deposits

Financial institutions through their various instruments of deposit mobilization can play a vital role in increasing domestic savings in the country. The recent growth in the banking system has already contributed significantly to the monetization of the economy and to the mobilization of domestic resources in the form of bank deposits (Ahmed, Khalily, Meyer, and Hushak, 1987). Savings mobilization is an important step away from dependence on donor funds toward the sector becoming a true financial intermediary and



denotes a major source of funds for self-sustaining rural financial institutions. The success of the bank greatly lies on deposit mobilization.” Commercial banks use different strategies to strengthen the level of deposits and number of customers. Continuous and adequate deposit mobilisation ensures the bank shall be able to sustain its business of lending and investing, thus incurring profit for future growth.

2.2 Theoretical Review

The following theories guided the study

1. The Incentive Theory of Motivation by Cherry in 2020
2. Herzberg’s modified need hierarchy model (Two factor theory), Herzberg (1974)

2.2.1 The Incentive Theory of Motivation was anchored on objective One: the relationship between bonuses and profitability of Deposit Money Banks

Incentive theory by Kendra Cherry (2020) began to emerge during the 1940s and 1950s, building on the earlier drive theories established by psychologists such as Clark Hull. Rather than focusing on more intrinsic forces behind motivation, the incentive theory proposes that people are pulled toward behaviors that lead to rewards and pushed away from actions that might lead to negative consequences. Two people may act in different ways in the same situation based entirely on the types of incentives that are available to them at that time.

2.2.2 Herzberg’s modified need hierarchy model (Two factor theory), was anchored on objective two: The relationship between recognition rewards and amount of customer deposits of Deposit Money Banks

Herzberg (1974) established that there are two relatively distinct factors that lead to employees’ satisfaction or dissatisfaction. These include satisfiers/ motivators and dissatisfies/ hygiene factors. Satisfiers are concerned with the job content and build motivation and job satisfaction. When ineffectively provided they hinder job motivation and satisfaction. These factors include; challenging tasks, work itself, recognition, advancement



and achievement. Hygiene/ dissatisfies support the mentality of the worker and are related to work environment. When improved they reduce dissatisfaction but they do not increase satisfaction. These factors include; salaries, supervision, working conditions, company policies, interpersonal relationship and job security. Herzberg argues that to motivate employees an employer should give special attention to satisfiers and not on traditional hygiene factors which do not improve satisfaction.

2.3 Empirical Review

2.3.1 The relationship between bonuses and gross profit of Deposit Money Banks

Ugoani (2016), conducted a study on Bank earnings in the form of retained profit help in the capital formation of banks. This is critical because capital inadequacy is often a cause of bank failures. During the banking crisis in Nigeria the gross earnings of many banks diminished considerably due to frauds and bad management. For example, in 2009 the Central Bank of Nigeria revoked the operating licenses of fourteen banks which had huge nonperforming loans and were making losses. The fragility in the Nigerian banking system in the 1990s and beyond was compounded due to wide spread poor corporate governance practices and imprudent lending that led to the erosion of gross earnings and profitability. The study employed the survey research design. Data analysis was done through the descriptive and Chisquare statistical methods. It was found that gross earnings have strong relationship with bank profitability.

Ogunmakin, Fajuyagbe, Ogunmakin (2021), conducted a study on the effects of corporate governance on financial performance of selected deposit money banks in Nigeria. The study used 10 deposit money banks randomly selected from 21 deposit money banks listed on the Nigeria stock market. The study sourced for data via the annual reports of the chosen banks over a period of 10 years spanning from 2009 to 2018. Data collected were analyzed using both descriptive and inferential methods of study. Descriptive analysis conducted within the study included mean analysis, measure of dispersion, minimum and maximum analysis,



followed by correlation analysis, pooled OLS estimation, fixed effect estimation, random effect estimation, and post estimation test like restricted F-test, Hausman test, Pesaran cross sectional independence. The study revealed that board size exerts a negative and significant effect on the performance of Deposit Money Banks in Nigeria - 0.8462($p=0.0090.05$). It had been also, revealed that gender diversity exerts a positive but insignificant effect on the financial performance of Deposit Money Banks in Nigeria to the tune of 5.1647($p=0.685>0.05$). The study concluded that corporate governance exerts a big effect on the financial performance of Deposit Money Banks in Nigeria.

Okeah, and Inimotimi, (2022), investigated the correlation linking tangible rewards and company performance of Money Deposit banks in Port Harcourt. The paper examined the effect of tangible rewards using Effectiveness and Efficiency as the measures of company performance. Employees of seventeen (17) deposit money banks all in Port Harcourt constituted the population of the stud. The aim of this paper is to investigate the correlation linking tangible rewards and company performance of deposit money banks located in Port Harcourt. The instrument used is a structured questionnaire to gather information for the primary data. The statistical tool used is Spearman Rank Order of Correlation Coefficient as well as SPSS was used to analyze the findings gotten. Two hundred and twenty- three (223) was the population, while one hundred and forty-three (143) employees were the sample size derived using the Yamane Taro formula. It was revealed that a relationship does exist, it was albeit not a strong correlation linking tangible reward and company performance (effectiveness), and a strong correlation linking tangible reward and company performance (efficiency) of deposit money banks in Port Harcourt, Rivers State.

2.3.2 The relationship between recognition rewards and amount of customer deposits of Deposit Money Banks

Tuyushime, Memba, and Mbera (2015) examined the effects of deposit mobilization on the bank financial performance in commercial banks in Rwanda. A case study of Equity bank Rwanda limited. The Specific objectives of this study are to determine the effect of marketing strategies on the financial performance of commercial banks in Rwanda, to



establish the effect of interest rate changes on the financial performance of commercial banks in Rwanda, and to determine the effect of banking technology introduced on the financial performance of commercial banks in Rwanda. The target population for the study was the bank managers involved in deposit mobilization namely the marketing team and the branch management team in Equity bank Rwanda. The research used a census to study a population of 27 staff. The main source of data was the primary and secondary data. The documentary method, the questionnaire as research instruments were used to get the data needed for the research. Data were processed by use of descriptive statistics after editing has been done. The computer software SPSS version 20 was used as a device to accommodate analysis. Pearson and Spearman's correlation analysis was used to test the nature of the relationship. The findings indicates that the majority of the respondents (85%) confirmed that the brand name of the Equity Bank is recognized in the public this has made them able to overcome challenges mostly facing high competition with other banks.

Osadume and Ibenta (2018), Conducted a study on the Financial Performance of Deposit Money Banks in Nigeria: A study of selected quoted banks covering 2001 –2014. The objective of this study was to assess the impact of Capital adequacy, Asset Quality, and liquidity on the financial performance of selected banks in Nigeria. Secondary sources of data used were collected from the audited financial reports of the respective banks. The study used the Unit root test, OLS, Co-integration, and Granger Causality method to test and analyse the secondary data obtained from the bank's annual publications at the 10% level of significance and the findings showed that: Financial Performance of selected Nigerian banks had a significant relationship with Capital Adequacy, Asset Quality, and Liquidity both in the short and long term; Also, none of the variables Granger Caused each other. The paper concludes that Capital adequacy, Asset Quality, and Liquidity have significant effects on the Financial Performance of banks and recommends among others that Net Profit should not be the only basis for evaluating the Performance of Deposit Money Banks; and Bank Managers, as well as Regulatory Authorities, should adopt globally accepted standards for evaluating bank's capital Adequacy, Assets Quality and Liquidity levels periodically. This will



help to enhance investment planning, decision making within the financial system, and early prevention of systemic bank distress.

Onyema and Odeiem-Ogulu (2019) investigated deposit composition and return on equity of deposit money banks in Nigeria using time series data sourced from the Central Bank of Nigeria Statistical Bulletin. Return on equity (ROE) was used as a proxy for the dependent variable while the independent variables are demand deposit(DD), time deposit(TD), savings deposit(SD), foreign currency deposit(FCD), deposit with the Central Bank of Nigeria(DCBN) and other deposits(OD). Some diagnostic tests such as co-integration, Augmented Dickey-Fuller unit root, etc. were used to examine the effect of the independent variables on the dependent variable in the long run. Multiple regression techniques with the aid of statistical software (E-view) was used as the major tool of data analysis. Findings revealed that demand deposit has a negative relationship with return on equity while time deposit, savings deposit, foreign currency deposit, deposit with Central Bank of Nigeria, and other deposits have a positive relationship with return on equity of deposit money banks. The unit root test found that the variables are stationary at first difference while the-integration test found that there is a long-run relationship between the dependent and independent variables. Similarly, the granger causality test found unidirectional causation between the dependent and the independent variables. This justifies the use of a single equation model in the study. The study concludes that the type of deposit (whether time, savings, other deposits.) influences the level of profitability of deposit money banks in Nigeria.

METHODOLOGY

3.1 Research Design

The study employed descriptive survey design. The survey research is one in which a group of people or items is studied by collecting and analyzing data from only a few people or items considered to be representative of the entire group. The survey design was adopted because the study requires a technique of observation such as questionnaire and or interview, the population of the study must be carefully chosen, clearly defined and specifically delimited and relies upon observation for the acquisition of data.



3.2 Source of Data

Data are classified as either primary or secondary data. The classification was based on the two possible sources: primary source and secondary source.

3.2.1 Primary Source

This study utilized questionnaire approach as the main source of data for this study. A primary data source is the one which the data is collected directly (usually first-hand) by the researcher.

3.2.2 Sources of Secondary Data

Secondary data source is the one which the data is obtained from published materials, internet websites, reports, dailies, text books and so on from the library of the institutions understudy. Sources of secondary can be split into two parts internal and external sources.

3.3 Area of Study

The area of this study is Enugu State, Nigeria. Enugu is the capital of Enugu State. The state has seventeen Local Government Areas.

3.4 Population of the Study

The total population for the study was One thousand and forty-nine (1150) staff. The financial institutions understudy include: United Bank of Africa (UBA), GTB, Union bank, ECOBank. Fidelity bank, Access bank, First Bank, First City Monument Bank (FCMB), Zenith and Polaris Bank. These banks were chosen because of their international recognition. See Table 3.1 for details.

3.5 Sample Size Determination

To determine the adequate sample size, the study used Freund and William's statistic formula as quoted by (Uzoagulu 2011).

$$n = \frac{Z^2 N(pq)}{N(e)^2 + Z^2(pq)}$$

Where n = Sample Size



N = The population

p = Probability of success/proportion

q = Probability of failure/proportion

Z = Standard error of the mean

e = Limit of tolerable error of 0.05 (or level of significance)

N = 1150

p = .5

q = (1 - .5) = .5

Z = 95 percent = 1.96

e = 0.05 percent

$$= \frac{(1.96)^2 \times 1150 \times .5 \times .5}{1150 (0.05)^2 + (1.96)^2 \times .5 \times .5}$$

$$\frac{3.8416 \times 1150 \times .25}{10.02 + 3.8416 \times .25}$$

$$\frac{1104.46}{2.875 + .9604} = \frac{1104.46}{3.835} = 287.99 \quad \underline{\underline{\sim 288}}$$

3.6 Sample Size Determination

Bowley's (1937) proportional allocation statistic was utilized to ensure equitable representation of the Universities. Bowley's (1937) Formula:

$$N_h = \frac{n \times N_h}{N}$$

Where nh = number of questionnaire allocated to each of the institution

n = Total sample size

Nh = Number of proposed lecturers to be used from the selected Universities

N = Population size.



Table 3. 1: Questionnaire Allocation to Each Bank

| Banks | Population | Calculation | Sample |
|--------------------------------------------|-------------|-------------------------------|------------|
| 1. United Bank of Africa (UBA) | 115 | $\frac{115 \times 288}{1150}$ | 29 |
| 2. Guaranty Trust Bank | 92 | $\frac{92 \times 288}{1150}$ | 23 |
| 3. Union bank | 118 | $\frac{118 \times 288}{1150}$ | 30 |
| 4. ECOBank | 107 | $\frac{107 \times 288}{1150}$ | 27 |
| 5. Fidelity bank | 103 | $\frac{103 \times 288}{1150}$ | 26 |
| 6. Access bank | 98 | $\frac{98 \times 288}{1150}$ | 25 |
| 7. First Bank and First City Monument Bank | 108 | $\frac{108 \times 288}{1150}$ | 27 |
| 8. First Bank | 197 | $\frac{197 \times 288}{1150}$ | 49 |
| 9. Zenith | 122 | $\frac{122 \times 288}{1150}$ | 31 |
| 10. Polaris Bank | 90 | $\frac{90 \times 288}{1150}$ | 23 |
| Total | 1150 | | 288 |

Source: Author's field work 2022

3.7 Sampling Technique

The stratified random sampling with a random start was adopted so as to give every unit of the population under study equal opportunity of being selected into sample.

3.8 Instrument for Data Collection

The main instrument for data collection was a structured questionnaire. Copies of the questionnaire were administered to the academic staff. Fifteen (15) designed questionnaire was used. The responses generated were used thereafter for data analyses.



3.9 Validity of the Instrument

The instrument was given to two experts from the banks and academia to measure face and content validity. To make sure that the research instruments applied in the work are valid, the research ensured that the instrument measure the concept they are supposed to measure.

3.10 Reliability of the Research Instrument

This was done by administering 20 copies of the prepared questionnaire to the sample of the study. Cronbah's Alpha was used in determining the extent of consistency of the reliability. The formula is as follows: $\alpha = \frac{K}{1 - (k-1) (Cov/Var)}$. Where: K = number of items on the survey; Cov = Average inter item covariance; Var = Average item variance and I = Constant. A Cronbach's alpha value (∞) of greater 0.850 indicated very strong reliability. **Scale: ALL VARIABLES**

Case Processing Summary

| | | N | % |
|-------|----------|----|-------|
| Cases | Valid | 15 | 100.0 |
| | Excluded | 0 | .0 |
| | Total | 15 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

| Cronbach's Alpha | No. of Items |
|------------------|--------------|
| .85 | 10 |

Scale reliabilities were calculated using Cronbach's Alpha; the result obtained was 0.850. This shows that the internal consistency of the scale is good for the purpose of this study because it is greater than 0.85 which was good.

3.11 Method of Data Analyses

Data from the questionnaire were analyzed with the aid of SPSS version 23 using simple, percentages and correlation co-efficient. Data from the questionnaire were further analyzed



using simple percentages, mean and standard deviation. For the 5-point likert scale questions, the scale and decision rule stated below were used in analysing the findings.

Scale: Strongly Agree (SA) -5, Agree (A) - 4, Neutral(N) -3, Disagree (D) -2, Strongly Disagree(SD) -1

Decision Rule : If Mean ≥ 3.0 , the respondents agree and If mean ≤ 3.0 , the respondents disagree The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise rejects the null hypothesis and Z - test was used to test the hypotheses and analyzed with the aid of SPSS.

Data Presentation and Analyses

4.1 Distribution and returned Questionnaire

The section presents and analyzes the data collected for the study. The presentation and interpretation of data were based on the questionnaire administrated to the staff of the selected banks in Enugu State, Nigeria.

Table 4.1 Distribution and Return of the Questionnaire

| Firms | Distributed | No Returned | Percent | No not Returned | Percent |
|-------------------------------|-------------|-------------|-----------|-----------------|-----------|
| 1 United Bank of Africa (UBA) | 29 | 28 | 10 | 1 | - |
| 2 Guaranty Trust Bank | 23 | 21 | 7 | 2 | 1 |
| 3 Union bank | 30 | 26 | 10 | 4 | 2 |
| 4 ECOBank | 27 | 24 | 8 | 3 | 1 |
| 5 Fidelity bank | 26 | 21 | 7 | 5 | 2 |
| 6 Access bank | 25 | 20 | 7 | 5 | 2 |
| 7 First City Monu.Bank | 27 | 24 | 8 | 3 | 1 |
| 8 First Bank | 49 | 42 | 15 | 7 | 2 |
| 9 Zenith | 31 | 25 | 8 | 6 | 2 |
| 10 Polaris Bank | 23 | 18 | 6 | 5 | 2 |
| Total | 288 | 249 | 85 | 39 | 15 |

Source: Field Survey, 2022



Table 4.1 depicts that of the 288 distributed copies of the questionnaire, 249 (85 percent) copies of the questionnaire were returned and used while 39 copies (15 percent) were not returned and were not used.

4.2 Data Presentation

4.2.1 The relationship between bonuses and profitability of Deposit Money Banks in Enugu State

Table 4.2.1.1: Responses on the relationship between bonuses and profitability of Deposit Money Banks in Enugu State

| | | 5 | 4 | 3 | 2 | 1 | ΣFX | - | SD | Decision |
|------------------------------------------------|---------------------------------------------------------------------------------|--------------------|--------------------|-------------------|-----------------|------------------|--------------------|-------------|--------------|----------|
| | | SA | A | N | DA | SD | | X | | |
| 1 | An enticing bonus to bank staff motivate them to put in all their efforts | 700 140 54.3 | 108 27 19.2 | 114 38 11.2 | 32 16 4.2 | 28 28 11.1 | 982 249 100% | 3.94 | 1.410 | Agree |
| 2 | The banks staff show loyalty to the organization where there is bonus incentive | 650 130 52.6 | 104 26 18.9 | 105 35 11.2 | 60 30 6.2 | 28 28 11.1 | 947 249 100% | 3.80 | 1.458 | Agree |
| 3 | Bonuses incentivize staff to exhibit the behavior that banks needs | 310 62 32.9 | 496 124 44.6 | 33 11 6.7 | 48 24 5.2 | 28 28 10.6 | 915 249 100% | 3.67 | 1.261 | Agree |
| 4 | The stipends and bonuses bank staff receive reinforces the bank performance | 515 103 56.2 | 180 45 13.0 | 99 33 12.5 | 80 40 7.6 | 28 28 10.7 | 893 249 100% | 3.59 | 1.438 | Agree |
| 5 | Bonuses enhances building team collaboration of the bank staff | 305 61 29.4 | 532 133 53.3 | 63 21 6.2 | 20 10 3.3 | 24 24 7.8 | 944 249 100% | 3.79 | 1.149 | Agree |
| Total grand mean and standard deviation | | | | | | | | 3.76 | 1.343 | |

Source: Field Survey, 2022



Table 4.2.1.1 shows that 167 respondents out of 249 representing 73.5 percent agreed that an enticing bonus to bank staff motivate them to put in all their efforts with mean score of 3.94 and standard deviation of 1.410. The banks staff shows loyalty to the organization where there is bonus incentive with 156 respondents representing 71.5 percent agreed with mean score of 3.80 and standard deviation of 1.458. Bonuses incentivize staff to exhibit the behavior that banks needs with 186 respondents representing 77.5 percent agreed with mean score of 3.67 and standard deviation of 1.261. The stipends and bonuses bank staff receive reinforces the bank performance with 148 respondents representing 69.2 percent agreed with mean score of 3.59 and standard deviation 1.438. Bonuses enhances building team collaboration of the bank staff with 194 respondents representing 82.7 percent agreed with a mean score of 3.79 and standard deviation of 1.149.

4.2.2 The relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State

Table 4.2.2.1: Responses on the relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State

| | | 5 | 4 | 3 | 2 | 1 | ΣFX | - | SD | Decision |
|---|---------------------------------------------------------------------------------------------|-------------------|--------------------|------------------|-----------------|------------------|--------------------|------|-------|----------|
| | | SA | A | N | DA | SD | | X | | |
| 1 | Recognition leads to greater bank staff engagement and attraction of more customers | 390 78 54.3 | 420 105 19.2 | 78 26 11.2 | 24 12 4.2 | 28 28 11.1 | 940 249 100% | 3.77 | 1.256 | Agree |
| 2 | There is improvement in friendly competition with recognition rewards and getting customers | 255 51 52.6 | 544 136 18.9 | 18 6 11.2 | 56 28 6.2 | 28 28 11.1 | 901 249 100% | 3.61 | 1.246 | Agree |
| 3 | Team efforts are enhanced with recognition rewards and increase in customer satisfaction | 310 62 32.9 | 380 95 44.6 | 105 35 6.7 | 58 29 5.2 | 28 28 10.6 | 881 249 100% | 3.53 | 1.289 | Agree |
| 4 | The recognition rewards motivate employees to so extra miles to attract | 330 66 56.2 | 448 112 13.0 | 15 5 12.5 | 56 28 7.6 | 38 38 10.7 | 887 249 100% | 3.56 | 1.387 | Agree |



| | | | | | | | | | | | |
|-----------------------------|-------------------------------|------|------|-----|-----|-----|------|-------------|--------------|-------|--|
| | customers | | | | | | | | | | |
| 5 | Attracting and retaining | 225 | 492 | 27 | 56 | 44 | 844 | 3.39 | 1.375 | Agree | |
| | outstanding staff are ensured | 45 | 123 | 9 | 28 | 44 | 578 | | | | |
| | with recognition rewards. | 29.4 | 53.3 | 6.2 | 3.3 | 7.8 | 100% | | | | |
| Total grand mean and | | | | | | | | 3.57 | 1.353 | | |
| standard deviation | | | | | | | | | | | |

Source: Field Survey, 2022

Table 4.2.2.1 indicates that 183 respondents out of 249 representing 73.5 percent agreed that recognition leads to greater bank staff engagement and attraction of more customers with mean score of 3.77 and standard deviation of 1.256. There is improvement in friendly competition with recognition rewards and getting customers with 187 respondents representing 71.5 percent agreed with mean score of 3.61 and standard deviation of 1.246. Team efforts are enhanced with recognition rewards and increase in customer satisfaction with 157 respondents representing 77.5 percent agreed with mean score of 3.53 and standard deviation of 1.289. The recognition rewards motivate employees to go extra miles to attract customers with 178 respondents representing 69.2 percent agreed with mean score of 3.56 and standard deviation 1.387. Attracting and retaining outstanding staff are ensured with recognition rewards with 168 respondents representing 82.7 percent agreed with a mean score of 3.39 and standard deviation of 1.375.

4.3 Test of Hypotheses

4.3.1 Hypothesis One: There was no significant positive relationship between bonuses and profitability of Deposit Money Banks in Enugu State



Table 4.3.1.1 Contingency table of Research question one: Responses on the relationship between bonuses and profitability of Deposit Money Banks in Enugu State.

| | Questionnaire items | SA | A | N | DA | SDA | Total |
|---|---------------------------------------------------------------------------------|------------|------------|------------|------------|------------|-------------|
| 1 | An enticing bonus to bank staff motivate them to put in all their efforts | 140 | 27 | 38 | 16 | 28 | 249 |
| 2 | The banks staff show loyalty to the organization where there is bonus incentive | 130 | 26 | 35 | 30 | 28 | 249 |
| 3 | Bonuses incentivize staff to exhibit the behavior that banks needs | 62 | 124 | 11 | 24 | 28 | 249 |
| 4 | The stipends and bonuses bank staff receive reinforces the bank performance | 103 | 45 | 33 | 40 | 28 | 249 |
| 5 | Bonuses enhances building team collaboration of the bank staff | 61 | 133 | 21 | 10 | 24 | 249 |
| | Total | 496 | 355 | 138 | 120 | 136 | 1245 |

Table 4.3.1.2 Pearson correlation matrix on the relationship between bonuses and profitability of Deposit Money Banks in Enugu State.

Correlations

| | An enticing bonus to bank staff motivate them put in all their efforts | The banks staff show loyalty to the organization where there is bonus incentive | Bonuses incentivize staff to exhibit the behavior that banks needs | The stipends and bonuses bank staff receive reinforces the bank performance | Bonuses enhances building team collaboration of the bank staff | |
|---------------------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------|
| An enticing bonus to bank staff motivate them put in all their efforts | Pearson Correlation Sig. (2-tailed) N 249 | 1 .840** .000 249 | .840** .000 249 | .772** .000 249 | .755** .000 249 | .745** .000 249 |
| The banks staff show loyalty to the organization where there is bonus incentive | Pearson Correlation Sig. (2-tailed) N 249 | .840** .000 249 | 1 .748** .000 249 | .748** .000 249 | .811** .000 249 | .739** .000 249 |
| Bonuses incentivize staff to exhibit the behavior that banks needs | Pearson Correlation Sig. (2-tailed) N 249 | .772** .000 249 | .748** .000 249 | 1 .766** .000 249 | .766** .000 249 | .674** .000 249 |
| The stipends and bonuses bank staff receive reinforces the bank performance | Pearson Correlation Sig. (2-tailed) N 249 | .755** .000 249 | .811** .000 249 | .766** .000 249 | 1 .765** 249 | .765** .000 249 |
| Bonuses enhances building team collaboration of the bank staff | Pearson Correlation Sig. (2-tailed) N 249 | .745** .000 249 | .739** .000 249 | .674** .000 249 | .765** .000 249 | 1 |



| | | | | | | |
|----------------------|-----------------|------|------|------|------|-----|
| building team | Sig. (2-tailed) | .000 | .000 | .000 | .000 | |
| collaboration of the | N | 249 | 249 | 249 | 249 | 249 |
| bank staff | | | | | | |

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

Table 4.3.1.2 showed the Pearson correlation matrix on bonuses and profitability showing the correlation coefficients, significant values and the number of cases. The correlation coefficient shows $.674 < .840$. This value indicates that correlation is significant at 0.05 level (2 tailed) and implies that there was significant positive relationship between bonuses and profitability of Deposit Money Banks in Enugu State. The computed correlations coefficient is greater than the table value of $r = .000$ at alpha level for a two-tailed test ($r = .674 < .840, p < .05$).

Decision Rule

The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise reject the null hypothesis.

Decision

Since the computed ($r = .674 < .840$) is greater than the table value of $.000$, we reject the null hypothesis. Therefore, we concluded that there was significant positive relationship between bonuses and profitability of Deposit Money Banks in Enugu State as reported in the probability value of ($r = .674 < .840, p < .05$).

4.3.2 Hypothesis Two: There was no significant positive relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State

Table 4.3.2.1 Contingency table of Research question two: Responses on the relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State

| | Questionnaire items | SA | A | N | DA | SDA | Total |
|---|-------------------------------------------------------------------------------------|----|-----|----|----|-----|-------|
| 1 | Recognition leads to greater bank staff engagement and attraction of more customers | 78 | 105 | 26 | 12 | 28 | 249 |
| 2 | There is improvement in friendly competition with | 51 | 136 | 6 | 28 | 28 | 249 |



| | | | | | | | |
|---|------------------------------------------------------------------------------------------|------------|------------|-----------|------------|------------|-------------|
| | recognition rewards and getting customers | | | | | | |
| 3 | Team efforts are enhanced with recognition rewards and increase in customer satisfaction | 62 | 95 | 35 | 29 | 28 | 249 |
| 4 | The recognition rewards motivate employees to so extra miles to attract customers | 66 | 112 | 5 | 28 | 38 | 249 |
| 5 | Attracting and retaining outstanding staff are ensured with recognition rewards. | 45 | 123 | 9 | 28 | 44 | 249 |
| | Total | 302 | 471 | 81 | 125 | 166 | 1245 |

Table 4.3.2.2 Pearson correlation matrix on the relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State

Correlations

| | Recognition leads to greater bank staff engagement and attraction of more customers | There is improvement in friendly competition with recognition rewards and getting customers | Team efforts are enhanced with recognition rewards and increase in customer satisfaction | The recognition rewards motivate employees to so extra miles to attract customers | Attracting and retaining outstanding staff are ensured with recognition rewards. |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Recognition leads to greater bank staff engagement and attraction of more customers | Pearson Correlation Sig. (2-tailed) N 1 .777** .000 249 | .777** .000 249 | .678** .000 249 | .753** .000 249 | .732** .000 249 |
| There is improvement in friendly competition with recognition rewards and getting customers | .777** .000 249 | 1 .000 249 | .716** .000 249 | .664** .000 249 | .727** .000 249 |
| Team efforts are enhanced with recognition rewards and increase in customer satisfaction | .678** .000 249 | .716** .000 249 | 1 .000 249 | .816** .000 249 | .718** .000 249 |
| The recognition rewards motivate employees to so extra miles to attract customers | .753** .000 249 | .664** .000 249 | .816** .000 249 | 1 .000 249 | .842** .000 249 |
| Attracting and retaining outstanding staff are ensured with recognition rewards. | .732** .000 249 | .727** .000 249 | .718** .000 249 | .842** .000 249 | 1 .000 249 |

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



Table 4.3.2.2. Showed the Pearson correlation matrix on recognition rewards and amount of customer deposits showing the correlation coefficients, significant values and the number of cases. The correlation coefficient shows $.664 < .842$. This value indicates that correlation is significant at 0.05 level (2 tailed) and implies that there was significant positive relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State. The computed correlations coefficient is greater than the table value of $r = .000$ at alpha level for a two-tailed test ($r = .664 < .842, p < .05$).

Decision Rule

The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise reject the null hypothesis.

Decision

Since the computed ($r = .664 < .842$) is greater than the table value of $.000$, we reject the null hypothesis. Therefore, we concluded that there was significant positive relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State as reported in the probability value of ($r = .664 < .842, p < .05$).

4.4 Discussion of Findings

4.4.1 There was significant positive relationship between bonuses and gross profit of Deposit Money banks in Enugu State, Nigeria

From the result of Hypothesis one, the computed ($r = .674 < .840$) is greater than the table value of $.000$, It was concluded that there was significant positive relationship between bonuses and gross profit of Deposit Money Banks in Enugu State as reported in the probability value of ($r = .674 < .840, p < .05$). In support of the result in the literature, Okeah, and Inimotimi, (2022), investigated the correlation linking tangible rewards and company performance of Money Deposit banks in Port Harcourt. It was revealed that a relationship does exist, it was albeit not a strong correlation linking tangible reward and company



performance (effectiveness), and a strong correlation linking tangible reward and company performance (efficiency) of deposit money banks in Port Harcourt, Rivers State.

4.4.2 There was significant positive relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State, Nigeria

From the result of Hypothesis two, the computed ($r = .664 < .842$) is greater than the table value of .000, it was concluded that there was significant positive relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State as reported in the probability value of ($r = .664 < .842$, $p < .05$). In support of the result in the literature, Tuyushime, Memba, and Mbera (2015) examined the effects of deposit mobilization on the bank financial performance in commercial banks in Rwanda. A case study of Equity bank Rwanda limited. The findings also indicates that a positive change in deposits interest rate affects the level of deposits received and later on the profitability of the bank. The study revealed that the introduction of innovative banking technology has led to the increase in deposits at a low cost as opposed to the usual way of getting deposits through term deposits and made financial services accessible to the unbanked people.

5.1 Summary of Findings

Based on the result the following findings were made

- i. There was significant positive relationship between bonuses and profitability of Deposit Money Banks in Enugu State, Nigeria ($r = .674 < .840$, $p < .05$).
- ii. There was significant positive relationship between recognition rewards and amount of customer deposits of Deposit Money Banks in Enugu State, Nigeria ($r = .664 < .842$, $p < .05$).



5.2 Conclusion

The study concluded that bonuses, and recognition rewards had significant positive relationship with the profitability, and amount of customer deposits of Deposit Money Banks in Enugu State. Incentive means an inducement that motivates or stimulates one to action in a desired direction. Incentive is one of the important factors for inducing and motivating the workers for higher efficiency and greater output. Incentives attract a workers attention and stimulate him to work. Beside wages and salaries, employees are paid incentives depending on their performance and paid as regularly as wages and salaries.

5.3 Recommendations

Based on the findings the following recommendations were made:

- i. The bank management and other organizations should introduce or improve in their bonuses to help keep staff engaged, by promising a higher level of reward for stronger performance. This will enable boosts employees' morale and motivate them to work harder to achieve the objectives.
- ii. The bank industries should encourage employees through rewarding and recognizing employees for greater employee engagement, which increases retention and helps create a more positive overall workplace.

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