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Role of Rewards and Recognition Programs on Employee Motivation and Performance in Nepalese Commercial Bank

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Abstract

The study examines the role of reward and recognition program on employee motivation and performance in Nepalese commercial banks. Employee motivation and employee performance are selected as dependent variables. The selected independent variables are salary, bonus, fringe benefit, recognition and promotion. The primary source of data is used to assess the opinions of respondents regarding salary, bonus, fringe benefit, recognition, promotion, employee motivation and employee performance of employees towards rewards and recognition programs in Nepalese commercial bank. The study is based on primary data of 125 respondents. To achieve the purpose of the study, structured questionnaire is prepared. The correlation and multiple regression models are estimated to test the significance and role of rewards and recognition programs on employee motivation and performance in Nepalese commercial bank.

The study showed that salary is positively correlated to employee motivation and employee performance. It indicates that higher the salary, higher would be the employee motivation and employee performance. Similarly, bonus is positively correlated to employee motivation and employee performance. It indicates that bonus leads to increase in employee motivation and employee performance. Likewise, fringe benefit is positively correlated to employee motivation and employee performance. It indicates that higher the fringe benefit, higher would be the employee motivation and employee performance. Further, recognition is also positively correlated to employee motivation and employee performance. It indicates that higher the recognition, higher would be the employee motivation and employee performance. In addition, promotion is positively correlated to employee motivation and employee performance. It indicates that good promotion leads to increase in employee motivation and employee performance.

Keywords: salary, bonus, fringe benefit, recognition, promotion, employee motivation, employee performance

1. Introduction

Rewards refers to all the monetary, non-monetary and psychological payments that an organization provides for its employees in exchange for the work they perform. Reward and motivation are the two main factors that have an effect on the job satisfaction and motivation of employees (Eshwar and priya, 2014). Aktar *et al.* (2012) explained rewards as one of the important elements to motivate employees for contributing their best effort to generate innovation ideas that lead to better business functionality and further improvise company performance both financial and non-financially. Similarly, Shafiq and Naseem (2011) stated that poorly designed reward system and poor compensation in organization mitigate the employee motivation and disrupt the employee performance. Reward system is most important ingredient for managing innovation in a company (Nacinovic *et al.*, 2009). Reward is the compensation which an employee receives from an organization for

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exchanging for the service offered by the employee or as the return for work done (Lin, 2007). Likewise, Carraher *et al.* (2006) advocated that there should be an effective reward system for organization performance and reward should be related to their productivity.

Rewards play an important role in building and sustaining the commitment among employees that ensures a high standard of performance (Wang, 2004). Rewards are of three main types that individuals seek from their organization i.e. extrinsic, intrinsic and social rewards (Williamson *et al.*, 2009). Similarly, Rizwan and Tariq (2014) explained that employee recognition program can be a great morale-building tool for any organization. The performance of employees' in any organization is vital, not only for the growth of the organization, but also for the growth of individual employees' (Meyer and Peng, 2005). Schaufeli *et al.* (2002) suggested that the significance of reward system prevents employee burnout that reduces employee job satisfaction and adversely affects motivation and productivity. Similarly, Mendis and Weerakkody (2017) concluded that there is a strong relationship of work life balance with employee satisfaction and employee performance. Aguinis and Kraiger (2009) found that the employee motivation is a fundamental foundation for employee's intention to apply knowledge for better effectiveness to attain organizational performance. In addition, Daniel and Metcalf (2005) revealed a direct correlation between recognition and their motivation and negative correlation with turnover intention.

Motivation is as important as training and appropriate environment is also important to achieve desired job performance (Saeed and Asghar, 2012). Moreover, Shahzadi and Farooqi (2014) stated that good reward and better working conditions have a significant variance in employee motivation and when employees are motivated the organization, performance will go up. Shahzadi and Farooqi (2014) explained that employee relationship with supervisor, training process; opportunities for improvement have a great impact on employee performance. According to Dewhurst *et al.* (2009), there are other means to reward employees that do not just focus on financial compensation. Some of these include the praised that employees are able to acquire from their managers, the opportunity to take on important projects or tasks, and even leadership attention.

Motivation is about giving the employees right mixture of guidance, direction, resources and rewards so that they will be inspired to pay their best effort to the work (Luthans, 2000). Baron (1983) defined Motivation as a set of processes concerned with the force that energizes behavior and directs it towards attaining some goal. Likewise, Faisal *et al.* (2015) suggested that well-motivated employees are more committed, efficient and effective for organization. consequently, if motivation is being ignored by employers, employees might show annoyance through poor performance, demotivation, non-commitment, turnover and absenteeism. Mamdani and Minhaj (2016) concluded that capacity building programs should be initiated for the employees which will not only make their work challenging but will also increase commitment towards their organizations.

Ahmed and shabbir (2017) found that presence of a relationship between intrinsic and extrinsic rewards on employee performance and has a significant effect of intrinsic and extrinsic rewards difference on employee performance of the banking sector in Pakistan. Similarly, Aamir *et al.* (2012) revealed that reward management has an intense direct positive relationship with employee motivation level also the intrinsic factors played important role in the motivation process. Likewise, Rahman and Hoque (2014) found that most of the

employees are moderately happy about bonuses & reward facilities. Moreover, Alam (2022) concluded that there is a significant positive correlation between motivation and motivation related variables.

Obodoechi *et al.* (2020) revealed that employees' job satisfaction is at moderate level and the descriptive statistics shows that both reward and recognition is positively and significantly associated with job satisfaction. In addition, Woretaw *et al.* (2020) concluded that Multiple linear regression variables like recognition and training have positive and significance effect on employee's motivation in Commercial bank of Ethiopia, and also payment and training variables have positive and significance effect on employee's motivation in private banks.

Rasool *et al.* (2018) concluded that reward and recognition have a positive and significant relationship with job-satisfaction and motivation. Kathina and Bula (2021) revealed that employee recognition and job promotion have positive and significant influence on employee performance in commercial banks in Kenya. Likewise, Catanzaro (2001) described the effects of rewards over employee motivation and stated that reward has a deep effect over employee motivation. Andrew and Kent (2007) reported that employees possess high level of consciousness towards reward system for their job satisfaction and work motivation. A strong positive correlation between recognition and performance is reported (Stajkovic and Luthans, 2003).

Mabaso and Dlamini (2017) concluded that compensation has a significant positive impact on job satisfaction. Moreover, Babin and Boles (1996) found positive effects of perceived co-worker involvement and supervisor support on performance and job satisfaction. Sahinidis and Bouris (2007) concluded that there is a significant positive correlation between the employee perceived training effectiveness and their commitment, job satisfaction and motivation. Similarly, Hanaysha and Tahir (2016) revealed that employees training has a significant positive effect on job satisfaction. Betra (2005) found a sound relationship with co-workers enhances job satisfaction among the employees in the organization. Owens (2006) explored that there is a strong link between training and various outcomes of organization such as job satisfaction, training, and organizational commitments.

Mohamed (2005) found that, when there is a significant positive change in compensation, promotions and benefits, workers become satisfied and increases productivity. Sugiono and Efendi (2020) showed that situational leadership and compensation have a positive effect on employee performance. likewise, Tessema and Soeters (2006) concluded that there is a significant positive correlation between compensation practices and employee performance. Compensation and better reward practice plays crucial role in attracting and retaining highly skilled employees (Kim *et al.*, 2018).

In the context of Nepal, Adhikari (2023) concluded that better training and development practices in Nepalese commercial banks directed towards the employees leads to higher level of performance. Thapa (2016) found a positive impact of training and motivation factors (workplace environment, trainee characteristics, on the job and off the job training, reward system) on employees' performance. Misra *et al.* (2012) revealed a strong positive correlation of employee's motivation with both financial and nonfinancial rewards. Similarly, Yukongdi and Shrestha (2020) found that merit-based recruiting, competitive pay structure,

timely promotion scheme based on performance, training and development programs, proper rewards and recognition for good work tend to have a positive effect on affective commitment among employees. Acharya *et al.* (2022) found that recognition, flexible work hour, career development opportunities, promotion, belongingness and job security have positive impact on employee motivation among the commercial banks. Chapagain *et al.* (2022) showed a positive association of training effectiveness, job performance, workplace environment, with employee performance. Chand and Srivastava (2020) concluded that more than 50 percent of the employees are satisfied and benefited from the training program and overall productivity level has been increased leading to the organization's effectiveness.

The above discussion shows that empirical evidences vary greatly across the studies on the role of rewards and recognition programs on employee motivation and performance in commercial bank. Though there are above mentioned empirical evidences in the context of other countries and in Nepal, no such findings using more recent data exist in the context of Nepal. Therefore, in order to support one view or the other, this study has been conducted.

The major objective of the study is to examine the Role of rewards and recognition programs on employee motivation and performance in Nepalese commercial bank. More specifically, it examines the relationship of salary, bonus, fringe benefit, recognition, promotion with the employee motivation and performance in Nepalese commercial bank.

The remainder of this study is organized as follows. Section two describes the sample, data and methodology. Section three presents the empirical results and final section draws the conclusion.

2. Methodological aspects

The study is based on the primary data. The data were gathered from 125 respondents through questionnaire. The respondents' views were collected on salary, bonus, fringe benefit, recognition, promotion, employee motivation and employee performance. This study is based on descriptive as well as causal comparative research designs.

The models

The model estimated in this study assumes that employee motivation and employee performance depends on rewards and recognition programs in commercial banks. The dependent variable selected for the study are employee motivation and employee performance. Similarly, the independent variables are salary, bonus, fringe benefit, recognition and promotion delivery time. Therefore, the model takes the following form:

$$EM + EP = \beta_0 + \beta_1 S + \beta_2 B + \beta_3 FB + \beta_4 R + \beta_5 P + e$$

Where,

S=Salary

B= Bonus

FR= Fringe benefits

R=Recognition

P=Promotion

Salary was measured using a 5-point Likert scale where respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “the salary I receive is fair considering my level of performance and responsibilities.”, “I believe that my salary reflects the effort I put into my work and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.731$).

Bonus was measured using a 5-point Likert scale where respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “The bonus system in my organization effectively acknowledges my performance and contributions”, “The bonus incentives motivate me to perform better in my role”, and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.735$).

Fringe benefit was measured using a 5-point Likert scale where respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “The fringe benefits offered by my organization effectively recognize and appreciate my contributions”, “I believe that the fringe benefits offered by my organization are fair and equitable for all employees”, and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.686$).

Recognition benefit was measured using a 5-point Likert scale where respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “The recognition program in my organization effectively acknowledges my contributions”, “The recognition I receive motivates me to perform better in my role within the bank”, and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.688$).

Promotion was measured using a 5-point Likert scale where respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “I feel that promotions are based on merit and achievement rather than favoritism or bias”, “I believe that the promotion process is fair and transparent in my organization”, and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.709$).

Employee motivation towards rewards and recognition was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “The reward and recognition programs in my organization motivate me to perform better in my role”, “The salary I receive serves as a motivating factor for me to excel in my job”, and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.682$).

Employee performance towards rewards and recognition programs was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “The salary I receive is linked to my level of performance”, “Bonuses and incentives provided by my organization encourage me to enhance my job performance”, and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.659$).

The following section describes the independent variables used in this study along with the hypothesis formulation.

Salary

Richardson (2008) revealed that salary should include the financial compensation, various substantial services and welfare for effective reward system enabling the employee motivation. Similarly, Vanscoter (2000) found that salary has a significant role on altruistic behavior as well as job involvement which helps organizations keep competitive, to reduce the turnover rate, to improve productivity and quality of work. The salary is an essential element of the labor agreement, a part of the obligations assumed by the employer and of the judicial cause of the employed person, it constitutes the totality of the monetary rights proper for performed labour (Vieriu, 2014). In addition, Bishop (1987) suggested that pay is directly related with productivity. Moreover, Ahmad *et al.* (2010) stated that fair salary with regard to their job work motivates the employees and they positively feel rewarded. Likewise, Hayat *et al.* (2010) concluded that pays and financial benefits are the factors that put an effect on employee's job satisfaction. The employee's commitment and satisfaction depend on salary package, job satisfaction and relation with their colleagues (Warsi *et al.*, 2009). Based on it, this study develops the following hypothesis:

H₁: There is a positive relationship between salary and employee motivation and employee performance.

Bonus

According to Bardot (2014), bonuses is a payment where the employees should not be expected to receive as it is commonly discretionary or backwards-looking. Similarly, employees who receive a miserly bonus and it reflects how the company assessed their performance, might consider improving next year (Finkle, 2011). Similarly, Sayuyigbe (2013) concluded that the result of reward such as bonus has a positive and significant effect towards employee performance. Likewise, Shafiq and Naseem (2011) stated that poorly designed reward system and poor compensation in organization mitigate the employee motivation and disrupt the employee performance. In addition, Rahman and Hoque (2014) found that most of the employees are moderately happy about bonuses & reward facilities. Based on it, this study develops the following hypothesis:

H₂: There is a positive relationship between bonus and employee motivation and employee performance.

Fringe benefit

Organization used fringe benefits to decrease turnover like that of wages (Dale, 2006). Similarly, Chukwudumebi and Kifordu (2018) found that there is a significant relationship between fringe benefits, employee morale and productivity. Similarly, Ghaffari *et al.* (2017) found that there is a significant relationship between fringe benefit and job performance. Likewise, Mugaa *et al.* (2018) concluded that fringe benefits have positive and significant effect on employee performance. Moreover, Uppal (2005) explained that fringe benefits like insurance, positively correlate with employee satisfaction. In addition, Puwaneethiren (2011) found that work environment, employee training, holiday pay, bonus,

pension benefits and overtime pay are the factors that enhance the employee performance. Based on it, this study develops the following hypothesis:

H₃: There is a positive relationship between fringe benefits and employee motivation and employee performance.

Recognition

Recognition is defined as an identification of someone or something or person from previous encounters or knowledge. similarly, Dartey (2010) found that if an employee gets accredited by supervisors and colleagues for work and opinions are valued, such employees are satisfied with jobs and are more committed. likewise, Rasool *et al.* (2018) concluded that reward and recognition have a positive and significant relationship with job-satisfaction and motivation. In addition, Daniel and Metcalf (2005) revealed a direct correlation between recognition and their motivation and negative correlation with turnover intention. A strong positive correlation between recognition and performance is reported (Stajkovic and Luthans, 2003). Based on it, this study develops the following hypothesis:

H₄: There is a positive relationship between recognition and employee motivation and employee performance.

Promotion

Promotion typically refers to the act of raising awareness, generating interest, and encouraging the purchase or adoption of a product, service, idea, or cause. Similarly, Khan *et al.* (2010) showed that promotion among most the important variables has the greatest effect on employee work motivation. similarly, Kathina and Bula (2021) found that job promotion has a positive and significant influence on employee performance in commercial banks in Kenya. Likewise, Pousa and Mathieu (2010) found that if hard work is rewarded by a promotion, then employees are likely to work harder. Moreover, Rosti and Shipper (1998) found employee development for managerial skills is positively related to employee promotion that encourages employees for the greater performance. Based on it, this study develops the following hypothesis:

H₅: There is a positive relationship between promotion and employee motivation and employee performance.

3. Results and discussion

Correlation analysis

On analysis of data, correlation analysis has been undertaken first and for this purpose, Kendall's Tau correlation coefficients along with means and standard deviations have been computed, and the results are presented in Table 1.

Table 1

Kendall's Tau correlation coefficients matrix

This table presents Kendall's Tau correlation coefficients between dependent variable and independent variables. The correlation coefficients are based on 125 observations. The dependent variable is EM (Employee Motivation)

and EP (employee performance). The independent variables are S (Salary), B (Bonus), FB (fringe benefit), R (Recognition) and p (promotion).

Variables	Mean	S.D.	EM	EP	S	B	FB	R	P
EM	1.530	0.354	1						
EP	1.554	0.341	0.517**	1					
S	1.480	0.364	0.426	0.382	1				
B	1.577	0.375	0.405	0.493	0.534	1			
FB	1.554	0.365	0.572**	0.462	0.489	0.531**	1		
R	1.539	0.353	0.497	0.492	0.562**	0.588**	0.543**	1	
P	1.587	0.380	0.637**	0.594**	0.512**	0.513**	0.476	0.521**	1

Notes: The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent level respectively.

Table1 shows the Kendall's Tau correlation coefficients of dependent and independent variables. The study shows that salary is positively correlated to employee motivation. It indicates that higher the salary, higher would be the employee motivation. Similarly, bonus is positively correlated to employee motivation. It indicates that bonus leads to increase in employee motivation. Likewise, fringe benefit is positively correlated to employee motivation. It indicates that higher the fringe benefit, higher would be the employee motivation. Further, recognition is also positively correlated to employee motivation. It indicates that higher the recognition, higher would be the employee motivation. In addition, promotion is positively correlated to employee motivation. It indicates that fair promotion leads to increase in employee motivation.

Similarly, the study also shows that salary is positively correlated to employee performance. It indicates that higher the salary, higher would be the employee performance. Similarly, bonus is positively correlated to employee performance. It indicates that higher bonus leads to increase in employee performance. Likewise, fringe benefit is positively correlated to employee performance. It indicates that higher the fringe benefits, higher would be the employee performance. Further, recognition is also positively correlated to employee performance. It indicates that higher the recognition, higher would be the employee performance. In addition, promotion is positively correlated to employee performance. It indicates that promotion leads to increase in employee performance.

Regression analysis

Having analyzed the Kendall's Tau correlation coefficients matrix, the regression analysis has been carried out and the results are presented in Table 2. More specifically, it presents the regression results of salary, bonus, fringe benefit, recognition and promotion on employee motivation and employee performance in Nepalese commercial bank.

Table 2

Estimated regression results of salary, bonus, fringe benefit, recognition and promotion on employee motivation in Nepalese commercial Banks

(The results are based on 125 observations using linear regression model. The model is $EM = \beta_0 + \beta_1 S + \beta_2 B + \beta_3 FB + \beta_4 R + \beta_5 P + e$ where the dependent variable is EM (employee motivation). The independent variables are S

(salary), B (bonus), FB (fringe benefit), R (recognition) and P (promotion).

Model	Intercept	Regression coefficients of					Adj. R_bar ²	SEE	F-value
		S	B	FB	R	P			
1	0.686 (6.330)	0.570 (8.006)					0.337	0.288	64.09
2	0.752 (6.491)**		0.493 (6.903)**				0.337	0.288	64.09
3	0.495 (4.918)**			0.668 (10.602)**			0.475	0.255	112.40
4	0.555 (5.016)**				0.633 (9.028)**		0.394	0.276	81.51
5	0.390 (4.466)**					0.718 (13.397)**	0.590	0.227	179.48
6	0.561 (4.806)**	0.408 (4.357)	0.493 (6.903)**				0.366	0.282	36.80
7	0.384 (3.506)**	0.221 (2.485)	0.004 (0.049)**	0.525 (5.920)			0.498	0.249	41.70
8	0.384 (3.506)**	0.141 (1.518)	0.044 (0.497)**	0.453 (4.956)	0.241 (2.479)**		0.519	0.244	34.153
9	0.216 (2.272)**	0.009 (0.117)	0.104 (1.370)**	0.368 (4.670)	0.045 (0.516)**	0.045 (0.516)**	0.652	0.208	47.155

Notes:

- i. Figures in parenthesis are t-values.
- ii. The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent level respectively.
- iii. Employee motivation is dependent variable.

Table 2 shows that the beta coefficients for salary are positive with employee motivation. It indicates that salary has a positive impact on employee motivation. This finding is consistent with the findings of Richardson (2008). Similarly, the beta coefficients for bonus are positive with employee motivation. It indicates that bonus has a positive impact on employee motivation. This finding is consistent with the findings of Sajuyigbe (2013). Likewise, the beta coefficients for fringe benefit are positive with employee motivation. It indicates that training and development has a positive impact on employee motivation. This finding is consistent with the findings of (Dale,2006). Further, the beta coefficients for recognition are positive with employee motivation. It indicates that recognition has a positive impact on employee motivation. This finding is consistent with the findings of (Dartey, 2010). In addition, the beta coefficients for promotion are positive with employee motivation. It indicates that promotion have a positive impact on employee motivation. This finding is similar to the findings of (Rosti and Shipper,1998).

Table 2 shows estimated regression result of salary, bonus, fringe benefit, recognition and promotion on employee motivation in Nepalese commercial banks.

Table 3

Estimated regression results of salary, bonus, fringe benefit, recognition and promotion on Employee performance in Nepalese commercial banks

The results are based on 125 observations using linear regression model. The model is $OP = \beta_0 + \beta_1 S + \beta_2 B + \beta_3 FB + \beta_4 R + \beta_5 P + e$, where the dependent variable is EP (employee performance). The independent variables are S (Salary), B (Bonus), Fb (fringe benefit), R (Recognition) and P (Promotion).

Model	Intercept	Regression coefficients of					Adj. R_bar ²	SEE	F-value
		S	B	FB	R	P			
1	0.735 (7.476)	0.499 (6.006)					0.278	0.28976	48.643
2	0.735 (6.850)**		0.519 (7.853)**				0.329	0.27935	61.666
3	0.730 (6.649)**			0.532 (7.742)**			0.324	0.27841	59.935
4	0.541 (5.378)**				0.658 (10.320)**		0.460	0.2505	106.50
5	0.485 (5.560)**					0.673 (12.576)**	0.559	0.22640	158.155
6	0.619 (5.491)**	0.247 (2.727)	0.361 (4.154)				0.362	0.27232	36.168
7	0.535 (4.611)**	0.148 (1.572)	0.240 (2.569)**	0.272 (2.893)			0.389	0.26470	27.088
8	0.413 (3.737)**	-0.001 (0.15)	0.150 (1.691)**	0.138 (1.510)	0.450 (4.632)**		0.478	0.24467	29.142
9	0.320 (3.251)**	-0.121 (1.441)	0.095 (1.216)**	0.060 (0.741)	0.272 (3.010)**	0.473 (6.016)**	0.597	0.21494	37.449

Notes:

- Figures in parenthesis are t-values
- The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent level respectively.
- Employee performance is the dependent variable.

Table 3 shows that the beta coefficients for salary are positive with employee performance. It indicates that salary has a positive impact on employee performance. This finding is consistent with the findings of Vanscoter (2000). Similarly, the beta coefficients for bonus are positive with employee performance. It indicates that bonus has a positive impact on job satisfaction. This finding is consistent with the findings of (Bardot ,2014). Likewise, the beta coefficients for fringe benefit are positive with employee performance. It indicates that fringe benefit has a positive impact on employee performance. This finding is consistent with the findings of (Uppal,2005). Further, the beta coefficients for recognition are positive with employee performance. It indicates that recognition has a positive impact on employee performance. This finding is consistent with the findings of (Kathina and Bula, 2021). In addition, the beta coefficients for promotion are positive with employee performance. It indicates that promotion have a positive impact on employee performance. This finding is similar to the findings of Khan *et al.* (2010).

4. Summary and conclusion

Rewards refers to all the monetary, non-monetary and psychological payments that an organization provides for its employees in exchange for the work they perform. Reward and motivation are the two main factors that have an effect on the job satisfaction and motivation of employees. Rewards schemes may include extrinsic and intrinsic rewards. Similarly, Recognition refers to acknowledging and rewarding employees for their contributions, achievements or outstanding performance. Overall, recognition in banks plays a crucial role in fostering a positive work culture, motivating employees and ultimately contributing to the bank's success. Employee motivation is the level of energy, commitment, and creativity that a company's workers bring to their jobs and employee performance is defined as how well a person executes their job duties and responsibilities.

The study attempts to examine the role of rewards and recognition programs on employee motivation and performance in Nepalese commercial banks. The study is based on primary data of 125 respondents.

The major conclusion of the study is that salary, bonus, fringe benefit, recognition and promotion have positive impact on employee motivation and performance in Nepalese commercial bank. The study also concludes that promotion is the most influential factor followed by salary and bonus that explain the role of rewards and recognition programs on employee motivation and performance in Nepalese commercial bank.

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