



**RESEARCH PAPER**

**Investigate the Role of Non-Financial Rewards on Employee Performance: Mediating Role of Motivation**

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**ABSTRACT**

Purpose of the study is to assess the influence of non-financial rewards in employee performance as well as to measure mediating effect of motivation between non-financial rewards and Employee performance. Non-financial rewards like recognition, job security, and the chance for professional advancement, employee empowerment, etc., inspire workers more than financial benefits. Online survey is used to collect the perceptions of 241 individuals working in Islamic banks of Pakistan. The conclusion of the study shows that non-financial rewards, career development, empowerment, and working environment have positive and significant impact on employee performance. Moreover, the mediating role of motivation is proved between the non-financial rewards (empowerment, career development, and the working environment) and employee performance. On the behalf of results, It is suggested that organization should use non-monetary benefits with financial benefits to maximize the employees' performance.

**KEYWORDS** Banking Sector, Career Development, Employee Performance, Empowerment, Motivation, Non-Financial Rewards, Working Environment

**Introduction**

In the organization employees are important assets and for the organization, their performance is one of the crucial success elements. The performance of the employees can be achieved when the employees are motivated, satisfied, involved and give maximum output. For the organization, human resource is the major asset and it provides a firm with a competitive advantage. The success of any organization is directly proportional to its employees' performance. Without strong commitment from its workforce, the company are unable to accomplish the goals and objectives. For Human Resource practitioner, organizations need to policies and the HR departments are responsible for implementation to creates organizational values (Barrett and Mayson 2007). Employees can be motivated by the HR policies if these are beneficial to employees and these policies can assists in the accomplishment of organizational mission, vision and sustainable growth. If these policies and practices are implemented in the right way employees can give their 100% performance for the organizational success.

In today's era, employees not only need financial rewards like salary bonuses, etc, but they also want rewards in terms of non-financial benefits like appreciation, empowerment, career development, recognition, etc. They anticipate being compensated monetarily as well as non-monetarily for the efforts they have put in and the services they have provided. Employees are not performing up to the standards set for them, and they are dissatisfied because they are not receiving compensation that is equitable opportunity for training and development, or acknowledgment for their efforts. This type of dissatisfaction results from the absence of non-financial benefits. This results in low performance and a high turnover rate among employees. If an employee's performance is affected by these non-cash features, then overall performance of the organization is affected severely. An

organization's overall performance and success factors are directly related to employee performance individually.

The studies show that non-financial rewards are well accepted and that positive reinforcement in the form of acknowledgment and praise is a motivating factor in the improvement of an employee's work performance. It has been demonstrated through research conducted in different sectors that providing employees with enough monetary compensation is insufficient to satisfy and influence them (Schlechter, Thompson et al. 2015). Similarly, the other study by Whitaker (2010), found that a cash bonus or pay raise may have enhanced the employee's initial satisfaction and motivation, but the effects are not long lasting as the non-financial rewards. According to Anandita, Saropah et al. (2021), the employees provided the organization with services, and in exchange for these services, the organization is obligated to compensate the employees in a manner that is both professional and equitable.

Improper implementation reward system, performance appraisal, orientation, pay policies, and career development opportunities can leads to discouragement in employees and performance can be affected. (Matloob, Shah et al. 2021). So, it is necessary to implement HR practices properly with true spirit and it will the work experience of employees. An important factor in employee effectiveness is motivation and motivation gives employees a boost in their work, which results in high work performance. According to Mushtaq and Ajmair (2022), the morale of the workforce, job satisfaction is directly influenced by the physical workplace. While on other hand no one is focused on the improvement of the working environment especially in public sector organizations. The government sector organizations can allocate the budget for this purpose and government officers can improve their work setting but they are not keen to do. In a study conducted by Shaikh, Tunio et al. (2017), public offices are showcase of filthy setting, insufficient lighting, a lack of visitor amenities, and unsuitable working environment.

Employee performance is influenced by how they are treated. An organizational strategy coincides with workers' interests and influences their performance. In results, the employee performance is affected by low work motivation. This demotivation occurs from an inappropriate reward system, as a direct result of this gap in strategy and employees' overall performance suffers. To meet the market competition companies, need a highly active and competitive workforce. If their workforce is not able to meet the market competitors, the organization cannot survive more in the market. So, a highly competitive workforce is a competitive advantage of any organization. To retain the competitive workforce, organizations need to develop a good reward and compensation system that includes financial rewards and non-financial rewards.

Many researchers have attempted to discover the relationship between non-monetary rewards and employee motivation. But there has been less concentration on the motivation role between non-monetary rewards and output of employees. Because of this, there is a need to examine the effect of non-financial rewards on employee performance in the banking sector. Organizations are failed to provide non-monetary advantages that take minimal effort. Many businesses are plagued by high rates of employee turnover and overall deterioration (Aktar, Sachu et al. 2012). There is a need to implement non-financial rewards in the reward system which may have a immense impact on productive and output (Muthumbi and Kamau 2021).

In today's working environment employees feel demotivated from their work in the banking sector which results in low employee performance. This de-motivation occurs from the inappropriate reward system, as a direct consequence of this, the employee's performance in the workplace suffers, which becomes the reason for it. In the era of high competition, every organization needs competitive employees to meet the organization's goals and standards to improve their work. The competency of the employee is increased when they are motivated and

doing their work well. So, with that in mind the researcher doing the research and creating an understanding of how non-financial rewards play a vital role in the betterment of employee performance. Since the development of the banking sector, its play a vibrant role in the stabilization of the economic condition and play a vital role in its development. In every type of organization, employee performance is a vital element, because it is critical for the success of the company that its employees be productive and successful in their work. Employee in banking sector performance is very important. Bank profitability can be boosted by good employee performance, which will be advantageous in the banking industry's fierce rivalry.

In the Pakistani banking business, there is a lack of information regarding the precise utilization of financial and non-financial aspects that impact employee performance. This is because there hasn't been much study conducted on the topic and needs more research to utilize these rewards in the reward system. In contrast, increased competition has compelled management to implement several lucrative tactics for bank survival and personnel retention in the banking industry. In that competitive scenario, banks need to have a talented and motivated workforce. It is essential to investigate the elements that are influencing employee performance in the banking industry at this time. Different research practitioners have also examined and discussed the growth of the banking sector and its important role as a financial mediator for evaluating various banking industry qualities (Javed, 2018).

### **Literature Review**

The study is grounded on Two Factor Theory (Herzberg's Motivation-Hygiene Theory) and Abraham Maslow's Hierarchy of Needs. In 1959 Fredrick Herzberg develops the theory of two-factor theory, which is also known as "Herzberg's Motivation-Hygiene Theory". And the foundation of this theory is to investigation the level of employee satisfaction in the company. Fredrick Herzberg's theory hypothesizes that "hygiene and motivational factors are responsible for satisfaction and discontentment". People are focusing on their work performance when they are influenced by motivational factors, and people are also given performance expectations that have to be fulfilled within the company. The elements that have been thoroughly investigated and shown to have a direct link with the task that is carried out are referred to as motivating factors.

Herzberg (1964) discovered that factors causing dissatisfaction with jobs were dissimilar from those factors which influence satisfaction on the job. He referred to the factors causing satisfaction or dissatisfaction and the term 'hygiene' was utilized as a consequence of the fact that elements for keeping up with employees are normally meant to keep an employee from expressing unhappiness, but these criteria are also extremely distant from supplying satisfaction to the person in question. The job itself, responsibility, progress, growth, and acknowledgment are the main variables that become the cause of employee happiness, resulting in improved employee performance, which is highlighted by the accomplishment. According to predictions, for employers to maintain continuous employee satisfaction and increase staff performance, they do need to consider hygienic concerns, and basic minimum requirements or needs, such as having a source of income met (Muthumbi and Kamau 2021).

Maslow's classified under three terms, one basic need included physiological needs and safety needs. The second concept is that of psychological wants, which can be broken down into the categories of love, belonging, and esteem. The third term is self-fulfillment needs which include self-actualization. When someone recognizes you for your work and says well done, it satisfies the urge for esteem that they have. They are a manifestation of the fact that a great number of individuals have the desire to be acknowledged and appreciated by other people. This might be achieved by promotion at work. Individuals' levels of self-actualization are typically evaluated based on the amount of success or difficulty they have in their professional lives. Self-actualization is concerned with how people view themselves (Ramlall 2004).

Organizations must take care that all the time employees are not working for financial incentives just. Employees enjoy their work when the organization creates an environment where employees like to come, through this their performance will increase. Incentives are usually used full when the organization needs to achieve its target through the employees. The corporate environment has several interesting opportunities for Maslow's hierarchy of wants (Ramlall 2004).

*Employee Performance:* Different scholars defined employee job performance according to their perspectives. The term "employee performance" refers to the degree to which obligations and duties are effectively carried out by an employee (Shields, Brown et al. 2015). According to Eldor (2017), job performance is explained by the significance of an employee's behavior that constructively or destructively contributes to the achievement of organizational tasks. Dessler (2000), defines employee performance is a reflection of completed tasks and achieved goals. If a firms didn't conduct regular performance appraisal of its workers, the business will spiral out of control and become disorderly. Employees' performance must be properly analyzed by the company to get good employee performance. An employee's willingness and sincerity to do their job determines their performance. He also added that the employees having this enthusiasm and dedication will result in efficiency and result (Ngatia 2015).

*Reward System:* A reward is anything that a person receives in exchange for their services or efforts. Getting rewards from the organization employees and employers enjoys a fruitful and affirmative working environment (Ngatia 2015). In the workplace, there are two distinct reward categories or types. One type of reward is monetary (financial) rewards. Extrinsic incentives, sometimes known as monetary rewards, are another name for financial rewards. The monetary rewards include vacation pay, medical facilities, life, and health insurance, transportation facilities, compensation, bonuses, and benefits such as health and life insurance, medical facilities, and benefits such as vacation pay and food facilities (Yousaf, Latif et al. 2014).

The second type of reward is non-monetary (non-financial) rewards, sometimes referred to as intrinsic rewards. Cited by Gikuya (2014), "non-financial rewards as psychological or intrinsic rewards that people do, and their working environment". Reward management refers to all techniques, procedures, and plans created and put into place by organizations to acknowledge and value the contribution of their staff to corporate operations. Aims to increase job satisfaction, employee motivation, and commitment rewards system is considered the key management tool, so that they may continue to execute at a high level and accomplish business goals, which will ultimately increase the effectiveness and profitability of the firm (Armstrong 2010).

According to Agbenyegah (2019), money can play a significant role in an individual's decision to perform, but other non cash rewards are also important as well. That's why organizations included non-financial rewards in their reward system as an effective tool to motivate the employees. Non-monetary rewards can be intrinsically arising from the work itself such as relevant and engaging tasks connected to the job or extrinsic ones arising from praise and acknowledgment. Non-financial rewards support fulfilling employees' requirements for development, recognition, and accountability and the majority are generally affordable (Gikuya 2014). Pfeiffer (2006) included recognition, success, influence, responsibility, and personal development as non-financial rewards.

Employees' intrinsic motivation is greatly impacted by non-monetary rewards, in contrast to financial incentives, which tend to increase workers' extrinsic motivation (Thompson 2002). As a result, non-financial rewards programs used by companies tend to draw highly qualified and motivated employees, strengthening their psychological bonds and facilitating the attainment of organizational goals. Non-financial benefits do not have the

same effect on all employees. Also, external factors affect the non-financial rewards. The effectiveness of non-financial rewards in inspiring employees to perform better can be significantly impacted by the external economic climate. For instance, when the economy is in a slump, non-financial compensation programs that are presented by a firm to its employees may be seen by those individuals as meaningless endeavors that are purely intended at cutting labor expenses.

*Motivation:* Walker and Miller (2010) define motivation as “the state that compels an individual to proceed in a way planned to accomplish some goals”. Guay, Chantal et al. (2010) define motivation as “the reasons underlying behavior and the attribute that moves us to do or not to do something”. A person might be motivated to pursue their goals by a variety of forces, some of which are internal and others that are external (Afiyati 2019). A seminal study conducted by Armstrong (2006), in two ways motivation operates at work. First, people motivate themselves at work by doing work that genuinely motivates them, and they expect to attain their goals as a result of this work motivation. Secondly, higher management creates or provides a motivating environment to their employees through such bonus and pay schemes. Motivation in an organizational setting has been studied as a consequence, antecedent, and mediator. According to Dessler, Cole et al. (2015), employees give their finest effort for improving firm performance when he/she is motivated. Also, motivated worker anticipates that both monetary and non-financial benefits will be in line with their accomplishments or performance.

*Career development:* It is a continuous process that aids in career exploration, success, stabilization, and achievement referenced by (Arifin, Raza et al. 2020). In the technical aspect, the employee needs to be committed to the organization for their career development (Silaban, Handaru et al. 2021). According to Yousaf, Latif et al. (2014), low motivation and performance are caused by the organization's lack of career or professional growth options. For every employee career growth or development is very important in his/her practical life. Employees need promotion or career growth in their job. They work hard for getting a high reward in terms of career growth. Career development is achieved when personal improvements are done by the person to achieve his career plan (Febrianti and SE 2020). Companies use career development steps to increase and maintain employee productivity and prepare their employees for their future positions.

*Organizational Environment:* The human environment refers to the group of people or workgroup, others with whom the employee relates, and the management and leadership. The technical environment relates to the infrastructure, equipment, tools, and other physical tools. And the organizational environment includes procedures, a set of activities, systems, and philosophies. These are the three major elements that make a proper working environment at the workplace.

*Employee empowerment:* Its's main objective is to develop and enhance individual and corporate performance, as well as to assist employees in achieving their objectives, for this it is necessary to authorize or give the right to the employee to participate in the decision-making process (Jaleta, Kero et al. 2019). Jaleta, Kero et al. (2019) stated that employees in any firm feel empowered to work more efficiently and help the organization get closer to its ultimate goals by contributing to their achievement.

*Theoretical Framework:*

*Non-Financial Rewards and Employee Performance:* Non-cash rewards like recognition, job security, and the chance for professional advancement, employee empowerment, etc., inspire workers in a firm. In a study by Agbenyegah (2019), they find out that financial and non-financial rewards are the motivation for the employee's performance in the financial institute of Ghana. Employee motivation in an organization can be improved through the use of recognition and praise. This can improve employee performance.

*H1: "Non-financial rewards have a significant relationship with employee performance in the banking sector".*

*Empowerment and Employee Performance:* Empowerment has a positive impact on employee performance in the companies' operating. Empowerment has a positive role in increasing employee performance and a solid relationship between empowerment and employee performance.

*H2: "There is a positive relationship between empowerment and employee performance".*

*Career Development and Employee Performance:* To improve each employee's job satisfaction, suitable or sufficient work experience is required, which will have an impact on increasing their performance (Adnyani and Dewi 2019). In an another study conducted by Muthumbi and Kamau (2021) at Deloitte Limited in Kenya, it was found that employee performance had a positive and significant link with career growth and 34.9 percent of employee performance is influenced by career development programs.

*H3: "Career development has a significant relationship with employee performance in the banking sector".*

*Working Environment and Employee Performance:* The physical working environment can be affected employee performance which includes temperature, lighting, noise, fresh air, and office layout. Each of these disturbances may result in health issues for workers, which would impair productivity (Saidi, Michael et al. 2019). To avoid unnecessary stress to the employees a positive or healthy working environment plays a vital role and this affects their working performance (Saidi, Michael et al. 2019). Employees need a stress-free working environment where they can work easily and enhance their performance. If the working environment of the organization is not well its affects employee performance.

*H4: "There is a positive relationship between the working environment and employee performance".*

*The Role of Motivation as a Mediator:* Previous research has shown that financial and non-financial rewards influence employees' motivation and commitment. According to Aktar, Sachu et al. (2012), the non-monetary benefits in the form of learning opportunities, recognition, demanding occupations, and career advancement have been evaluated and proven to be an effective and important tool for employee motivation, resulting in better performance. In another study by Whitaker (2010), non-monetary rewards including shortened hours, more time off, free meals, or other services, and It has been discovered that engaging in team-building activities can increase employee engagement, foster a positive culture at work, and foster an increased sense of commitment to the firm. Career development is utilized as a non-monetary award to inspire employees and boost morale in the organizations for which they work. Career development management and mentoring/coaching are effective components or ways to improve employee motivation. Bari, Abrar et al. (2019), found that "employee empowerment and supervisory attitude" are essential elements in the process of motivating employees. Employee trust grows when a company provides freedom and a supportive environment. As a result, the trust factor motivates employees and strengthens their emotional attachment to the company.

*H5(6,7,8): "Motivation mediates the relationship between non-financial rewards (6. empowerment, 7. career development, 8. working environment) and employee performance".*

*Motivation and Employee Performance:* Employee motivation has a direct relationship with performance (Matloob, Shah et al. 2021). According to Afyati (2019), for employees to improve their performance and reach the objectives set by the firm, motivation plays a crucial driving force and employees' performance is influenced by employee motivation. Through motivation employee performance is increased. A study conducted by Ek and Mukuru (2013), The study's findings demonstrated that employee motivation is a

factor in performance at Kenya's state institutions providing technical training at the medium level. Factors such as work motivation, work environment, and leadership all have a substantial and beneficial impact on employee performance.

H9: "Motivation has a positive relationship with employee performance".

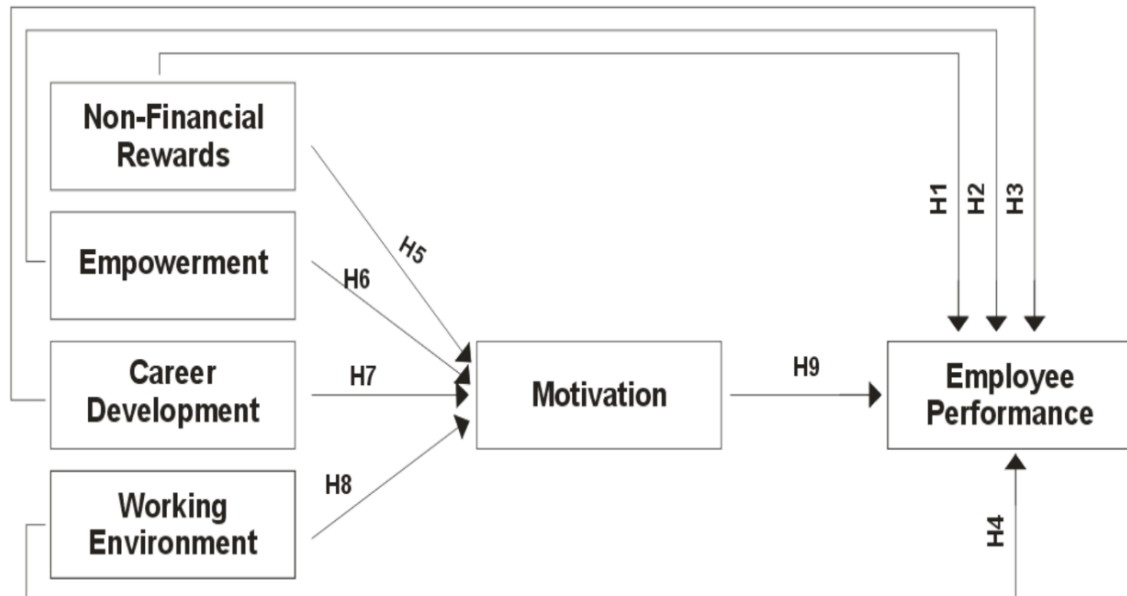


Figure1: Conceptual Framework

## Material and Methods

For this research, the descriptive research design is used, because it is the most suited research design for obtaining information on the current status of the phenomenon on an as-is basis, with no changes to the respondent response. Descriptive research was also the best choice because it entails the description of events in the environment that are properly organized (Gikuya 2014). The basic objective of quantitative research is to generalize findings across groups to better understand or explain a research subject. The target population of the study is Islamic Banks in Bahawalpur City Punjab, Pakistan. The total number of participants in this study is 241 individuals from the Islamic Banks of Bahawalpur city, Punjab, Pakistan. Simple Random Sampling is used to select the sample from employees working in Islamic banks.

An employee performance (Chen, Zhao et al. 2012), Non-financial rewards (Bustamam, Teng et al. 2014), empowerment (Hackman and Oldham 1975), career development (De Vos, De Clippeleer et al. 2009), working environment (Lee 2006), motivation (Musinguzi, Namale et al. 2018), scales were adopted. The statistical software for social science (SPSS) version 26 is used to analyze the data. For mediation analysis the researchers applied Conditional Process Modeling in SPSS 26.0 to test the relationships between the variable and to examine the mediation step by step (Preacher and Hayes 2008).

## Results and Discussion

The percentage of male respondents was 71.8%, while the percentage of female respondents was 28.2%. The cumulative percentage of respondents aged between 20-39 was 88.8% and the respondents aged between 39-49 were 100%. The percentage of bachelor's degree respondents was 61% and the percentage of MS/MPhil degree respondents was 39%.

**Table 1**  
**Reliability Statistics**

Sr. No	Variables	Cronbach's Alpha	No of Items
1	Employee Performance	.723	6
2	Non-Financial Rewards	.742	5
3	Career Development	.724	5
4	Empowerment	.756	4
5	Working Environment	.695	5
6	Motivation	.644	6

According to Table 1, Employee Performance's (0.723), Non-Financial Reward ,(0.742), Career Development (0.724) Empowerment (0.756) Working Environment (0.695), and Cronbach's Alpha score for motivation was 0.644.

**Table 2**  
**Descriptive Analysis of Study Variables**

Study Variables	N	Minimum	Maximum	Mean	Std. Deviation
Employee Performance	241	2.00	5.00	4.0740	.61289
Non-Financial Rewards	241	2.20	5.00	4.0739	.65754
Career Development	241	1.60	5.00	3.7237	.75750
Empowerment	241	1.75	5.00	3.8382	.81526
Working Environment	241	1.60	5.00	3.5899	.74555
Motivation	241	2.00	5.00	3.7151	.64565

**Table 3**  
**Correlation Analysis**

		EP	NFR	CD	E	WE	M
EP	Pearson Correlation	1	.613**	.571**	.431**	.471**	.589**
NFR	Pearson Correlation	.613**	1	.297**	.192**	.316**	.477**
CD	Pearson Correlation	.571**	.297**	1	.535**	.323**	.516**
E	Pearson Correlation	.431**	.192**	.535**	1	.238**	.402**
WE	Pearson Correlation	.471**	.316**	.323**	.238**	1	.425**
M	Pearson Correlation	.589**	.477**	.516**	.402**	.425**	1

\*\* Correlation is significant at the 0.01 level (2-tailed). N(241)

According to Table 3 correlation analysis, the non-financial rewards (NFR) had a significant positive association with employee performance (EP) with a value of .613\*\*, sig. .000, which supports our hypothesis. The second variable, career development (CD), correlated had a .571\*\*, sig. .000, which supported the hypothesis. Its value demonstrated a significantly favorable link with employee performance (EP). The third variable, empowerment (E), had a correlation of .431\*\*, sig. .000, which supported the hypothesis. Its value demonstrated a significantly positive link with employee performance (EP). The fourth variable, working environment (WE), had a correlation of .471\*\*, sig. .000 that supported the hypothesis and demonstrated a significantly positive link with employee performance (EP). The fifth variable, motivation (M), had a correlation of .589\*\*, sig. .000, which supported the hypothesis. Its value demonstrated a significantly positive link with employee performance (EP).

**Table 4**  
**Dependent Variable: Employee Performance; Independent Variable: Non-Financial Rewards; Mediating Variable: Motivation**

R	R-sq	MSE	F	df1	df2	p
.6997	.4896	.1933	114.1424	2.0000	238.0000	.0000
	Coeff	Se	T	P	LLCI	ULCI
Constant	1.0882	.1997	5.4488	.0000	.6948	1.4816



NFR	.4011	.0491	8.1643	.0000	.3043	.4978
M	.3639	.0500	7.2739	.0000	.2654	.4625
DIRECT EFFECTS OF X ON Y						
Effect	Se	t	P	LLCI	ILCI	
.4011	.0491	8.1643	.0000	.3043	.4978	
INDIRECT EFFECTS OF X ON Y						
Effect	Boot SE	Boot LLCI		Boot ULCI		
.1706	.0306	.1127		.2318		

Table 4 shows, how our theory performed. In analysis 1, non-financial reward served as our independent variable. R, R-squared, F, and P values were displayed in the model summary. The R Square value provided some insight into a model's goodness of fit. R had a value of 0.6997, indicating that changes in the independent variable were responsible for 69 percent of the variation in the dependent variable. The R-Square value was shown in the model summary .4896 percent variance demonstrated a variation of 48% in the model caused by the independent variable, supporting the research investigation. The results were highly significant and supported the hypothesis, as indicated by the P-value of 0.00, which is less than 0.05. Table 4 similarly demonstrated the direct and indirect impact of X on Y. Table 4 displayed X's direct and indirect impact on Y. It was found that independent variables have an impact on dependent variables, while mediation also has an impact on relationships. The alternative hypothesis, that empowerment has a substantial association with employee performance in the banking sector, will thus be accepted in this case as opposed to the null hypothesis.

**Table 5**  
**Dependent Variable: Employee Performance; Independent Variable: Empowerment;**  
**Mediating Variable: Motivation**

R	R-sq	MSE	F	df1	df2	p
.6463	.4178	.2162	84.3077	2.0000	235.0000	.0000
	Coeff	Se	T	P	LLCI	ULCI
Constant	1.6312	.1927	8.4660	.0000	1.2516	2.0108
E	.1630	.0405	4.0276	.0001	.0832	.2427
M	.4932	.0509	9.6842	.0000	.3929	.9350
DIRECT EFFECTS OF X ON Y						
Effect	Se	T	P	LLCI	ILCI	
.1630	.0405	4.0276	.0001	.0832	.2427	
INDIRECT EFFECTS OF X ON Y						
Effect	Boot SE	Boot LLCI		Boot ULCI		
.1575	.0339	.0942		.2268		

Table 5 indicates, how our theory performed. In analysis 2, empowerment served as our independent variable. R, R-squared, F, and P values were displayed in the model summary. The R Square value provided some insight into a model's goodness of fit. R had a value of 0.6463, indicating that changes in the independent variable were responsible for 64 percent of the variation in the dependent variable. The R-Square value was shown in the model summary .4178 percent variance demonstrated a variation of 41% in the model caused by the independent variable, supporting the research investigation. The results were highly significant and supported the hypothesis, as indicated by the P-value of 0.00, which is less than 0.05. Table 5 similarly demonstrated the direct and indirect impact of X on Y. Table 5 displayed X's direct and indirect impact on Y. It was found that independent variables have an impact on dependent variables, while mediation also has an impact on relationships. The alternative hypothesis, that empowerment has a substantial association with employee performance in the banking sector, will thus be accepted in this case as opposed to the null hypothesis.

**Table 6**  
**Dependent Variable: Employee Performance; Independent Variable: Career Development; Mediating Variable: Motivation**

R	R-sq	MSE	F	df1	df2	p
.6664	.4440	.2106	95.0471	2.0000	238.0000	.0000
	Coeff	Se	T	P	LLCI	ULCI
Constant	1.535	.1856	8.4238	.0000	1.1978	1.9291
CD	.2949	.0457	6.4578	.0000	.2049	.3849
M	.3802	.0536	7.0958	.0000	.2746	.4857
DIRECT EFFECTS OF X ON Y						
Effect	Se	t	P	LLCI	ILCI	
.2949	.0457	6.4578	.0000	.2049	.3849	
INDIRECT EFFECTS OF X ON Y						
Effect	Boot SE	Boot LLCI		Boot ULCI		
.1674	.0316	.1082		.2317		

Table 6, confirms how our theory performed. In analysis 3, career development served as our independent variable. R, R-squared, F, and P values were displayed in the model summary. The R Square value provided some insight into a model's goodness of fit. R had a value of 0.6664, indicating that changes in the independent variable were responsible for 66 percent of the variation in the dependent variable. The R-Square value was shown in the model summary as 0.4440 percent variance demonstrating a variation of 44% in the model caused by the independent variable, supporting the research investigation. The results were highly significant and supported the hypothesis, as indicated by the P-value of 0.00, which is less than 0.05. Table 6 similarly demonstrated the direct and indirect impact of X on Y. Table 6 displayed X's direct and indirect impact on Y. It was found that independent variables have an impact on dependent variables, while mediation also has an impact on relationships. The alternative hypothesis, that career development has a substantial association with employee performance in the banking sector, will thus be accepted in this case as opposed to the null hypothesis.

**Table 7**  
**Dependent Variable: Employee Performance; Independent Variable: Working Environment; Mediating Variable: Motivation**

R	R-sq	MSE	F	df1	df2	p
.6410	.4109	.2259	81.9606	2.0000	235.0000	.0000
	Coeff	Se	T	P	LLCI	ULCI
Constant	1.5820	.1973	8.0178	.0000	1.1933	1.9707
WE	.2208	.0457	4.8266	.0000	.1307	.3109
M	.4586	.0528	8.66869	.0000	.3546	.5627
DIRECT EFFECTS OF X ON Y						
Effect	Se	T	P	LLCI	ILCI	
.2208	.0457	4.8266	.0000	.1307	.3109	
INDIRECT EFFECTS OF X ON Y						
Effect	Boot SE	Boot LLCI		Boot ULCI		
.1687	.0329	.1061		.2345		

Table 7 demonstrates how our theory performed. In analysis 4, the working environment served as our independent variable. R, R-squared, F, and P values were displayed in the model summary. The R Square value provided some insight into a model's goodness of fit. R had a value of 0.6410, indicating that changes in the independent variable were responsible for 64 percent of the variation in the dependent variable. The R-Square value was shown in the model summary as 0.4109 percent variance demonstrating a variation of 41% in the model caused by the independent variable, supporting the research investigation. The results were highly significant and supported the hypothesis, as indicated

by the P-value of 0.00, which is less than 0.05. Table 7 similarly demonstrated the direct and indirect impact of X on Y. Table 7 similarly displayed X's direct and indirect impact on Y. It was found that independent variables have an impact on dependent variables, while mediation also has an impact on relationships. The alternative hypothesis, that the working environment has a substantial association with employee performance in the banking sector, will thus be accepted in this case as opposed to the null hypothesis.

## **Conclusion**

Employee performance for any organization is a very important issue because employees are the organization's major assets which are known as human resources, without human resources organization is not perform its functions or task. So, the organization needs to have a good workforce for their work. In the time of modern era, everything is changing. Employees need some extra rewards instead of financial rewards. Now every employee is not just motivated by the financial rewards, they need some extra reward in terms of non-financial rewards. The findings of this research are also proved by the previous studies. In a study by (Javed 2018) managers give non-financial rewards to the employees which increases performance of the employee. From the perspective of career development, this research is supported by some mentioned studies. Career development has an impact on employee performance. Silaban, Handaru et al. (2021) study shows that career development has a significant positive impact on employee performance. That means employee performance is affected by career development if the organization provides good career opportunities employee performance will increase. The findings of the study carried out demonstrated that the working environment has an impact on the employee (Saidi, Michael et al. 2019), the studies show that the working environment has a direct effect on employee performance. A study by Hafeez, Yingjun et al. (2019) demonstrates that there is a clear connection between the working environment and the performance of the employee.

## **Recommendations**

It is concluded that non-financial rewards, career development, and empowerment play an important role in increasing motivation and employee performance. The banking sector must include these non-financial rewards to entertain its employees to enhance their performance. The independent variables of the study such as non-financial rewards, career development, empowerment, and working environment directly and indirectly influence employee performance. The HR policy maker and practitioner in the banking industry can benefit from this study and can use non-financial rewards as key tool in managing their rewards system. Top management can offer non-cash rewards to retain their capable staff members. Human resources department can actively participate to maintain the momentum of employee motivation through appropriate reward system. This study can enhance ideas on how to utilize non-financial rewards with different strategies of offer non-financial benefits. It is also recommended that by empowering employees, the manager should engage the employees in the decision making which improves their performance. The research is done in only the banking sector of one city due to the shortage of time and finance because research is done by the researcher itself without funding. The study used motivation as a mediator future research use job satisfaction as a mediator variable between non-financial rewards and employee performance. Also, the other components of non-financial rewards are tested like recognition, feedback, and work-life balance in future studies.

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