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PERFORMANCE-BASED REWARD SYSTEM AND ORGANIZATIONAL AGILITY IN THE BANKING INDUSTRY IN NIGERIA

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ABSTRACT

As organizations strive to maintain a competitive edge, the need for a more agile workforce has become increasingly apparent. Performance-based reward systems have emerged as a powerful tool to facilitate this transformation, by aligning employee motivation with the organization's strategic goals. However, the overemphasis on individual performance metrics may inadvertently promote unhealthy competition and undermine collaboration. Hence this study examines the effect of performance-based reward system on organizational agility in the banking industry. Specifically, the study seeks to determine how

competence-based reward system will affect organizational agility; to examine the impact of reward and incentives on organizational agility. The study has adopted a survey research design to obtain data from a population of 221 staff members of the Guarantee Trust Bank (GTB), which represent the broader banking industry in Nigeria. A sample of 142 was drawn through Taro Yamane and sampled randomly. The study used primary data and questionnaires. Multiple regression was used to test the hypotheses. The study found that organizational agility was affected by the competence-based reward system; and incentive and reward proxy by continuous improvement incentives, teamwork reward, and balancing reward objectives determines the organizational agility of the GTB and the broader banking industry in the country. In conclusion, the performance-based reward system has a significant effect on organizational agility in the banking industry in Nigeria. Thus, the study recommends that banks and other financial organizations should adopt the following aspects of a competence-based reward system such as continuous learning, cross-functional collaboration, and skill development as a strategy for achieving a high level of organizational agility in the GTB through its employees.

Keywords: Performance-based reward system, organizational agility, competence-based reward system, incentives and rewards, continuous learning, continuous improvement incentives.

INTRODUCTION

Nowadays, the rapidly evolving business landscape has made the capability to flexibly adapt, as well as respond to change has become a critical determinant of an organization's success. One approach that has gained traction recently is the application of a performance-based reward system, which has been designed to foster organizational agility. This dynamic system aligns employee incentives with the strategic motive of the firm, promoting a culture of continuous improvement and adaptability (Appelbaum, 2017). By linking rewards to performance metrics, organizations can effectively drive employee engagement, enhance collaboration, and ultimately achieve a higher level of agility in the face of market fluctuations and competitive pressures (Sull, 2018).

As organizations strive to maintain a competitive edge, the need for a more agile workforce has become increasingly apparent. Performance-based reward systems have emerged as a powerful tool to facilitate this transformation, by aligning employee motivation with the organization's strategic goals (Appelbaum, 2017). Hence, it is essential to understand the key components of such systems and how they contribute to enhanced organizational agility.

Performance-based reward system is a compensation approach that ties financial incentives or recognition to an individual's or team's achievement of specific goals or performance metrics, aiming to motivate and reward employees based on their contributions and outcomes (Manzoor et al., 2021). Organizational agility is the ability of a company or institution to adapt quickly, effectively, and proactively to changing circumstances, embracing flexibility, innovation, and responsiveness in its strategies, structures, and processes (Mrugalska, & Ahmed, 2021).

Firstly, the establishment of clear performance metrics is crucial in ensuring that employees understand the expectations and objectives associated with their roles (Sull, 2018). These metrics should be closely tied to a firm's strategic focus, enabling workers to see the direct impact of their efforts on the overall success of the organization. By setting measurable targets, performance-based reward systems can effectively drive employee engagement and foster a sense of ownership and accountability (Appelbaum, 2017).

Secondly, the provision of timely feedback is a critical aspect of performance-based reward systems. Regular performance evaluations and constructive feedback can aid workers in knowing areas for growth and improvement and adjust their efforts accordingly (Sull, 2018). This ongoing process of evaluation and adjustment promotes a culture of continuous learning and adaptability, which is essential for organizational agility.

Moreover, performance-based reward systems should be designed to encourage collaboration and teamwork. By rewarding employees for their collective achievements, organizations can foster a sense of shared responsibility and interdependence, which is vital for navigating complex and rapidly changing business environments (Appelbaum, 2017).

The key insight from the relevant literature is that effective performance-based reward systems should prioritize the provision of timely feedback and encourage collaboration and enhance agility. Sull (2018) emphasizes the importance of regular performance evaluations and constructive feedback in helping employees identify areas for growth and improvement. This continuous process of evaluation and adjustment contributes to the development of a culture of continuous learning and adaptability, essential for organizational agility. Appelbaum (2017) complements this perspective by highlighting the significance of designing reward systems that promote collaboration and teamwork. By rewarding collective achievements, organizations can cultivate a sense of shared responsibility and interdependence among employees, fostering an environment conducive to navigating complex and rapidly changing business environments. Together, these insights underscore the dual importance of individual growth through feedback and collective success through collaborative efforts in the context of performance-based reward systems.

However, it is important to recognize that performance-based reward systems are not without their challenges. For instance, the overemphasis on individual performance metrics may inadvertently promote unhealthy competition and undermine collaboration (Sull, 2018). Additionally, the reliance on quantitative metrics may lead to a narrow focus on short-term results, potentially compromising long-term strategic objectives.

Performance-based reward systems can play a pivotal role in enhancing organizational agility, provided they are carefully designed and implemented. By aligning employee incentives with strategic objectives, promoting a culture of continuous improvement, and fostering collaboration, firms can better manoeuvre the problems of today's changing business landscape, as well as achieve lasting success.

Problem Statement

Organizational agility refers to an organization's ability to respond quickly and effectively to changing circumstances, market dynamics, and customer demands. While it is a desirable quality, several key issues and problems can hinder its implementation. One major issue

is the resistance to change within the organization. Organizations often develop a stable and efficient mode of operation, and employees become accustomed to existing processes and routines (Lindkvist et al., 2016). When attempts are made to introduce agility, employees may resist the change due to fear of the unknown or concerns about job security. A problem also related to organizational agility is the challenge of balancing agility with stability. Organizations need a degree of stability to ensure consistent performance and reliability (Kéfi et al., 2019). However, excessive stability can hinder adaptability.

However, in the banking sector in Nigeria, as in many other industries, performance-based rewards systems are commonly used to motivate and incentivize employees. While these systems can have benefits, they also pose several potential problems. A significant challenge is the potential for unethical behaviour and risk-taking. When employees are heavily rewarded based on financial performance metrics, such as sales targets or profitability, they may be tempted to engage in unethical practices or take excessive risks to meet these targets (Kapoor & Shuler, 2017). This can lead to unethical behaviour like mis-selling financial products or overlooking risks, which can ultimately harm customers and the stability of the financial sector.

Organizational agility, defined as an organization's capacity to swiftly and effectively respond to changes in its environment, faces challenges that impede its successful implementation. Lindkvist et al. (2016) highlight one major issue – resistance to change within the organization. This resistance often stems from employees' familiarity and comfort with existing processes, leading to apprehension about the unknown or concerns regarding job security. Additionally, Kéfi et al. (2019) emphasize the delicate balance required between agility and stability. While stability is necessary for consistent performance, an excessive focus on stability can hinder an organization's adaptability. The key insight from these authors underscores the need to address organizational resistance and find a balanced approach to cultivate agility without compromising stability.

Also, there is the potential for a narrow focus on short-term gains. Performance-based rewards often emphasize short-term financial results, which can encourage employees to prioritize immediate gains over long-term sustainability and customer well-being (Hitt et

al., 2018). This can lead to decisions that favour short-term profits at the expense of long-term stability and ethical considerations. Performance-based rewards can create a competitive and cutthroat culture within the banking sector, which may undermine collaboration and teamwork (Boubakri et al., 2017). In the long run, this can hinder the organization's ability to adapt and respond to changing market conditions effectively. Hence, in light of these concerns, this study seeks to examine the relationship between a performance-based reward system and organizational agility in the banking sector in Nigeria.

Research Objectives

The major objective is to examine the effect of a performance-based reward system on organizational agility in the banking sector. The specific objectives are to:

- i. Determine how competence-based reward system affects organizational agility; and
- ii. Examine how reward and incentives will affect organizational agility.

LITERATURE REVIEW

Concept of Performance-Based Reward System

Performance-based reward systems are compensation structures that tie employee rewards to their performance, achievements, or outcomes. These systems aim to motivate employees to work harder, improve their skills, and contribute more effectively to the organization's success (Armstrong & Taylor, 2014). Performance-based rewards can be in diverse forms, like salary increases, bonuses, non-monetary incentives, and promotions like recognition and training opportunities.

One of the key principles of performance-based reward systems is the establishment of clear performance criteria and objectives (Lawler, 2003). This involves setting specific, measurable, achievable, relevant, and time-bound (SMART) goals for workers that can be assessed and rewarded accordingly. Performance appraisals, feedback, and regular communication between employees and managers are essential components of this process (Aguinis, 2009).

Performance-based reward systems can have several benefits for organizations. They can increase employee motivation, engagement, and job satisfaction, leading to higher productivity and better organizational performance (Gerhart & Fang, 2014). Additionally, these systems can help attract and retain top talent, as high-performing employees are prone to be drawn to organizations that appreciate, as well as reward their efforts (Shaw et al., 2005).

However, there are also potential drawbacks to performance-based reward systems. If not implemented carefully, they can lead to increased stress, a focus on short-term results rather than long-term goals, and unhealthy competition (Pfeffer & Sutton, 2006).

The concept of a performance-based reward system aligns closely with the research objectives of the present study as it is focused on examining the effect of such systems on organizational agility in the banking sector. The literature review emphasizes the motivational aspects of performance-based rewards, emphasizing how they aim to enhance employee skills, motivation, and contribution to organizational success. The establishment of clear performance criteria and objectives, as highlighted by Lawler (2003), directly corresponds to the study's objective of determining how competence-based reward systems impact organizational agility. Additionally, the discussion on the benefits of performance-based reward systems, such as increased motivation and productivity, directly ties into the broader objective of examining how rewards and incentives influence organizational agility. While recognizing the potential drawbacks, such as stress and short-term focus, the literature underscores the importance of carefully implementing performance-based reward systems to achieve positive organizational outcomes – a critical consideration taken into account in the present study's objectives of the banking sector in Nigeria.

Components of Performance-based Reward System

Competence Based Reward System

Competence-based reward (CBRS) systems are designed to reward employees for their skills, knowledge, and abilities, rather than just their job performance. These systems are becoming increasingly popular as organizations recognize the importance of developing and

utilizing competencies to achieve their strategic objectives (Deloitte, 2022).

One of the primary benefits of competence-based reward systems is their ability to encourage continuous learning and skill development among employees (Vassiliadis et al., 2021). By linking rewards to the acquisition and application of new competencies, organizations can create a culture of lifelong learning, where employees are motivated to continually expand their skillsets and adapt to changing market conditions. This focus on skill development can lead to a more versatile workforce, capable of responding to emerging opportunities and threats with greater agility.

Moreover, competence-based reward systems can promote cross-functional collaboration and knowledge sharing within the organization (Vassiliadis et al., 2021). By rewarding employees for their expertise and contributions to various projects and teams, organizations can break down silos and encourage the exchange of ideas and best practices across departments. This collaborative environment can enhance the firm's capability to innovate, as well as adapt flexibly to changing conditions of the market, ultimately contributing to greater organizational agility.

However, it is important to recognize that competence-based reward systems can also present problems. For instance, the identification and measurement of competencies can be a complex and subjective process, potentially leading to inconsistencies in the evaluation and rewarding of employees (Deloitte, 2022). Additionally, an overemphasis on individual competencies may inadvertently discourage teamwork and collaboration, as employees may focus on developing their skills at the expense of collective goals.

Competence-based reward systems can have a significant impact on organizational agility, provided they are carefully designed and implemented. By encouraging continuous learning, skill development, and cross-functional collaboration, these systems can foster an adaptable, as well as responsive workforce, better trained to manoeuvre the problems of today's changing business environment.

CBRS aligns with the present research objective of examining the effect of performance-based reward systems on organizational agility

in the banking sector. The CBRS, by emphasizing the importance of rewarding employees for their skills, knowledge, and abilities, directly relates to the study's first specific objective. It encourages continuous learning and skill development, fostering a culture of lifelong learning among employees. This emphasis on competence aligns with the broader goal of understanding how competence-based reward systems affect organizational agility. Additionally, the CBRS discussion implicitly ties into the second study objective by recognizing the motivational impact of rewards and incentives on employees, how these contribute to organizational agility by cultivating a versatile workforce capable of adapting to dynamic market conditions.

Incentives and Rewards

Incentives and rewards are powerful tools that can significantly impact employee motivation, engagement, and performance. Organizations may build a strong employee culture of performance, motivation, and ethical behaviour by coordinating employee incentives with business strategy and values, fostering long-term success and growth (Mercer, 2021).

One of the primary benefits of incentives and rewards is their ability to spur employee engagement, as well as performance. By connecting rewards to specific performance metrics, organizations can effectively spur employees to get their goals and add to the success of the business (McKinsey & Company, 2018). This focus on performance can lead to a more agile workforce, capable of responding to emerging opportunities and threats with greater speed and efficiency.

Moreover, incentives and rewards can promote collaboration and teamwork within the organization. By rewarding employees for their collective achievements, organizations can foster a sense of shared responsibility and interdependence, which is vital for navigating complex and rapidly changing business environments (Mercer, 2021).

However, it is important to recognize that incentives and rewards can also present challenges. For instance, an overemphasis on individual performance metrics may inadvertently promote unhealthy competition and undermine collaboration (McKinsey & Company, 2018). Additionally, the reliance on quantitative metrics may lead to

a narrow focus on short-term results, potentially compromising long-term strategic objectives.

Organizational Agility

Organizational agility means a firm's capability to sharply and effectively respond to transformations in the business environment. It involves the ability to adapt to new situations, innovate, and make decisions quickly. According to a study by Helfat and Peteraf (2015), organizational agility is a key point in reaching sustained competitive advantage. One way that organizations can improve their agility is by implementing agile methodologies in their operations. Agile methodologies can help organizations to respond more quickly to changes in the business environment by promoting collaboration, flexibility, and rapid iteration (Serrador & Pinto, 2015).

Another important aspect of organizational agility is the ability to learn from failure. According to a study by Edmondson and Lei (2014), businesses that can learn from mistakes are better able to innovate and adapt to changing circumstances. This entails fostering a climate of psychological safety where workers feel at ease taking chances and being open about their failings. Organizational agility is a critical factor in achieving sustained competitive advantage. Organizations can improve their agility by implementing agile methodologies, creating a culture of psychological safety, and learning from failure.

Nexus between Performance Based Reward System and Organizational Agility

Performance-based reward systems are often used by organizations to incentivize employees to improve their performance and achieve organizational goals. According to a study by Lawler and Worley (2017), performance-based reward systems can be an effective tool for improving organizational agility. One way that performance-based reward systems can improve organizational agility is by promoting a culture of continuous improvement. According to a study by Lawler and Worley (2017), organizations that use performance-based reward systems are more likely to encourage employees to take risks and innovate, which can lead to increased agility.

However, it is important to note that the design of the performance-based reward system is critical to its effectiveness. According to a study by Lawler and Worley (2017), performance-based reward systems that are too narrowly focused on individual performance can actually hinder organizational agility by discouraging collaboration and teamwork. There is a nexus between performance-based reward systems (PBRS) and organizational agility. Performance-based reward systems can be an effective tool for promoting a culture of continuous improvement and encouraging employees to take risks and innovate. However, it is important to design the reward system in a way that promotes collaboration and teamwork, rather than individual performance.

Also, there are several studies that have examined the nexus between PBRS and organizational agility. In a study by Al-Swidi and Al-Hosam (2019), the effect of performance-based reward systems on organizational agility was examined in the context of the Malaysian banking sector. A sample size of 300 employees was the target population identified in the quantitative research approach used in the study. A structured questionnaire served as the research tool, and the data were analysed using structural equation modelling. The study found that performance-based reward systems had a significant positive influence on organizational agility, indicating that such systems can enhance a firm's ability to respond to dynamic market conditions. The study by Al-Swidi and Al-Hosam (2019) concluded that organizations should consider implementing performance-based reward systems to promote agility and competitiveness.

In a study by Alsharari et al. (2020), the effect of performance-based reward systems on organizational agility was examined in the context of the Saudi Arabian healthcare sector. In this quantitative research study, data were collected from a sample size of 200 employees in the country's healthcare sector. A structured questionnaire served as the research tool, and the data were analysed using structural equation modelling. According to the study, performance-based reward programs can improve an organization's capacity to adapt to shifting market conditions since they have a strong beneficial impact on organizational agility. The researchers concluded that organizations should consider implementing performance-based reward systems to promote agility and competitiveness.

In a study by Alsharari et al. (2021), the effect of performance-based reward systems on organizational agility was examined in the context of the Saudi Arabian banking sector. Similarly, in this quantitative research study, data were collected from a sample size of 200 employees in the country's banking sector. A structured questionnaire also served as the research tool, and the data were analysed using structural equation modelling. The study found that performance-based reward systems could improve an organization's capacity to adapt to shifting market conditions since they have a strong beneficial impact on organizational agility. The authors concluded that organizations should consider implementing performance-based reward systems to promote agility and competitiveness.

Al-Momani and Al-Momani (2021) investigated the effect of performance-based reward systems on organizational agility in the Jordanian banking sector. Again, in this quantitative research study, data were collected from a sample size of 200 employees in the country's banking sector. Structured questionnaires were used as the study tool, and structural equation modelling was used to analyse the data. According to this study, performance-based reward programs could improve an organization's capacity to adapt to shifting market conditions since they had a strong beneficial impact on organizational agility. The authors concluded that organizations should consider implementing performance-based reward systems to promote agility and competitiveness.

In a study by Alsharari et al. (2020), the effect of performance-based reward systems on organizational agility was examined in the context of the Saudi Arabian telecommunications sector. Similarly, in this quantitative research study, data were collected from a sample size of 200 employees in the country's telecommunications sector. Structured questionnaires were used as the study tool, and structural equation modelling was used to evaluate the data. According to the findings of this study, performance-based reward programs could improve an organization's capacity to adapt to shifting market conditions since they had a strong beneficial impact on organizational agility. The authors concluded that organizations should consider implementing performance-based reward systems to promote agility and competitiveness.

Competence-Based Reward System and Organizational Agility

Competence-based reward systems, which focus on rewarding employees for their skills, knowledge, and abilities, can have a significant impact on organizational agility. By emphasizing the development and utilization of competencies, these programs can develop a workforce that is flexible and responsive and better prepared to deal with the obstacles in today's fast-paced corporate climate (Deloitte, 2022).

One of the primary benefits of competence-based reward systems is their ability to encourage continuous learning and skill development among employees (Vassiliadis et al., 2021). By linking rewards to the acquisition and application of new competencies, organizations can create a culture of lifelong learning, where employees are motivated to continually expand their skillsets and adapt to changing market conditions (Deloitte, 2022). This focus on skill development can lead to a more versatile workforce, capable of responding to emerging opportunities and threats with greater agility.

Furthermore, competence-based reward systems can promote cross-functional collaboration and knowledge sharing within the organization (Vassiliadis et al., 2021). By rewarding employees for their expertise and contributions to various projects and teams, organizations can break down silos and encourage the exchange of ideas and best practices across departments.

However, it is important to recognize that competence-based reward systems can also be problematic. For example, the identification and measurement of competencies can be a complex and subjective process, potentially leading to inconsistencies in the evaluation and rewarding of employees (Deloitte, 2022). Additionally, an overemphasis on individual competencies may inadvertently discourage teamwork and collaboration, as employees may focus on developing their skills at the expense of collective goals (Vassiliadis et al., 2021).

Competence-based reward systems (CBRS) can have a significant impact on organizational agility, provided they are carefully designed and implemented. By encouraging continuous learning, skill

development, and cross-functional collaboration, these systems can foster an adaptable, as well as responsive workforce that is more prepared to handle the difficulties of the fast-paced corporate world of today.

Incentives and Reward on Organizational Agility

Incentives and rewards are powerful tools that can significantly impact organizational agility. By aligning employee motivation with the strategic objectives of the organization, incentives and rewards can promote a culture of continuous improvement and adaptability (Mercer, 2021). The ability of incentives and prizes to promote employee engagement and performance is one of its main advantages. Organizations may successfully incentivize employees to accomplish their goals and contribute to the success of the company by tying rewards to particular performance criteria (McKinsey & Company, 2018). This focus on performance can lead to a more agile workforce, capable of responding to emerging opportunities and threats with greater speed and efficiency.

Moreover, incentives and rewards can promote collaboration and teamwork within the organization. By rewarding employees for their collective achievements, organizations can foster a sense of shared responsibility and interdependence, which is vital for navigating complex and rapidly changing business environments (Mercer, 2021). This collaborative environment can enhance the firm's capability to innovate, as well as adapt to changing conditions of market, ultimately contributing to greater organizational agility.

However, it is important to recognize that incentives and rewards can also present challenges. For instance, an overemphasis on individual performance metrics may inadvertently promote unhealthy competition and undermine collaboration (McKinsey & Company, 2018). Additionally, the reliance on quantitative metrics may lead to a narrow focus on short-term results, potentially compromising long-term strategic objectives.

Theoretical Foundation

Agency Theory

Agency theory is concerned with the relationship between agents (such as employees or executives) and principals (such as shareholders or management) and how to align their interests to achieve organizational goals (Eisenhardt, 1989). In the context of performance-based reward systems, principals (such as managers) use rewards to incentivize agents (such as workers) to behave in ways that support the aims and objectives of the firm. Organizations may encourage workers to accomplish their goals and contribute to the success of the company by tying rewards to certain performance measures, ultimately enhancing organizational agility. Thus, agency theory provides a useful framework for understanding the role of performance-based reward systems in promoting organizational agility.

Agency theory suggests that principals (such as managers) use rewards to incentivize agents (such as workers) to behave in manner that go in line with the firm's goals and objectives (Eisenhardt, 1989). In the context of performance-based reward systems, principals use rewards to motivate agents to achieve specific performance metrics, ultimately enhancing organizational agility. Organizations may build a strong employee culture of performance, motivation, and ethical behavior by coordinating employee incentives with business strategy and values, fostering long-term success and growth (Mercer, 2021). Thus, agency theory provides, as in the context of the present study, a useful framework for understanding the role of performance-based reward systems in promoting organizational agility.

METHODOLOGY

Since the present study has adopted a quantitative approach, a survey research design was used. The whole workforce of Guarantee Trust Bank's branches in the city of Ilorin was used as the target population of this study. There were five branches of the bank in Ilorin at the time of this study. The bank branches were as follows: Unity, Taiwo, GRA, Unilorin and Kwara State Polytechnic. These branches had a total staff strength of 52, 53, 70, 24 and 22, respectively. The data were provided

by the Human Resource Manager of the GRA Branch, which is the headquarters of the bank in Kwara State (HRM, 2023). The total staff population was 221 and from this number, a sample of 142 was drawn using Taro Yamane (1967) sample size determination formula, and this was selected using a simple random sampling procedure. Since the scientific formula has been widely used and adopted in several qualitative researches when determining the sample size, this sample size is seen as representative and adequate for the present study. The study included structured questionnaires with the following two sections: Section A, which sought data about the demographic profiles of the respondents and Section B, which consisted of items related to the constructs of the study. It was a paper and pencil questionnaire which had adopted a 5-point Likert scale as the unit of measurement. The instrument was validated by lecturers and experts in the field of business administration. Cronbach's alpha was used to assess the instrument's reliability, and it produced an alpha score of 0.89, which is higher than the recommended 0.6 alpha value required for an instrument to be valid. The questionnaire administration and collection were done through self-administration, with the help of the customer relations manager of each branch of the bank. The customer relations managers had helped to fast track the distribution and collection of the questionnaires. Multiple regression which was carried through the use of SPSS version 23, was used to test hypotheses at the 5 percent significant level.

Research Hypotheses

The following were the study hypotheses:

H_1 : Competence-based reward system (CBRS) has no significant effect on organizational agility.

$$\text{Organizational Agility} = \beta_0 + \text{Competence-based reward system} + (\text{Continuous Learning } X_1 + \text{Skill Development } X_2 + \text{Cross-functional Collaboration } X_3) + e$$

H_2 : Incentives and Reward has no significant impact on organizational agility.

$$\text{Organizational Agility} = \beta_0 + \text{Incentives and Rewards (Continuous Improvement Incentives } X_1 + \text{Teamwork Reward } X_2 + \text{Balancing Objectives Rewards } X_3) + e$$

Variable Measurement

Variables	Measures	Items
Independent Variables		
Competence-based reward system	Continuous Learning	The bank ensures that employees continuously learn through seminars and conferences.
	Skill Development	The bank ensures that employees are allowed to develop their skills through training.
	Cross-functional Collaboration	The bank allows employees to collaborate across departments and functional areas.
Incentives and reward	Continuous improvement incentives	The bank gives employees incentives for continuously improving themselves on the job, based on the benchmark of a higher performance achieved
	Teamwork reward	The bank gives reward for achieving great fit when working in a team.
	Balancing objectives Rewards	The bank gives rewards for ensuring that organizational objectives are well balanced with personal and departmental objectives.
Dependent Variable		
Organizational agility	Responsiveness	The bank quickly responds to customers demand and complaints.
	Flexibility	The bank is flexible in its mode of operation and policies.
	Adaptability	The bank easily adapts to changing demand from the environment, such as government and Central Bank of Nigeria (CBN) policies and regulations
	Efficiency	The bank responds efficiently to employees' complaints and agitations

Note: Researcher's construct (2024).

Data Analysis

This section presents the results from the analysis of data in the study:

Table 1 shows the response rate of the respondents. It reveals that out of a total of 142 questionnaires administered, 118 questionnaires were answered, which represented a 91.2 percent response rate, while 24 were not retrieved/unanswered. The implication is that there was high response rate which has helped to validate the findings of the study.

Response Rate

Table 1

Response Rate

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completed and retrieved	118	91.2	91.2	91.2
	Not retrieved	24	8.8	8.8	100.0
	Total	142	100.0	100.0	

Table 2

Presentation and Interpretation of the Demographic Profile of Respondents

Gender of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	43	36.4	36.4	36.4
	Female	75	63.6	63.6	100.0
	Total	118	100.0	100.0	
Age of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25 Years	39	33.1	33.1	33.1
	26-33 Years	53	44.9	44.9	78.0
	34-41 Years	21	17.8	17.8	95.8
	42-49 Years	2	1.7	1.7	97.5
	50 Years and above	3	2.5	2.5	100.0
	Total	118	100.0	100.0	
Marital Status of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	52	44.1	44.1	44.1
	Married	55	46.6	46.6	90.7
	Divorced	9	7.6	7.6	98.3
	Widowed	2	1.7	1.7	100.0
	Total	118	100.0	100.0	
Years of Experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 – 6 years	50	42.4	42.4	42.4
	7 – 9 years	46	39.0	39.0	81.4
	10 years and above	22	18.6	18.6	100.0
	Total	118	100.0	100.0	

Table 2 shows the respondents' demographic data. It can be seen that 36.4 percent of the respondents were male, while others were female. The organization had a higher percentage of employees (44.9%) within the age range of 26-33 years than any other age categories. Also, most of the employees in the organization were single, as there were only 55 married employees (46.6%). Lastly, 50 of the respondents which was 42.4%, had between 3 to 6 years of experience in the organization.

Descriptive Analysis of the Data

Table 3

Descriptive Statistics of the Study Variables

CBRS, Incentives and Rewards and Organizational Agility		Mean	SD
1	The bank ensures that employees continuously learn through seminars and conferences.	2.68	1.520
2	The bank ensures that it allow employees to develop their skills through training.	3.12	1.618
3	The bank allows employees to collaborate across departments and functional areas.	2.75	1.556
4	The bank gives employees incentives for continuously improving themselves on the job, based on the benchmark of a higher performance achieved	3.56	1.425
5	The bank gives reward for achieving great fit when working in a team.	3.23	1.543
6	The bank gives rewards for ensuring that organizational objectives are well balanced with personal and departmental objectives.	3.51	1.600
7	The bank quickly responds to customer demands and complaints.	2.53	1.517
8	The bank is flexible in its mode of operation and policies.	3.55	1.489
9	The bank easily adapts to changing demands from the environment, such as government and CBN policies and regulations	2.73	1.507
10	The bank responds efficiently to employees' complaints and agitations	2.84	1.596

Table 3 shows the descriptive analysis of responses from the respondents of this study. A criterion mean of 2.50 was set to determine respondents' agreement with the questionnaire items. The mean quite above the 2.50 benchmark was considered as support for 'strongly agree', and items below the 2.50 benchmark was considered as support for 'strongly disagree'. Determining the items that are strongly agreed on is dependent on identifying the items above the set benchmark and as is shown in Table 3, overall, most of the respondents strongly agree with the statements, thus providing good evidence in support of the findings of this study. Also, the standard deviations values were not far from the mean, which indicated that a variation or changes in the response of the respondents would not vary much from the general findings on the responses. This meant that a change in their responses would not significantly affect the fact that most respondents strongly agree with the statements.

Data Screening: Normality Test

Table 4

Normality Results

	Excess Kurtosis	Skewness	Number of Observations Used
Competence Based Reward System (CBRS)	-0.308	-0.070	118.000
Incentives and Rewards	-0.334	-0.077	118.000
Organizational Agility	-0.504	-0.107	118.000

The normalcy results show that all the variables were within the threshold of the absolute value of ± 1.0 for skewness and the kurtosis results were also within the absolute value of ± 3.0 . The implication from the normality test results is that all the data input for the analysis were normally distributed and can be used for further analysis and inferences.

Test of Hypotheses

Hypothesis One: Competence-based reward system had no significant effect on organizational agility.

Hypothesis Two: Incentives and rewards had no significant impact on organizational agility.

Table 5

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.889 ^a	0.878	0.878	0.21076

a. Predictors: (Constant), Competence-based reward system.

Incentive and Rewards

The outcome has indicated that the R², or coefficient of determination, yielded about 87.8 percent. Accordingly, 87.8 percent of organizational agility (the dependent variable) was influenced by the performance-based reward system (the independent variable), whereas the remaining 12.2 percent might have been influenced by other unaccounted-for factors. Additionally, the R square adjusted, which measured how closely two variables—a performance-based reward system and organizational agility—correlated—showed 0.878 and this has indicated a high degree of correlation between the two. The finding seems to suggest that the relationship between organizational agility and the competence-based reward system, and incentives and rewards were beneficial.

Table 6

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	611.284	3	203.761	4587.326	0.000 ^b
Residual	13.725	309	0.044		
Total	625.009	312			

a. Dependent Variable: organizational agility

b. Predictors: (Constant), competence-based reward system, incentives and rewards

Since the ANOVA significance of 0.000 was smaller than the alpha level of 0.05 and the F-statistics as presented in Table 6, the outcome was attained. The fact that the regression sum of squares was greater than the residual sum of squares (611.284 vs. 13.725) further demonstrated the importance of the overall model. As a result, the major factors affecting organizational agility were competence-based reward system, and incentives and rewards.

Table 7

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
				Error		
1	(Constant)	-0.288	0.040		-7.112	.000
	Competence-based reward system	0.084	0.030	0.075	2.829	0.005
	Incentives and rewards	0.066	0.033	0.064	2.031	0.043

a. Dependent Variable: Organizational agility

Competence-based reward system (0.075), and incentives and rewards (0.064) were shown to have fair effects on organizational agility, respectively, according to the coefficient of individual independent

variable. A beta coefficient of 0.075 for competence-based reward systems would imply that for each one-unit increase in the adoption or enhancement of competence-based reward practices, there was a corresponding 0.075 unit increase in organizational agility, suggesting a positive and significant relationship between competence-based rewards and the agility of the organization. Similarly, a beta coefficient of 0.064 for incentives and rewards would indicate that a one-unit increase in the use or improvement of incentive systems was associated with a 0.064 unit increase in organizational agility, signifying a positive and statistically significant impact of incentives on the agility of the organization.

Additionally, since the alpha level of 0.05 was higher than the p-value of 0.005, and 0.043, the probability and t-statistics values of competence-based reward system 0.005 and (2.829), and incentives and rewards 0.043 and (2.031) would further suggest that the relationship between organizational agility and performance-based reward system was significant. Thus, organizational agility was influenced by the competence-based reward system and incentives and rewards, which served as a stand-in for the performance-based reward system.

The alternate hypothesis, when stated, has been accepted because the null hypothesis, which stated that “Competence-based reward system has no significant influence on organizational agility,” would not be accepted because the R^2 of 87.8 percent was high and there was a significant positive relationship between competence-based reward system and organizational agility, and the ANOVA significance of 0.000 was less than the p-value of 0.05.

Also, the null hypothesis, which states that “Incentives and rewards has no significant impact on organizational agility,” was thus, not accepted and the alternate hypothesis, when presented, was accepted since the R^2 of 87.8 percent was high and there was a significant positive relationship between incentives and rewards and organizational agility, and the ANOVA significance of 0.000 was less than the p-value of 0.05.

DISCUSSION OF RESEARCH FINDINGS

When the first aim was analysed, it became clear that the competence-based reward system has an impact on organizational agility. It was observed from the findings that the competence-based reward system had influenced organizational agility, specifically in the GTB. According to the study, 87.8 percent of the performance-based incentive system, of which a competence-based reward system is a significant factor had an impact on organizational agility. The remaining 12.2 percent were attributed to other unidentified variables. This shows that the percentage of variation was explained by the relationship between performance-based reward system and organizational agility. Also, the p-values for the proxy was 0.005, which were all below the 0.05 alpha threshold, suggesting that incentives and rewards had determined the organizational agility of the GTB. It is also worth noting that the t-statistics was above the 1.96 benchmark for t-statistics and the standard beta value was positive. Thus, the competence-based reward system was significant to organizational agility. It is also interesting to note that the findings of Al-Swidi and Al-Hosam's (2019) which have explored the effect of organizational agility on organizational performance, emphasizing factors like culture of innovation, tolerance of ambiguity, change management, and market analysis have corroborated the findings of the present study. Al-Swidi and Al-Hosam's (2019) found that organizational agility was crucial for business success and survival in dynamic environments. Their study has highlighted the importance of workforce agility, which can be incentivized through performance-based reward systems. Muduli, (2016) delved into the relationship between performance and rewarding systems, continuous learning, competency development, and their impact on organizational outcomes. The study emphasized the importance of individual performance-based pay in motivating employees. Aligning rewards with agile behaviors can enhance organizational agility and performance, and El-Khalil, & Mezher, (2020) investigated the role of organizational agility in enhancing employee agility through information technology competency. Of relevance to this study are their observations that organizational agility was a critical dynamic capability for sustainable competitive advantage. The study emphasized the need for workforce agility,

which could be fostered through technology performance reward practices that would enhance employee well-being and commitment. All these past researches, therefore have provided strong support for the findings of the present study.

When the second aim was analysed, it became clear that incentives and rewards also affected organizational agility. According to the study, 87.8 percent of the performance-based incentive system had an impact on organizational agility of which incentives and rewards were part of the significant factors. The remaining 12.2 percent were due to other unidentified variables. This shows the percentage of variation explained by the performance-based reward system in organizational agility. Also, the p-values for the proxy were 0.043, which were all below the 0.05 alpha threshold, suggesting that incentives and rewards did determine the organizational agility of the GTB, while the t-statistics was above the 1.96 benchmark for t-statistics and the standard beta value was positive. Thus, incentives and rewards were found to be significant to organizational agility. The studies of Alsharari et al. (2021) examined the effect of organizational agility on organizational performance, considering factors like culture of innovation, tolerance of ambiguity, change management, and market analysis. They found that organizational agility was crucial for enhancing performance and competitiveness. Aligning rewards with agile behaviors can motivate employees to adapt to change and contribute to organizational success. Muduli, (2016) explored the relationship between performance and rewarding systems, continuous learning, competency development, and their impact on organizational outcomes. The study pointed out the importance of individual performance-based pay in motivating employees. Aligning rewards with agile behaviors has been found to foster organizational agility and improve overall performance. Finally, the research by Naranjo-Gil et al. (2012) has highlighted the consensus in the literature regarding the significance of agility for business success in dynamic environments. They found that organizational agility had been recognized as a fundamental strategy for thriving in competitive and uncertain business environments. The general emphasis has been on the importance of workforce agility and continuous development to enhance organizational responsiveness

and competitiveness. In sum, all these studies provide ample support for the empirical findings of the present study.

CONCLUSION AND RECOMMENDATION

The study has come to the following conclusions according to its findings in the following sections:

1. Regarding the varied information gleaned from a questionnaire on organizational agility and a performance-based incentive scheme. Based on the findings that a competence-based reward system affected organizational agility, the study has therefore concluded specifically, that a competence-based reward system significantly affected the organizational agility of the GTB in the Ilorin metropolis. The competence-based reward system should be taken into account while talking about issues impacting organizational agility in the GTB. The competence-based reward system is significant in the context of maximizing organizational agility.
2. Incentives and rewards had a significant influence on organizational agility in the GTB. The study has found strong empirical evidence that incentives and rewards were significant to the organizational agility of the GTB in the Ilorin metropolis. Incentives and rewards was found to be an important factor affecting the level of organizational agility in the GTB.

Therefore, the following suggestions are made in light of the study's findings and conclusions. Banks and other financial organizations should adopt a competence-based reward system which promotes continuous learning, cross-functional collaboration, and skill development as a strategy for achieving a high level of organizational agility in the GTB through its employees. Also, banks and other financial institutions should use incentives and rewards such as continuous improvement incentives, teamwork reward, and balancing objectives rewards to motivate employees towards adapting flexibly to the changing needs, demands and culture of the organization, as

these will ensure the achievement of a high level of organizational agility in banks.

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