

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF MANAGEMENT STUDIES
MBA PROGRAMME**

**THE EFFECT OF REWARD SYSTEM ON
EMPLOYEE PERFORMANCE
IN PREMIER COFFEE LLUVIA LIMITED**

WYNE NANDAR LINN

MBA II – 35

23rd BATCH

DECEMBER, 2019

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Academic Year (2017 – 2019)

Supervised by

Dr. Ohn Mar Myint

Lecturer

Department of Management of Studies

Yangon University of Economics

Submitted by

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A thesis submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)

Supervised by

Dr. Ohn Mar Myint

Lecturer

Department of Management of Studies

Yangon University of Economics

Submitted by

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MBA II – 35

MBA 23rd Batch

2017 – 2019

ACCEPTANCE

This is to certify that the thesis entitled “**The Effect of Reward System on Employee Performance in Premier Coffee Lluvia Limited**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

Board of Examiners

.....

(Chairman)

Dr. Tin Win

Rector

.....

(Supervisor)

.....

(Examiner)

.....

(Examiner)

.....

(Examiner)

DECEMBER, 2019

ABSTRACT

The purposes of this study are to investigate the effect of reward system: financial and non-financial rewards on employee commitment and to analyze the effect of employee commitment on employee performance of Premier Coffee Lluvia Limited. The data are collected with structured questionnaires from 215 employees who are working under Premier Coffee Lluvia Limited. According to the survey results, among the rewards, bonus and recognition have the greatest contribution to employee commitment in Premier Coffee Lluvia Limited. Moreover the findings suggest that high level of employee performance can be achieved by affective commitment although all types of employee commitment have significant effect on employee performance. The study recommends that the company should provide financial rewards rather than non-financial rewards in order to promote employee commitment and thereby improve the employee performance of Premier Coffee Lluvia Limited.

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MBAII-35

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CHAPTER 1

INTRODUCTION

The people who make up an organization are considered to be one of the most important resources of today's firms. Individuals and how they are controlled are becoming more essential because many other sources of competitive success are less powerful than they used to. Identifying that the origin for competitive advantage has changed is necessary to develop a different frame of situation to allow for the issues of human resource management (Dyer & Reeves, 1995). The success or failure of organization is highly considered by effective and efficient utilization of assets at its disposal, such as human, material, financial, and information resources. Among these four assets, the human resource is the most essential part and crucial of all resources for the existence of an organization or business firms.

In the current dynamic and competitive environment, reward management can especially be gained increasing for importance. This is because it enables organizations to recruit and maintain employees as well as to increase organizational productivity (Dalvi & Ebrahimi, 2013). An organization is likely to achieve its objectives if an effective reward system is included as an important part of human resource management. Human resource management is involved procurement, development, compensation, interaction and retaining of the personnel of an organization for the purpose of contributing towards achievement of major goals and objectives of organizations. Reward management is both complicating and challenging, and very responsive to outside influences such as economic environments, culture, and desires and perceptions of individual employee. The reward is one of the most important components of an organization's retention strategy. The aim of reward management is to reward people fairly, equitably and consistently in accordance with employees' contribution to an organization (Armstrong & Murlis, 2007).

Reward system has been found to play a critical role in enhancing employee commitment. According to (Armstrong & Murlis, 2007), Reward management can be defined by the strategies, policies and processes that are necessary to make sure that both non-financial and financial means influence on people in an organization. It consists of two categories of reward; financial rewards which are tangible and relate to pay the benefits that an organization provides to its employees, and non-financial rewards which

is focus on motivating employee and increasing engagement and commitment of employees. One of the most indispensable elements is reward management of organizations that can motivate employees to contribute their best effort and to make innovative ideas that lead to enhance business operations. This implies that the aim of rewards management is to develop and manage rewards systems which lead to enhanced employee motivation and organizational commitment.

According to (Ryan & Pointon, 2007), managers should attempt to assure their employees that increased effort will lead to higher performance which will lead to the valued reward. If a company wants to survive and even to grow, it has no choice but to constantly improve its employees' performance as the only way of creating a competitive advantage that is difficult if not impossible to duplicate (Lawler & Bilson, 2010). Great performance is not accidental, and is said to evolve from a carefully managed process of training, coaching, supervising and empowering employees to constantly improving the quality of the products and services (Pankhania & Modi, 2013). (Hultman, 1998) suggested that the performance of an individual is a function of at least four inputs: commitment, confidence, competence and contingency. Therefore performance outputs are expressed as feelings and behaviors that vary for each input and either encourage or discourage the individual's behavior. Hence, recognizing that an organization's effectiveness (Michie & West, 2004), many organizations are re-evaluating their methods of appraising and motivating employees (Woodford & Maes, 2002). Reward management influences employee performance level which can on the long run foster the actualization of an organization's goals and objectives. This study look at the relationship between reward systems practiced in a Premier Coffee Lluvia Limited and employee commitment.

1.1 Rationale of the Study

The importance of maintaining an effective reward system that provides the desired results and competitive advantage in today's competitive business environment. For the human resource, financial and non-financial rewards try to prove to be effective on employee commitment. This study also aims at helping employees to identify the reward system that drives them towards being more committed and loyal to the organization. The employees feel contented which is the factor that makes them stay

longer in the organization. The longer an employee stays with an organization, the more valuable they will be in terms of seniority, skill and knowledge.

The organizations in this competitive environment are facing challenges in using finance resources to commit their employees. It becomes quite challenging to provide such rewards in adequate levels in this nation. Financial and non-financial rewards are gaining high importance in today's competitive business environment because not only salaries may retain the good employees in the organization but also incentives encourage employees to outperform. The reward management system designs to support the achievement of the organization's strategies. The reward that applies to both individual and team performance is critical in determining how effective employees are. (Wilson, 2003) described reward and its purpose as including systems, programs and practices that influence the actions of an employee. The purpose of reward systems is to provide a systematic way of positive consequences to deliver. Its fundamental purpose is to provide positive consequences for contributions to desired performance.

Reward system is attractive to employees so as to ensure a high productivity level. This study tries to identify how these reward system impacts employee performance in an organization. This study carries out to enable all staff, especially those in management positions of the organization of study to understand and appreciate the effect of reward system on employee performance. This study will also be of immense benefit to other business organizations as it can give them an insight of the effect an effective reward system has on the performance of employees.

1.2 Objectives of the Study

The objectives of the study are specified as:

1. To examine the effect of financial rewards on employee commitment of Premier Coffee Lluvia Limited.
2. To investigate the effect of non-financial rewards on employee commitment of Premier Coffee Lluvia Limited.
3. To analyze the effect of employee commitment on employee performance of Premier Coffee Lluvia Limited.

1.3 Scope and Method of the Study

This study focused mainly on employee commitment and employee performance of Premier Coffee Lluvia Limited in Head Office, Yangon, Myanmar. The survey is collected from the Premier Coffee Lluvia Limited in Yangon only. Premier Coffee Lluvia Limited branches in other States and Divisions are excluded in this survey. Therefore, 215 respondents were picked from Premier Coffee Lluvia Limited in Head Office, Yangon by using census method.

In order to achieve the above objectives and to support this study, analytical research method is used. In this study, both primary and secondary data are used. Primary data are collected with structural questionnaire from 215 employees of Premier Coffee Lluvia Limited in Head Office, Yangon. The questionnaire is structured with five-point Likert-type-scale questions. Secondary data is gathered from related text books, articles, websites, international dissertations and other local MBA research papers from the library.

1.4 Organization of the Study

This study comprises five main chapters. Chapter one starts with an introduction: it contains rationale of the study, objectives of the study, scope, method and organization of the study. In Chapter two describes theoretical background of the reward management system, employee commitment and employee performance. Chapter three contains the profiles of respondents and the reward management practices of Premier Coffee Lluvia Limited. Chapter four includes an analysis on the effect of reward system on employee performance in Premier Coffee Lluvia Limited. Finally, Chapter five discusses the conclusion of the study and provides findings and discussions, suggestions and recommendations based on the result of the study.

CHAPTER 2

THEORETICAL BACKGROUND

The aim of this chapter presents the theoretical background and give an overview of the concept of reward system, employee commitment and employee performance. This research study provides the effect of reward system on employee commitment, as well as its relation on employee performance is also considered.

2.1 Role and Importance of Reward Management

Rewarding is one of the most important aspects which impact on employee performance. On the other hand, reward is one of the most influencing factors that motivate employees. Reward management can be identified with the organizational formulation and implementation of strategies and policies of organizations that aim to reward people reasonably, equitably, and consistently in compliance with organizational values (Armstrong & Murlis, 2007).

Designing, implementing and maintaining of reward processes and practices that are geared to organizational development of team and individual performances are contributed to reward management. The overall organizational performance depends fundamentally upon individual performance of employees. If high performance levels are retained as compared to its competitors, a firm can get competitive advantage. There are various factors that affect the performance of employees which include remunerations, rewards, motivation, organizational commitment, and job satisfaction, among others (Khan, Farooq, & Ullah, 2010).

Organizations must adapt to changes in the market in order to maintain their competitiveness and surviving in the long run. For achieving competitive advantages, firms need to be well managed in acquisition and allocation of organizational resources. Among the different scare resources, human resource is one of the most critical resources. Organizations are obliged to compete with one another for good staff as well as for customers, and as Charles Cotton points out in a recent CIPD survey of reward practices, 'respondents report that employees are becoming just as discerning as their customers in

what they want from their employer'. The more competitive the labor market becomes, the harder it is to recruit and retain the best-qualified people and the more pressure employers to develop reward packages that suit employees as much as they suit their own needs is placed on.

The long-term aim of reward management is to increase and realize the policies, processes and practices of reward to maintain the achievement of the organization's business achievements. The main objectives of rewards are to attract and retain employees, to motivate employees to achieve high levels of performance, and to elicit and reinforce behavior of the employees (Gehart & Milkovich, 1990). The rewards play a significant part in order to develop a high performance workforce and would be able to discuss about it with their employees in an organization. In the meanwhile, compensation and reward is a powerful that can influence the staff performance result in an individual as well as group level.

The aims of reward management are to reward people according to the value they create, align reward practices with business goals and with employee value and needs. The reward system is the business strategy of the organization and identifies the business drivers that set out the business goals. These drivers are unique and are integrated such as profitability, productivity, high performance, price leadership, innovation, quality and need to satisfy investors, employees and in local authorities.

Many researchers have also argued that organizational rewards may have a powerful influence on employees' attitudes towards their jobs and the company for which they work. Reward management system mainly deals with the rewarding of deserving candidates in the workplace that are based on their worth for the business in the fair and just manner (Armstrong & Cummins, 2011). Employees expect from the employers to be rewarded them for their high performance and provide adequate incentive to further improve performance. Therefore if the management fails to provide adequate rewards employee's dissatisfaction increases and high level of employee dissatisfaction leads to high level of demotivation (Danish & Usman, 2010).

(LaBelle, 2005) posited that different individuals have different perceptions of rewards and believes that such factors are the main driving force of employee commitment and satisfaction and that they help boost the employee to work harder and better to the motivation that it brings about for employees. Reward is the right ways to

convey the right communication about what is important to behaviors and outcomes, to help and to attract and retain the high quality of people the organization needs, motivate people, and obtain their engagement and commitment a high-performance culture. Furthermore, reward systems take into account organizational goals, values and strategies (Armstrong & Murlis, 2007).

2.2 Types of Rewards

Organizations can use several types of reward systems. According to (Luthans & Peterson, 2006), there are two basic types of rewards, financial and non-financial and both can be utilized positively to improve employees' performance behaviors. The financial rewards include rewards strategies such as salary, bonus, and fringe benefits while non-financial rewards focus on the needs of people for career advancement opportunities, development opportunities, job related non-financial incentives and recognition.

2.2.1 Financial Rewards

Financial rewards are monetary incentives in order that an employee performs as a result of good performance. Financial reward, incentives and bonus structures can motivate employees to higher performance levels. These rewards are aligned with organizational goals. When an employee helps to achieve an organizational goals, a reward often follows. Financial rewards consist of the value of all cash payments such as salary, bonus and fringe benefits.

i. Salary

Salary is the amount of basic pay (the fixed wage) paid to an employee by an employer in return for work performed. Basic salary refers to the amount that an employee earns before any extras are added or payments are deducted. It constitutes the rate for the job. It may be varied according to the position of the job or, for shop floor workers, the level of skill required.

Salary is the basic incentive for every employee to work efficiently for an organization. Under the salary system, employees are given increments in basic pay every year and also an increase in their allowances from time-to-time. Sometimes these

increments are based on the performance of the employee during the year. Levels of pay may be agreed through communal bargaining with trade unions or by reaching individual agreements. According to (Armstrong & Murlis, 2007), the rate may be adjusted to reflect increases in the cost of living or market rates by the organization or by agreement with a trade union.

ii. Bonus

Bonus is a sum of money offered to an employee over and above the salary or wages as a reward for good performance. To show gratitude to employees who meet longevity milestones, or to entice not-yet employees to join a company's ranks, bonus is used as a reward. Performance based bonus is typically awarded after a performance appraisal and analysis of projects accomplished by the employee over a specific period of time. It is normally measured with two theories: goal setting theory and expectancy theory. According to Edwin Locke, individuals who set specific, difficult goals performed better than those who set general, easy goals. Five basic principles of goal-setting by Locke are challenge, clarity, commitment, task complexity and feedback.

The link between motivation and performance is explained in motivation of expectancy theory. The theory proposes that performance at the individual level depends on high motivation, control of the necessary skills and abilities and an appropriate role and accepting that role (Sanvaneviciene & Stankeviciute, 2010). According to (Vroom, 1964), the effects of motivational performance are based on the skill levels of workers and the correspondence of ability to performance depends on the worker's motivation. The impacts of skill and enthusiasm of performance are not supplement but interactive. Performance based bonus will be given to employees based on their contribution to the achievement of their department or targets or commitment.

iii. Fringe Benefits

Fringe benefits are additions to payment which companies give their employees. Several organizations offer perquisites and fringe benefits such as accommodation, pension, medical facilities, insurance cover, sick pay, car allowance, employer-provided cell phones, education facilities, travel expenses and allowances, etc. These benefits are the commonly used tool to reward employees for their performance or to lift up the work conditions of the company.

According to (Nelson, 2012), they consist of elements of remuneration additional to the various forms of cash pay and also include provisions for employees that are not strictly remuneration, such as annual holidays. A fringe benefit is a great way to save more money for employees because the company takes on some of their regular expenses.

2.2.2 Non-financial Rewards

Non-financial rewards are the tangible rewards, social practices or job-related factors that are used in an organization to commit and motivate employees without direct payment of cash. The non-financial reward system encourages employees to explore and apply their creativity and innovation ability, to take on greater responsibility and demonstrate commitment with their tasks execution, resulting in higher motivation and improved work performance. (Millmore, Lewis, Saunders, Thornhill, & Morrow, 2007) stated that non-financial rewards are important because employee nowadays will seek other return that meaningful for their effort than financial value. According to (Chiang & Birtch, 2009), they suggested that non-financial rewards address the internal needs of employees.

i. Opportunities for Career Advancement

A high turnover rate for any organization can be caused by lack of opportunity for advancement or growth. Lack of opportunity for advancement through seniority or otherwise may result in displeasure that simmers in an employee's mind until employee finally quits. In the case of jobs having no real future, applicants should accept a full reason before they are hired. If the organization does not have chances for promotion of their employees, they may quickly lose this resource to others. Promotion chances are the degree of potential work-related mobility within an organization. Promotional chances reduce turnover since an employee can stay on hopefully eyeing a opportunity. Promotion of staff is a motivator in the sense that an employee is satisfied even as he performs his duties (Cascio, 2002).

According to (Friday & Friday, 2003), satisfaction with promotion determines employees' attitudes toward the organization's promotion policies and practices. Promotion provides opportunities for personal growth of employees, more responsibilities and better social status. Growth and improvement are the fundamental part of every individual's career. If employees cannot expect their path of career development in their

current organization, they will leave the organization as soon as they get an opportunity when they have other chances (Bratton & Gold, 2007). The important factors in employee growth which look for him are work profile, personal growth and dreams, and training and development.

Career development is crucial for both the employees and employers. Career development is a mutually beneficial process because it gives imperative outcomes to employer and employees. In order to gain and keep up competitive advantage, organizations required brilliant and productive employees. These employees need career development to enhance and develop their competencies (Prince, 2005).

ii. Development opportunities

Employee training provides opportunities to employees to widen their knowledge and abilities for more efficient teamwork and achieve individual development (Jun, Cai, & Shin, 2006). The purposes of career development are to improve current job performance of each employee, allow individuals to take advantage of future job opportunities and fulfill agencies' goals for a dynamic and effective workforce.

According to (Cole, 2002), the benefits of employee development to an organization include: increasing the employees' morale since training will improve the employees' confidence and motivation; lowering cost of production through better and economical use of material and equipment thereby reducing and avoiding waste. In addition, he observed that training of employees leads to a low turnover that comes as a result of improved security in the workplace. Training helps to improve change management by growing the understanding and involvement of employees in change management process. When workers receive self-development training, the extent of their job satisfaction is higher than those without such training. Career development is an organized approach used to achieve employee goals with the business needs of the workforce development initiatives (Kerka, 1998).

iii. Job Related Non-Financial Incentives

Job related non-financial incentives refer to the designing of jobs in such a way of job enrichment, employee participation and empowerment, job-role autonomy, job rotation and job security. It involves a higher level of knowledge and skill, a variety of work content, more autonomy and responsibility of employees, meaningful work

experience and more opportunities of growth. When the job is interesting, it itself serves as a source of motivation.

Involving employees in decision making regarding the issues related to them such as work committees, etc also helps in motivating them and inducing a sense of belongingness in them. Giving more autonomy and powers to subordinates also make them feel that they are important to the organization and in turn they serve the organization better.

Job security provides future stability and a sense of security among the employees. The employees are not worried about the future and thus work with more enthusiasm. However, there is also a negative aspect of these incentives that employees tend to take their job for granted and not work efficiently.

iv. Recognition

Recognition is the expression of appreciation for a level of performance, an achievement or a contribution to an objective. It can be public or confidential, formal or casual. It is always in accumulation to pay (Pitts, 2005). In addition to reward, employees also need recognition. Individuals like to share their achievements with others and have to be recognized and celebrated. When this need is satisfied, it works as an superb motivator.

Recognition considered as one of the most powerful motivators. If employers believe reward alone to acknowledge contributions and achievement, it's most possible that the employee's objective will become modified to secure the pay and this successively will cause a degraded culture of the organization. Using correctly recognition is a cost-effective way of enhancing achievements and enables people to feel involved in the company culture (Pitts, 2005).

2.3 Employee Commitment

At the moment of creating the commitment of employees, it is important to accept that the interests of the organization and of its employees do not essentially match (Armstrong 2000). According to (Walton, 1985), described the term “commitment strategy”, where it involved high performance expectations, and, instead of defining minimum standards, emphasized continuous improvement and the expanded content of individual jobs and “equity”.

Employee commitment has an important place in the study of organizational behavior. This is often partially thanks to the vast number of works that have found relationships between employee commitment and attitudes and behaviors within the workplace. The explanations for studying employee commitment are associated with “(a) performance effectiveness and employee behaviors, (b) affective, attitudinal and cognitive constructs like job satisfaction, (c) characteristics of the employee’s job and role, responsibilities and (d) personal characteristics of the employee such as age, job tenure.

Employee commitment is vital because high levels of commitment cause several favorable organizational outcomes. Employee’s identification is reflected to certain extent and organizational goals are also affected. Sustainable productivity improvement depends upon enterprise’s human capital (such as skills, knowledge, competencies, attitudes that include in the individual employee of the enterprise) and social capital (such as trust, confidence, communication, partnership, cooperative working dynamics and interaction, communication, shared values, teamwork and so on).

An employee with greater employee commitment has a greater chance of contributing to organizational success and will also experience higher levels of employee performance. Employee commitment implies an intention to persist in a course of action. Therefore, organizations often attempt to foster commitment in their employees to realize stability and reduce costly turnover. It is commonly believed that committed employees also will work harder and be more likely to “go the additional mile” to realize organizational objectives. Moreover, committed individual tend to be more directed and waste less time while at work which has an effective management can faster increased committed and loyalty to the organization as the above managing self competency features indicates.

(Mullins, 2009) viewed employee commitment as encapsulating by giving all of one-self while at work. They also state that employee commitment entails things such as using time constructively, attention to detail, making that extra effort, accepting change, cooperation with others, self-development, respecting trust, pride in abilities, seeking improvements and giving loyal support. Employees today are increasingly self-assured of their value to employers, and would consciously prefer to work for those organizations that meet the above workplace expectations.

The stronger an employee commitment is to the organization the less likely the person is to quit. Strong commitment also is often correlated with low absenteeism and comparatively high productivity. Attendance of work (being on time and taking time off) is usually higher for employees with strong organizational commitment. Employee commitment is defined as “multidimensional approach” in nature, relating an employee’s loyalty to the organization, willingness to apply effort on behalf of the organization, degree of global and value congruence with the organization, and desire to maintain membership.

Three major components of employee commitment are “a strong belief in and acceptance of the organization’s goals, a willingness to exert considerable effort on behalf of the organization, and a particular desire to take care of organizational membership”. Commitments are positive evaluation of the organization and the organization’s goals. Nowadays, it is widely recognized that multidimensional construct, offered by Meyer and Allen, is the most popular approach to employee commitment (SamGnanakkan, 2010). They described these three components as affective, continuance and normative.

2.3.1 Affective Commitment

The first component of Allen and Meyer’s model of employee commitment is affective commitment. According to (Meyer & Allen, 1997), affective commitment is the employee’s emotional attachment to, identification with, and involvement in the organization. Affective commitment also referred to as attitudinal commitment (Torrington, Hall, Taylor, & Atkinson, 2011) considers the employee’s emotional attachment as a person to the organization and is concerned with the extent to which the employees enjoy their membership and identify themselves with the organization. Affective commitment, according to (Meyer & Allen, 1997), is influenced by the individual’s needs and expectations about the organization and whether those match or not, according to their actual experience, establishing evident links to the psychological contract. In the same way, it has been shown to be associated with higher productivity and with positive work attitudes (Meyer & Allen, 1997).

Organization members who are affectively committed to the organization continue to work for the organization because they want to (Meyer & Allen, 1997). Members who are committed on an affective level stick with the organization because they view their

personal employment relationship as congruent to the goals and values of the organization. It is the attachment of an individual's fund of affectively and emotion to the group and it is an orientation or an attitude toward the organization, which links or attaches the identity of the person to the organization. (Meyer & Allen, 1997) further indicated that affective commitment is influenced by factors such as role clarity and goal clarity, goal difficulty, job challenge, peer cohesion, receptiveness by management, equity, participation, feedback, personal importance and dependability. Affective commitment development involves identification with the organization and internalization of organizational values.

2.3.2 Continuance Commitment

The second component of Allen and Meyer's model of employee commitment is continuance commitment. Continuance commitment also called a calculative commitment (Hansen, Sandvik, & Selnes, 2003) referred to the commitment based on the costs the employees associate with leaving the organization and so being more calculative and concerned with the individual's need to continue working for the organization (Meyer & Allen, 1997). Meyer and Allen defined continuance commitment as "awareness of the costs associated with leaving the organization". The profit associated with continued participation and a cost associated with leaving the organization. Individual's natural perception is calculated based on weighing of the costs and risks associated with leaving from current organization. (Meyer & Allen, 1997).

(Meyer & Allen, 1997) further stated that employees whose primary link to the organization is based on continuance commitment remain because they need to do so. Continuance commitment can be regarded as an individual attachment to the organization, where as individual's association is based on assessment of economics benefits.

Another view to continuance commitment is that it is a structural phenomenon, which occurs because of individual-organizational transactions and alternations in side bets or investments over time. Individuals stay in the organization because of the investments they accumulate due to the time spent in the organization, not because they want to. This is different to affective commitment wherein individuals stay in the organization because they want to, and they identify with the organization and its values.

2.3.3 Normative Commitment

The last component of Allen and Meyer's model of employee commitment is normative commitment. Employee's feelings of obligation to remain with the organization and focuses on "the right or moral thing to do" (Meyer & Allen, 1997). The term is similar in some aspects to affective commitment but it is influenced by society's norms about the extent to which people ought to be committed to the organization. This is based on the "social exchange theory", which suggested that an employee receiving a benefit under a strong "normative", has the obligation to repay it in some way (Cox, Brown, & Reilly, 2010). According to (Meyer & Allen, 1997), Internalized normative beliefs of duty and obligation make individuals obliged to sustain membership in the organization. The normative commitment is viewed as the commitment employees consider morally right to stay in the company, regardless of how much status enhancement or satisfaction the firm gives him or her over the years.

Commitment behaviors are socially acceptable behaviors that exceed and/or normative expectations relevant to commitment objectives.

Normative commitment is also viewed as the totality of internalized normative pressures to act in a way which meets organizational goals and interests. The strength of normative employee commitment is influenced by accepted rules about reciprocal obligation between the organization and its members. The obligation is based on social exchange theory suggested that a person receiving benefits is under strong normative obligation or rule to give benefits in some way. Employees consequently feel obliged to repay the benefits from the organization by remaining as part of the workforce.

2.4 Employee Performance

Most organizations have realized that the performance of their workers plays a vital role in determining the success of the organization. Organizations need effective and productive employees whose job performance is at an optimal level to be able to achieve their organizational goals. The efficiency and effectiveness of the whole organization thus depends upon individual efficiency and effectiveness in achieving individual tasks and duties.

(Rothman & Coetzer, 2003) explained that the performance of employees is to achieve the goals and targets set by the organization. In this way, performance can be described as work related behaviors and the resultant outcomes (Carson, Cardy, & Dobbins, 1991). It has also been said to be a result of individuals, the work environment and their interaction (Fitzgibbon, Ward, & Enticott, 2014). The performance of an individual is a function of at least four inputs: commitment, confidence, competence and contingency, and although other inputs may be present, these four are always present. In addition, performance outputs are expressed as feelings and behaviors that vary for each input and either encourage or discourage, because outputs result from inputs (Dries, 2013).

Performance of employees could conclude: quality of output, quantity of output, timeliness of output, presence at work, cooperativeness. A performance employee can be an individual or a group of people engaging in a collaborative effort. Employee performance is depending on the readiness and honesty of the employees itself on doing their job. Willingness and openness of the employees in doing jobs could increase the employees' productivity as well as performance

For individual employee, performance may refer to work effectiveness, quality and efficiency at the task level. Performance requirements for productive worker are product quality and hourly output results Organization performance can be affected by both individually and team work performance.

The expectancy theory suggested that there is strong linkage between employees' performance and the reward they receive. They are more likely to be motivated to perform as soon as they perceive the rewards (Mendonca, 2002). According to (Robbins, 2003), expectancy theory refers to the strength and attractiveness of an individual's expectation of the outcome produced by performance. (Robbins, 2003) proved that there are three relationships: effort - performance, performance - reward and rewards – personal goals that show one's behavior. Expectancy theory predicts one's level of motivation depends on the attractiveness of the rewards sought and the probability of obtaining those rewards (Bohlander & Sherman, 2001). If employees perceived rewards from the organization, they would like to put greater effort into work.

According to Stup (2003), there are several factors towards the success of the employees' performance. These factors are such as feedback on performance,

performance expectations, and reward for good or bad system, meaningful work, physical work environment, equipment, standard operating procedures, skills, attitudes and knowledge. Franco et al (2002) defined performance that relies on internal factors such as intellectual capacity and resources, required skills, to do the job evidently an impact. As a consequence, employers are trying to provide comfortable working conditions in order to grantee the performance of employees meet the required standards.

2.5 Previous Studies

Many research conducted in developed and developing countries have established a significant association between organizational reward practices on employee performance. The following section presents previous study of reward system on employee performance. Then the previous studies of the effect of reward system on employee commitment and the effect of employee commitment on employee performance are also discussed.

2.5.1 Effect of Reward System on Employee Commitment

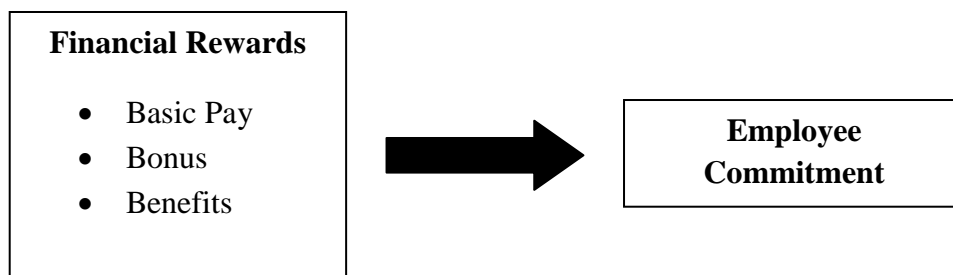
Reward system is a set of procedures, rules and standards associated with allocation of benefits and compensation to employees (Business Dictionary). According to Blackburn & Rosen, 1993, many different reward systems may control within organizations. It is important to understand that a reward system will essentially impact individuals and team members' performance and commitment levels within the workplace. Kerrin & Oliver suggested that it is crucial to implement an effective and efficient reward system based on each unique organization's needs.

Commitment is a behavior about the work and organization that include job condition, nature of work, supervision, co-workers, pay benefits and personal characteristics. According to Diane (2014), a result of job satisfaction is an employee commitment to the organization. He defined job satisfaction as the extent to which employees like their work. An important area of research is job satisfaction as one of the top reasons employees give for leaving job is dissatisfaction.

Responses to rewards type differ from individual to one another. Some employees will be more motivated by social rewards than cash rewards. By providing employees

with as much rewards as possible in proportion to their work efforts, employees are able to function more efficiently (Luthans & Peterson, 2006). The related research paper searched for this study is “The Impact of Financial Rewards on Employees’ Commitment”. This research was developed by (Grace, 2015). For the purpose of this study, the total 150 academic staff of the College of Education, Ikere-Ekiti, was selected. This study strongly supports the link between financial rewards and employee commitment. The research provides on empirical evidence for improving employees’ commitment through financial rewards in College of Education, Ikere-Ekiti from Ekiti State, Nigeria.

Figure 2.1 Conceptual Framework of Grace



Source: Grace (2015)

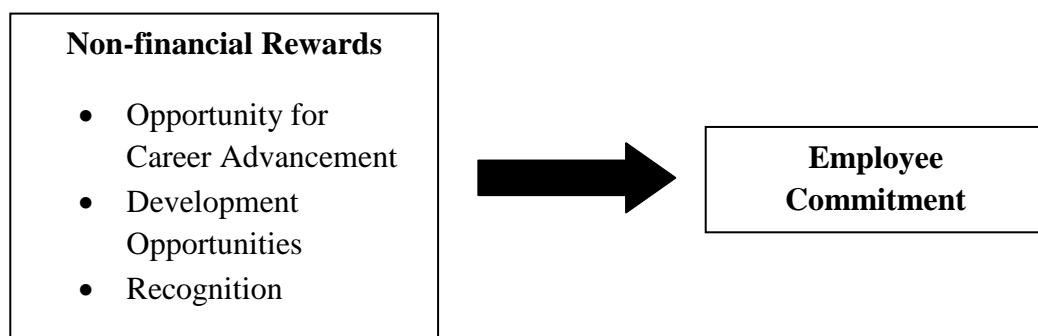
Carraher et al. (2006) advocated that there should be an effective reward system for organization reward and performance should be related to their productivity. (Danish & Usman, 2010) suggested that a firm that fulfills both financial and non-financial rewards could be the best one. Moreover, they investigated the influence of financial motivators on the performance of employees. And the study results showed that better performance was best foreseen by the job reward and job commitment was best predicted by a combination of cost values, rewards and the amount of investment. Thus, organizations must make policies and procedures and formulate such reward system under those policies and procedures which increase employee performance.

According to (Gehart & Milkovich, 1990) claimed that reward system should be carried out by the simplification of the connection between the given reward and the additional performance. Moreover, they suggested that to achieve positive effect, reward practices have to be performance-dependent. Actually, managers who attempt to run fair rewarding system seems to be more successful in performance rather than those who rewards in unfair manner. According to Chhabra (2010), the perceptions that employees

have with regards to their reward atmosphere influences their attitudes towards their employees. Rewarding exchange rewards provided to them, employee should reciprocate by increasing their commitments towards their organization and work.

Jensen et al., (2007) argued that the intangible rewards which determine why an employee would prefer one company over another when tangible rewards are given the same. This is one of the ways how companies can stand out of the crowd by using attractive rewards. (Luthans & Peterson, 2006) established and found out that there was a positive relationship between non-monetary incentives and employee organizational commitment. (Wright, 1992) in a study about the relationship among non-monetary incentives and goal level found that non-monetary rewards positively relate with goal level commitment of employees. The related research paper searched for this study is “Influence of Non-financial Rewards on Employee Commitment”. This research was developed by (Kature, 2014). For the purpose of this study, the 90 employees of total population in Kenya Tea Development Agency (KTDA) were selected.

Figure 2.2 Conceptual Framework of Kathure



Source: Kathure (2014)

In conclusion, career development, development opportunities offer and employee recognition are the tools to motivate employees in order for them to perform effectively. This research provided an empirical evidence for improving employees' commitment through non-financial rewards at Kenya Tea Development Agency (KTDA).

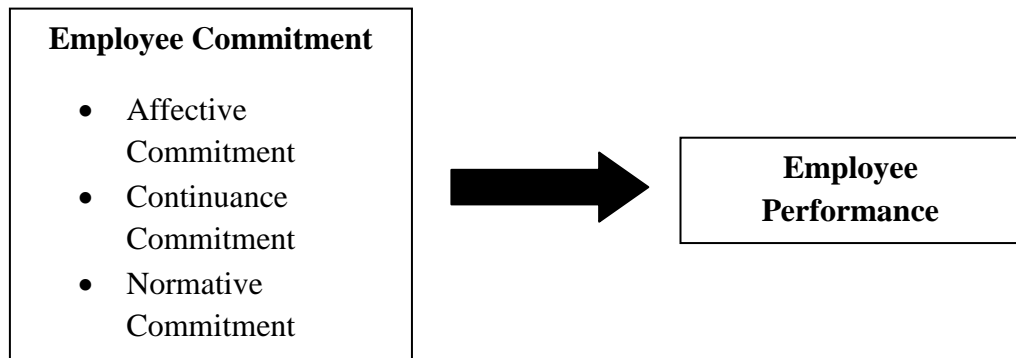
2.5.2 Effect of Employee Commitment on Employee Performance

The importance of commitment was highlighted by (Walton, 1985), where he pointed out that performance can be improved if the organization takes a commitment strategy rather than a control oriented approach. Employees come to work to make a contribution (Johnson 2004) and those employees who are committed to deliver customer satisfaction constitute a value asset in any organization (Payne et al., 2003). Negin et al. (2013) explained that organizational commitment influences the job performance of Malik Bank employees. The results indicated that the dimensions of organizational commitment such as continual, normative, and affective have relationship with job performance of employees.

Commitments in the workplace can take various forms and, arguably, have the potential to influence organizational effectiveness and employees' work performance. From an organization point of view, effective employee performance constitutes effective result and aim of commitment Ziauddin & Ramay (2010) investigated the impact of employee commitment among a sample of 153 workers in Pakistan where results show a positive relationship between employee commitment and their performance. Hence, the commitment of the employees is an important issue as it may be used to forecast employee's performance, absence and other behaviors (Dordevic, 2004).

Statistic results show that organizational commitment predicts the employee's performance independently. Furthermore, university teachers concluded that organizational commitment has positive relation with employee's performance. Qaisar et al. (2012) demonstrate the influence of organizational commitment (continual, normative and affective) on employee's performance in the context of Pakistani police. According to (SamGnanakkan, 2010), employee performance may depend on the nature of the commitment, where some organizations tend to increase commitment through those aspects that influence each component such as career promotions, skills training and compensation plans. Moreover, the study of Lusine Abrahamyan, Tsovinar Mirzoyan, Jose Fernando Lopez Santos (2014) investigated that the relation between the commitment of employees and their performance within the Information and Communications Technology industry.

Figure 2.3 Theoretical Framework of Abrahamyan, Mirzoyan, Santos

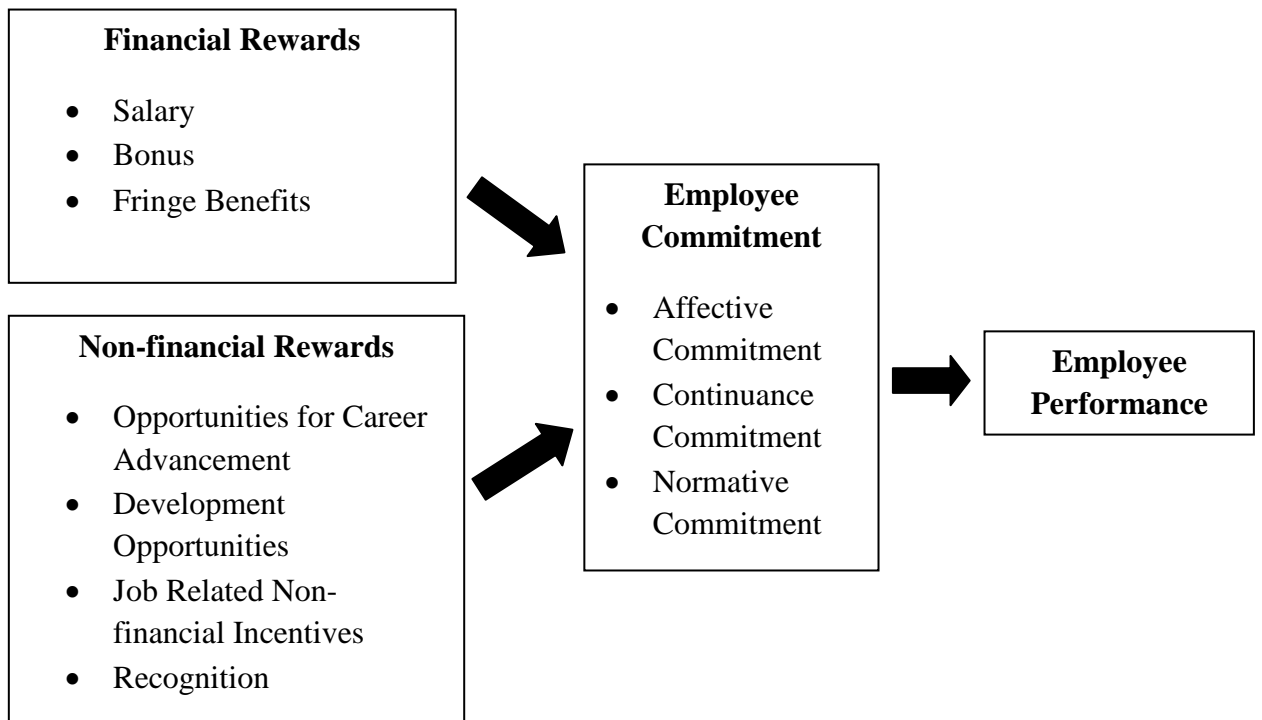


Source: Abrahamyan, Mirzoyan, Santos (2014)

2.6 Conceptual Framework of the Study

Based on the above literature review and previous studies, the conceptual model for this study is developed. This study follows two parts: first, the effect of reward system (financial and non-financial rewards) on employee commitment, and second, the effect of employee commitment on employee performance Premier Coffee Lluvia Limited. The conceptual framework of the study is shown in Figure (2.4).

Figure 2.4 Conceptual Framework of the Study



Source: Own Compilation (2019)

The framework has developed to conceptualize the relation between dependent variable and independent variables. In above figure, reward system is an independent variable. From the financial rewards have three variables; from the non-financial rewards have four variables. Then, employee commitment is also an independent variable. Employee commitment has affective commitment, continuance commitment and normative commitment. In reward system and employee commitment, all these variables are measured with five likert scale. Employee performance is categorized as the dependent variable. Existence of effective reward system had to lead employee commitment and employee performance. According to literature review, employee commitment and employee performance are essential in every organization and the commitment of competent employees is critical to the success of the organization.

CHAPTER 3

REWARD SYSTEM OF PREMIER COFFEE LLUVIA LIMITED

This chapter is divided into three portions. The first part of the chapter presents the company background of Premier Coffee Lluvia Limited, and its reward practices. The company's vision and mission statement, organization structure and about Yangon head office are also presented in the first portion of this chapter. The second portion of the chapter is describing the demographic profile of the respondents to the survey. The last portion of the chapter is to explore the reward system of Premier Coffee Lluvia Limited.

3.1 Profile of Premier Coffee Lluvia Limited

Premier Coffee Lluvia Limited which was established in June, 2005 and founded by Dr. Ko Ko Gyi, who is a managing director and involved successful stakeholders, shareholders, investors etc. Premier Coffee Lluvia Limited is a member of Capital Diamond Star Group (CDSG) which is established as a small trading company in the 1960's. It started the business with coffee manufacturing and distribution. Premier Coffee Lluvia Limited is now becoming one of the leading and fastest growing organizations in Myanmar.

Capital Diamond Star Group gradually grows into a diversified conglomerate with 12 operating entities. The company's lines of business include Food, Retail, Real Estate, Automotive, Financial Services, Telecommunication Services, Pharmaceutical and Infrastructure. It has other Strategic Business Units such as Capital Construction Project, other FMCGs products such as Dora chicken powder, Opa detergent cream, Armo toothpaste, Shine Shampoo and shower cream. Those FMCGs are the leading and successful FMCGs products in Myanmar. In addition, Capital Diamond Star Group is recognized as a Global Growth Company by the World Economic Forum in May 2014. In 2015, to continue the success of the Premier brand in Myanmar, CDSG and Mitsubishi Corporation formed a joint venture company, named Lluvia Limited. Nowadays, Premier Coffee Lluvia Limited is a national pride and number one brand in Myanmar's FMCG industry.

The Yangon Head Office is located at No. (299/A), Mya Marlar Street, Tharkayta Industrial Zone. The factory is situated at NO. (108), Seikkanthar Street, Hlaingtharyar Industrial Zone III, Hlaingtharyar. It is operating the manpower of over 1,600 employees. The company has over 200 employees in Yangon Head Office and the other branches and depots have more than 500 employees. There are above 800 employees in its factory. Premier Company has strong financial background and strong distribution network and one of the successful leading instant coffee companies in Myanmar. In terms of company's management system, Premier Coffee Lluvia Limited has systematic and strong management system in marketing and sales department, corporate level and senior management level are MBA holders and they have concrete industrial experience, skills and abilities, strong educational qualifications. Moreover, they have long term strategic plan, operational plan and have successful training and motivation to compete and gain competitive advantage in competitive market environment.

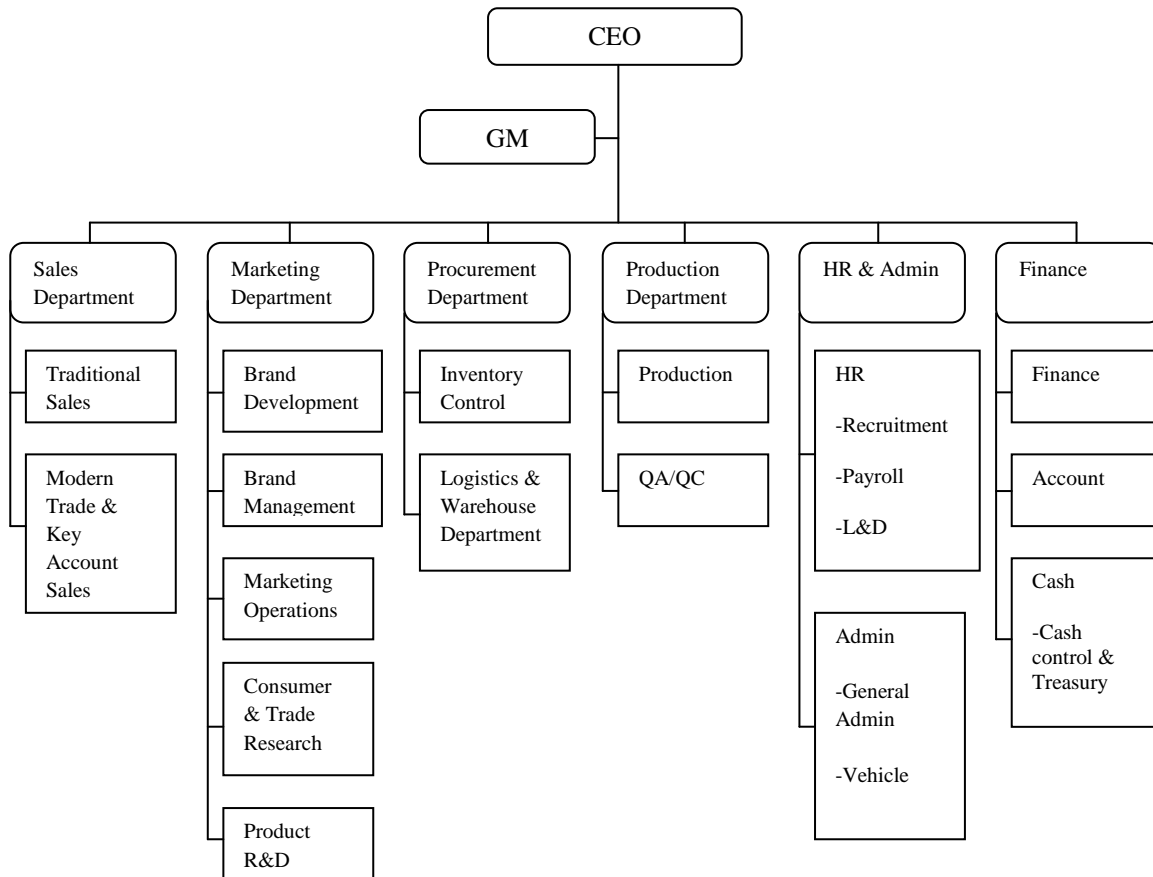
3.1.1 Vision, Mission and Objectives

The vision of Premier Coffee Lluvia Limited is to build a world-class FMCG champion. The mission statement of Premier Coffee Lluvia Limited is to ignite a food revolution in Myanmar, providing masses with nutritious, quality food and beverages at affordable prices. The objectives of Premier Coffee Lluvia Limited are “To inspire moments of optimism and happiness to consumers” and “To create value and make a difference to consumers”.

3.1.2 Organization Structure of Premier Coffee Lluvia Limited

Premier Coffee Lluvia Limited is a well-established organization which is comprised of six different departments such as marketing department, sales department, supply chain department, logistics department, and admin and finance department. The CEO of Premier Coffee Lluvia Limited is in charge of the company. The General Manager has to deal with the issues of every department and for reporting directly to the CEO. For level of authority, they allocate based on junior assistant, senior assistant, assistant supervisor, supervisor, assistant manager and manager.

Figure 3.1 Organization Structure of Premier Coffee Lluvia Limited



Source: Premier Coffee Lluvia Limited (2019)

Organization structure of Premier Coffee Lluvia Limited is shown in Figure (3.1). As described in the figure, a general manager is responsible for monitoring and controlling all six departments: marketing department, sales department, supply chain department, logistics department, and admin and finance department.

In marketing department, the Marketing Manager (Brand Manager) is responsible for managing marketing, advertising, promotion activities, events and trade fairs, merchandizing activities, sponsorship program and modern trade channel promotion. Marketing department includes Marketing Manager, Assistant Manager, Supervisor, Assistant Supervisor and other staffs. The marketing manager plans to meet the marketing and branding objectives. Moreover, marketing budget needs to be prepared and adhered. The marketing manager deepens relationships with all media to ensure the most effective messaging and positioning of the organization. Marketing activities and marketing usage are monthly reported to the General Manager.

The Senior Sales Manager is in charge of sales and distribution channels of the whole country. There are two sub divisions: traditional sales and modern trade sales. This department has sales manager, assistant sales manager, supervisors, assistant supervisors and sales representatives under the supervision of the Senior Sales Manager. At sales department, the Senior Sales Manager is responsible for leading and guiding a team of sales people in the company. Sales goals and quotas are also set. In addition, the Senior Sales Manager builds a sales plan, analyze data and assign sales training and sales territories. Monthly sales report is submitted to the General Manager.

At procurement department, under the control of the Procurement Manager, there are supervisors, assistant supervisors and other staffs. The Procurement Manager manages all of the steps needed to purchase raw materials, delivers it to various points throughout the business, ensures that the company makes enough of its product to meet customer demand, and delivers the output of the right destinations on time. The Procurement Manager also prepares the monthly report for the General Manager.

Under the supervision and direction of Warehouse Manager, there are supervisors, assistant supervisors and other staffs. The Warehouse Manager organizes the storage and distribution of goods. Furthermore, the Warehouse Manager is involved in transportation, stock control, warehousing, and monitoring the flow of goods. Monthly reports are submitted to the General Manager.

The production department of Premier Coffee Lluvia Limited is responsible for the production of goods. Production Manager is involved in the planning, coordination and control of manufacturing processes. The manager has to plan and organize production schedules. Project and resource requirements are also assessed. Staffs at this department perform transforming raw ingredients into prepared food products. The manager prepares monthly report to submit to the General Manager.

Administration department supports operations by planning, organizing and implementing administrative systems. This department concerns with recruiting, selecting, orienting and training employees. Furthermore, it ensures the availability of office requirements such as printed materials, forms, stationeries and so on. The General Manager directly controls the administration department. This department also prepares a monthly report for the General Manager.

The Finance Manager is responsible for the financial health of the company and produces financial reports including profit and loss statements, petty cash, inventory control, cash flow and so on. Moreover, the long-term financial goals of Premier Coffee Lluvia Limited are also developed. This department has the manager, assistant manager, supervisors, assistant supervisors, senior assistants, junior assistants and other staffs. The manager prepares monthly report to submit to the General Manager.

3.1.3 Manpower of Departments in Premier Coffee Lluvia Limited

The departments of Premier Coffee Lluvia Limited are divided into six major departments. There are 215 employees in those six departments who are currently working at Premier Coffee Lluvia Limited. The manpower according to the specific departments in Premier Coffee Lluvia Limited is shown in Table (3.1):

Table (3.1) Manpower of Departments in Premier Coffee Lluvia Limited

No.	Department	Number of Employees	% of Total Employees
1	Marketing	29	13.5
2	Sales	111	51.6
3	Supply Chain	16	7.4
4	Finance	20	9.3
5	Logistics	27	12.6
6	Admin	12	5.6
	Total	215	100

Source: Survey Data (2019)

As shown in Table (3.1), Marketing Department has 29 employees, Sales Department has 111 employees, Supply Chain Department has 16 employees, Finance Department has 20 employees, Logistics Department has 27 employees and Admin Department has 12 employees respectively. Among the total employees, most portions of employees are working at Sales Department because this department has the highest utilization of manpower for Premier Coffee Lluvia Limited.

3.2 Reward System of Premier Coffee Lluvia Limited

Premier Coffee Lluvia Limited provides financial and non-financial rewards based on the performance of the employees. Reward practices of Premier Coffee Lluvia Limited are presented as follows: salary (basic pay), bonus, fringe benefits, opportunities for career advancement, development opportunities, job related non-financial incentives and recognition.

Monthly basic salaries are defined as direct financial compensation. Pay scale determined with educational background, job role, level of experience, job responsibility, skill and ability are considered. The standard annual salary increment is considered upon the promotion and company's overall performance. The salary factors are relative important in deciding to the organization's competitive advantage, the market rate of the job and scarcity of man power. All staffs' salary is managed by HR department but financial decision by principal.

All employees who included in managerial and non-managerial level get a year-end bonus. This bonus giving time is normally at the end of every year. Bonus range is also classified as the position. Moreover, the festival bonus such as Thingyan festival and Thadingyut festival, amount to 30,000/- kyats is given to all employees.

Premier Coffee Lluvia Limited provides various forms of indirect financial compensation such as travelling expenses and allowance, meal allowance, transportation allowance, uniforms and staff welfare. The company provides the transportation like as ferry to convenience the employees. Other benefits plan included the leave. From the benefit defensive, being innovative and considering ways to develop the access or quality of benefits, could be like: Allowing employees to access their paid with leaves as of their hire date, employees who have worked for one year will granted 9 days of earned leave per calendar year. The casual leave will granted 6 days after permanent and are not allow taking 3 days at the same time.

Employees travelling on duty are entitled to take out their travelling expense as travelling facilities and daily expenses to their respective department. According to the nature of the business, employees need to travel often and reasonable travel allowance plans are also essential for the company. It is competitive fringe benefits as to the industry average. There are predefined procedures and norms for calculating travelling allowance

depend on the designation to travel, durations of travelling, and important and urgency of the trip.

Premier Coffee Lluvia Limited has well practicing non-financial reward system such as opportunities for career advancement program, development opportunity training program, job-related non-financial incentives and recognition. Promotion decisions are made during a fair and just manner. They also provide self-development training and International work-trip opportunities for managerial level to widen their knowledge and abilities for more efficient teamwork.

Performance management: the performance appraisals are made mainly on promotion and bonus. The main areas used in performance assessment are performance results or outcomes, responsibility at work, problem solving skills, professional skill on time working, follow rules and regulations, avoid personal manner during working hours, team work, communication and personal relationship skills.

Premier Coffee Lluvia Limited appreciates and recognizes their employee's effort by giving rewards and certificate for outstanding employees. It has an annual dinner, appreciation party, retreat programs and awarding certificates for the outstanding performance. Vacation trips are arranged occasionally by departmental. The trip plans are arranged according to the employees will. Full costs are covered by the organization for the whole trips.

3.3 Demographic Profiles of Respondents

In this survey, 215 of printed questionnaires set were distributed among the staffs in Premier Coffee Lluvia Limited. Demographic characteristics of respondents include such questions as gender, age group, education level, tenure, position and monthly salary of respondents. For each question, respondents are given multiple choices, out of which the respondents have to choose the most relevant one. Table (3.2) shows the demographic data of the respondents.

Table (3.2) Demographic Profile of Respondents

Particular		Number of Respondents	Percentage (%)
Total		215	100.0
Gender	Male	120	55.8
	Female	95	44.2
Age Group	21-30 Years	80	37.2
	31-40 Years	99	46.1
	41-50 Years	25	11.6
	Above 50 Years	11	5.1
Education Level	Undergraduate	15	7.0
	Bachelor Degree	178	82.8
	Master Degree	22	10.2
Tenure	< 1 Year	14	6.5
	1-3 Years	54	25.1
	3-6 Years	115	53.5
	6-9 Years	25	11.6
	More than 9 Years	7	3.3
Level of Position	Junior Assistant	77	35.8
	Senior Assistant	41	19.1
	Assistant Supervisor	43	20.0
	Supervisor	25	11.6
	Assistant Manager	18	8.4
	Manager	11	5.1
Monthly Salary	Less than 2lakhs	23	10.7
	2lakhs to 3lakhs	51	23.7
	3lakhs to 4lakhs	86	40.0
	4lakhs to 5lakhs	26	12.1
	5lakhs & above	29	13.5

Source: Survey Data (2019)

Table (3.2) indicates that most of the respondents are male. The numbers of male employees are a little more than female employees. Most employees are between 31-40 years old and they present 46.1% of total. The second largest group is 21-30 years old representing 37.2% of the employees. This is because most employees are junior

assistants, senior assistants and assistant supervisors. Among the respondents, the findings show that 41-50 years age group is 11.6% and above 50 year age group contributes just 5.1% of the employees. Therefore, the majority of employees in Premier Coffee Lluvia Limited are young group. Regarding the education level, 82.8% of the employees are degree holders and they contribute the large portion. The employees who have master degree present 10.2% of total employees and the remaining 7.0% is undergraduate education level. Generally, the more education level, the more employees perceive about the company support.

According to the Table (3.2), most of the employees in Premier Coffee Lluvia Limited are 3-6 years service which represents 53.5% of total employees. The 25.1% of employees have 1-3 years service and 11.6% of employees have 6-9 years service. Among them, only 6.5% are under 1 year service in this organization.

According to position level, junior assistant level employees are large group by 35.8% of employees. Among the total employees, 20.0% are assistant supervisors, 19.1% are senior assistants, 8.4% are assistant managers and 5.1% are managers. In order to get more commitment to the organization and high performance of the employees, employees need to focus those major groups. The monthly salaries of the employees mostly get between 300,000kyats and 400,000kyats. Middle management level and top management level employees get the high salary depends on their job position and performance.

3.4 Employee Perception on Reward System of Premier Coffee Lluvia Limited

Organizational reward system has been found to play a critical role in enhancing employee commitment and performance. This is because rewards increase the employee commitment among high performers and act as an incentive for low performers. In this study, different rewarding practices in Premier Coffee Lluvia Limited are grouped in two: Financial Rewards and Non-financial Rewards. Salary, bonus and fringe benefits are considered as financial rewards. Opportunities for career advancement, development opportunities, job related non-financial incentives and recognition are taking into account as non-financial rewards which are practicing in Premier Coffee Lluvia Limited.

In order to analyze the reward system of Premier Coffee Lluvia Limited, structured questionnaires are collected from 215 employees of the Premier Coffee Lluvia Limited. In this structure questionnaire, Five-Point Likert Scale (from 1= strongly

disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree) are used in order to find out the degree of influencing factor on employee performance.

3.4.1 Financial Rewards

Table (3.3) presents employee attitude on financial reward practices in Premier Coffee Lluvia Limited There are three different financial reward practices to measure employees' attitudes on financial rewards of the company: Salary, Bonus and Fringe Benefits.

Table (3.3) Financial Rewards

No.	Salary	Mean	Std.Dev
1	Receiving right amount of salary for effort and skills	4.64	0.48
2	Sufficient salary related to commitment and performance	4.39	0.56
3	Incrementing salary motivates to perform better	4.40	0.54
4	Efficient and effective compensation system	4.24	0.49
5	Comparing to other companies, pay scale is attractive	4.38	0.56
Overall Mean		4.41	
No.	Bonus	Mean	Std.Dev
1	Receiving annual bonus is satisfied	4.85	0.36
2	Recognizing the extra effort in reward consideration	4.47	0.55
3	Receiving bonus is fair/equitable for the effort and qualification	4.51	0.57
4	Maintaining employee commitment with bonus for going another year	4.07	0.67
5	Making bonus plan of employee is committed	4.27	0.45
Overall Mean		4.43	
No.	Fringe Benefits	Mean	Std.Dev
1	Appropriating of fringe benefits with employees' need	4.40	0.49
2	Refunding leave policy of employees at the end of every year	4.56	0.51
3	Providing flexible travelling expense and allowance	4.42	0.51
4	Keeping employee commitment with fringe benefits	4.23	0.48
5	Providing fair fringe benefits compared to other organizations	4.49	0.55
Overall Mean		4.42	

Source: Survey Data (2019)

According to table (3.3), overall mean scores for each of the financial rewards are greater than 3 and they all have equal mean values. The result on the level of employee commitment with respect to salary indicates that most employees are committed on being paid the right amount of salary for their effort and skills. Furthermore, the positive relationships show that employees are getting sufficient salary, salary increments and attractive pay scale in relation to their commitment and performance.

The highest commitment level of the employees is the fact that they feel happy when they receive bonus annually and satisfied with their awarded bonus. But, they do not have the perception that they are being paid bonus for continuous maintaining of employee commitment for going another year with this company.

The fringe benefits are also important for the employees of the Premier Coffee Lluvia Limited More than half of the total employees are from the sales department. According to the nature of business, most of the employees need to travel frequently so that the company provides flexible travelling expenses and allowances. Employees are more likely to agree leave refund policy at every end of the year. Fringe benefits are also important for them like any other rewards. According to the overall mean score, employees are satisfied that provided by Premier Coffee Lluvia Limited

3.4.2 Non-financial Rewards

Table (3.4) presents employee attitude on non-financial reward practices in Premier Coffee Lluvia Limited. There are four different non-financial reward practices to measure employees' attitudes on non-financial rewards of the company: Opportunities for Career Advancement, Development Opportunities, Job Related Non-financial Incentives and Recognition.

Table (3.4) shows that the mean score of all items that measure opportunities for career advancement of non-financial rewards in Premier Coffee Lluvia Limited are well above neutral. The highest commitment level of the employees in opportunities for career advancement is the fact that promotion based on individual performance.

Table (3.4) Non-financial Rewards

No.	Opportunities for Career Advancement	Mean	Std. Dev
1	Promotion based on individual performance	4.51	0.55
2	Promoting in a fair and honest way	4.26	0.71
3	Improving career prospects	4.36	0.73
4	Motivating and committing to the job	4.44	0.74
5	More opportunities for more advancement	4.25	0.62
Overall Mean		4.36	
No.	Development Opportunities	Mean	Std. Dev
1	Providing job specific training	3.96	0.71
2	Having clear employee development plan	4.03	0.66
3	Involving in activities that promote professional development	4.58	0.55
4	Training program helps to work adaptable and active	4.24	0.47
5	Well-organized training program in the organization	4.29	0.66
Overall Mean		4.22	
No.	Job Related Non-financial Incentives	Mean	Std. Dev
1	Allowing staffs to undertake delegate work in own way	4.31	0.46
2	Accessing important information and involved in making major decisions	3.93	0.70
3	Delegation altogether with proper degree of authority	4.08	0.67
4	Assigning higher responsibility and work advancement	4.09	0.70
5	Autonomy to handle most of the issues	4.03	0.66
Overall Mean		4.09	
No.	Recognition	Mean	Std. Dev
1	Being praised and recognized in public	4.47	0.50
2	Hardworking and result oriented are praised and rewarded	4.45	0.50
3	Enhancing the achievement and involving in company culture	4.63	0.48
4	Having better perception of the work and workplace	4.62	0.54
5	Encouraging low performers to work hard	4.78	0.42
Overall Mean		4.59	

Source: Survey Data (2019)

The management of Premier Coffee Lluvia Limited properly administers opportunities for career advancement program with equal chance for every employee in the organization. According to the survey data, the overall mean score states that employees of Premier Coffee Lluvia Limited can get promoted based on their effort and performance.

As shown in Table (3.4), the highest mean score of development opportunities is the fact that employees have the opportunities to be involved in activities which promote their professional development. Employees in Premier Coffee Lluvia Limited are little pleased with the facts that job specific training and clear employee development plan provided by the company. The overall mean score for development opportunities of non-financial rewards is also well above neutral.

The overall mean score for job related non-financial incentives is the least value among four different non-financial rewards. The lowest mean score of non-financial rewards is the fact that employees are able to access important information and involved in making major decisions. But, employees of Premier Coffee Lluvia Limited have the perception that they are distributed relatively autonomy in the workplace for solving problems.

In general, senior delegate properly because the respondents rated that they are being delegated with suitable degree of authority. The company managements tend to encourage their managers for delegating within the workforce. Employees of Premier Coffee Lluvia Limited have perception of being delegated is a good chance for them to develop new skills and competencies.

According to Table (3.4), the highest commitment level of the employees is the fact that giving recognition to high performer is motivating low performers to work harder. The organization recognized the good performance employees. The purpose of this recognition is to take example this good employees' behaviors. The overall mean score for recognition is the highest and strongest value within the four types of non-financial rewarding. The mean values are greater than 4 which can be made assumption that non-financial rewarding of recognition is well allocating in Premier Coffee Lluvia Limited.

CHAPTER 4

ANALYSIS ON THE EFFECT OF REWARD SYSTEM ON EMPLOYEE PERFORMANCE

This chapter presents the three sections. The first section is to explore the employee commitment and employee performance of Premier Coffee Lluvia Limited. The second section is to analyze the effect of financial rewards which are salary, bonus and fringe benefits on employee commitment and to analyze the effect of non-financial rewards which are opportunity for career advancement, development opportunities, job related non-financial incentives and recognition on employee commitment. Finally, the third section is to analyze the effect of employee commitment on employee performance.

4.1 Employee Commitment

Table (4.1) illustrates the measurement of the level of employee commitment in Premier Coffee Lluvia Limited. There are three distinguishable employee commitments to measure employees' attitude to the work: Affective commitment, Continuance Commitment and Normative Commitment.

Based on the results obtained in Table (4.1), the mean scores of all the items that measure commitment of employees in Premier Coffee Lluvia Limited are well above neutral and have high mean scores. The overall mean score for affective commitment is strongest value within the three types of employee commitment. The highest value of affective commitment indicates that they feel "emotionally attached" to this organization. The mean scores for each of affective commitment are greater than 4. This positive relationships show that they are happy in practicing this profession, they have the meaningful life doing the jobs and the working conditions at Premier Coffee Lluvia Limited.

Most of employees in Premier Coffee Lluvia Limited proud for their company when they discussing about their organization with their friends because the company developed high performance and wide ranges of product categories within a few years. According to the survey, they feel a strong sense of belonging to their organization and

organization's problems are theirs. This result shows that the employees who work at Premier Coffee Lluvia Limited feel that this organization is second family of their life.

Table (4.1) Employee Commitment

No	Affective Commitment	Mean	Std. Dev
1.	Happiness in practicing this profession at this company	4.45	0.50
2.	Describe this organization as a great place to work	4.41	0.79
3.	Feeling like “part of my family” at this organization	4.27	0.77
4.	Seriousness on company’s problem	4.41	0.80
5.	Feeling as “emotionally attached” to this organization	4.70	0.46
Overall Mean		4.45	
No.	Continuance Commitment	Mean	Std. Dev
1.	Leaving from this organization to be costly	4.3	0.48
2.	Very hard to leave from this company	4.4	0.48
3.	Problems will get when leaving now	4.3	0.44
4.	Afraid of what happen after resigning the job	4.4	0.48
5.	Considerable personal sacrifice when leaving	4.3	0.44
Overall Mean		4.3	
No.	Normative Commitment	Mean	Std. Dev
1.	Jumping from organization to another seems unethical	4.0	0.52
2.	Would not feel right to leave from this organization when getting better job	4.1	0.43
3.	Feeling guilty when leaving from this organization	4.1	0.28
4.	Having a sense of obligation to the people in this organization	4.1	0.26
5.	Would not feel right to leave if it were to my advantage	3.9	0.31
Overall Mean		4.0	

Source: Survey Data (2019)

Continuance commitment relates to how much employees feel they need to stay at their organization. Table (4.1) clearly indicates that they are worried about they think that it would be very hard for them to leave their organization right now, even if they wanted to. One of the highest mean scores of continuance commitment is that the respondents

strongly accept the fact that they are afraid of what might happen if they quit their job. Employees believe that it is not easy to get a new job. Employees are worried about the financial problems when they leave from this organization because most of the respondents have family members with children.

One of the major reasons they continue to work for this organization is that other organization may not match the overall benefits they have here. This mean that although they have many options from other organizations, they continuance working at this Premier Coffee Lluvia Limited because they enjoy their current positions and their career life without forcing any other command. Most of the employees are working here because of interesting in their respective fields, taking experiences and having a loyal to this organization. Continuance commitment occurs when employees weigh up pros and cons of leaving their organization.

Normative commitment relates to how much employees feel they should stay at their organization. Normative commitment occurs when employees feel a sense of obligation to their organization, even if they want to pursue better opportunities. Based on the results obtained in Table (4.1), the highest mean values of normative commitment is that the respondents feel that they should stay in this organization because of a sense of moral obligation and loyal is important for them.

Most of the employees agree the fact that if they got another offer for a better job elsewhere they would not feel it was right to leave their organization. They believe that this organization has invested money and time for them to promote their professional development and to provide opportunities for career advancement. They believe that a person must always be loyal to their organization when the organization provides to meet their needs and satisfaction level.

4.2 Employee Performance

In this study, the combination of ten survey questions is used to explore the performance of employees on Premier Coffee Lluvia Limited. For measuring the strength of each of the indicators, Likert-type scale was used which is composed of five value levels (from 1= strongly disagree to 5= strongly agree). The employee performance is explored by using employee self-assessment questionnaire. The results of survey on performance of employees in Premier Coffee Lluvia Limited are expressed in Table (4.2).

Table (4.2) Employee Performance

No	Employee Performance	Mean	Std. Dev
1.	Targeting in the job stimulate to do the best	4.55	0.50
2.	Using to complete quality work on time	4.36	0.48
3.	Effectively collaborate with other department members	4.19	0.69
4.	Actively participate in group discussion and work meetings	4.26	0.76
5.	Loving to handle extra responsibilities and wanting to put extra effort into a task	4.45	0.57
6.	Enable to make use of skills and abilities	4.54	0.55
7.	Encouraging to deliver great job performance	4.63	0.48
8.	Can do the decision well	4.57	0.50
9.	Feeling of improvement at the work	4.47	0.50
10.	Very passionate about my work	4.60	0.49
	Overall Mean	4.46	

Source: Survey Data (2019)

As shown in Table (4.2), employees strongly accept the factor that their jobs can encourage them to deliver great job performance. Employees might have adequate skills and competencies to perform well in their own specific tasks in Premier Coffee Lluvia Limited. And then, the employees always try to maintain a high standard on their work done. The second highest mean score is the fact that employees in Premier Coffee Lluvia Limited are very passionate about their work. So, they can do the decision well and the targets in their job stimulate them to do the best.

If problems and difficulties are found, solutions and appropriate actions are made by using their skills and abilities. To perform their jobs, employees in Premier Coffee Lluvia Limited prioritize their tasks appropriately and use their time effectively. This result indicates that they well know how to handle their jobs and challenging works completely.

The respondents accept the fact that they are feeling of improvement at work. Employees love to handle extra responsibilities and want to put extra effort into a task. The respondents did not accept the fact that they actively participate in group discussions and work meetings. This result indicates that employees do not have the chance to access important information and to be involved in making major decisions. The respondents did not accept the fact that they effectively collaborate with other department members. According to the organization structure and level of positions in Premier Coffee Lluvia Limited, most of the employees do not need to get involved in other department's processes. If problems and difficulties which are related with all departments are found, solutions and appropriate actions are discussed during top-level management meeting.

4.3 Analysis on Effect of Financial Rewards on Employee Commitment

In order to explore the effect of financial rewards (salary/base pay, bonus and fringe benefits) on employee commitment, linear regression model is deployed and analyzing is carried out based upon the 215 response of employees in Premier Coffee Lluvia Limited.

4.3.1 Effect of Financial Rewards on Affective Commitment

This section analyses the effect of financial rewards on their affective commitment in Premier Coffee Lluvia Limited. The regression results to test the impact of financial rewards on their affective commitment in Premier Coffee Lluvia Limited and the results are shown in Table (4.3).

According to Table (4.3), the power of the model to explain the variables supposed to financial reward factors affect on affective commitment of Premier Coffee Lluvia Limited in Yangon Head Office. The value of R square is 63.6 percent and adjusted R square is 63 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level.

The results indicate that both bonus and fringe benefits have the expected positive signs and highly significant coefficient values at 1 percent level. It means that one unit of bonus factors can lead to 0.808 unit increases effect on employees who have affective

commitment. One unit of fringe benefits can lead to increased 0.664 units in affective commitment.

Table (4.3) Effect of Financial Rewards on Affective Commitment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	-1.567	.333		-4.709	.000	
Salary	-.113	.084	-.078	-1.340	.182	1.962
Bonus	.808***	.082	.551	9.831	.000	1.817
Fringe Benefits	.664***	.103	.387	6.431	.000	2.097
R	.797					
R Square	.636					
Adjusted R Square	.630					
Durbin-Watson	1.948					
F Value	122.654***					

Source: Survey Data (2019)

***Significant at 1% level, **Significant at 5% level, *Significant at 10% level

The standardized coefficient (Beta) of bonus has the largest value (0.551) among financial reward factors indicating that bonus has the greatest contribution to the effect on employees who have affective commitment. The bonus and fringe benefits plans can persuade to improve performance of employees who have affective commitment. Organization is making the new incentive plan and fringe benefits plan not different from year to year.

It seems that giving bonus to employees can lead to feel happy in practicing their professions and emotionally attached to this organization. The respondents obtain the highest satisfaction on bonus and fringe benefits factors because Premier Coffee Lluvia Limited provides the interesting bonus and fringe benefits plans for every employee every year.

4.3.2 Effect of Financial Rewards on Continuance Commitment

This section analyses the effect of financial reward factors on their continuance commitment in Premier Coffee Lluvia Limited. The regression results to test the effect of financial rewards on their continuance commitment in Premier Coffee Lluvia Limited and the results are shown in Table (4.4).

Table (4.4) Effect of Financial Rewards on Continuance Commitment

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	2.444	.244		10.025	.000	
Salary	.312***	.062	.417	5.072	.000	1.962
Bonus	-.085	.060	-.112	-1.418	.158	1.817
Fringe Benefits	.199***	.076	.224	2.630	.009	2.097
R	.522					
R Square	.273					
Adjusted R Square	.263					
Durbin-Watson	2.068					
F Value	26.407***					

Source: Survey Data (2019)

***Significant at 1% level, **Significant at 5% level, *Significant at 10% level

According to Table (4.4), the power of the model to explain the variables supposed to financial reward factors affect on continuance commitment of Premier Coffee Lluvia Limited in Yangon Head Office. The value of R square is 27.3 percent and adjusted R square is 26.3 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level.

The results indicate that both of the salary and fringe benefits have the expected positive signs and highly significant coefficient values at 1 percent level. It means that one unit of salary factors can lead to 0.312 unit increases effect on employees who have continuance commitment. One unit of fringe benefits can lead to increase 0.199 units in continuance commitment.

The standardized coefficient (Beta) of salary has the largest value (0.417) among financial reward factors indicating that salary has the greatest contribution to the effect on employees who have continuance commitment, whereas the compensation plan can persuade to improve employee commitment.

In this survey, the highest satisfaction level is salary (base pay) because the organization providing the salary on time, systematically compensation plan and the right amount of salary. It is obvious that employees' perception of salary factor on continuance commitment is the most influencing factor. Providing the interesting salary and fringe benefits factors really have a good impact on continuance commitment and the organization should provide on those factors as much as they can to retain qualified employees.

4.3.3 Effect of Financial Rewards on Normative Commitment

This section analyses the effect of financial reward factors on their normative commitment in Premier Coffee Lluvia Limited. The regression results to test the effect of financial rewards on their normative commitment in Premier Coffee Lluvia Limited and the results are shown in Table (4.5).

According to Table (4.5), the power of the model to explain the variables supposed to financial reward factors affect on normative commitment of Premier Coffee Lluvia Limited in Yangon Head Office. The value of R square is 16 percent and adjusted R square is 14.8 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level.

The result indicates that fringe benefits factor has the expected positive signs and highly significant coefficient value at 1 percent level. It means that one unit of fringe benefits factors can lead to 0.232 unit increases effect on employees who have normative commitment. The coefficient of salary also has the expected positive sign at 5 percent significant level. The relationship reveals that one unit of salary factors can lead to increase 0.128 units in normative commitment.

The standardized coefficient (Beta) of fringe benefits has the largest value (0.282) among financial reward factors indicating that fringe benefits have the greatest contribution to the effect on employees who have normative commitment. According to

the survey findings, fringe benefits of financial reward factors could significantly raise the normative commitment of employees in Premier Coffee Lluvia Limited.

Table (4.5) Effect of Financial Rewards on Normative Commitment

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	2.588	.242		10.706	.000	
Salary	.128**	.061	.185	2.095	.037	1.962
Bonus	-.031	.060	-.044	-.512	.609	1.817
Fringe Benefits	.232***	.075	.282	3.090	.002	2.097
R	.400					
R Square	.160					
Adjusted R Square	.148					
Durbin-Watson	1.908					
F Value	13.409***					

Source: Survey Data (2019)

***Significant at 1% level, **Significant at 5% level, *Significant at 10% level

It seems that giving fringe benefits to employees is a great way to save more money. The respondents obtain the highest satisfaction on fringe benefits factor because Premier Coffee Lluvia Limited takes on travelling expenses and allowances. It is obvious that employees' perception of fringe benefits factors on normative commitment is the most influencing factor. Fringe benefits plans such as travelling allowance, meal allowance and transportation allowance can persuade to improve performance of employees who have normative commitment.

4.4 Analysis on Effect of Non-financial Rewards on Employee Commitment

In order to explore the effect of non-financial rewards (opportunities for career advancement, development opportunities, job related non-financial incentives and recognition) on employee commitment, linear regression model is deployed and analyzing is carried out based upon the 215 response of employees in Premier Coffee Lluvia Limited.

4.4.1 Effect of Non-financial Rewards on Affective Commitment

This section analyses the effect of non-financial rewards on their affective commitment in Premier Coffee Lluvia Limited. The regression results to test the impact of non-financial rewards on their affective commitment in Premier Coffee Lluvia Limited and the results are showed in Table (4.6).

Table (4.6) Effect of Non-financial Rewards on Affective Commitment

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	-1.015	.170		-5.982	.000	
Opportunities for Career Advancement	.286***	.050	.285	5.771	.000	3.626
Development Opportunities	.461***	.043	.401	10.747	.000	2.066
Job Related Non-financial Incentives	.154***	.055	.143	2.813	.005	3.818
Recognition	.357***	.047	.261	7.662	.000	1.727
R	.927					
R Square	.859					
Adjusted R Square	.856					
Durbin-Watson	1.725					
F Value	319.309***					

Source: Survey Data (2019)

***Significant at 1% level, **Significant at 5% level, *Significant at 10% level

According to Table (4.6), the power of the model to explain the variables supposed to non-financial reward factors affect on affective commitment of Premier Coffee Lluvia Limited in Yangon Head Office. The value of R square is 85.9 percent and adjusted R square is 85.6 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level.

The results indicate that all of the non-financial rewards (opportunities for career advancement, development opportunities, job related non-financial incentives and recognition) have the expected positive signs and highly significant coefficient values at 1

percent level. One unit of opportunities for career advancement can lead to 0.286 unit increases effect on employees who have affective commitment.

One unit of development opportunities factors can lead to increase 0.461 units in affective commitment. Employees aim to their career advancement and development opportunities as they get more experience and capacity. The positive relationships indicate that the increases in opportunities for career advancement and development opportunities factors lead to employees' affective commitment in the organization.

Job related non-financial incentives and recognition also have the expected positive signs and highly significant coefficient values at 1 percent level. An increase in job related non-financial incentives by 1 unit also raise the effect on employees' affective commitment of Premier Coffee Lluvia Limited by 0.154 units. One unit of recognition can lead to 0.357 unit increases effect on employees who have affective commitment.

The standardized coefficient (Beta) of development opportunities has the largest value (0.401) among four explanatory variables. It indicates that development opportunities have the greatest contribution to the effect on employees who have affective commitment. According to the survey findings, development opportunities of non-financial reward factors could significantly raise the affective commitment of employees in Premier Coffee Lluvia Limited.

In this survey, the respondents obtain the highest satisfaction on development opportunities and recognition factors. Premier Coffee Lluvia Limited provides opportunities to be involved in activities which promote their professional development. The company appreciates and recognizes their employee's effort by giving rewards and certificate for outstanding employees in annual dinner, appreciation party, retreat programs and awarding certificates for the outstanding performance.

4.4.2 Effect of Non-financial Rewards on Continuance Commitment

This section analyses the effect of non-financial rewards on their continuance commitment in Premier Coffee Lluvia Limited. The regression results to test the impact of non-financial rewards on their continuance commitment in Premier Coffee Lluvia Limited and the results are showed in Table (4.7).

Table (4.7) Effect of Non-financial Rewards on Continuance Commitment

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	3.101	.171		18.113	.000	
Opportunities for Career Advancement	-.046	.050	-.088	-.915	.361	3.626
Development Opportunities	.528***	.043	.884	12.205	.000	2.066
Job Related Non-financial Incentives	-.296***	.055	-.528	-5.363	.000	3.818
Recognition	.088*	.047	.124	1.865	.064	1.727
R	.683					
R Square	.466					
Adjusted R Square	.456					
Durbin-Watson	1.757					
F Value	45.885***					

Source: Survey Data (2019)

***Significant at 1% level, **Significant at 5% level, *Significant at 10% level

According to Table (4.7), the power of the model to explain the variables supposed to non-financial reward factors affect on continuance commitment of Premier Coffee Lluvia Limited in Yangon Head Office. The value of R square is 46.6 percent and adjusted R square is 45.6 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level.

The result indicates that development opportunities factor has the expected positive signs and highly significant value at 1 percent level. It means that one unit of development opportunities factors can lead to 0.528 unit increases effect on employees who have continuance commitment. The coefficient of recognition also has the expected positive sign at 10% significant level. The relationship reveals that one unit of recognition factors can lead to increase 0.88 units in continuance commitment.

However, job-related non-financial incentives variable does not have the expected positive sign but is highly significant coefficient value at 1 percent level. While other things remain unchanged, if the score of job-related non-financial incentives factor

increase by one unit, continuance commitment level of employees decreased by 0.296 units. This is a negative aspect of these incentives that employees tend to take their job for granted and not work efficiently. When the company unfairly provides job-related non-financial incentives such as job enrichment, employee participation, empowerment and job rotation, there is a negative impact on continuance commitment of employees.

The standardized coefficient (Beta) of development opportunities has the largest value (0.884) among four explanatory variables. It indicates that development opportunities have the greatest contribution to the effect on employees who have continuance commitment.

According to the survey findings, development opportunities of non-financial reward factors could significantly raise the continuance commitment of employees in Premier Coffee Lluvia Limited. The organization provides the employees an area where in they can develop and learn new skills that are needed as their respective specific knowledge training and seminar. And then, company offer training and paid education assistance, employees can learn skills from them advance in their careers.

4.4.3 Effect of Non-financial Rewards on Normative Commitment

This section analyses the effect of non-financial rewards on their normative commitment in Premier Coffee Lluvia Limited. The regression results to test the impact of non-financial rewards on their normative commitment in Premier Coffee Lluvia Limited and the results are showed in Table (4.8).

According to Table (4.8), the power of the model to explain the variables supposed to non-financial reward factors affect on normative commitment of Premier Coffee Lluvia Limited in Yangon Head Office. The value of R square is 23 percent and adjusted R square is 21.6 percent. The value of F-test, the overall significant of the models, turned out highly significant at 1 percent level.

The standardized coefficient (Beta) of development opportunities has the largest value (0.522) among non-financial reward factors indicating that development opportunities have the greatest contribution the effect on employees who have normative commitment.

Table (4.8) Effect of Non-financial Rewards on Normative Commitment

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	3.197	.190		16.859	.000	
Opportunities for Career Advancement	-.035	.055	-.073	-.637	.525	3.626
Development Opportunities	.288***	.048	.522	6.002	.000	2.066
Job Related Non-financial Incentives	.044	.061	.085	.719	.473	3.818
Recognition	.087*	.052	.132	1.663	.098	1.727
R	.480					
R Square	.230					
Adjusted R Square	.216					
Durbin-Watson	1.533					
F Value	15.714***					

Source: Survey Data (2019)

***Significant at 1% level, **Significant at 5% level, *Significant at 10% level

The result indicates that development opportunities factor has the expected positive sign and highly significant value at 1 percent level. It means that one unit of development opportunities factors can lead to 0.288 unit increases effect on employees who have normative commitment. And then, recognition variable has the expected positive sign and is significant coefficient value at 10 percent level. An increase in recognition by 1 unit will increase the effect on employee's normative commitment of Premier Coffee Lluvia Limited by 0.087 units.

In this survey, the respondents obtain the highest satisfaction on development opportunities. Premier Coffee Lluvia Limited provides employee development plan and well-organized training programs. These development opportunities programs can lead to improve performance of employees who have normative commitment.

4.5 Analysis on Effect of Employee Commitment on Employee Performance

This section analyses the effect of employee commitment on their performance in Premier Coffee Lluvia Limited. The regression results to test the effect of employee commitment on employee performance in Premier Coffee Lluvia Limited and the results are showed in Table (4.9).

Table (4.9) Effect of Employee Commitment on Employee Performance

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	1.434	.190		7.554	.000	
Affective Commitment	.537***	.021	.838	26.111	.000	1.115
Continuance Commitment	.175***	.045	.142	3.940	.000	1.405
Normative Commitment	.345***	.048	.258	7.157	.000	1.407
R	.897					
R Square	.805					
Adjusted R Square	.803					
Durbin-Watson	2.037					
F Value	290.862***					

Source: Survey Data (2019)

***Significant at 1% level, **Significant at 5% level, *Significant at 10% level

As can be seen in Table (4.9), the value of R square is 80.5 percent and adjusted R square is 80.3 percent. The overall significance of the models, F-value, is highly significant at 1 percent level.

The results indicate that all of the employee commitments have the expected positive signs and highly significant coefficient values at 1 percent level. The relationship reveals that increases in affective commitment, continuance commitment and normative commitment lead to employee performance. It means that one unit of affective commitment can lead to 0.537 unit increases in employee performance. One unit of continuance commitment can lead to increase 0.175 units in employee performance. The result also shows that one unit of normative commitment can lead to increase 0.345 units

in employee performance. Employees are committed on the affective, continuance and normative levels stay and they try to improve their performance because of their affective, continuance and normative commitment.

In this survey, the highest satisfaction level is affective commitment because Premier Coffee Lluvia Limited always gives festival bonus and year-end bonus, travelling allowances, cares about the personal cases of every employee and never fails to help the problems of every employee as they request to company, and allow employees to access their leaves as much as possible.

The standardized coefficient (Beta) of affective commitment has the largest value (0.838) among employee commitment factors indicating that affective commitment has the greatest contribution to increase performance of employees in Premier Coffee Lluvia Limited. In conclusion, affective commitment really has good impacts on employee performance.

Base on the result, affective commitment is the most influencing type among three types of organizational commitment of employees. Normative commitment is the second most influencing type. Employees with high affective commitment having on emotional connection to an organization and identification with that increase their commitment in the organization's activities, their willingness to pursue the organization's goals and their desire to stay with the organization.

In summary, most of the employees in Premier Coffee Lluvia Limited found that their emotional bond to their organization and it has been treated as an important determinant of dedication and loyalty. The results show that most factors have significant value and the main determination of employee's performance is found to be the affective commitment factors. Employee's performance of Premier Coffee Lluvia Limited in Yangon Head Office is mostly affected by affective commitment factors.

CHAPTER 5

CONCLUSION

This chapter is composed of three parts. They are findings and discussions, recommendations and suggestions and needs for further research. The purpose of this study is to examine the effect of reward system (financial and non-financial) on employee commitment of Premier Coffee Lluvia Limited and to analyze the effect of employee commitment on employee performance of Premier Coffee Lluvia Limited.

5.1 Findings and Discussions

Reward system and structure is the utilization for to achieve organizational goal and human power is most valuable assets of the organization. Organizations need to ensure their reward practices effect on employee commitment that could raise the employee performance. This study is based on reward system towards financial rewards (salary, bonus and fringe benefits), non-financial rewards (opportunities for career advancement, development opportunities, job related non-financial incentives and recognition), employee commitment (affective, continuance and normative) and employee performance. In order to achieve this paper, both primary and secondary data are used in this study. After analyzing the survey data, based on the outcomes of mean values, it can be assumed that respondents do not have much dissatisfaction on reward system factors provided by Premier Coffee Lluvia Limited.

From analysis on employees' reward system towards financial rewards, most of the respondents express a high level of commitment concerned with bonus because Premier Coffee Lluvia Limited always giving the bonus twice a year as a festival bonus. And then, the second highest commitment level of respondents concerned with fringe benefits because more than half of the total employees are from the sales department and they need to travel frequently. So that the company provides flexible travelling expenses and allowances. Employees also have the proper commitment level concerned with salary because company always provides the right amount of salary on time and attractive pay scale in relation to their commitment and performance.

From analysis on employees' reward system towards non-financial rewards, all of the employees are highly committed with recognition because the company always appreciates and recognizes their employee's effort by giving rewards and certificate for

outstanding employees. The second highest commitment level of respondents is opportunities for career advancement. The company has supported the good career progression to all employees to improve their career advancement. Employees also have the proper commitment level concerned with development opportunities because employees obtain a good chance for developing new skills and competencies from training and employees have the opportunities to be involved in activities which promoted their professional development. And then, the respondents unsatisfied on job related non-financial incentives because employees are not able to access important information and involved in making major decisions.

From this analysis, it is found that respondents express a high level of performance concerned with affective commitment because employees have a great emotional attachment to and involvement in and identification with the satisfaction factors of the company. Most of the employees in Premier feel proud for their company because the company developed high performance and wide range of product categories within a few years. The employees feel that they have the meaningful life doing the jobs and enjoyed the working conditions at Premier Coffee Lluvia Limited. They feel a strong sense of belonging to their organization and organization's problems are theirs. Employees in Premier Coffee Lluvia Limited feel that this organization is the second family of their life.

It is found that the level of employee performance has slightly related on continuance commitment. Most of the respondents are working here because of interesting in their respective fields, taking experiences, enjoying systematic business style and having a loyal to this organization. Apart from those factors, respondents feel loyal is important and feeling a sense of moral obligation to remain, it was evidenced that respondents feel that they should stay in this organization because of a sense of moral obligation and loyal is important for them.

According to the result of the study, all of those factors; financial, non-financial and employee commitment have positive relation on employee performance. Moreover, it is found that financial factors are the most influencing factor on employee performance. But, it should not neglect the other two factors; non-financial factors and employee commitment and it should make efforts to provide more employees' needs in order to increase employees' performance level.

5.2 Suggestions and Recommendations

Based on the findings, the company gets many benefits to understand what it can do to reward its employees more effectively and increase employee performance in the workplace. Most of the employees are satisfied with the nonfinancial factors provided by Premier Coffee Lluvia Limited. But, it needs some more things to provide and develop to increase the employees' performance level. The level of employee performance can increase more if Premier Coffee Lluvia Limited will provide employees' financial factors such as salary ranges and transportation allowances. So, salary ranges and transportation allowances should be revised more adequate to promote employees' needs at all levels.

The organization has good salary system and bonus plan rather than similar organization and the other benefits are not match as giving other organization. Thus, it is recommended that the other benefits program such as leave, loan and transportation should be reviewed. Employees satisfy on salary pay and bonus plan provided by Premier Coffee Lluvia Limited and it is moderately matched with the employees' needs and wants. But, organization should revise salary increment and bonus programs more than the current to better according employees' needs and working conditions.

The organization should analyze the employees' performance appraisal form for promotion and training procedures and operates job functions with HR department and tries to support employees' requirement. It is recommended that the current delegation and autonomy systems should be revised. People are a company's most important asset. In order to achieve competitive advantage, upgrading the commitment and performance of employees plays a vital role in the business.

Meanwhile, the organization to improve their employee performance should allow the employees to do with teamwork and need to give a positive sense when accomplish their job. And then, the organization should provide the open chances about the promotion and should allow doing creativity in the job. By providing delegation and allowing these factors, the employees' performance will be increased than organization expected. Premier Coffee Lluvia Limited realized many benefits from its employee performance level. The strengths of employee commitment affect the performance level of employees. Since employee performance level may be changed with time, the organization should need to assess the commitment of employees on a continuous basis. In this manner, this study suggested that Premier Coffee, Lluvia Limited should fulfill the relevant requirement factors to its employees to extend many benefits for the company and to retain its qualified employees.

However, it is observed that the highest level of employee performance is on the affective commitment and it is also the main influencing factor on employee performance in Premier Coffee Lluvia Limited. And then employees' affective commitment is highly related with non-financial factors provided by the company. The study also recommends maintaining a high level of employee performance concerned with affective commitment that employees will consider the meaningful life doing the jobs and great emotional attachment to the organization.

Finally, the study recommends that if the organization wants to get better performance of their employees, the organization should implement the financial rewards because the financial rewards are mainly influencing the employee performance and the results that improve organization productivity.

5.3 Needs for Further Research

This study focuses on to examine the financial and nonfinancial rewards, employee commitment and employee performance in Premier Coffee Lluvia Limited. It could not make up for the other factors which would also contribute on employee commitment and their performance. Further studies that base on other influencing factors towards employee commitment and employee performance and investigate the effects of employee commitment on their performance in different industries in other areas with larger sample size can also be a more fruitful research if cost and time allows. Moreover, this research is applied by using self-rating likert-scale, open-ended questions should be included in next research. More investigation on the effects of employee commitment on employee performance is also worthwhile for further studies. And then, other aspects of the human resources should be considered to maximize the analysis on employee commitment and employee performance for further research.

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APPENDIX A

SURVEY QUESTIONNAIRES

Survey Questionnaires for the Effect of Reward System on Employee Performance

Dear Participant,

I'm a student of Yangon University of Economic, Department of Management Studies and conducting this survey as one of the fulfillments for completing my study of Master of Business Administration (MBA). I would like to get your effective response for the following questions. **Your responses would be used only in my research purpose and would be kept in a strict confidential.** It will be useful and get effectiveness for my thesis.

Section-A Demographic

1. Gender

- Male Female

2. Age Group (years)

- 21-30 31-40 41-50 above 50 years

3. Education level

- Undergraduate Bachelor Degree
 Master Degree others, please specify...

4. How long have you been working in this Premier Co., Ltd?

- <1 year 1-3 years 3-6 years
 6-9 years more than 9 years

5. Level of position.

- Junior Assistant Senior Assistant Assistant Supervisor
 Supervisor Assistant Manager Manager

6. Monthly Salary (MMK)

- less than 2lakhs 2lakhs to 3lakhs 3lakhs to 4lakhs
 4lakhs to 5lakhs 5lakhs & above

Section-B Reward System

Please judge how far you agree with the following statements and tick to appropriate rating scale for all questions in the section. Use the following scale to select the number.

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

No.	Statements	Scale				
Rewarding System		1	2	3	4	5
Salary (Basic Pay)						
1.	I receive right amount of salary for my effort and skills.					
2.	My salary is sufficient in relation to what I commit and perform.					
3.	Salary increments are made based on employee commitment which motivates me to perform better.					
4.	The compensation system is efficient and effective in this organization.					
5.	The pay scale of this company is attractive compared to other companies in the same industry.					
Bonus						
6.	I feel happy when I receive bonus annually and satisfied with my awarded bonus.					
7.	Organization recognizes my extra effort in reward consideration.					
8.	The bonus I received from the company is fair/equitable for my effort and qualifications.					
9.	Bonus is for continuous maintaining of employee commitment for going another year with this company.					
10.	Bonus plan make employee more committed to the job.					
Fringe Benefits						
11.	I am happy with appropriateness of fringe benefits with employees' needs.					

12.	Company has leave refund policy at every end of year for employees.					
13.	Company provides flexible travelling expense and allowance.					
14.	Fringe benefits are also important for me to keep me committed in this company like salary.					
15.	This company provides fair fringe benefits compared to the other organizations.					
Opportunities for Career Advancement						
16.	Promotion in this company always based on individual performance.					
17.	Workers are promoted in a fair and honest way.					
18.	Career advancement program of this company will improve my career prospects.					
19.	Career advancement will further motivate me and more committed to my job.					
20.	With my profession, there are more opportunities for advancement.					
Development Opportunities						
21.	The organization provides me with job specific training.					
22.	Company has clear employee development plan.					
23.	I have the opportunities to be involved in activities that promote my professional development.					
24.	Training program helps to work adaptable and active in the workplace.					
25.	There is a well-organized training program in the organization.					
Job Related Non-financial Incentives						
26.	In our company, staffs are allowed to undertake delegate work in their own way.					

27.	I am able to access important information and involved in making major decisions.					
28.	My senior delegates me altogether with proper degree of authority to perform well delegated tasks.					
29.	There are chances of assigning me higher responsibility and work advancement in this company.					
30.	I have autonomy to handle most of the issues and my senior intervenes only when important and irregular issues arise.					
Recognition						
31.	I am being praised and recognized in public for what I perform better.					
32.	People who are hardworking and result oriented are praised and rewarded in this organization.					
33.	Recognition enables me to enhance my achievement and feel involved in the company culture.					
34.	Recognition for the work enables me to have a better perception of my work, workplace and the people I work for.					
35.	Proper recognition of high performer will encourage low performers to work hard.					

Section-C Employee Commitment

Please indicate to what extent you disagree or agree with each statement. With respect to your own feelings about your organization for which you are working. Listed below is a series of statements that represent feelings that individuals might have about the company or organization.

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

No	My feeling to my job.....	Scale				
Affective Commitment Scale		1	2	3	4	5
1.	I would be happy to practice this profession all my life.					
2.	When I talk about this organization (company) to my friends, I describe it as a great place to work.					
3.	I feel like “part of my family” at my organization.					
4.	I really feel as if the organization’s problems are my own.					
5.	I feel “emotionally attached” to this organization.					
Continuance Commitment Scale						
6.	I would be too costly for me to leave my organization now.					
7.	I would be very hard for me to leave my organization right now, even if I wanted to.					
8.	Too much in my life would be disrupted if I decided I wanted to leave my organization now.					
9.	I am afraid of what might happen if I quit my job.					
10.	One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice another organization may not match the overall benefits, I have here.					
Normative Commitment Scale						
11.	Jumping from organization to organization seem at all unethical to me.					
12.	If I got another offer for a better job elsewhere I would not feel it was right to leave my organization.					
13.	I would feel guilty if I leave my organization now.					
14.	I would not leave my organization right now because I have a sense of obligation to the people in it.					
15.	Even if it were to my advantage, I do not feel it would be right to leave my organization now.					

Section-D Employee Performance

Please kindly choose the degree for the following statements on the scale below with respect to your own feelings about your company or organization for which you are working. Listed below is a series of statements that represent feelings that individuals might have about the company or organization

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

No	How I perform at my work.....	Scale				
		1	2	3	4	5
1.	The targets in my job stimulate me to do the best I can.					
2.	I use to complete quality work on time.					
3.	I effectively collaborate with other department members when necessary.					
4.	I actively participate in group discussions and work meetings.					
5.	I love to handle extra responsibilities and want to put extra effort into a task.					
6.	My job enables me to make use of my skills and abilities.					
7.	My job encourages me to deliver great job performance.					
8.	In my work, I can do the decisions well.					
9.	I am feeling of improvement at the work.					
10.	I am very passionate about my work.					

“I do appreciate your kind support and times!”

APPENDIX B

STATISTICAL OUTPUTS

(1) Effect of Financial Reward System on Affective Commitment

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.797 ^a	.636	.630	.33967	1.948

a. Predictors: (Constant), Fringe Benefits Mean, Bonus Mean, Salary Mean

b. Dependent Variable: Affective Commitment Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.453	3	14.151	122.654	.000 ^b
	Residual	24.344	211	.115		
	Total	66.797	214			

a. Dependent Variable: Affective Commitment Mean

b. Predictors: (Constant), Fringe Benefits Mean, Bonus Mean, Salary Mean

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-1.567	.333		-4.709	.000		
Salary Mean	-.113	.084	-.078	-1.340	.182	.510	1.962
Bonus Mean	.808	.082	.551	9.831	.000	.550	1.817
Fringe Benefits Mean	.664	.103	.387	6.431	.000	.477	2.097

a. Dependent Variable: Affective Commitment Mean

(2) Effect of Financial Reward System on Continuance Commitment

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.522 ^a	.273	.263	.24887	2.368

a. Predictors: (Constant), Fringe Benefits Mean, Bonus Mean, Salary Mean

b. Dependent Variable: Continuance Commitment Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.907	3	1.636	26.407	.000 ^b
	Residual	13.069	211	.062		
	Total	17.976	214			

a. Dependent Variable: Continuance Commitment Mean

b. Predictors: (Constant), Fringe Benefits Mean, Bonus Mean, Salary Mean

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	2.444	.244		10.025	.000		
Salary Mean	.312	.062	.417	5.072	.000	.510	1.962
Bonus Mean	-.085	.060	-.112	-1.418	.158	.550	1.817
Fringe Benefits Mean	.199	.076	.224	2.630	.009	.477	2.097

a. Dependent Variable: Continuance Commitment Mean

(3) Effect of Financial Reward System on Normative Commitment

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.400 ^a	.160	.148	.24675	1.908

a. Predictors: (Constant), Fringe Benefits Mean, Bonus Mean, Salary Mean

b. Dependent Variable: Normative Commitment Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.449	3	.816	13.409	.000 ^b
	Residual	12.847	211	.061		
	Total	15.296	214			

a. Dependent Variable: Normative Commitment Mean

b. Predictors: (Constant), Fringe Benefits Mean, Bonus Mean, Salary Mean

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	2.588	.242		10.706	.000		
Salary Mean	.128	.061	.185	2.095	.037	.510	1.962
Bonus Mean	-.031	.060	-.044	-.512	.609	.550	1.817
Fringe Benefits Mean	.232	.075	.282	3.090	.002	.477	2.097

a. Dependent Variable: Normative Commitment Mean

(4) Effect of Non-financial Reward System on Affective Commitment

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.927 ^a	.859	.856	.21193	1.725

a. Predictors: (Constant), Recognition Mean, Job Related Non-financial Incentives Mean, Development Opportunites Mean, Opportunity for Career Advancement Mean

b. Dependent Variable: Affective Commitment Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	57.366	4	14.341	319.309	.000 ^b
	Residual	9.432	210	.045		
	Total	66.797	214			

a. Dependent Variable: Affective Commitment Mean

b. Predictors: (Constant), Recognition Mean, Job Related Non-financial Incentives Mean, Development Opportunites Mean, Opportunity for Career Advancement Mean

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-1.015	.170		-5.982	.000		
Opportunity for Career Advancement Mean	.286	.050	.285	5.771	.000	.276	3.626
Development Opportunites Mean	.461	.043	.401	10.747	.000	.484	2.066
Job Related Non-financial Incentives Mean	.154	.055	.143	2.813	.005	.262	3.818
Recognition Mean	.357	.047	.261	7.662	.000	.579	1.727

a. Dependent Variable: Affective Commitment Mean

(5) Effect of Non-financial Reward System on Continuance Commitment

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.683 ^a	.466	.456	.21372	1.757

a. Predictors: (Constant), Recognition Mean, Job Related Non-financial Incentives Mean, Development Opportunites Mean, Opportunity for Career Advancement Mean

b. Dependent Variable: Continuance Commitment Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.384	4	2.096	45.885	.000 ^b
	Residual	9.592	210	.046		
	Total	17.976	214			

a. Dependent Variable: Continuance Commitment Mean

b. Predictors: (Constant), Recognition Mean, Job Related Non-financial Incentives Mean, Development Opportunites Mean, Opportunity for Career Advancement Mean

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	3.101	.171		18.113	.000		
Opportunity for Career Advancement Mean	-.046	.050	-.088	-.915	.361	.276	3.626
Development Opportunites Mean	.528	.043	.884	12.205	.000	.484	2.066
Job Related Non-financial Incentives Mean	-.296	.055	-.528	-5.363	.000	.262	3.818
Recognition Mean	.088	.047	.124	1.865	.064	.579	1.727

a. Dependent Variable: Continuance Commitment Mean

(6) Effect of Non-financial Reward System on Normative Commitment

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.480 ^a	.230	.216	.23677	1.533

a. Predictors: (Constant), Recognition Mean, Job Related Non-financial Incentives Mean, Development Opportunites Mean, Opportunity for Career Advancement Mean

b. Dependent Variable: Normative Commitment Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.524	4	.881	15.714	.000 ^b
	Residual	11.772	210	.056		
	Total	15.296	214			

a. Dependent Variable: Normative Commitment Mean

b. Predictors: (Constant), Recognition Mean, Job Related Non-financial Incentives Mean, Development Opportunites Mean, Opportunity for Career Advancement Mean

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	3.197	.190		16.859	.000		
Opportunity for Career Advancement Mean	-.035	.055	-.073	-.637	.525	.276	3.626
Development Opportunites Mean	.288	.048	.522	6.002	.000	.484	2.066
Job Related Non-financial Incentives Mean	.044	.061	.085	.719	.473	.262	3.818
Recognition Mean	.087	.052	.132	1.663	.098	.579	1.727

a. Dependent Variable: Normative Commitment Mean

(7) Effect of Employee Commitment on Employee Performance

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.897 ^a	.805	.803	.15917	2.037

a. Predictors: (Constant), Normative Commitment Mean, Affective Commitment Mean, Continuance Commitment Mean

b. Dependent Variable: Employee Performance Mean

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.106	3	7.369	290.862	.000 ^b
	Residual	5.346	211	.025		
	Total	27.452	214			

a. Dependent Variable: Employee Performance Mean

b. Predictors: (Constant), Normative Commitment Mean, Affective Commitment Mean, Continuance Commitment Mean

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.434	.190		7.554	.000		
Affective Commitment Mean	.537	.021	.838	26.111	.000	.897	1.115
Continuance Commitment Mean	.175	.045	.142	3.940	.000	.712	1.405
Normative Commitment Mean	.345	.048	.258	7.157	.000	.711	1.407

a. Dependent Variable: Employee Performance Mean