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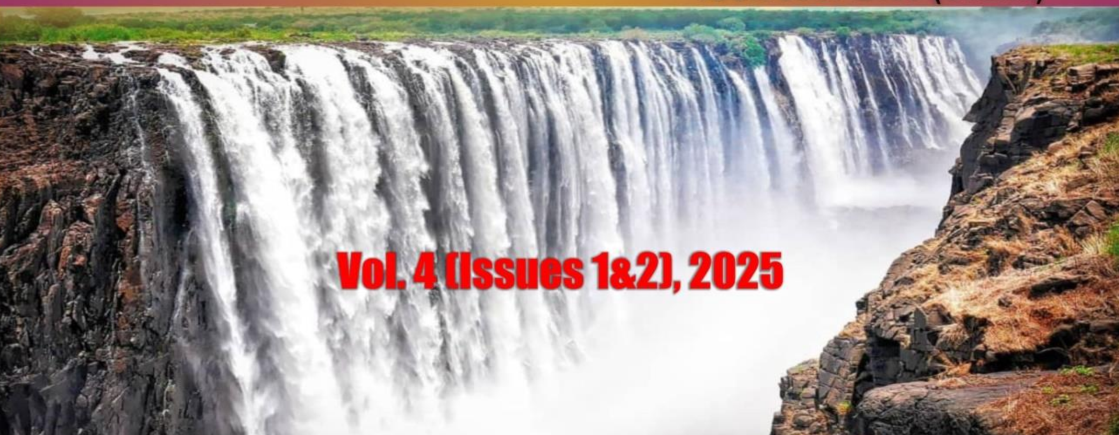

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THE RELATIONSHIP BETWEEN REWARD MANAGEMENT AND ORGANISATIONAL GROWTH: EVIDENCE FROM COMMERCIAL BANKS IN ZIMBABWE THROUGH BALANCED PANEL DATA ANALYSIS (2017-2023)

CHIEDZA CHANAKIRA[1], IGNETIOUS BANDA[2]AND ELIAH ZVIMBA[3]

Abstract

The study aims to analyse the impact of reward management on organisational growth in the Zimbabwean banking sector. The objectives of the study are to analyse the nature of relationship between reward management and organisational growth as well as examine the impact of reward management on organisational growth. Economic growth is regarded as way through which a country can achieve its developmental goals, such as reducing poverty, eliminating hunger and creating employment. Organisational growth is one area through which private institutions and organisations can support the economic growth drive of a country. To achieve growth, organisations have normally used various reward management methods. In Zimbabwe many organisations have been failing to manage reward management practices, leading to poor performance by employees and retarded organisational growth prospects. Employees in Zimbabwean banks are dissatisfied with the reward management practices that they are exposed to, posing a huge threat to the growth of the banking industry. Despite the increased interest, there are a few studies on reward management in the banking sector, especially in developing countries. The study employs panel cointegration and pooled ordinary least squares regression to analyse the impact of reward management on organisational growth. The study uses secondary data from 2017 to 2023, collected from a sample of 10 Zimbabwean banks. The panel cointegration study results show that reward management and organisational growth have a long-term relationship, whilst the pooled regression results show that reward management has a negative impact on

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organisational growth. A 1% increase in innovation and adaptability and social benefits results in a respectively 22% and 6% decline in organisational growth. The study recommends digital transformation of banks, streamlining of processes, adoption of strong ethical leadership and management practices and foster macroeconomic stability by policy-makers in order to promote growth of banks.

Keywords: Rewards, banks, cointegration and pooled panel regression.

INTRODUCTION

The study aims to analyse the impact of reward management on organisational growth of banks in Zimbabwe. The objectives of the study are to explore the nature of the relationship between reward management and organisational growth as well as examine the impact of reward management on organisational growth. Economic growth is regarded as way through which a country can achieve its developmental goals such as reducing poverty, eliminating hunger and creating employment (Cruz and Ahmed, 2018). Countries across the globe are implementing policies and strategies geared towards economic growth so as to improve the standards of living and well-being of the people, hence achieve the United Nation's sustainable development goals (SDGs) (Kanbur *et al.*, 2018). In Africa, economic growth is important for achieving higher standards of living and the SDGs (Qudrat-Ullah and Nevo, 2021). Similarly, in Zimbabwe, economic growth has been regarded as a critical factor that helps reduce poverty and inequality, whilst improving the quality of life (Nyoni *et al.*, 2021).

Organisational growth is one area through which private institutions and organisations can support the economic growth of a country. Organisational growth has a positive impact on the economies of developing countries, as it leads to economic prosperity (Alaaraj *et al.*, 2018). Sustained organisational growth results in increased productivity, innovation and higher living standards, ultimately contributing to economic growth (Porter, 1990). This growth outlines different stages an organisation goes through to achieve its designed goals (Greiner, 2013). Mey (2023) refers to organisational growth as the expansion, development and increase in size, scope and capabilities of an organisation over time. Henkel (2018) highlights that to achieve growth, organisations have normally used various reward management methods.

Reward management is a process of formulating and implementing strategies, policies and practices to attract, retain and motivate employees in achieving organisational objectives through financial and non-financial means (rewards) (Armstrong, 2010). There are two main types of rewards which can be used positively to enhance organisational growth and these are financial (or extrinsic) and non-financial (or intrinsic) rewards (Almadana-Abón *et al.*, 2024). Financial or monetary rewards refer to financial compensation such as salary, bonuses, commission, performance bonuses, job promotion, commission, tips, gratuities and gifts and stock option, or any benefits that are directly tied to money (Armstrong, 2020). Monetary rewards are usually associated with the completion of a given task and are received only after performance of a given activity (Chi *et al.*, 2023). Conversely, non-financial rewards are non-monetary/ non-cash benefits not directly tied to money and these include aspects such as recognition, praise and genuine appreciation (*ibid.*). The main difference between monetary and non-monetary rewards is that intrinsic rewards are basic in the employee, whereas monetary rewards come from secondary sources as they are administered by the management of an organisation (Mohammed *et al.*, 2019). In order to achieve the set objectives such as organisational growth, organisations need an effective reward management system that utilises both monetary and non-monetary rewards (Al-Smadi, 2020).

Reward management is important to organisational growth as it keeps employees motivated and perform their best (Amir *et al.*, 2023). Prefer (2010) argues that organisations need to align their goals to attract and retain talented employees, which contributes to positive organisational growth. Despite its importance, organisations in many African countries are failing to put in place comprehensive reward management systems that support organisational objectives (Mazikana, 2019). In Zimbabwe, many organisations have been failing to manage reward management practices, leading poor performance by employees (Chisango, 2023). Private and public sector organisations in Zimbabwe face many challenges such as exchange rate fluctuations which have negatively affected reward management in the country (Foya and Kandima, 2022). The legislative frameworks and the national Employment Council minimum wage negotiations complicate reward management at a time when organisations are trying to minimise costs and offer rewards below those in other countries such as South Africa (Nyanhete and Bhebhe, 2014). Banks in Zimbabwe are involved in the design, implementation and administration of various types of rewards and incentives to attract, motivate and retain employees. These rewards include monetary compensation, benefits, recognition programmes, performance-based incentives and career development opportunities.

Daw and Khoury (2014) note that employees in many banks are dissatisfied with the reward management practices they are exposed to, posing a huge threat to the growth of the banking industry. In Zimbabwe, dissatisfaction of employees in the banking sector has been recorded. In 2022, banking sector workers threatened to strike after they were offered a 61% once-off salary increment and employers rejected their demands to be paid in United States dollars (Ndlovu, 2022). In 2024, the Zimbabwe Banks and Allied Workers Union (ZIBAWU) accused one of the local banks for unfair treatment of workers over lack of transparency in the payment of gratuities (Ndoro, 2024). Nyoka (2015) state that banks have exposed employees to poor salaries and low opportunities for their career growth, which affects the performance of the employees, resulting in a negative organisational growth. In terms of growth and performance, approximately 13 banks have shut down in Zimbabwe, highlighting issues related to poor growth and ineffective reward management. This circumstance emphasizes the need for a more in-depth examination of the connection between reward management and organisational growth (Ndengu and Leka, 2022).

Despite the increased interest, there are a few studies on reward management in the banking sector, especially in developing countries (Mugaa, 2019). The basic problem is that employees are dissatisfied with the reward management practices which they are exposed to in commercial banks and this poses huge threats to the growth and stability of the financial system in Zimbabwe. There is need to analyse the link between organisational growth and rewards management in commercial banks. The study aims to analyse the impact of reward management on organisational growth in the Zimbabwean banking sector. The study test two hypotheses as follows:

Hypothesis 1:

H_0: *There is no relationship between reward management and organisational growth.*

H_1: *There is a relationship between reward management and organisational growth.*

Hypothesis 2:

H_0: *Reward management does not have an impact on organisational growth.*

H_1: *Reward management has an impact on organisational growth.*
The study aims to help policy-makers to understand the link between reward management system and organisational growth. Policy-makers can use research findings to design effective policies that are grounded in evidence that aim to ensure that reward management practices foster organisational growth which is positively linked to economic growth.

LITERATURE REVIEW

The literature on incentive management and its impact on organisational success have grown over the years, and this study provides an overview of that material.

ORGANISATIONAL GROWTH

Eccles (2020) refers organisational growth as the increase in size, capacity or scope of an organisation over time. Organisational growth can be measured in various ways, depending on the specific context and goals of the organisation and the indicators of organisational growth include profits, number of employees, market share, return on investment (ROI) and return on assets (ROA) (Bateh and Sofianopoulou, 2019). Organisational growth is an objective of many organisations irrespective of their size. According to Enakrire and Smuts (2023), there are several advantages that may be gained from achieving organisational growth and these include a stronger capacity to weather market volatility, enhance market dominance, and influence and improve efficiency due to economies of scale. Organisational growth is important for an organisation as it facilitates innovation, enhances efficiency and fosters flexibility in a dynamic and constantly changing market conditions (Bateh and Sofianopoulou, 2019). The growth allows the organisation to capitalise on market opportunities, leading to a strong brand presence, improved employee retention, increased profitability and ensures long-term sustainability of the organisation (Delmar, 2019) Organisations should constantly embrace growth strategies to effectively navigate the complex market challenges and achieve long-term sustainability.

REWARD MANAGEMENT

According to Bussin *et al.* (2019), the benefits gained from carrying out an action, providing a service or meeting a set target are known as reward. An employee's reward is the money from the employer paid in return for services or goods produced by the employee. (Hassan, 2022). Rewards offered to employees depend on the reward management approach taken by an organisation. Reward management aims to establish and maintain an equitable compensation structure, that is, an optimal balancing of conflicting personal interests so that the satisfaction of employees and employers is maximised and conflicts minimised (Anku *et al.*, 2018). According to Armstrong (2010), the overall aim of reward management should be to 'add value to people'. When an organisation implements an effective reward management system, employees are motivated to perform at their best, leading to improvement in productivity, engagement and overall performance, hence directly contributing to organisational growth (Martono *et al.*, 2018).

THEORETICAL FRAMEWORK

Various theories have been developed to explain the linkages between reward management and organisational growth. One of the widely used theories to explain how rewards are linked to organisational growth is the Herzberg Two Factor Model. According to the theory, an individual`s performance is influenced by two broad elements, motivators and hygiene factors. The two-factor theory assumes that motivation and hygiene are independent of each other and affect employee in different ways (Monis, 2017). The hygiene factors include aspects such as wages and salaries, organisational policies and working which do not motivate employees but prevent dissatisfaction. While hygiene factors may not inspire workers to achieve their best, they do cause discontent when they are lacking (Chiat and Panatik, 2019). Motivators, on the other hand are intrinsic to the job and directly influence the motivation of the employee, leading to improved job satisfaction and performance (Kotni and Karumuri, 2018). Motivators include factors such as recognition, achievement, and personal growth (*ibid.*). The major criticism associated with the two-factor theory is that it oversimplifies the motivation of the employees as being derived from two categories of factors (motivators and hygiene) (Hur, 2018). The oversimplification ignores individual differences regarding motivation as motivating factors differ from one individual to the other.

Despite the criticisms, the theory helps the organisation to understand different reward management drivers that can support organisational growth and develop the effective human resources policies and practices (Mansaray, 2019). Filtvedt (2016) states that the theory provides a valuable framework for organisational understanding and addresses the complex factors that influence employee motivation and satisfaction, which can have significant impact on organisational growth. It highlights that, in order to achieve organisational growth, it is important, not only to address hygiene factors (basic needs), but also extend and create policies and working conditions that provide opportunities for growth, recognition and other intrinsic motivators. Thus, an organisation is likely to grow if it has the right balance between extrinsic factors (hygiene factors) and intrinsic factor (motivators).

Another theory that links reward management to organisational growth is the Self-determination Theory (SDT). The theory focuses on innate tendencies to grow and fulfil psychological needs. According to the SDT, individuals have inherent three psychological needs, relatedness, competence, and autonomy (Deci and Ryna, 1985) which, when fulfilled, motivate them to learn, grow and positively contribute to the organisation. Relatedness refers to the need to be connected to and cared for by others, competence indicates the feeling of being effective and efficient in the work environment and autonomy is the feeling of control one has over choices and actions (Gillison *et al.*, 2019). The SDT provides a distinction between intrinsic and extrinsic motivation, where intrinsic motivation pertains to undertaking work for the sake of enjoyment and extrinsic motivation is doing work in exchange for external rewards or benefits (Howard *et al.*, 2021). Apart from extrinsic and intrinsic motivators, the emphasizes the importance of autonomous motivation which comes from personal engagement and self-determination (Huang *et al.*, 2019).

The SDT posits that although extrinsic factors can motivate behaviours, they have the potential to undermine intrinsic motivation if they are perceived to reduce or control an employee`s autonomy. According to the theory, when rewards are aligned to basic psychological needs, they can support intrinsic motivation and foster employee engagement and well-being (Gagné *et al.*, 2018). The criticism levelled against the SDT is that it focuses on the individual and does not show how other environmental factors such as collectivist culture and traditions, affect motivation and performance of an individual (Ryan and Deci, 2020). Despite the criticism, the SDT is important in explaining the nature of the relationship between rewards management and organisational growth, as well as the impact of rewards on organisational growth. This theory emphasizes the importance of providing rewards that satisfy employee's intrinsic psychological needs to drive organisation growth. Organisational practice that supports needs such as providing choice, meaningful feedback and a sense of belonging, can enhance employee wellness and organisational growth (Rigby and Ryan, 2018). Conversely, when these needs are thwarted, it can lead to diminished motivation and well-being, hence leading to reduced or no organisational growth.

EMPIRICAL LITERATURE

Few studies have been conducted on the link between reward management and organisational growth. Rafiq *et al.* (2016) employ the multiple regression approach to analyse the link between reward management systems, employee performance and organisational growth. The results found that recognition programmes boost productivity and lead to organisational growth. Lui and Gan (2016) analyse the relationship between Chinese organisations' growth and their reward management systems. The results show that the reward management system has a strong positive impact on organisational growth, and conclude that organisations need to utilise rewards to motivate their staff and boost their performance, leading to good growth. Okwuise and Ndudi (2023), examine the relationship between reward management systems and organisational growth. The study found that the organisation's performance recognition, compensation policy and reward system had a positive impact on growth at Delta State University. Joshi (2016) establish that both transactional and relational rewards are critical for an organisation's success and growth. Gogia and Soni (2017) discover that financial and non-financial rewards motivate employees to perform well and they enable management to understand related issues to employees' needs. The study also points out that rewards have a positive effect on organisation growth. Based on the empirical studies and theoretical literature, a positive relationship is expected between organisational growth and reward management.

METHODOLOGY

Research methodology is an important aspect of the study as it outlines the steps and tools employed in achieving the study.

MODEL SPECIFICATION AND DATA

Model specification is the procedure by which variables are included or excluded from a model (Elhorst, 2012). The study uses panel data to carry out this study as it allows for a wider exploration of on the impact of reward management on organisational growth. Panel data combines time series and cross-sectional data, thus allowing for an analysis of variations between organisations over time. Panel data analysis improves the efficiency and accuracy of econometric estimates and allows for more precise inference of model parameters (Pesaran and Hsiao, 2006). The study uses panel data analysis as it is more efficient, has more degrees of freedom, and provides more information about the impact of reward management on organisational growth. The study uses the following model:

$$ROA_{it} = \beta_0 + \beta_1 EPE_{it} + \beta_2 REC_{it} + \beta_3 PAY_{it} + \beta_4 INA_{it} + \beta_5 CDO_{it} + \beta_6 SB_{it} + u_{it}$$

where i represents individual bank, t represents time, ROA represents return on assets (ROA) of a bank, EPE represents employee performance, REC represents recognition by bank, PAY represent salaries by bank, INA is innovation and adaptability by a bank, CDO is career development opportunities by bank, SB represent social benefits offered by a bank, β0: the intercept/constant, β1, β2, β3, β4, β5 and β6 are the parameters and u is the residual/error term. ROA is used as a measure of organisational growth as it reflects the ability of an organisation to generate profits from its assets, a critical element of organisational growth (Siswanto *et al.*, 2022). Secondary data was sourced from publications, Reserve Bank of Zimbabwe's (RBZ) website, and the websites of banks. Ten commercial banks, namelyAgri Bank, Banc ABC, CBZ, Ecobank Zimbabwe, FBC Bank Limited, First Capital Bank, NMB, ZB Bank, Stanbic Bank and Steward Bank, were chosen to represent the sample, and the research includes the period from 2017 to 2023.

The study utilises a sample of 10 commercial banks out of a total population of 14 commercial banks in Zimbabwe (International Monetary Fund, 2024). To test the nature of the relationship between organisational growth and reward management, the research uses the Kao cointegration test. According to Baltagi (2005), the cointegration test is conducted to test if the variables in the model move on the same wave length and have a long-run equilibrium, although short run deviations and disequilibrium may be observed.

DIAGNOSTIC TESTS

Diagnostic tests are conducted to detect the presence of econometric problems which may affect the accuracy, validity and reliability of the study results. The Levin-Lin-Chu panel unit root test is used to test for stationarity of the variables used in the study. The presence of a unit root affects the accuracy of estimates and yields spurious regression or nonsensical results (Levin *et al.*, 2002). Therefore, it is necessary to determine stationarity of the data to minimise the likelihood of spurious regression in the study. The Levin-Lin-Chu test is appropriate when the time component is less than the number of cross-sectional observations (Breuer *et al.*, 2002). In this study the time component (7 years: 2017-2023) is less than the number of cross-sectional observations (10 banks), hence the Levin-Lin-Chu test is applied.

Furthermore, multi-collinearity is another econometric problem which should be tested prior to conducting regression analysis. Multi-collinearity refers to the linear relationship between exogenous or independent variables in a regression model (Gujarati, 2002). Multi-collinearity makes it difficult to separate how an independent variable influences the dependent variable. A model is regarded to suffer from multi-collinearity if the correlation value is 0.8 or higher (Das, 1998). The study uses of a correlation matrix to detect multi-collinearity and establish the nature of the relationship between reward management and growth. Correlation shows the direction and intensity of the relationship between two variables. However, Gujarati (2021) notes that correlation does not imply causality. This implies that there is need to conduct regression of impact of reward management on organisational growth.

PRESENTATION OF RESULTS

DESCRIPTIVE STATISTICS

Descriptive statistics such as standard deviation, mean, minimum, and maximum provide a picture of the nature of the variables employed in a study. According to Dong (2023), descriptive statistics serve to give an overview of the key aspects of the variables used in the study. Table 1shows the descriptive statistics of the variables used in the study.

Table 1: Descriptive statistics

Variable	ROA	PAY	INA	REC	EPE	SB	CDO
Obs	70	70	70	70	70	70	70
Mean	4.020714	19.5595	5.459164	14.95957	8.452143	65.36943	21.206
Std. Dev	3.253989	0.558735	5.016985	7.598174	3.99548	30.83246	20.95384
Min	-6.9	18.0828	0.5	1.7	1.79	0.05	0.6
Max	9.9	20.8986	22.3181	34.5	17.5	98	76.7

Table 2 shows that, on average, banks in Zimbabwe had a positive return on assets (ROA) as shown by a mean of 4.0207. All of the variables exhibit a high level of consistency with their means and standard deviations consistently falling within the range of the maximum and minimum values. However, the standard deviations of ROA, INA, REC, EPE, SB and CDO are very high, falling outside the normal range of 0 to 2. The standard deviation values may indicate the presence of outliers, hence diagnostic tests need to be conducted to detect econometric problems.

NATURE OF THE RELATIONSHIP

To establish the nature of the relationship between reward management and organisational growth, the study utilise the correlation matrix. Table 2shows that correlation results.

Table 2: Correlation

VARIABLE	ROA	PAY	INA	REC	EPE	SB
ROA	1					
PAY	0.0313	1				
INA	0.0504	-0.0025	1			
REC	0.1413	-0.2521	-0.1594	1		
EPE	0.0188	-0.0265	0.277	0.0335	1	
SB	-0.2769	0.329	-0.5576	-0.1858	-0.1802	1

Table 2 shows that ROA is positively correlated to all variables, except SB. Thus, generally, reward management is positively correlated to organisational growth of banks in Zimbabwe. To check if reward management and organisational growth have long-run equilibrium, the study utilised the Kao cointegration test whose results are shown in Table 3.

Table 3: Cointegration results

Description	Statistic	P-value
Dick-Fuller T-test	-5.7371	0.0001

From the results obtained, the p-value of 0.0001 was found, indicating that reward management and organisational growth are co-integrated. This implies that reward management and organisational growth have a long-run relationship and move on the same wave length, although short run deviations can be recorded.

IMPACT OF REWARD MANAGEMENT ON ORGANISATIONAL GROWTH

After running all the necessary diagnostic checks and addressing any relevant data discrepancies, the regression was carried out using the statistical programme Stata Version 15. Table 4 shows the results of the pooled panel regression.

Table 4: Pooled panel regression results

Variable	Coefficient	Std. Error	p-value
PAY	1.168169	0.722013	0.111
INA	-0.22823	0.108924	0.04
REC	0.009902	0.053688	0.854
EPE	-0.09363	0.102252	0.363
SB	-0.06819	0.018963	0.001
Constant	-13.6331	13.91933	0.331

R^2 = 0.2002; Adjusted R^2= 0.1241; Root MSE = 3.0454; F (6.63) = 2.63

Based on the regression results, the model is defined as follows:

$$\mathrm{ROA} = -13.6331 - 0.09363EPE + 0.009902REC + 1.168169PAY - 0.22823\mathrm{INA} + 0.054322\mathrm{CDO} - 0.06819\mathrm{SB}$$

An R^2value of 0.2002, at 95%, indicates that approximately 20% of the variations in organisational growth of commercial banks emanated from reward management and 80% from factors outside the model, contained in the error term. Only two variables, social benefits (SB) and innovation and adaptability (INA), are statistically significant and have a negative impact on organisational growth. This implies that 1% in social benefits and adaptability and innovation results in a 6.81% and 22.82% decrease in organisational growth, respectively.

DISCUSSION

The results of the study are discussed based on the hypothesis as follows:

Hypothesis 1:

H_0: *There is no relationship between reward management and organisational growth.*

H_1: *There is a relationship between reward management and organisational growth.*

The study results show that reward management and organisational growth are co-integrated. This means that there is a long-run relationship between reward management and organisational growth, hence the null hypothesis is not accepted. Human resources are at the centre of all organisational activities, hence a well-remunerated staff ensures that the organisation grows both in the short run and long run (Anjum *et al.*, 2021). The results imply the need to have an effective reward management system that drives long-term growth of the organisation. Organisations that have realised growth in the long term, have put in place comprehensive rewards are tailored to motivate staff in the organisation (Kalogiannidis, 2021). In addition, the study results show that reward management is positively correlated with organisational growth. The study results support the SDT and the Herzberg Two Factor theory which posit a positive link between reward management and organisational growth. However, it is important to note that correlation, while it shows the direction and intensity of the relationship between variables, does not imply causation (Gujarati, 2002) and there is need for regression analysis to establish the impact of one variable on another.

HYPOTHESIS 2:

H_0: *Reward management does not have an impact on organisational growth.*
H_1: *Reward management has an impact on organisational growth.*
The statistically significant variables, social benefits and innovation and adaptability, have negative coefficients, which means that reward management has a negative impact on organisational growth. From a theoretical perspective, the results contradict the SDT and the Herzberg Two Factor Theory which posit that reward management has a positive impact on organisational growth. Empirically, the results refute the findings of studies by Joshi (2016), Rafiq *et al.* (2016) and Okwuise and Ndudi (2023), which found a positive impact of reward management on organisational growth. It is regarded as a cost which takes away critical resources from productive activities such as plant expansion, and research and development (Marin, 2021). Reward management is a cost to the organisation as witnessed by increasing retrenchment of workers in many firms around the world (Emmanuel and Nwuzor, 2021). Providing rewards results in the organisations incurring direct and indirect costs which should be kept at their minimum. Reward management can sometimes have an undermining effect where it encourages unethical and deviant behaviours which have a negative impact on the organisation (Qin *et al.*, 2020).

The results may imply that reward management in Zimbabwean banks are poorly designed and implemented in driving organisational growth, hence other factors need to be considered in order for banks to realise positive growth prospects. The banking sector is complex and its performance and growth prospects are influenced by various factors (Fares *et al.*, 2022). The growth of banks is dependent on both internal and external factors such as capitalisation, bank size, market share, interest rates and inflation among others, that need to be considered (Hassan, 2025). To drive growth, banks should focus on improving operational effectiveness, technological advancements and a customer-centric approach apart from operating in a stable macroeconomic environment (Rakočević and Rakić, 2023).

CONCLUSION

Reward management is an important part of recognising employees in the organisation through implementing strategies and practices that motivate them to work towards the better good of the organisation. The study aimed to analyse the impact of reward management on organisational growth in the Zimbabwean banking sector. The study results show that reward management and organisational growth have a long-run relationship albeit reward management having a negative impact on growth. This implies that factors other than reward management can be utilised to drive organisational growth in Zimbabwean banks. The study recommends that banks should adopt digital transformation to maintain a positive growth. With the rapid increase in technological practices globally, commercial banks should consider investing in mobile banking, online landing and AI-powered customer service. It is important for organisations to stay updated on these trends so as to gain a competitive advantage from their competitors, enabling them to have increased profitability and also enhancing a positive customer experience and operational efficiency.

In addition, banks should streamline processes and reduce costs which allows for productive resources to be allocated towards growth enhancing initiatives. Furthermore, banks should adopt strong ethical leadership and management practices that foster a culture of collaboration within and outside the organisation. Leadership is important in the banking sector as it allow banks to have comprehensive risk management and foster a culture of integrity, which in turn inspires confidence in the customers, leading to growth. The study also recommends policy-makers to foster macroeconomic stability in order to drive growth of banks. A stable macroeconomic environment creates stable and predictable conditions for lending and investment, reducing the probability of defaulting customers and increased growth for the banks.

The study concludes that reward management retards the growth of commercial banks in Zimbabwe, hence factors, other than reward management, should be utilised to drive growth of banks. Commercial banks in Zimbabwe have to be flexible in order to realise higher levels of growth and not utilise rewards management as a key element of driving growth.

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