

Reward System and Employee Performance in Three Selected Companies in Port Harcourt

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Abstract: *The aim of this study is to investigate reward system and employee performance in three selected companies such as Nestle Plc, Mumudia Integrated services and Bucebal ventures limited in Port Harcourt, Rivers State. The study also shows how employees improve its performances in a reward system. Questionnaire was used as instrument and 60 questionnaires were issued and while 50 questionnaires were retrieved to check the respondent's opinion. The reward system is more important in any nature of business, company, institutions, and schools, very beneficial for the employee's job performance. It is natural process that human performance is based on motivation and motivation can be concerned in reward on this increased with rewards. A regression analysis was done using the Pearson product correlation to determine the relationship between reward system and employee performance. This study proves reward system and performance of employee has a positive impact in any companies system. From the study it was observed that there is positive benefit on rewards system which leads to employee's performances. Organizational reward system implement in a work place are result motivating employees for effective work performance. Rewards should be given to employees such as car loan, increase in salaries and promotion as a result of increase in job performance.*

Keywords: *Profit, Sale volume, Productivity, Reward System and Employee Performance*

I. Introduction

A reward system is important for the employee performance. As employee performance will be more effective to high reward system. Job performance is also part of human resources management. Performance is an important for the organization succession and achieving the goals. There is so much changing occurring in the school education in the world and every school has much relay on employee's good performance. Rewards are considered an important tool to check the employee's performance in every organization. Management use rewards for employees motivations. So we can say that effective reward system attract new employees for organization and motivate existing employees to perform at high levels. Employee's good work is necessary to achieve the specific goals. Employees give their good efforts for achieving goals and good effort depends on rewards.

Statement of the Problem

There is increasingly a need for organization to be in a position of understanding appropriate rewarding system that motivates their employees for higher organization performance (Vance 2012). What constitute an appropriate rewards that should form the employment package are currently challenging commercial banking performance (Ajila and Abiola, 2004: Aktar, Sachu & Ali, 2012). In Nigeria various reward packages are used and these involve monetary (extrinsic) and non-monetary (intrinsic) rewards. For example, in the context of monetary reward salary increase is sought to be highly essential for employees' satisfaction (URT, 2010).

1.3 Purpose of the Study

The main objective of this study is to investigate the reward system and employees performance in selected companies in Port Harcourt. Other specific objectives include:

- i. To examine the relationship between reward system and employees' performance.
- ii. To assess the effects of employees job allowance on their performance.
- iii. To evaluate the relationship between conditions (such as: Promotion, Long-service award, Retirement benefits, Pension and Gratuity, Employees' loan assistance, etc) and employees' performance.

Research Questions

This study answers the following research questions:

- i. Is there any significant relationship between reward system and employees' performance?
- ii. Does employees' job allowance affect their performance?
- iii. Is there any relationship between working conditions and employees' performance?

II. Literature Review

Employee Performance

According to Njanja, Maina, Kibet, and Njagi (2013), many writers in human resource management suggest the following indicators for measuring employee performance and they include: quality that can be measured by percentage of work output that must be redone or is rejected; Customer satisfaction that can be measured by the number of loyal customers and customer feedback. Also, timeliness, measured in terms of how fast work is performed by the employee when given a certain task; absenteeism/tardiness observed when employees absent themselves from work; and achievement of objectives measured when an employee has surpassed his/her set targets, he/she is then considered to have performed well to achieve objectives (Hakala, 2008; Armstrong, 2006). This buttresses the need to measure individual performance of employees as a way of weighing the effect the reward system has on the workforce and by extension, the organization. In addition, It is increasingly being recognized that planning and an enabling environment have a critical effect on individual performance, with performance goals and standards, appropriate resources, guidance and support from the managers all being central (Torrington, Hall & Stephen, 2008).

Rewards System

Reward is a broad construct that has been said to represent anything that an employee may value that an employer is willing to offer in exchange for his or her contributions (Chiang and Birtch, 2008). The lack of rewards will create an unpleasant environment, thus diminishing employees' work efforts and may cause them to withdraw from their jobs. For these reasons, rewards are increasingly important. 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 desired behavior of the employees. Organizations often use financial rewards to prevent employee dissatisfaction and to motivate employees, although it may not be the best motivator for the long term (Mossbarger and Eddington, 2003). Deeprose (2014) had stated that "while the presence of money may not be a very good motivator, the absence of it is a strong de-motivator". In addition, financial rewards are significant not only in terms of their instrument value as a medium of exchange, but also a highly tangible means of recognizing an individual's worth, improving self-esteem, and symbolizing status and achievement (Armstrong, 1996). Therefore, organizations can best utilize financial rewards in supporting organizational human resource strategy. Non-financial rewards are tangible rewards provided and controlled by a firm; which do not necessarily benefit employees in monetary sense (Chiang and Birtch, 2008). Nowadays, individuals require beyond monetary rewards for their effort (Millmore et al, 2007).

III. Research Methodology

Research Design

This study adopted descriptive survey research design. This involved collecting data in order to test the hypotheses and answer the research question raised.

Population

The target population of this study consisted of selected staff in organization in district of Port Harcourt. According to patterned (2003) target populations consists of the people who wish to describe using our sample. This study was targeted organization employees.

Table 3.1: Categories of the Target Population

Category	NESTLE	MCMUDIA INTEGRATED SERVICES	<u>DUBACEL</u> <u>VENTURES</u> <u>LIMITED</u>	Total
Management	6	3	4	13
Human resource	2	3	1	6
Employees	12	14	15	41
Total	20	20	20	60

Source: Survey data, 2019

Sample Size and Sampling Techniques

A total of 70 staffs was used in determined the sample size of a given population, the formula below.

This is Mathematically Derived using the Taro Yamen’s Formula as

$$n = \frac{N}{1 + N(e)^2}$$

Where: n=the sample size

N=total population size

e=error margin limit

1=constant

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{70}{1 + 70(0.05)^2}$$

$$n = \frac{70}{1 + 70 \times 0.0025}$$

$$n = \frac{70}{1.175}$$

$$n = 59.55$$

Research Instrument

Questionnaire was used as the main instrument used for the purpose of data collection for this study. The items generated on the questionnaire in line with the variables identified on the research questions and the hypotheses after the review of relevant concepts and other personal observations. The instrument has two sections. The first part sought the background information of the respondents. The second part had the items or statements constructed in line reward system and employee performance.

Validity of the Instrument

The validity of the instrument (questionnaire) used for this study was done through a discussion with the researcher’s supervisor regarding the content, format employed and its general suitability to the respondents as well as their appropriateness to the purpose of the research.

Reliability of the Instrument

In order to establish the degree of reliability, consistency, stability and accuracy of the instrument the questionnaire was evaluated to ensure consistency and reliability of the test scores.

Method of data Analysis

The data collected was analyzed in a tabular form based on the simple percentage method and represent in frequency tables and multiple regression.

IV. Results

Table 1: The reward system

Names of Companies	RESPONDENTS		%	
	YES	NO	YES	NO
Nestle	25	-	50%	-
Mumudia Integrated Services	15	-	30%	-
Dubacel Venture Limited	10	-	20%	-
Total	50	0	100%	

Source: Survey Data 2019

Table 4.2 above shows that 50% of the respondents in Nestle accepted that they know about reward system, 30% of the respondents in Mumudia Integrated services accepted that they know about reward system of the respondents and 20% of the respondents in Dubacel Venture Limited accepted that they know about reward system.

Table 4.3: impact of employee Performance?

Names of Companies	RESPONDENTS		%	
	YES	NO	YES	NO
Nestle		15	30%	
Mumudia Integrated Services		25	50%	
Dubacel Venture Limited		10	20%	
Total		40	100%	

Source: Survey Data 2019

Table 4.3 above shows that 30% of the respondents accepted that reward system bring positive impact on employee performance, 50% of the respondents accepted that reward system bring positive impact on employee performance and 20% of the respondents accepted that reward system bring positive impact on employee performance.

Table 4.5: Important aspect of employee motivation

Names of Companies	RESPONDENTS		%	
	YES	NO	YES	NO
Financial reward		20		30%
Non financial reward		15		20%
Any other		30		50%
Total		50	100%	

Source: Survey Data 2019

Table 4.5 above shows that 20% of the respondents agreed that financial reward is best approached for employee motivation, 15% of the respondents agreed that non financial reward is not the best approached for employee motivation and 30% of the respondents agreed that any other approached can be used for employee motivation.

Table 4.6: Performance achievement

Names of Companies	RESPONDENTS		%	
	YES	NO	YES	NO
Nestle	20		30%	
Mumudia Integrated Services	15		20%	
Bubacel Venture Limited	30	-	50%	
Total	50		100%	

Source: Survey Data 2019

Table 4.6 above shows that 30% of the respondents in Nestle accepted that pay decisions are linked to performance achievement, 20% of the respondents in Mumudia Integrated Service accepted that pay decisions are linked to performance achievement and 50% of the respondents in Babacel Venture Limited accepted that pay decisions are linked to performance achievement.

Table 4.6: Clarify for what aspect

	RESPONDENTS		%	
	YES	NO	YES	NO
Keeps more employee	35		70%	
Lower turnover	5		10%	
To achieving the target goal	10		20%	
Total	50		100%	

Source: Survey Data 2019

Table 4.6 above shows that 70% of respondents agreed that reward system keeps more employee, 10% of respondents agreed that reward system lower turnover and 20% of respondents agreed that reward system help to achieving the target goal.

Table 4.6: Performance goals are mutual developed and have specific time frame

	RESPONDENTS		%	
	YES	NO	YES	NO
Agree	10		20%	
Strongly agree	30		60%	
Disagree	5		10%	
Strongly disagree	2		4%	
Total	50		100%	

Source: Survey Data 2019

Table 4.6 above shows that 60% of respondents strongly agreed that performance goals are mutual developed and have specific time frame in most companies, 20% Performance goals are mutual developed and have specific time frame, 10% Performance goals are mutual developed and have specific time frame and 4% Performance goals are mutual developed and have specific time frame.

Table 4.7 Reward System and Employee Performance

Correlations			
		Reward System	Employee Performance
Reward System	Pearson Correlation	1	.533**
	Sig. (2-tailed)		.000
	N	1888	1888
Employee Performance	Pearson Correlation	.533**	1
	Sig. (2-tailed)	.000	
	N	1888	1888

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

Regression Analysis

Regression analysis was done to determine the relationship between reward system and employee performance. Table 4.7 shows that the coefficient of determination R square is 0.284 and R is 0.533 at 0.05 significant levels.

Table 4.8 Model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.533 ^a	.284	.284	.823
a. Predictors: (Constant), Reward System				

V. Discussion

The findings further revealed that 87% of the respondents agreed that they reward system is a mean of motivating employee in an place of work. Pearson correlation analysis of reward system and employee performances results gave a correlation of 0.533 which demonstrated that reward system has a positive correlation with employee performance. of R square of 0.284 and R as 0.533 at 0.05 significant levels. This implies that Regression model of reward system versus employee performance gave a coefficient of determination there exists a strong positive relationship between reward system and employee performance. This study was carried out to examine the extent to which reward system and employee’s performance in Port Harcourt city, of Rivers State. To achieve this goal, three research questions and a hypothesis was formulated. Also, a structured questionnaire was used as a main instrument to gather data from three selected organization in the study area. 40 copies of questionnaire were issued out and 33(82.5%) were appropriately completed and returned for data analysis while 7(17.5%) copies of the questionnaire were not completed and returned.

The data collected from the respondents were analyzed using simple percentage and tables to analyze the research questions while regression statistical tool was used to test. The findings revealed that there is significant relationship between reward system and employee’s performance in three selected organization in Port Harcourt city of Rivers State.

VI. Conclusion

The reward system is more important in any nature of business, company, institutions, and schools, very beneficial for the employee’s job performance. It is natural process that human performance is based on motivation and motivation can be concerned in reward on this increased with rewards. This study proves reward system and performance of employee is positive impact in any companies system.

Recommendations

Based the finding the following recommendations was stated

1. Organizational reward system should be implemented in the work place as a way of motivating employees for effective work performance.
2. Organizations should give rewards to employees such as car loan, increase in salaries and promotion as a result of increase in job performance.

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