Effect of Financial and Non-Financial Incentives on Staff Productivity of First Bank Plc in Umuahia, Abia State, Nigeria

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Abstract
This study examined the effects of financial and financial incentives on staff productivity in first bank PLC. The specific objectives were to determine the effect of employee's pay and productivity of first bank ascertains the effect of first bank PLC. The research hypotheses were tasted using simple regression model and Pearson correlation coefficient. The study employed descriptive research survey design. The sample size was 51 using taro Yamane's formula. The objectives 1-3 were achieved using simple regression model while the objective 4 was achieved using Pearson correlation co-efficient. The findings reviewed that employee's pay which was positive and statistically significant at 1% level, affects the productivity of the employees positively. Findings from the effect staff promotion on the productivity of employees of First Bank Plc; showed that the performance of employees of First Bank Plc; in their job is greatly affected by their promotion, as there was a positive and significant result at 1% level. Based on the findings of the research, the following recommendations were suggested by the researcher. The management of the First Bank Plc should ensure prompt and regular payment of salary to the employees of the bank, since the employees' pay has a way of influencing their productivity. Staff promotion should be taken seriously by the management and carried out as at when due to motivate the employees in the productivity of their jobs, which will in-turn leads to high productivity of the bank.

Keywords: *Productivity, bonus, promotion, employee's pay and recognition.*

1. INTRODUCTION

1.1 Background of the Study

All over the world, every organization provide different kinds of incentives to their employees. These incentives come in the form of salaries and wages, long service and certificates, promotions, end of the year organization's bonus reward., compensation, recognition, praised for a job well done and other benefits (Wasiu and Adebajo, 2014). The essence of these incentives is to motivate human resources so for the attainment of higher productivity which will eventually help in the realization of goals and objectives of organization (Chepkwong and Oloko, 2014). This will aid the organization to move to the next level. It is important to note that effectiveness and efficiency is impossible to think of, without the teamwork of experts, which is difficult without better incentives and motivation system (Chepkwong and Oloko, 2014).

According to the equity theory, the adequacy of such incentives will to a large extent depend on the value the employees place on the inputs they bring to the work in the form of education experience, training, time, effort etc. with the outcomes (incentives) which are pay, promotion; recognitions etc. they are getting as a result of doing the job (Fajana, 2002). The moment employees discover that they are not properly rewarded (in form of incentives), this causes some kind of setback in his/her performance, which can affect productivity of the firm (Maduabum, 2006). It is much likely that they are prone to stay away from work (absenteeism), embark on strike or better still to leave the organization (turnover) (Maduabum, 2006).

This could send some bad signal to the organizational goodwill. However, the rate at which employees are leaving the organization or avoiding joining the organization could be a function of negative attitudes, lack of job satisfaction and the state of the labours market in which First Bank Plc. Umuahia is not an exception (Perry et al, 2006).

It is worthy to state here that, First Bank Plc., Umuahia needs employees whose willingness to work could help to achieve the organizational goals. Willingness to work could, however, depend on how sincere the CEO and other principal officers of first bank are able to integrate the interest and needs of the employees with the objectives of the bank (Bello and Adebajo, 2014). Consequently, for the First Bank to achieve its high productivity, quality leadership together with good policies must be put in place that will be in tandem with the incentives system of employees. It is a known fact that bad or absence of goal incentives would hinder higher productivity, like profit, sales volume, market shares, because stress, discomfort, frustration of employees will eventually have negative effect on the core mandate of the bank (Odden, 2000).

It is important to note at this point that, any strategies aim at giving proper incentive to the employees fairly and consistent to the values of the organization (Robbins and Judge, 2007). This could be in form of financial and non-financial suitable incentives. To this end, the effectiveness of First bank, Umuahia to deliver on its core mandate will depend on the goal incentive system put in place to motivate the employees.

1.2 Statement of the Problem

Employee’s motivation with good incentives for higher productivity in the banking sub-sector has not always received maximum attention, even when it was established to deliver on its core mandate of providing financial services to staff and customers of the bank (Obisi, 2005). Despite the leading role they play in the economy of Nigeria, the employees of the bank have been left in untold hardship because of lack of proper incentive system being put in place. Lack of job satisfaction has also been evidence by the employee’s poor attitude to work.

However, the idea of engaging the services of non-professionals in the bank have further deepened the existence problem of inability of the bank to properly integrate the seven (7) frameworks of managing service firms; like shared value, the strategy, structure, style, skills, system and the staff (Chen and Klimoski, 2013). The ill treatment of employees especially professionals in the bank, indiscriminate sacking or termination of appointment has caused many of them to seek for attractive means of livelihood and getting their attention back for full commitment is serious problems for the bank. In this case, some CEO are encouraged by the board of trustee (BOT) to engage the services of the quack who knows little or nothing about banking sub-sector, who will come and give half-baked results which cannot stand the taste of time. It is pertinent to note that some of them even forgot that customers were the reasons while the bank employed their services. Therefore, it is on this premise that the study seeks to investigate the effects of financial and non-financial incentives on staff productivity in order to bridge the knowledge gap.

1.3 Objectives of the Study

The broad objective of the study is to examine the effects of financial and non-financial incentives on staff productivity of First Bank Plc. in Umuahia, Abia State. The specific objectives are to;

i. Determine the effect of employee's pay on productivity of First Bank Plc.
ii. Ascertain the effects of staff's promotion on market shares of First bank Plc.
iii. Find out the effect of staff's bonus on productivity of First Bank Plc.
iv. Analyze the relationship between staff recognition and meeting the customer's demand in First Bank.

1.4 Research Questions

To address the above stated problems, the following research questions will be ask to guide the study

i. What is the effect of employee's pay on productivity of first bank Plc?
ii. What is the effect of staff promotion on market shares of First Bank Plc.?
iii. What is the effect of staff's bonus on productivity of First Bank Plc
iv. What is the relationship between staff recognition and meeting the customers demand in First Bank?

1.5 Research Hypotheses

The following Hypotheses were stated in null form to guide the study

Ho_1: Employee's pay has no significant effect on profit of First Bank Plc.
Ho_2: Staff promotion has no significant effect on market shares of first bank plc.
Ho_3: Staff bonus has no significant effect on productivity of First Bank Plc.
Ho_4: There is no significant relationship between staff recognition and meeting the customer's demand in First Bank Plc.

2. REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

Incentive system according to Armstrong (2001) consists of an organization's integrated policies, processes and practices for rewarding its employees in accordance with their contribution, skill and competence and their markets worth. The incentive system is developed within the framework of the organization's philosophy, strategies and policies and contains arrangements in the form of processes practices structures and procedures which will provide and maintain appropriate types and level of pay, benefits and other forms of incentive.

Incentive system according to Obisi (2003) is a prize given to employees as an inducement towards their productivity. Robert (2005) defines incentive system as the process of developing and implementing strategies, policies and systems which help the organization to achieve its objectives by obtaining and keeping the people it needs and increasing their motivation and commitments for high productivity of their firm.

Johnson *et al.,* (2010) outlines the aims of incentive system to include; attract, retain and motivate employee to support the attainment of the organization's strategic and short term objectives by helping to ensure that it has the skilled, competent, committed and well-motivated work force it needs to meet the expectations of employees that they will be treated equitably, fairly and consistently in relation to the work they do and their contribution. Neckermann and Kosfeld (2008) draw a distinction between two basic types of incentives namely; financial incentives and non-financial incentives.

Financial Incentives: Financial incentives otherwise known as Extrinsic rewards concern with such motivations like money, retirement benefits, health insurance scheme, composition, salary, bonus etc. financial incentives do not follow naturally or inherently from the performance of an activity but are administered to a person by some external agents (Wasiu and Adebajo, 2014). Non-financial incentives, otherwise known as intrinsic reward is concerned about the feeling of being recognized, praised for a job well done and participation in whatever the organization do. Non-financial incentives are inherent of an activity and their administration is not dependent upon the presence or actions of any other person or thing (Necker Mann and Kosfeld, 2008).

2.1.2 Features of a Good Incentive System

A good incentive system must have the following features;

i. **Competitiveness:** The incentive system must be attractive and competitive for the high level of people that are generally in short supply. These employees will know their worth the actual or potential value of their contribution and expert to incentive according (Hayble, 2001).

ii. **Incentives** must satisfy employee needs: Incentive is an important ingredient in an organization and it is not motivational unless the incentives satisfy their basic needs such as food, shelter, safety and security. Not all employees need the same thing and one employee may need different things at different times (Ajzen, 2016).

iii. **Equity**: The distribution of incentives within the organization must be perceived to be done fairly and equitably. Incentives are equitable if employees perceive it as fair and just (Onyene, 2001).

iv. Flexibility: A good incentive system should be capable of dealing with members of the organization as individuals. The incentive system must take into account differences in people's needs, desires, expectations, goals and aspiration (Onyene, 2001).

2.1.3 Types of Organizational Incentives Packages in Banking Sector

Every organization has incentive peculiar to it. The same incentive can take different name from one organization to the other. However, the few commonly employed organizational official cars, loan for purchase of personal cars, subsidy for housing rent, education leave with pay, health benefits, vouchers scheme as an alternative to a direct cash bonus, promotion to the post of general manager or regional manager, branch manager special incentives certificates (Adelabu, 2016). The Nigerian Employers Consultative Association (NECA) in July-September, 1996 survey, listed well over forty most common benefits incentives enjoyed by Nigerian workers generally which include leave allowance, transport allowance, housing/rent subsidy, end of year for festival bonus paid annual leave, long service award gratuity and pension payments among others (Fagbamiye, 2014).

2.1.4 Causes of Employee's Low Productivity in Banking Sector

Carraher *et al.*, (2006) advocates various causes of employee's low productivity in banking sector, such as;

i. Lack of Effective Incentive System

An effective incentive system retains the high performers in the organization and such incentive should relate to the employees productivity. Furthermore, efficient incentive system can be a good motivator but an inefficient incentive system can lead to demolition of the employees. Reio and Cellahon (2004) conclude that both financial and non-financial incentives motivate the employees towards actualization of organizational goals.

ii. Lack of Procedures and Roles

Productivity can be affected by the organizational procedures, roles and directives. If a mission statement is lacking employees may have difficulty performing their duties without correct information (Garland, 2002). A clear mission statement must consist of defined organizational principles, goals and practices.

iii. Communication, Feedback and Recognition

A contributing factor to poor productivity is lack of communication between employees and management or between subordinates and superiors. This creates barriers, an environment of staff distrust and the encouragement of rumors. If rumors are not addressed credibly may be given to the false information (Freeman, 2013).

iv. Lack of Staff Adequate Training and Recognition of Professionalism

Poor training of employees is one of the most important aspects affecting employee's productivity (Hill, 2012). Training is essential for banking employees due to the constant evolving methodology facing the assignment of duties in the banking services. Productivity will be low if superior officers are without training and professional qualifications in order to achieve specific tasks (Watson, 2012).

2.1.5 Relationship between Employees Incentives and their Productivity

Onyene (2000) postulated that at all level and size, every financial institution would be in jeopardy if the workforce (bankers specifically) are not employed in good manner, poorly remunerated, nit rewarded for incidental contributions and not exposed or given other fringe benefits incentive. The case she said may also not be different when a bank (rural or urban) is staffed with unenthusiastic and burnt-out bankers. It therefore follows that matters of financial policies and principles will remain mere wishful thinking if bankers-related concerns like remunerations are not taken as a matter of compulsion for human resource management in our banking sector (Onyene, 2000).

Olorunsola and Oyebanji (2011) reported the presence of operational and managerial problems. These problems ranges from greatest monster of fund unavailability to total absence of Herzberg motivator-hygiene incentive packages, especially the material and the monetary including poor salary package especially to the contract staff of the bank.

2.1.6 Employee's Pay

It is the compensation or incentive to employees upon exercising their responsibilities as employees of a certain organization (Armstrong, 2003). In deciding what to pay employees, and how to pay them, management must make some strategic decisions. Will the organization lead, match or lag the market in pay. How will individual contributions be recognized? There are many ways to pay employees. The process of initially setting pay levels can be rather complex and entails balancing internal equity the worth of the job to the organizations (usually established through pay surveys).

Obviously the best pay system, pays the job what it is worth (internal equity) while also paying competitively relative to the labour market (Robbins and Judges, 2007). Pay more and you may get better qualified more highly motivated employees who will stay with the organization longer and help in realization of high productivity that will eventually increase the profit (Goldman, 2004).

2.1.7 Productivity

An organization is productive if it achieves its goals and does so by transferring inputs to outputs at the lowest cost. As such, productivity implies a concern for both effectiveness and efficiency (Robbins and Judges, 2007). A business firm is effective when it attains its sales or market share goals, but its productivity also depends on achieving those goals efficiently. Popular measures of organizational efficiency include return on investment profit per sales, and output per hour of labour (Wang and Guthrie, 2004).

2.1.8 Staff's Promotion

Promotion decisions have consistently been found to be one of the most political actions in organizations. The opportunity for promotions or advancement encourages people to compete for a limited resource and to try to positively influence the decision outcome in all sector of life including the bank (Poon, 2003). Although we acknowledge the role that individual differences can play in fostering politicking, the evidence were strongly in supports that certain situations and cultures promote politics. More specifically, when an organizations resources are declining, when the existing pattern of resources is changing and when there is opportunity for promotions, politicking is more likely to surface (Gohand Doucet, 2010).

2.1.9 Staff's Bonus

Annual bonuses in the tens of millions of naira are not uncommon in our corporations today. Increasing bonus plans are casting a larger net within organizations to include lower-ranking employees. Many companies now routinely reward production employees with bonuses when company profit improves. One advantage of bonuses over merit pay is that bonuses reward employees for recent performance rather than historical production in which the First Bank Plc. is not an exception (Levelle, 2001; Balu, 2002).

2.2 Theoretical Framework

There are various theories to the study of incentive system and employees productivity. They are equity theory, expectancy theory, pay for equal work theory etc. In this research study, equity theory shall be adopted as the framework of analysis. This theory was first advocated by Adam (Ogundele, 2006). The concept of equity theory stipulates that justice and fairness should dominate, for example in incentive system (Obisi, 2005). Fajana (2002) defines inequity as an injustice perceived by a person when he/she compares the ratio of his/.her incentives to his/her inputs effort with the ratio of another comparable person's outcomes to his/her inputs and finds that they are not equal. According to equity theory the motivation of individuals in organization is influenced by the extent to which they feel that they are being treated in fair and equitable manner (Obisi, 2003). When people feel that they are being treated in an inequitable and unfair fashion, the theory argues that they will be motivated to engage in activities aimed at restoring feelings of equitable treatment (Onabanjo, 2004).

Ogundele (2006) identifies two major components to the theory. First, the theory specifies that factors which influence the extent to which people feel that they are being equitably treated. Second, the theory outlines the kind of activities which individuals might be motivated to engage in to restore feelings of equity when they are feeling inequitably of unfair treated. Equity theory predicts that people are constantly engaged in making two types of comparisons.

i. The inputs they bring to the job in the form of education, time, experience, training, effort etc. with the outcome (incentives) such as pay, promotions, praise, recognition, feelings of personal accomplishment they receive or obtain as a result of performing the job (Adeleke, 2001).

ii. The comparison by the person of his or her own ration of outcomes to inputs to the comparable ratio of outcomes to inputs of another person known as comparison other (Allen, 2002). The theory also assumes that when a person perceives that his/her own ration of outcome to inputs is approximately equal to the corresponding ration of the comparison of others, a state of equity is said to exist. In such a situation the person will feel satisfied with the incentives that he or she is receiving, will feel that he/she is being fairly treated, and would be predicted to be motivated to continue doing the kinds of thing he or she had been doing at work up to that point (Ogundele, 2006). To achieve best results, organizations including First bank must analyze each job, know the requirements and pay the same wage for work of the same inputs including contract staff and regular staff. Where differential wages must be paid the basis must be very clear (Cole, 2002).

Implications of equity theory to the incentive system, from the above assumption, it is obvious that productivity of an employee is being influenced by the expected incentive and recognition from the organization. That recognition of individual talents, strengths, capabilities and competencies by the organization enhances the employee productivity at work. (Ogundele, 2006). The financial incentives in term of salary are not the only yardstick to ensure productivity improvement and satisfaction among employees except if it is lacked, but other non-financial incentive do enhance employees productivity, it is given recognition. Therefore, as far as financial and non-incentives are concerned, manager in Nigerian environment including First Bank would be well advised to reflect on the concept of equity and ethics (Akuoko and Donkor, 2012).

2.3 Empirical Review

Wasiu and Adebajo (2014) investigated on incentive system and employees productivity in Lagos State of selected public secondary schools. The art of teaching ordinarily brings satisfaction to the teacher and the students. Imparting knowledge gives psychological upliftment and inner joy to all parties involved. It has however been observed that this eternal joy of the teachers is being eroded over time; with incessant strikes, lockout, work to rule, non-payment of salary and allowances, compulsory and untimely retirement. Non-promotion and stagnation: the yoke of teachers is manifold and burdensome. The study therefore examines the place of incentive systems on employee’s productivity on Lagos state. The findings revealed that there is significant relationship between employee’s productivity and salary package, the study therefore, recommended that adequate salary allowances in terms of housing, health, hazard transfer, involvement of teachers in decision making establishment of teachers salary scale in line with other profession so as to promote job security.

Ali *et al.,* (2012), examined on effects of non-financial incentive on employees productivity. Dramatic changes in the knowledge management have converted the nature of productivity evaluation system to an inevitable issue, so that the lack of incentive system in an organization considers as one of the symptoms of the organizational diseases. The study adopted descriptive survey study. The objective of the study was to investigate the influence non-financial incentive on employee’s production. Correlation statistical model was adopted, 80 employees of transportation organization is the Eastern Province. Data collected via standard questionnaire. The results indicate that non-financial incentive has effect on the productivity of employees of the organization. The study was anchored on the equity theory because the concept of equity theory stipulates that justice and fairness should dominate incentive system in working environment.

3. METHODOLOGY

The Descriptive survey research design was adopted for this study in which structured questionnaires were used to elicit information from the target respondents who are the staff of First Bank Plc., Umuahia Metropolis. Primary data were collected and processed in the study. The survey research design that was adopted becomes imperative because of the population characteristics and a representative nature of the sample of the population for the study. The sample size for the study was 58, using taro Yamane's method.

The sampling for the study adopted includes all the four branches of first bank in Umuahia metropolis, this includes; 13 management and 45 staff: Umudike branch-5, factory road-20, Umuahia road-18, Uzakoli road-15.

The sample size that was adopted in the study was Taro Yamane's method of sample size determination thus stated as follows:

Where N= Population

1= Constant

0.05= Error estimates

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

$$n = \frac{58}{1+58(0.05^2)}$$

n= 50.65 ~ 51

The study adopted Cronbach Alphas method to test the reliability of the research instrument during the research process. The content reliability test was measure using the test re-test reliability method.

The study objectives were analyzed using simple regression and correlation models. However, the SPSS was adopted. Objectives 1-3 were achieved using simple regression model, while objective 4 was achieved using correlation model.

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter presents the analyses of data collected for the study. The collected and collated data were analyzed using descriptive statistics, correlation coefficient and simple regression models model.

- **Questionnaire Administration**

Questionnaire, which served as the major research instrument, was randomly administered to the respondents in the study area.

- **Socio-economic Characteristics of the Respondents**

To ascertain the background of the selected respondents, their socio-economic characteristics were elicited. These include their gender, marital status, age, education qualification, household size and income. Tables 4.1 – Table 4.1 below, show the socio-economic characteristics of the respondents in the study area.

Table 4.1: Distribution of Respondents according to Gender

Gender	Frequency	Percentage (%)
Male	37	63.8
Female	21	36.2
Total	**58**	**100**

Source: Field Survey Data, 2019

The result from Table 4.1 shows that 63.8 (37) of the respondents are male, while 36.2% (21) of the respondents are females. This implies that majority of the respondents in the study area were male.

Table 4.2: Marital Status Distribution of the Respondents

Marital Status	Frequency	Percentage (%)
Single	30	51.7
Married	28	48.3
Total	**58**	**100**

Source: Field Survey Data, 2019

The result from Table 4.2 reveals that 51.70% (30) of the sampled respondents are single while 48.3% (28) of them are married. This is an indication that majority of the respondents in the area are single individuals.

Table 4.3: Age Distribution of the Respondents

Age	Frequency	Percentage (%)
20 – 29 years	20	34.5
30 – 39 years	22	37.9
40 and above	16	27.6
Total	**58**	**100**

Source: Field Survey Data, 2019

Table 3 shows the age distribution of the sampled respondents. The result from this table shows that 20(34.5%) of the respondents are within the age range of 20 – 29 years, 22(37.9%) of them fall within the age range of 30 – 39 years and 16(27.6%) of them are within the age range of 40 and above. This implies that majority (37.9%) of the respondents in the study area are young and in their youthful age. Okoye and Onyenweaku (2007) noted that young people are able to combine their business resources in optimum manner which leads to increase in the firm's productivity.

Table 4.4: Education Qualification of Respondents in the Study Area

Education Qualification	Frequency	Percentage (%)
OND/NCE	18	31.1
HND/B.Sc	30	51.7
M.Sc/MBA	10	17.2
Total	**58**	**100**

Source: Field Survey Data, 2019

The result from Table 4.4 shows that 18(31.1%) of the respondents had education qualification up to OND/NCE level, 30(51.7%) of them had education qualification of HND/B.SC while the remaining 17.2% (10) of the respondents had education qualification of M.SC/MBA level. This result implies that majority of the respondents are well and highly educated.

Table 4.5: Household Size Distribution of the Respondents

Household Size	Frequency	Percentage (%)
1 – 3 persons	31	53.4
4 – 6 persons	19	32.8
Above 6 persons	8	13.8
Total	**58**	**100**

Source: Field Survey Data, 2019

From the result in Table 4.5, it could be seen that majority (53.4%) of the respondents had a household size of between 1 – 3 persons, (51.7%) of them had a house size of 4 – 6 persons, while only (15.2%) of them had a house size of above 6 persons. The mean household size of the respondents was approximately 3 persons. This result implies that majority of the respondents had not more 3 persons in their household size.

Table 4.6: Monthly Income Distribution of Respondents in the Area

Monthly Income (₦)	Frequency	Percentage (%)
1,000 – 100,000	23	39.7
100,001 – 200,000	26	44.8
200,001 and above	9	15.5
Total	**58**	**100**
Mean Income	**₦100, 264.29**	

Source: Field Survey Data, 2019

The result from Table 4.6 it was observed that majority (39.7%) of the entrepreneurs earned a monthly income of between ₦1,000 ₦100,000, (44.8%) earned a monthly between the range of ₦100,001 ₦200,000 while the remaining 15.5% earned a monthly income between the range of ₦200,001 ₦300,000. The average monthly income of the respondents was ₦100, 264.29.

Table 4.7: Years of Experience Distribution of Respondents in the Study Area

Years of Experience	Frequency	Percentage (%)
1 – 5years	17	29.3
6 – 10years	30	51.7
11 and above	11	19.0
Total	**58**	**100**

Source: Field Survey Data, 2019

The result in Table 4.7 above showed that 17(29.3%) of the respondents had experience in the banking industry between the range of 1 – 5 years, 30(51.7%) had experience between the range of 6 –10 years, while only about 11(19.0%) of the staff had experience 11 and above range of 7 – 9 years.

Table 4.8: 1 better pay packages to staff can help to increase firm's productivity

Options	No of respondents	Percentage (%)
Strongly agree	29	50.0
Agree	17	29.3

Disagree	7	12.1
Strongly disagree	5	8.6
Undecided	-	-
Total	**58**	**100**

From the table 4.8 above, 29(50.0%) indicated strongly agree that better pay packages to staff can help to increase, firm's productivity, while 17(229.3%) indicate agree, meanwhile 7(12.1%) disagree at the same time 5(8.6%) strongly disagree while none were undecided. This mean that First Bank Plc should continue to improve on their pay packages to workers, since it has away of increasing firm's productivity.

Table 4.9: Prompt payment of workers salary help to increased firm's productivity

Options	No of respondents	Percentage (%)
Strongly agree	28	48.3
Agree	19	32.8
Disagree	6	10.3
Strongly disagree	5	8.6
Undecided	-	-
Total	**58**	**100**

From the table 4.9 above, 28(48.3%) strongly agree, while 19(32.8%) agree. However, 6(10.3%) disagree, 5(8.6%) strongly disagree while none were undecided that prompt payment of workers salary help to increased firm's productivity.

4.2 Effect of Employees' Pay on Productivity of First Bank Plc

The effect of employees' pay on Productivity was analyzed using the simple regression model. Table 4.10 shows the effect of employees' pay on productivity in the area of study.

Table 4.10 Effect of Employees' Pay on Productivity of First Bank Plc

Variables	Coefficient	Std. Error	t-value
Constant	0.128**	0.047	2.744
Employees Pay	0.766***	0.056	13.634
R^2	0.557		
F-value	185.884***		

** Statistically Significant at 5% level
*** Statistically Significant at 1% level

Source: Field Survey Data, 2019

The data from Table 4.10 shows the regression estimate of the effect of employees' pay on productivity of the employees. The result shows that the determination (R^2) was 0.557. This implies that 55.7% variability of the productivity of the employees in the study area was explained by the model, while the remaining 44.3% could be attributed to error and omitted variables. The F-values of 185.884 was significant at 1% level, which indicates that the model is adequate for use in further analysis as it indicates a requirement of best fit.

The result shows that the effect of the employees' pay on their productivity was positive and statistically significant at 1% level. This implies that an increase in the pay of the employees of the firm under study will lead to an improvement in their performance.

Table 4.11: Staff promotion as at when due increases employees job performance, which can lead to high productivity.

Options	No of respondents	Percentage (%)
Strongly agree	16	27.6
Agree	30	51.7
Disagree	8	13.8
Strongly disagree	4	6.9
Undecided	0	0
Total	**58**	**100**

The table 4.11 above shows that 16(27.6%) indicate strongly agree that promotion as at when due increases employees job performance, which can leads to high productivity 30(51.7%) indicate agree. However, 8(13.8%) disagree, while 4(6.9%) strongly disagree, 0(0%) were undecided.

Table 4.12: Staff promotion can discourages labour turnover

Options	No of respondents	Percentage (%)
Strongly agree	8	13.8
Agree	6	10.3
Disagree	19	32.8
Strongly disagree	22	37.9
Undecided	3	5.2
Total	**58**	**100**

The table 4.12 above shows 8(13.8%) indicated strongly agree that staff promotion can discourages labour turnover 6(10.3%) agree. However, 19(32.8%) disagree, 22(37.9%) strongly disagree 3(5.2%) were undecided.

4.3 Effect of Staff Promotion on the Productivity of First Bank Plc

The effect of staff promotion on the job performance of the productivity of First Bank Plc was analyzed with the simple regression model and the result presented in Table 4.13.

Table 4.13 Effect of Staff Promotion on the Productivity of First Bank Plc

Variables	Coefficient	Std. Error	t-value
Constant	0.298***	0.044	6.718
Staff Promotion	0.663***	0.054	12.397
R^2	0.509		
F-value	153.676***		

*** Statistically Significant at 1% level.

Source: Field Survey Data, 2019

The data from Table 4.13 shows the regression estimate of the effect of staff promotion on the productivity of First Bank Plc. The result shows that the determination (R^2) was 0.509. This implies that 50.9% variability in employees' job performance was explained by the model, while the remaining 49.1% could be attributed to error and omitted variables. The F-values of 153.68 was significant at 1% level, which indicates that the model is adequate for use in further analysis as it indicates a requirement of best fit.

The result shows that the staff's promotion affects the employees' productivity on their job, as staff promotion was positive and statistically significant at a 1% level. This implies that promotion does affect the way the employees perform their jobs. This means that when employees are promoted, they would want to put in their best for more promotion and the lackadaisical ones will also put in their best performance to be promoted. Therefore, this leads to high productivity in the firm.

Table 4.14; Prompt and better bonus to workers can improve high productivity in the bank

Options	No of respondents	Percentage (%)
Strongly agree	32	55.1
Agree	19	32.8
Disagree	4	6.9
Strongly disagree	3	5.2
Undecided	0	0
Total	**58**	**100**

Table 4.14 above shows, 32(55.1%) strongly agree that prompt and better bonus to workers can improve high productivity in the firm, 19(32.8%) agree. However, 4(6.9%) disagree, while 3(5.2%) strongly disagree, no person was undecided. It means that First Bank Plc should continue to give better bonus to her employees, as this can improve the productivity.

Table 4.15: Bonus to deserving workers can increase organizational productivity

Options	No of respondents	Percentage (%)
Strongly agree	32	55.1
Agree	17	32.8
Disagree	3	5.2
Strongly disagree	5	8.6
Undecided	1	1.3
Total	**58**	**100**

Table 4.15 above indicated that, 32(55.1%) strongly agree that bonus to deserving workers can increase organisational productivity, 17(32.8%) agree. However, 3(5.2%) disagree, while 5(8.6%) strongly disagree, 1(1.3%) were undecided. This means giving bonus to deserving workers can improve their performance, which equally leads to high productivity.

Table 4.16: Bonuses to workers can help them meet the customers demand in the bank

Options	No of respondents	Percentage (%)
Strongly agree	28	48.3
Agree	20	34.5
Disagree	4	6.9
Strongly disagree	4	6.9
Undecided	2	3.4
Total	**58**	**100**

The table 4.16 above shows that 28(48.3%) strongly agree that giving bonuses to workers can help them meet the customers demand, 20(34.5%) agree. However, 4(6.9%) disagree, also 4(6.9%) strongly disagree 2(3.4%) were undecided.

4.4 Effect of Bonus on Productivity of the Employees of First Bank Plc

The effect of bonus on the productivity of the employees of First Bank Plc was analyzed with the simple regression model and the result presented in Table 4.17.

Table 4.17 Effect of Bonus on Productivity of the Employees of First Bank Plc

Variables	Coefficient	Std. Error	t-value
Constant	1.173***	0.209	5.609
Bonus	0.738***	0.049	15.170
R^2	0.609		
F-value	230.121***		

*** Statistically Significant at 1% level.

Source: Field Survey Data, 2019

The data from Table 4.17 shows the regression estimate of the effect of bonus on productivity of the employees of First Bank Plc. The result shows that the determination (R^2) was 0.609. This implies that 60.9% variability in employees' Productivity was explained by the model, while the remaining 39.1% could be attributed to error and omitted variables. The F-values of 230.121 was significant at 1% level, which indicates that the model is adequate for use in further analysis as it indicates a requirement of best fit.

The result shows that the bonuses given to staff members affect the employees' productivity in their job, as bonus was positive and statistically significant at a 1% level. This implies that when employees are given bonuses, it will positively influence their performance and productivity.

Table 4.18: Staff recognition can help increase job performance , which in turn increases productivity

Options	No of respondents	Percentage (%)
Strongly agree	10	17.3
Agree	14	24.1
Disagree	20	34.5
Strongly disagree	14	24.1
Undecided	0	0
Total	**58**	**100**

The table 4.18 above indicated that 10(7.3%) strongly agree that staff recognition can help increase performance which inturn increases productivity 14(24.5%) agree. Meanwhile, 20(34.5%) disagree, while 14(24.1%) strongly disagree. No worker was decided.

Table 4.19: Recognition to deserving workers can help build better relationship in the organization

Options	No of respondents	Percentage (%)
Strongly agree	28	48.3
Agree	22	37.9
Disagree	4	6.9

Strongly disagree	4	6.9
Undecided	2	3.4
Total	**59**	**100**

The table 4.19 above shows that 28(48.3%) strongly agree that recognition to deserving workers can help build better relationship in the organization, 22(37.9%) agree. However, 4(6.9%) disagree, also 4(6.9%) strongly disagree, 2(3.4%) were undecided.

Table 4.20: Recognition to deserving workers can discourages employees turnover

Options	**No of respondents**	**Percentage (%)**
Strongly agree	3	5.2
Agree	2	3.4
Disagree	22	37.9
Strongly disagree	30	51.8
Undecided	1	1.7
Total	**58**	**100**

From the table 4.20 above, it shows that 3(5.2%) strongly agree that recognition to deserving workers can discourage employees turnover, 2(3.4%) agree. However,, 22(37.9%) disagree, while 30(51.8%) strongly disagree, 1(1.7%) were undecided. This mean that recognition to deserving workers does not discourages employee's turnover.

4.5 Relationship between Staff Recognition and Customer's demand in First Bank Plc

The relationship between staff recognition and customers' demand was analyzed with the correlation model and the result presented in Table 4.21.

Table 4.21 Correlation Estimate of Relationship between Staff Recognition and Customer's demand in First Bank Plc

	Staff Recognition	**Customer's demand**	
Staff Recognition	Pearson Correlation	1	0.736**
	Sig. (2-tailed)		0.000
	N	58	58
Customer demand	Pearson Correlation	0.736**	1
	Sig. (2-tailed)	0.000	
	N	58	58

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

Source: Field Survey Data, 2019

The result from Table 4.21 shows the correlation between the recognition of the staff members of First Bank Plc and the demand of customers of the First Bank Plc at 0.736* and the probability at 0.000. The result indicates a positive and strong relationship between staff recognition and how customers are satisfied with their demand by the employees. This implies that there is a strong positive connection between the recognition of staff members and how they carry out their duties to satisfy the customers of the bank.

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

This study examined effect of financial and non-financial incentives on staff productivity of First Bank Plc. It specifically determined the effect of employees' pay on the productivity of First Bank Plc, ascertained the effect of staff promotion on the productivity of First Bank Plc; determined the effect of staff bonus on the productivity of the First Bank Plc; and analyzed the relationship between staff recognition and meeting customers' demand. The Taro Yamene's method was adopted to determine the sample size of the study. Data collected were analyzed using descriptive statistics, regression and correlation coefficient models.

i. The findings from the effect of employees' pay on the productivity of the employees of First Bank Plc; showed that pay of the employees, which was positive and statistically significant at 1% level, affects the productivity of the employees positively.

ii. Findings from the effect staff promotion on the productivity of employees of First Bank Plc; showed that the performance of employees of First Bank Plc; in their job is greatly affected by their promotion, as there was a positive and significant result at 1% level. This also buttresses the findings of Wasiu and Adebajo (2014), who observed that payment to employees most especially as at when due can encouraged productivity, which leads to high productivity of the firm.

iii. From the effect of bonus on the productivity of the employees of First Bank Plc, the findings showed that giving employees bonus does affect their productivity, as bonus showed a positive and significance statistic at 1%level. The findings also inline with that of Fagbamiye (2014) who postulated that better bonus to employees can leads to higher productivity in the industries.

iv. Furthermore, from the relationship between staff recognition and customers' demand of the First Bank Plc, the findings show a positive and strong relationship between the recognition of the staff of the First Bank Plc and the way they (the employees) satisfy the customer's demand of the bank. The finding is also inline with the findings of Chepkwong and Oloko (2014) who opined that there is strong between staff recognition and productivity in the organization, which eventually leads to increase in productivity.

5.1 Conclusion

The conclusion drawn on this study are that employees' pay affect the productivity of the employees; staff promotion affect the productivity of employees of First Bank Plc in their job; bonus given to staff does affect the productivity of employees of First Bank Plc and there exist a positive relationship between staff recognition and customer demand. These mean that the incentives given by the management of First Bank Plc do affect the productivity of employees of the bank First Bank Plc.

5.2 Recommendations

Based on the findings of the research, the following recommendations were suggested by the researcher.

i. The management of the First Bank Plc should ensure prompt and regular payment of salary to the employees of the bank, since the employees' pay has a way of influencing their productivity.
ii. Staff promotion should be taken seriously by the management and carried out as at when due to motivate the employees in the productivity of their jobs, which will inturn leads to high productivity of the bank.
iii. Outstanding and well-deserving employees should be rewarded with bonuses, whether financial or non-financial, so as to encourage good productivity and discourage lackadaisical attitude from the employees of the bank.
iv. The management of First Bank Plc should ensure that better bonuses are given staff, most especially the highly performed staff of the bank.
v. The management of First Bank Plc should ensure proper recognition are given staff and should formed part of the policy frame work in the organization for better productivity.

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