

Employee Reward System and Performance in Selected Deposit Money Banks in Edo North Senatorial District, Edo State, Nigeria

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Abstract

Reward system which consists of financial and non – financial rewards has become essential to an organization in managing employees' performance. Motivated employees can be a significant factor in organizational success. When employees are motivated to work at higher levels of productivity, the organization as a whole will run more efficiently and is more effective at reaching its goals. The broad objective of this study is to examine reward system and performance of employees' in an organization. This study adopted a quantitative approach were 132 questionnaire was distributed to the participants selected using convenience sampling. Data obtained analysed using spss software to carry out the correlations and regression analysis. The results show that all variables salary, bonuses, appreciation and health care have a significant impact on employees' performance. The study recommended amongst other that the human Resource Department (HRD) in conjunction with the senior management should develop innovative bonus plan that also recognizes the efforts of non – managerial staff. This will not only motivate the employees to work harder during the year but will also bring harmony in the organization and encourage team work and overall greater performance of the organization.

Keywords: Reward system, financial reward, non – financial reward, employees' performance

1.1 Introduction

The impact of rewards on employees' performance is well known phenomenon in the available literature of human resources. A large number of studies such as Onyango (2024), Aktar, Sachu and Ali (2023), Wasiu and Adebajo (2023), Saira, Madiha, Sumaira and Anam (2022), Oyira, et al, Kikoito (2020) etc have verified that proper reward systems is a powerful tool to enhance employee behaviours leading to performance improvement. Reward system is essential to the organisation as it has become important in managing employee's performance. Over the last 25 years, other elements of compensation have evolved to provide employers with a broad scope of reward, and thus, it motivates the employees. The reward systems are directly and indirectly involved in the vision and mission of the organisation that gives sense to the employee that a reward system will benefit both parties (Noorazem, et al 2021). The rationale behind the use of

rewards to employees is that motivated employees become satisfied in terms of fulfilling their wants, both financial and non financial.

It is the concern of organisations all over the world on effective human capital strategies to enhance their productivity. It is clear that employee's productivity in the expanding organisation is a key factor in organisation performance. Employees, technically known as human resource in modern organisations, are rightly considered as the most important assets for entities (Ong-&Teh, 2012). In developed countries such as USA, Japan, UK and Germany organizations recognize employees as the important asset that needs high consideration in promotion (**source**).

Latham (2012) opined that to motivate and keep the employees motivated is an essential part of human resources and management within organisation. Reward systems have a huge impact on organisations to retain and motivate the employees and as a result of achieving high levels of performance (Barber & Bretz, 2000). Thus, organisations must develop programs such as reward systems to fulfill employees' needs and motivate them to work. Most organisations have problems to decide the right reward systems that suit most for the employees.

Reward is the compensation which an employee receives from an organization for exchanging for the service offered by the employee or as the return for work done (Lin, 2007). It also refers to the collection of brain structures that try to control and regulate behaviour by inducing pleasure (Ajila & Abiola, 2004). Human resource can be rewarded and optimally utilized through rewarding it's employees using different techniques of significance importance.

A properly administered system of rewards can provide good quality of employee performance. If the organisation does not have a proper reward system, it will lead to problems such as low employee morale, the unproductive performance of the employees, or it can lead to high turnover rate among employee (Wilson, 2004). Edward and Christopher (2006) have mentioned that most of the employees are not automatically willing to work, continue to work or work hard for the organization. Anitha (2013) defined employee performance as an indicator of financial or other outcomes of the employee that has a direct connection with the performance of the organisation as well as its achievement. The organisation needs employees with high performance to meet goals, deliver products and services and to achieve competitive advantage in the market (Ojeleye, 2016). Performance is very crucial same as to reward system because when employees achieve their high level of performance, they want an adequate reward in return. If they cannot achieve the goals and show low performance in the organization, it will result in dissatisfaction (Ojeleye, 2016).

A motivated person will result in a good performance as the employees know there is a reward waiting at the end of every month. Reward systems have a huge impact on organizations to retain and motivate the employees and as a result of achieving high levels of performance (Barber & Bretz, 2000).

1.2 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 appropriate rewards that should form the employment package is currently challenging commercial banking performance (Ajila & Abiola, 2004; Aktar, et al 2012).

Puwanenthiren (2011) reveals that several organizations are still finding it difficult to establish an effective reward system that fairly suits the organizational demands in relation to employee performance and organizational profitability. There is a natural disparity between what people think they should be paid and what organizations spend in compensation thus affecting employees sense of accomplishment and this is a challenge employees in organizations face. The unsteadiness in the banking sector can throw those who work in it into all manners of psychological conditions such as feelings of job insecurity, occupational stress, burnout and loss of sense of accomplishment leading to reduction in their task performance and overall performance on the job.

1.3 Objective of the Study

The broad objective of the study is to examine reward system and employees performance in organization. Other specific objectives are to:

- i. Determine the relationship between Salary and employee performance in organisation.
- ii. evaluate the relationship between bonuses and employee performance in organization..
- iii. examine the relationship between appreciation and employee performance in organisation; and
- iv. evaluate the relationship between health care benefit on employee performance in organisation.

Literature Review

2.1 Conceptual Review

2.1.1 Reward System

Reward is the compensation which an employee receives from an organization for exchanging for the service offered by the employee or as the return for work done (Lin, 2007). It also refers to the collection of brain structures that try to control and regulate behaviour by inducing pleasure (Ajila & Abiola, 2004). Human resource can be rewarded and optimally utilized through rewarding it using different techniques of significance importance.

Reward is defined as anything that extrinsically or intrinsically reinforced, which employee receives in a corporation for the service offered or as a results of the work done (source), A highly motivated employee can assist an organisation win competition, add unique value and increase organisational profit. Reward practice is extremely essential and is to be reinforced as an incentive motivator towards achieving the organisational overall performance. Reward system is vital for attracting and retaining employees competently, knowledge and skills so as to realize organization's strategic goals and make a supportive culture (Onyango, 2024).

Carraher (2006) advocated that there should be an efficient reward system for organization performance and reward should be associated with their productivity. Thus, organizations must make policies and procedures and formulate such reward system under those policies and procedures which increase employee satisfaction. Kreitner and Kinicki (2010) Stress that reward system should foster personal growth and development and retain talented employees from leaving the organization, Luthans (2002) posits that organizations provide rewards to their employees so as to motivate their performance and encourage their loyalty and retention.

Wilson and Thomas (1999), suggested that reward system acts as a tool for testing the capabilities of an employee required for the work and will be a measure of checking the willingness to follow the organizational goals then creates a chance to pick the proper candidate for the work consistent with Yazici, (2008), the effectiveness of an organizations performance and reward management has an impression on moral and productivity.

La Belle (2005) stated that different employees have different view about rewards; some employees consider cash is sufficient to satisfy their needs and others want a material incentives like car, house, a few prefer holidays as incentives.

Rewards represent anything that an employee may value which employer is willing to supply in exchange for his or her contributions (Chiang & Birtch, 2008). Lack of rewards will create an unpleasant environment, thus diminishing employees' efforts and should cause them to withdraw from their jobs. For these reasons, rewards are vital in a corporation. The main objective of reward is to draw in and retain employees, to motivate employees to realize high levels of performance. Organizations usually use financial rewards to motivate employee dissatisfaction and to motivate employees, although it's going to not be the simplest motivator for the future (Mossbarger & Eddington, 2003). Organizations in today's environment seek to work out the reasonable balance between employee commitment and performance of the organisation.

Salary and Employee Performance

According to Agburu (2017), salaries and wages are very significant and he also argued that wages must show a few elements of equity instead of focusing on adequate wages. This is because an adequate salary will provide satisfaction and enhance their performance in an organization. An employee aims to earn income either in the form of financial or non-financial.

Past studies by Kanzunnudin (2007) indicated the amount of wages paid to the employee must be attainable to fulfil their needs for daily life. Fringe benefits and nature of the working environment are the main factors that influencing employee performance (Edirisooriya, 2014). A positive change in salary from the employer such as salary increment or increasing the size of the current salary of the employee will encourage them to improve their performance in the organization. A research conducted by Edirisooriya (2014) showed that there is a strong positive relationship between employee performance and financial rewards such as salary and wages.

Bonuses and Employee Performance

Bonus is a payment that was not expected from the employees and the old line to some of the organization (Bardot, 2014). The decision made to pay is either to a group of employees or a person. The management needs to decide what criteria needed to reward the past achievements of the employee. For instance, the employee reaches specific profit or achieve sales target for the organization, and influence employees' behavior to achieve the objectives by providing an incentive such as a bonus to define an incentive as a progressive plan for the employee. The incentive aims to work towards the goals.

Another definition of bonus by scholar, it is defined as one payment made at the end of the year to reward extraordinary employees who achieve organization goals (Romanoff, 2008). Most of the bonus is a tangible reward such as cash. Despite there is a difference in bonuses and incentives, both are designated to motivate employee. Some straightforwardly give the worker money. Rewards based on execution against spending plan, qualify or different norms might be utilized as prompt money related motivating forces. According to William (2010), the board remunerates by rewards have gotten prevalent in a few organizations as methods for furnishing representatives with a prompt buster for a culmination of a venture or action. Most organization utilize monetary pay intend to motivate their workers. A previous study conducted by Hameed et al (2014) and Sayuyigbe (2014) showed that the result of reward such as bonus has positive and significant effect towards employee performance.

Appreciation and Employee Performance

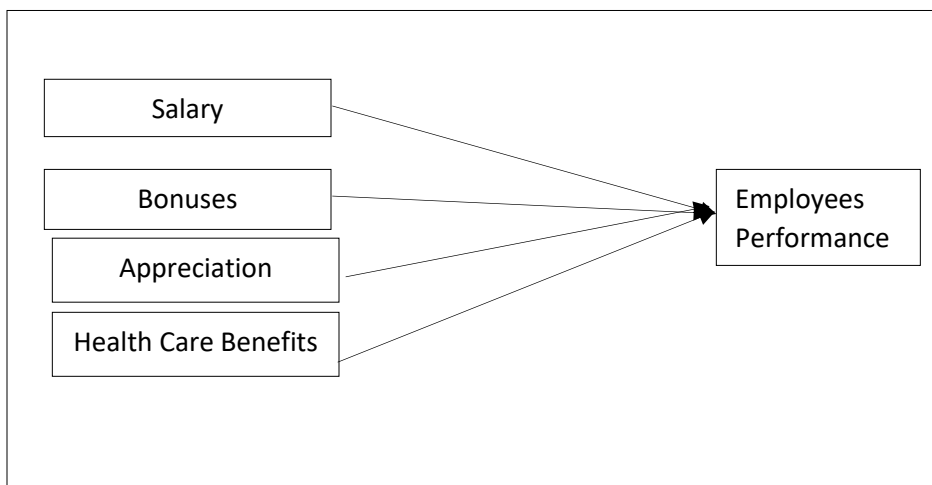
An organization with positive aspirations could make accessible a system inside which elevated levels of inspiration could be cultivated through non-monetary reward frameworks by the arrangement of chances for learning and improvement (William, 2010). Appreciation is an expression of someone to thank for extra effort done by the employee in an organization. According to William (2010), the significant appreciation is to encourage the employees and to encourage others to do the same. Appreciation can be done through formal or informal and it is an effective way that does not have cost. However, an appreciation or gratitude should not be done or relying on a formal event organized by the organization as it can create a border and unhelpful to maintain employee's performance in the organization (Kouzes & Posner, 2017).

Porath, et al (2015) argued that a sincere thank you from the employer will create a good environment that will increase productivity in the organization and also improve social network between the employer and employees. Feedback that into positive criticism is necessary for employee's development. It is significant to create a positive workplace culture. Positive feedback also motivates employees to function as a member team (William, 2010). A study conducted by Ozutku (2012) from the respondents from Turkish manufacturing firms showed a positive result of non-financial rewards such as appreciation and has a significant effect on employee performance.

Health Care Benefits and Employee Performance

Knowing what affects employee satisfaction with health care benefits can provide sufficient information that enables employers to make the right decisions about the workplace. A study conducted by Hernandez and McDonald (2010) analyzed employee satisfaction as per specific industry of health care and alongside with the expenses and benefits of individuals with and without inabilities. They also stated that employers are more aware of people with disabilities and invest more money in healthier people. Thus, this will give dissatisfaction to healthier workers if their health care benefits are not equally compared to disabled people. Dulebohn, Molloy, Pichler, and Murrery (2009) declared that employee benefits are among the "most relevant for remaining competitive in the labor market" (p. 86). The medical cost is expensive, thus employees want organizations to understand their financial burden by designing effective health care benefits. Previous research by Tanya (2013) showed a positive result and health care benefit has a significant effect on employee performance.

Figure 1: below depicted the conceptual framework



Source: The researcher's Compilation (2025)

2.2 Theoretical Framework

There are various theories to the study of reward system and employees performance. They are equity theory, expectancy theory, cafeteria compensation theory, Lawler and porter's theory of motivation and work compensation, equal pay for equal work theory, etc.

The study was anchored on equity theory that he adopted as the frame work of analysis. This theory was first advocated by Stacy Adam in the year 1963. The concept of equity stipulates that justice and fairness should dominate, for example in reward system. Fajana (2002) defines inequity as an injustice perceived by a person when he compares the ratio of his rewards to his inputs efforts

with the ratio of another comparable person's outcomes to his 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 a fair and equitable manner (Obisi, 2003). When people feel that they are being treated in an equitable 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 identifies two major components to the theory. First, the theory specifies the 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.

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

b. The comparison by the person of his or her own ratio of out comes to inputs to the comparable ratio of outcomes to inputs of another person known as comparison other (Allen, 2002). The theory also presupposes that when a person perceives that his or her own ratio of out comes to inputs is approximately equal to the corresponding ratio of the comparison of others, a state of equity is said to exist. In such a situation the person will feel satisfied with the rewards that he or she is receiving, will feel that he or 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 must analyze each job, know the requirements, and pay the same wage for work of the same inputs. Where differential wages must be paid, the basis must be very clear (Cole, 2002).

2.3 Empirical Review

Several studies have been done on the impact of reward system on workers job performance in an organization in different parts of the world. Below are some of the recent studies;

Onyango (2024) examined the effects of employee rewards policy on organization performance in public primary schools in Rachuonyo North Sub County. A total of 349 questionnaires were returned for analysis of data. This was 87% return rate on the Questionnaires. The study found out that there is a positive correlation ($r=.181$) between employee benefits and organization performance. Employees compensation accounts for 5.5% of the organization performance ($r=.055$). Employee Incentives is positively correlated with organization performance by 38.7% while promotion accounts for 34.6% ($r=.346$). The study further found out that Employee compensation significantly and positively ($p=0.004$) affect organization performance. Employee Promotion significantly ($p=0.000$) affect organization performance.

Aktar, Sachu and Ali (2023) examined the impact of intrinsic rewards (recognition. Learning opportunities, challenging work and career advancement, and extrinsic rewards (basic salary and performance bonus) on employee performance in twelve commercial banks of Bangladesh as is in

this study. Multiple regression analysis was employed. The study found that each factor within both extrinsic and intrinsic reward was a highly significant factor which affects employees' performance. The above studies have dealt with reward in organizations and its relationship with factors such as employee motivation, employee performance, employee satisfaction and effect on quality of work done. Overall the studies show reward to have a positive effect. However, different rewards seem to have a different impact on employee attitude, satisfaction and performance. There are mixed findings when it comes to individual rewards and their effect on performance. Owing to the fact that there is conflicting results, this research tends to fill in the gap by either agreeing or disagreeing with the result.

Wasiu and Adebajo (2023) examined reward system and employees performance using selected public secondary schools in Lagos State. The findings revealed that there is a significant relationship between employee's performance and salary package, employee job allowances and performance and in-service training and employee's performance.

Saira, Madiha, Sumaira and Anam (2022) examined the impact of financial and non financial rewards on employee motivation. The researchers have conducted a survey in Astro films (PVT) situated in Lahore City of Pakistan. A questionnaire was developed to guess the opinion of employees working in these organizations. A semi structured interview was conducted for getting an insight about their motivation. The researchers have found from the survey that there are different factors that affect the motivation of employees which can be classified into two categories; financial and non financial rewards.

Oyira, Regina, Nkamare, Lukpata, Uwa and Mbum (2021) investigated the effect of reward system on health care workers performance in Teaching Hospital. It examined the relationship among monetary and non-monetary rewards and employees' performance in University of Calabar Teaching Hospital (UCTH). Desk survey was used in gathering relevant information. Primary sources were questionnaire, observation and interview, while secondary data were gathered from internet, textbooks, journals and libraries. Chisquare statistical tool was used and the findings revealed the monetary reward had a positive impact on employees' performance while non-monetary rewards had a negative effect on employees' performance.

Kikoito (2020) examined the impact of reward systems on the organizations performance in Tanzanian banking industry. The data was analyzed with use of descriptive statistics (SPSS and excel) and data presented as frequency distribution tables and histograms. The findings of this study showed that the three commercial banks in Mwanza city offer both extrinsic (salary, bonus and promotion) and intrinsic (praise, recognition and genuine appreciation) rewards to their employees. However, the results found that employees were not satisfied with the current reward packages and salary level was viewed to be too low and did not reflect cost of living in Mwanza city. The study further indicated the intrinsic (non financial) rewards were not satisfactory to employees.

Quresh, et al (2015) in their Pakistan in cement industry found that there is a direct relationship between extrinsic rewards, intrinsic rewards and the employees' performance. The study also found that recognition techniques (approaches) used in cement factories are good for the maximum

performance of employee's. This study is relevant but different from the current study as the later is dealing with target population of white collar jobs, while the former examined factory workers.

Aktar, et al (2014) examined the impact of intrinsic rewards (recognition). Learning opportunities, challenging work and career advancement, and extrinsic rewards (basic salary and performance bonus) on employee performance in twelve commercial banks of Bangladesh as is in this study. The study found that each factor within both extrinsic and intrinsic reward was a highly significant factor which affects employees' performance.

Yasmeen, et al (2013) investigated the impact of rewards on organizational performance in Pakistan revealed that there exists insignificant and weak relationship between salary, bonus and organization performance. However it found that there exists moderate to strong relationship between promotion and organization performance. Although these two studies are similar to the current study, they were conducted outside Tanzania and because of cultural difference and other idiosyncrasies, the impact of rewards on organisation performance could yield different outcomes in Tanzania.

Ong and Teh (2016) examined reward system and performance within Malaysian commercial banks found that most of the commercial banks provide both monetary and non-monetary rewards; adoption of reward system is not influenced by age and size of the organization. The study however, found a negative relationship to exist between extrinsic rewards and financial performance of organizations and intrinsic rewards are positively related to financial performance of organizations.

Nwokocha (2016) investigated the reward strategy to enhance employee performance, retention and productivity in organizations. In a globalized economy with millions of businesses vying for talented workforce, an organization must be able to motivate and properly compensate employees or risk their being poached by their competitors. This prompts the need for this study to examine the application of reward strategy in organizations with a view to ascertaining its efficacy on employees' performance, retention and productivity. The study is essentially library research. From the study, two types of organizational rewards were identified: financial and non-financial rewards. The paper verified the positive correlation between rewards and employees' performance, retention and productivity in the organization. However, the study observed that if organizational rewards plan is perceived to be inequitable and bias, it may de-motivate employees in the organization. Based on this, the study proposes: that rewards system in the organization should be designed with articulated strategies that should be embedded in the organization's culture; management should identify employees' needs/preferences in developing organizations' compensation structure.

Salah, (2016) examined the influence of reward types (extrinsic, intrinsic, social and rewards mix) on employees performance. Subjects for the study consisted of 308 workers which constituted 60% of the total target population of 513 people working for Unified Mining Companies located in the southern part of Jordan. Total of 308 self-designed questionnaire were distributed to employees on their job location, 268 questionnaire were returned and only 250 were suitable for statistical analysis. SPSS version 16 has been used for data analysis. Both descriptive and inferential statistics

were used for data analysis. The statistical tools were aligned with the objective of the research. For this purpose, frequency Tables, percentages, means and standard deviations were computed and substantively interpreted. Inferential statistics like Pearson product moment correlation coefficient (r) was used to determine if there is a significant relationship exist between independent variables (rewards types: Extrinsic, intrinsic, social and rewards mix) and dependent variable (employees performance). Analysis and interpretation were made at 0.05 level of significance. The findings indicated that there is a statistical significant relationship between rewards types and employees performance. The study has concluded that, management should have deep sense of commitment towards the issue of rewarding employees, if performance levels to be enhanced. Finally, future research can be conducted to cover all types of rewards and to determine their affect on performance.

Muogbo, and Jacobs (2018) examined effective reward management as a tool for improving employee performance in a private sector organisation; a study of selected Zenith Bank branches in Anambra State Nigeria. The broad objective of the study is to examine the extent to which an effective reward management can be use as a tool for improving employee performance in a private sector organisation. A total of 180 respondents were selected from the Zenith Bank branches in Anambra State. Both primary and secondary data were used for the study. Descriptive survey design (Mean, frequency, standard deviation) and Pearson Correlation analysis was used for data analysis while Regression method and ANOVA was used to test the significant correlation between dependent variable and independent variable. The result from Pearson correlation analysis showed that there is a positive relationship between reward and employee performance; it also showed a highly positive relationship with intrinsic reward and extrinsic reward. The result also supported the hypothesis that there exist positive relationship amongst extrinsic reward, intrinsic reward and employee performance. The study therefore recommends that organisation should adopt the right reward mix that suit the desire of their employee in order to get the best out of them. Second, that organisation should carry out a survey to determine what appeals most to the employee in order to know the type of reward system suitable for them.

Omokorede (2017) carried out a research on 'reward system and employee performance of selected manufacturing companies in Lagos State, Nigeria'. This study adopted survey research design. The target population comprised of 3105 staffs of technical/production department in the three manufacturing companies in Lagos state Nigeria. Taro Yamane's formula was used to determine the sample size of 459 respondents. A structured questionnaire was used to generate data The questionnaire was adapted with Cronbachs-Alpha test for the constructs of the variables ranging from 0.887-0.908 respectively. Data were analyzed using descriptive statistics (Frequencies, percentages, inferential statistics (regression)). The findings of the study revealed that there is a significant positive relationship between sense of accomplishment and employee task performance ($R=0.382$, $R^2=0.146$, $p=0.000<0.05$). Recognition & appreciation has a significant on employee contextual performance ($R =$ positive effect 0587, $R^2=0.345$, $p=0.000<0.05$). Fringe benefits has a significant positive effect on employee's adaptive performance ($R=0.918$, $R^2=0.843$, $p=0.000<0.05$). It was concluded that combined reward system variables had positive effect on employee performance. It was recommended that organizations should ensure that they provide

the needed motivation, compensation or remunerate that will spur employees to act towards improving their task performance.

2.4 Gap in Literature

Numerous studies (Quresh, Zaman & Shah 2015; Aktar, Sachu & Ali 2012; Ong and Teh, 2024, 2012). has been carried out relating to employee reward system and staff performance in organizations. However, this research work seeks to fill the gap in literature by pointing out various means by which employees can be motivated in an organization. This study also bridge the gap in literature by revealing the relationship between both extrinsic and intrinsic motivation, and how this affects employee's performance and productivity. The study also intend to provide theories and models that can be adopted to enhance effective reward system in business organizations in Nigeria in general and in Auchi Edo State in particular.

MATERIALS AND METHODS

3.1 Research Design

In this study, a quantitative research approach was adopted to identify the factors that influence employees' performance. Data were collected using questionnaire from a group of respondents consists of employees from First Bank, Zenith Bank and Guaranty Trust Bank in Auchi Edo State. The questions were structured in a Likert-type scale ranging from strongly disagree (1) to strongly agree (5). 6 items were intended to determine demographic information like gender, age, race, education, experience and income. Four independent variables were employed to try to determine the effects of reward system on employee performance in the organization as it is compulsory benefits that they received for their performance in the organization. It is really important to measure the amount of salary, bonuses, appreciation and medical benefits that they received is adequate for living, fair with their workload and also meet their satisfaction. Data collected was then analyzed using the SPSS version 22.0 software in measuring the correlation between variables and regression analysis.

3.2 Results and Discussions

This study has answered all the research questions and research objectives of this study which main focus was to examine the effect of salary, bonuses, appreciation and medical benefits (independent variables) towards employees' performance (dependent variable). Two tests were carried out, which are the correlation analysis and multiple regression analysis, to determine the relationship between variables and to determine the effect of the independent variable on the dependent variable. The results of the analysis are presented below.

4.1 Correlation Analysis

The correlation analysis is to measure one to one relationship between the independent variables and the dependent variable. The independent variables are salary, bonuses, appreciation, and health care benefits and the dependent variable is employee performance. Coefficient values of +1, -1, and 0 are being represented as a perfect positive relationship, a negative-positive relationship and no relationship exists. Results from the analysis as presented in Table 1 below indicated a positive correlation of ($r = .360$) between salary and employee performance. Even though it is a weak correlation, but it is statistically significant at the level of ($p = .070$), indicating that there is a statistically significant positive correlation between salary and employee performance. This result means that within this population the salary received is associated to employee performance, that is, the higher the employees were paid for their jobs, the tendency is to perform better in their jobs will be improved. Next, the results indicated a positive correlation of ($r = .624$) between bonus and employee performance. It is a moderately positive correlation, and it is statistically significant at the level of ($p = .000$), indicating that there is a statistically significant positive correlation between bonuses and employee performance. This result means that within the population the bonuses play an important part of compensation or rewards system to them where they would perform better if bonuses were given to them after one year of service. Next, the results indicated a positive correction of ($r = .530$) between medical benefits and employee performance (table 1). It is a moderately positive correlation, and it is statistically significant at the level of ($p = .000$), indicating that there is a statistically significant positive correlation between medical benefits and employee performance. This result means that within this population, they care about medical benefits offered to them as it is expensive and harder to find a better offer of medical health provided by the organization.

Table 1: Results of Pearrson’s Correlation Analysis

		Means	Mean B	Mean A	Mean HC	Mean EP
Mean S	Pearson correlation	1	.485	.194	.091	.360
	Sig. (2 – tailed)		.000	.027	.306	.000
	N	130	130	130	130	130
Mean A	Pearson correlation	.485	1	.514	.330	.624
	Sig. (2 – tailed)	.000	.000	.000	.000	.000
	N	130	130	130	130	130
Mean B	Pearson correlation	.194	.514	1	.395	.587
	Sig. (2 – tailed)	.027	.000		.000	.000
	N	130	130	130	130	130

Mean HC	Pearson correlation	.091	.330	.395	1	.530
	Sig. (2 – tailed)	.000	.000	.000		.000
	N	130	130	130	130	130
Mean EP	Pearson correlation	.360	.624	.587	.530	1
	Sig. (2 – tailed)	.000	.000	.000	.000	
	N	130	130	130	130	130

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

* . Correlation is significant at the 0.05 level (2 – tailed)

Source: Researcher’s Computation, 2025

Multiple Regression Analysis

Regression can be used to explore the relationship between dependent variable which is employee performance and independent variables to ensure the appropriateness of the outputs from the regression analysis, the assumption of multiple regression was tested by- checking the Standardized Coefficient Beta, Significant and R-square.

Model Fit

The model summary in Table 2 below shows the result of R-value as a level of prediction of the dependent variable which is employee performance. For this study, the uli of R as shown in Table 4.44 indicated that the level of prediction for this model is and acceptable. The result for R square is 0.569 shows that the independent variables and independent variables were able to explain 56.9% of the variability of the dependent variable.

Table 2: Model Summary of Multiple Regression Analysis

Model	R	R – Square	Adjusted R – Square	Std. error of the Estimate
1	.754a	.569	.555	.38464

Source: Researcher’s Computation, 2025

Table 3: Model Summary of ANOVA

Model		Sum of squares	df	Mean square	f	Sig
1	Regression	24.376	4	6.094	41.190	.000b

	Residual	18.494	125	.148		
	Total	42.870	129			

- a. Dependent Variable: Mean EP
- b. Predictors: (Constant), mean HC, Mean S, Mean A, Mean B

Source: Researcher's Computation, 2025

Estimated Model Coefficient

Table 4 below presented the coefficient value of the variables

Table 4: Model Summary of Coefficient Analysis

Model		Unstandardized Coefficients		Standardized coefficients	T	Sig.
1		B	Std. error	Beta		
	(Constant)	- .176	.358		- .491	.624
	Mean S	.130	.071	.123	1.824	.070
	Mean B	.340	.083	.321	4.100	.000
	Mean A	.347	.089	.278	3.895	.000
	Mean HC	.194	.042	.303	4.674	.000

- a. Dependent Variable: Mean EP
- b. Predictors: (Constant), mean HC, Mean S, Mean A, Mean B

Source: Researcher's Computation, 2025

Unstandardized coefficient shows that the dependent variable varies with an independent variable when all other independent variables are held constant. For salary, the unstandardized coefficient is equal to 0.130, this means one level of salary increase, there is an increase in employee performance of 0.130 level. This is represented by the equation $Y = 0.130x + C$

Result also shows the significant value of $p = 0.070$, which shows that salary is not a significant factor that contributes to the model.

For bonuses, the unstandardised coefficient is equal to 0.340, this means one level of increase in bonuses, there is an increase in employee performance of 0.340 level. This is represented by the $Y = 0.340x + C$. Result also shows the significant value of $p=0.00$, which shows that appreciation is a significant factor that contributes to the model.

Lastly, for the medical health benefits, the understood coefficient is equal to 0.194, this means one level of increase in medical health benefits, there is an increase in employee performance of 0.194 level. This is represented by the equation $Y=0.194x + C$. Reultt also whos the significant value of $p=0.00$, which shows that medical health benefits are a significant factor that contributes to the model.

To predict employee performance, an equation below is developed.

$\text{Predict Employee Performance} = \text{Constant} - (0.130 \times \text{Salary}) + (0.130 \times \text{Bonuses}) + (0.347 \times \text{appreciation}) + (0.194 \times \text{Health Care Benefits})$
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Source: Researcher’s Computation, 2025

Statistical significant of independent variable

Based on the best result of significant, the result of significant should be $p < 0.01$, then it can be considered the items are accepted and signed between the two variables. Based on table 4 shown above, the result for the independent variable of salary is $p = 0.70$. it clearly shows that salary is insignificantly correlated to employee performance. The independent variable of bonuses shows that the result is $p = 0.00$, where bonuses are significantly correlated to employee performance. The independent variable of appreciation, the result above shows the result of appreciation is $p = 0.00$, where it shows that appreciation is significantly directly correlated with employee performance. The independent variable of health care benefits indicated that the result of benefits is $p = 0.00$, where it shows that health care benefits are significantly correlated to employee performance.

Hypothesis Testing

Hypothesis testing is to determine accurately if the null hypothesis can be rejected in favor of the alternative hypothesis. Therefore, table 5 below shows the results of hypothesis testing.

Table 5: Results of Hypothesis Testing

Hypothesis	Results
Ho1: There is no significant relationship between salary and employee performance.	Fail to reject ($\beta = .130, p < 0.00$)
Ho2: Bonuses has significant effect on employee performance	Fail to reject ($\beta = .340, p < 0.05$)

Ho3: Appreciation has significant effect on employee performance	Fail to reject ($\beta = .347, p < 0.40$)
Ho4: Health care benefits has significant effect on employee performance	Fail to reject ($\beta = .194, p < 0.50$)

Source: Researcher's Computation, 2025

Hypothesis 1

Ho1: There is no effect of the reward system for salary on employee performance. Based on the regression analysis, the result showed ($\beta = .130, p < 0.00$), indicated that salary has a negative significant effect on employee performance. Therefore, the result shows for hypothesis 1 is rejected.

Hypothesis 2

Ho2: There is an effect of the reward system for bonuses on employee performance. Based on the regression analysis, the result shows for bonuses is ($\beta = .340, p < 0.50$), indicated that bonuses have a positive significant effect on employee performance. Therefore, the result shows for hypothesis 2 is rejected.

Hypothesis 3

Ho3: There is an effect of the reward system for appreciation on employee performance. Based on the regression analysis, the result indicated that for appreciation has positive significant effect on employee performance where the beta value for appreciation is ($\beta = .340, p < 0.40$), Therefore, the result shows for hypothesis 3 is rejected.

Hypothesis 4

Ho4: There is an effect of the reward system for health care on employee performance. Based on the regression analysis, the result indicated that for health care has positive significant effect on employee performance where the beta value for health care is ($\beta = .340, p < 0.40$), Therefore, the result shows for hypothesis 4 is rejected.

Conclusion

This research has provided an insight into the factor that affect reward systems on employee performance at first Bank, Zenith Bank and Guaranty Trust Bank, Auchi. The model used in this study allowed for an analysis of the independent variables which are salary, bonuses, appreciations and health care benefits. Moreover, the use of the regression analysis was particularly useful to determine the overall fit of the model.

However, future research on the effects of reward system on employee performance could give a brilliant idea to formulate, examine and establish a good model that could provide a better understanding of what kind of reward system that could increase employee's performance in the organization other than independent variables tested in this research study. This is because there

are many types of a reward system in terms of financial and non – financial rewards that might have a huge impact on employee performance as the employees tend to show their good performance when they want salary increment, aim for the bonus at the end of the year, being recognized and appreciated by the organization, or were provided with a good cover – up such as medical insurance or health care benefits that could benefit them for a long time in the organization.

Recommendations

Based on the findings above, the following are hereby recommended;

- i. Management should revise the current salary scale in line with prevailing economic environment and set an appropriate and competitive salary scale. This will not only motivate employees but also increase employees' performance and reduce employees turnover.
- ii. The human Resource Department (HRD) in conjunction with the senior management should develop innovative bonus plan that also recognizes the efforts of non – managerial staff. This will not only motivate the employees to work harder during the year but will also bring harmony in the organization and encourage team work and overall greater performance in the organization.
- iii. The organization should develop appropriate incentive plan of a mix of extrinsic and intrinsic rewards that will encourage workers to be purposeful and improve their performance.

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