

Impact of Non-Financial Reward System on Employee's Performance in Ramat Polytechnic, Maiduguri

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Abstract: Any organization's goal accomplishment implies realizing its strategic impartial strategy which is mostly achieved while depending on the non-financial rewards of its employees. However, to increase the intrinsic motivation of employees today most organizations emphasize extrinsic rewards. which for a reason do not energize or drive employees for better performance. Thus, the present study sought to assess the impact of a non-financial rewards system on motivation and employee performance in Ramat Polytechnique Maiduguri. The study adopted a survey design based on a target population of 150 and a sample of 113 respondents was drawn using Kreicjic and Morgan's (1970) sample size computation formula. Data was collected from 108 staff using a questionnaire, Chi-square (X^2) was used to assess the impact of the variables that non-financial reward and employee performance. The study result shows that the computed value of 17.92 is greater than the critical value which is 15.507 the null hypothesis (H^0) was rejected. It is therefore concluded that there is a relationship between nonfinancial rewards and employee performance in Ramat Polytechnic, Maiduguri. This, however, suggests that an effective non-financial reward system improves and influences employee performance. The study recommends that the human resources unit of the Polytechnic should allow their staff to take on one task or another to feel responsible in the office, the human resources unit should also pay some retired staff their benefits after retirement and the as well as should know how to acknowledge their staff for jobs well done.

Keywords Impact, Non-Financial, Reward, Employee, and Performance.

1. Introduction

Non-financial reward systems or incentive programs are reward programs structured to motivate positive behavior change through gestures or other means rather than money to motivate and retain employees' performance [1]. A motivated employee will achieve a great deal and a demotivated employee will be slow, horizontal to error, and not likely to achieve [2]. Non-financial reward helps to build feelings of confidence and satisfaction in employees and can be very important for their long-term effect.

Non-financial rewards otherwise known as intrinsic rewards are the job's inherent and intangible rewards included in the job itself such as job tasks, challenging and interesting jobs, and training possibilities offered to the employees [3]. In other words, non-financial rewards do not enhance the employee's financial position directly but make the job more attractive. Some of the Non-financial rewards that a business organization offers might include an attractive pension scheme, access to private medical care, help with long-term sickness, crèche facilities, counselling services, staff restaurants, etc. Perhaps, non-financial rewards can have an even more substantial impact on employee satisfaction and motivation than traditional financial rewards. Studies found that work climate, career development, recognition, and other non-financial issues as key reasons for leaving a job. Even well-compensated employees may leave a company if dissatisfied with these aspects. Companies with excellent non-financial incentive plans can attract motivate and retain talented people [4].

In addition, non-financial reward systems such as recognition, job security, and employee development are given to employees to make them feel important and part of the decision-making of the organization. According to study freedom, career development plan, valuation of employees, learning programs, open and comfortable work environment, and good supervisor relations, have a significant impact on employee efficiency and create a pleasant work atmosphere [5] it is recommended that non-financial incentives are often associated with appreciation and performance reviews in an organization [6]. It is vital to distinguish between recognition and social recognition. Social acknowledgment involves more informal acceptance, attention, and affirmation, as well as gratitude for work done by one person.

Recognition is a formal program whereas social recognition includes more informal acknowledgement. Based on this background, this present research is set to look at the organizational reward system and its impact on staff motivation concerning Ramat Polytechnic, Maiduguri. In other words, the present study intends to assess the impact of the non-financial reward system on employee performance in Ramat Polytechnic Maiduguri.

1.2 Non-financial Motivation and Employee performance

An organization's culture has been broadly discussed in many studies [7, 8] revealing that employee's basis regarding norms and values in the management of a particular organization aids in the improvement of the performance of employees.

Job performance is defined as those actions or behaviors that are crucial to the organizational goals [9]. In a similar view, 'performance' is actions that demonstrate behavior or something that is done by employees for the performance of an organization, and the assessment is effects via the outcome of performance that is operational about sales, turnover, income, volume in addition to shareholders dividend that has been declared by an organization, the quality and service quantity [10].

However, performance is a concept that cannot be termed a single or unified behavior rather it is a conglomeration of numerous behaviors. Performance on the job is obtained via the employee's efforts [11]. Hence, employee performance is those actions or behaviors that are very crucial in the organization for achieving its aims and objectives [12]. Today, employees take into consideration how their work is acknowledged by their employers [13]. It is argued postulated that recognizing employees in an organization causes a fundamental outcome on the productivity of employees

[14]. When recognition as a reward is used effectively, it results in the performance of employees that is improved. In the real sense, workers have always taken recognition as part of what they feel; it results in improved work, which in turn leads to improved performance in turn to an organization's efficiency. The above-explained reason led to affirming that if rewards such as recognition are given via appropriate implementation, they generate an ample working atmosphere that has the ability to motivate workers so that their achievements can be high [15]. It is plausible to conclude that employee performance and rewards have been a growing literature in academia today as indicated by many studies [14, 16, 17, 18].

2. Data Based and Method

2.1 Research Design

This study a survey design that aimed to maximize the value of information, analyze data at minimum cost, and avoid invalid inferences is justified by the fact that survey design enables the researcher to observe, control, or manipulate variables in the course of the study.

2.2 Population and Sampling

The population of this study consisted of 150 Staff of Ramat Polytechnic, Maiduguri. However, a sample of 113 was selected using Kreicjic & Morgan's (1970) sample size computation formula [19]

2.3 Research Instrument

To obtain information from the respondents, the study used a close-ended questionnaire was administered on the respondents to obtain accurate and reliable information from the selected respondents.

2.4 Sources and Method of Data Collection

This study used both primary and secondary data. Primary data was data obtained through the administered questionnaire. This data is the first-hand information that provides reliable information. However, the secondary were the published materials such as textbooks and journals. This data aimed to provide insight and knowledge contribution in the related area.

2.5 Method of Data Analysis

A simple percentage was adopted to present the data collected from the field and chi-square method of data analysis was used to test the hypothesis.

It is given as:
$$X^2 = \frac{\sum (F_o - F_e)^2}{F_e}$$

Where:

X^2 = Chi-square
 Σ = Summation sign
 F_o = Observed frequency
 F_e = Expected frequency

The Chi-square method enable the researcher to compare observed and expected frequencies objectively.

3. Results and Discussion

3.1 Results

A total of 113 questionnaires were administered to the staff of Ramat Polytechnic, Maiduguri only 108 were retrieved and 5 were invalid. Below are the data presented and analyzed using frequency tabulation and simple percentages.

Table 1: Percentage of responses on job responsibility is non-financial reward

Responses	Frequency	Percentage (%)
Strongly agreed	50	46.0%
Agreed	40	37.0%
Undecided	3	3.0%
Strongly disagreed	10	9.0%
Disagreed	5	5.0%
Total	108	100.0%

Table 2 shows that 50 (46 Percent) respondents strongly agreed that job responsibility is one of the non-financial rewards given to them, 40 (37 percent) respondents agreed, 3 (3 percent) respondents were undecided and 10 (9 percent) strongly disagreed with the statement and 5 ((5 percent) respondents disagreed. This indicates that the majority of the respondents agreed that job responsibilities are one of the non-financial rewards given to the respondents.

Table 2: Percentage of responses on secured job encourages employee performance

Responses	Frequency	Percentage (%)
Strongly agreed	60	55.0%
Agreed	40	37.0%
Undecided	0	0.0%
Strongly disagreed	5	5.0%
Disagreed	3	3.0%
Total	108	100.0%

Table 2 revealed that 60 (55 percent) of the respondents strongly agreed that a secured job encourages employee performance, 40 (47 percent) of the respondents agreed, and 5 (5 percent) of the respondents strongly disagreed while 3 (3 percent) of the respondents disagreed. The majority of the respondents agreed that a secured job encourages employee performance.

Table 3: Percentage of responses on fringe benefits after retirement encourages employee's performance

Responses	Frequency	Percentage (%)
Strongly agreed	70	65.0%
Agreed	30	28.0%
Undecided	0	0.0%
Strongly disagreed	8	7.0%
Disagreed	10	9.0%
Total	108	100.0%

Table 3 indicates that 70 (65 percent) of the respondents strongly agreed that fringe benefits after retirement encourage employee performance, 30 (28 percent) of the respondents agreed with the assertion, 8 (7 percent) of the respondents strongly disagreed and 10 (9 percent) of the respondents disagreed. The majority of the respondents agreed that fringe benefits after retirement encourage employee performance.

Table 4: Percentage of responses on feeling recognized encourages better perform

Responses	Frequency	Percentage (%)
Strongly agreed	50	46.0%
Agreed	40	37.0%
Undecided	5	5.0%
Strongly disagreed	10	9.0%
Disagreed	3	3.0%
Total	108	100.0%

Table 4 shows that 50 (46 percent) of the respondents strongly agreed that the feeling of being recognized in the organizations makes them perform better, 40 (37 percent) of the respondents agreed, 5 (5 percent) of the respondents were undecided, 10 (9 percent) of the respondents strongly disagreed while 3 (3 percent) of the respondents disagreed. The majority of the respondents agree that feeling recognized makes one perform better.

Table 5: Percentage of responses on appreciation encourages employee performance

Responses	Frequency	Percentage (%)
Strongly agreed	80	74.0%
Agreed	28	26.0%
Undecided	0	0.0%
Strongly disagreed	0	0.0%
Disagreed	0	0.0%
Total	108	100.0%

Table 5 indicates that 80 (74 percent) of the respondents strongly agreed that showing appreciation encourages employees to perform better and 28 (26 percent) of the respondents agreed.

This shows that the majority of the respondents agreed that appreciation encourages employees to perform better.

3.2 Hypothesis

H₁: There is no relationship between non-financial reward and employee performance among staff of Ramat Polytechnic, Maiduguri

H₀ There is the relationship between non-financial reward and employee performance among the staff of Ramat Polytechnic, Maiduguri

However, the hypothesis was tested based on: Q5, Q6 and Q7.

Table 6: Observed Frequency (Fo)

Options	Q1	Q2	Q10	Total
Strongly agreed	50	60	70	140
Agreed	40	40	30	110
Undecided	3	0	0	3
Strongly Disagreed	10	5	8	23
Disagreed	5	3	10	18
Total	108	108	108	324

Expected frequency (Fe)

$$Fe = \frac{TR \times TC}{GT}$$

Strongly agreed	=	$\frac{140 \times 108}{324}$	=	46
Agreed	=	$\frac{110 \times 108}{324}$	=	36
Undecided	=	$\frac{16 \times 108}{324}$	=	5
Strongly disagreed	=	$\frac{35 \times 108}{324}$	=	11
Disagreed	=	$\frac{23 \times 108}{324}$	=	7

Table 7: Chi-Square computation

O	E	O-E	(O-E) ²	$\frac{\sum(O-E)^2}{E}$
50	46	4	16	0.347
50	46	4	16	0.347
40	46	-6	36	0.782
40	36	4	16	0.444
40	36	4	16	0.444
30	36	-6	36	1
3	5	-2	4	0.8
3	5	-2	4	0.8
10	5	5	25	5
10	11	-1	1	0.1
10	11	-1	1	0.1
15	11	4	16	1.454
5	7	-2	4	0.571
5	7	-2	4	0.571
13	7	6	36	5.142
Calculated Chi-square (X^2) =				17.902

Degree of freedom (DF)

$$\begin{aligned}
 &= (R-1) (C-1) \\
 &= (5-1) (3-1) \\
 &= 4 \times 2 = 8
 \end{aligned}$$

Level of significance = 0.05

Therefore, at a 0.05 level of significance and df = 10, the critical table value is 15.507

Based on the above results since the computed value of 17.92 is greater than the critical value which is 15.507 the null hypothesis (H^0) was rejected. It is therefore concluded that there is a relationship between nonfinancial reward and employee performance among staff of Ramat Polytechnic, Maiduguri.

4. Discussion

Employee motivation might suppress creativity; lead to low productivity, and absenteeism, and the organization might have a low competitive advantage [20]. Low staff productivity and invariably poor organizational performance caused many researchers to take an interest in the impact of non-financial reward systems such as recognition. Employee motivation including non-financial rewards has been the interest of researchers in recent times [21] who explored non-financial rewards and employee retention

Recognition is that verbal or written appreciation for the work an individual does, to acknowledge the efforts and to say good work or well done [22]. It is another way of showing employees work is recognized, and when the employees get appreciated for the efforts they have done, it makes them more enthusiastic, and satisfied and gives them the feeling that they and their work has worth. This will also increase their productivity level. recognition is one of the non-financial rewards that

aid employees in putting more effort into the organization where they work, thus employers should recognize the input of their employees to move the organization forward [23].

This study revealed that there is a significant relationship between non-financial rewards and employee performance in the area under study. This study is in line with [14] who stated that recognizing employees in an organization causes a fundamental outcome in the productivity of employees. When recognition as a reward is used effectively, it increases the performance of employees. In the real sense, workers have always taken recognition as part of what they feel; it results in improved work, which in turn leads to improved performance in turn to an organization's efficiency. In the same direction, the study revealed that there is a significant relationship between job security and employee performance in the Polytechnique. This supported the study of job task and organizational predictors of social worker job satisfaction change [24]. The study found that dissatisfied workers are more likely to provide lower quality services than those more satisfied with their jobs and that high turnover rates necessitate frequent changes in caseload assignments and this lowers the clients' continuity to care and consequently reduces the overall quality of services provided [24]. This means that when an employee is not given job tasks or responsibilities it tends to lower their satisfaction with work.

Moreso, the study revealed there is a significant relationship between job recognition and employee performance in the study area (Ramat Polytechnic). this collaborates it is argued that recognition is specific attention that expresses curiosity, approval, and appreciation, and added that managers' interpersonal skills are necessary because social recognition is typically given verbally [25].

5. Conclusion

The motivation of employees in the organization, in Nigeria, is overwhelmed with a myriad of unethical practices. These unethical practices include bias when motivating employees, discrimination, and favouritism. In many organizations, management motivates rewards, develops, and trains their employees and these lead to improved productivity of the worker.

Challenges often arise either because those assigned to handle this responsibility are corrupt or may neglect to handle it appropriately. Besides, many human resource managers do not possess the adequate human relations skills necessary to handle such a sensitive responsibility. The study assesses the impact of the non-financial reward system on employee performance in Ramat Polytechnic. The study, concludes that there is a significant relationship between job responsibility, job security, and job recognition as non-financial rewards and employee's performance in the study area. However, based on the findings of the study, the study recommends that concerned managers or human resources departments should create goals to meet their responsibilities in performing their tasks. It is added that for the managers of Labour to improve their employee's performance they should do their best to guarantee employee's protection against layoffs and economic downfalls that could impact their employment as well as connect with their employees to encourage performance and increase the likelihood of their stay in the service

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