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# Organizational Reward System and its Effect on Workers Performance in Polytechnics of South-east Nigeria

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**Abstract:** *The purpose of this study is to identify organizational rewards system and its effects on employees' performance in selected polytechnics of South-East Nigeria. The data utilized in this study were obtained from both primary and secondary sources. While the primary data were derived from questionnaire and interviews from focus group discussions, the secondary data were obtained from relevant textbooks, journal and government document. A sample of 210 (employees of the selected polytechnics respondents determined at 5% level of significance for sample error, using Eastman Kodak's sample size for inventory population was selected from a population of 10,972 employees using stratified random sampling technique. Pearson Product-Moment Correlation Coefficient of determination and alienation was conducted to test the correlation between organizational rewards and employees productivity. Student t-distribution was employed to test the significant levels of the facets of intrinsic and extrinsic rewards variables. The results of the study reveal that employee rewards policy significantly affects organizational performance as two of the three null hypotheses were rejected at ( $p < 0.05$ ). The last hypothesis was accepted at less than critical values of 5% showing that extrinsic rewards and employees productivity are not significantly correlated. The study therefore recommended that reward packages must be valuable to the employees and should be based on realistic and reliable standards.*

**Key words:** *Organizational Rewards, Intrinsic and Extrinsic Rewards, Employee Performance, Productivity and Job Satisfaction*

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## INTRODUCTION

In today's ever increasing and dynamic business and work environment, the highly motivated employee serve as a synergy for accomplishment of the organizational goals, business plans, high efficiency, growth and high performance (Danish, Rizwan and Usman, 2010). Every organization and business want to be successful and have constant progress. It is a well known fact that organizations whether private business concerns, mutual benefit associates or even public entities require competent workforce to survive and to remain competitive. According to Ong and Boon (2012) on studies made, reward system implemented by organization will influence employee's behavior and attitude towards their job if the rewards satisfy their needs and help them to reach personal goals. Organizational rewards system refers to the ways and modalities which workers in any organization can be motivated or individual to put more efforts that will lead to attainment of organizational goals.

Organizations now are facing employee retention challenges. The various forms of behaviour and attitude disposition which organizations require of its employees in order to achieve set goals depend on the kind of rewards and incentive package the organization is willing to offer. Sometimes, rewards are not simply expressed in the monetary form, but it also includes those difficult to measure in monetary currencies. There are various elements of these intrinsic rewards available in organization which increases satisfaction and overall job

productivity of employees. Among them according Tausif (2012) are in form of job involvement, participation in decision making, job autonomy, task significance and recognition. Human Resource Management Rewards system is cardinal when organization performance and productivity is being reviewed. This is because the reward system in any organizational setting dictates the pace and direction of performance or productivity. These are confirmed by some studies made by Ugwu and Cocker (2012), Condly *et al.* (2013), Scott, Tom Mimullen and Bowbin (2010). Also Wamni Ayesha Edirisoriya (2014) and others have made remarkable studies on the effect of employee rewards system on organizational performance. For example, Kwenin Daisy (2013) opined that rewards enable employees to go extra miles to out perform their colleagues at workplace. This is because it creates a compelling urge among employees to achieve predetermined target. While Jain and Jabeen (2007) contents that the compelling urge created by the organizational rewards system creates a positive attitude and a feeling of ownership of the industry goals. They all contribute to creating high performance units in every organization, which determines the overall success and growth of the institution. Razwn and Ali (2010).

These rewards or incentives vary from one organization to another and they may include among the following: advancement opportunity in the company, job security, good salary or wages, adequate medical facilities, canteen services, pension scheme, credit or recognition for job well done, vacation and holiday practice, housing, transport facilities etc.

### **Statement of Problem**

It is observed that there is low productivity in the output of workers in the various organizations in Nigeria. It is also asserted or stated that this is caused by the fact that the entire workforce were not motivated. Workers show lack of interest in their job because of lack of motivation. Both management and workers have been trying to grapple with the problem of how to secure more output of those performing the work and the employees have tended to avoid giving their best unless adequately compensated by way of appropriate reward incentives.

This study was carried out to unravel the negative impression different writers have about the image of the average Nigerian worker. In his work, Onukwuli (2014) citing Anyebe in Idemobi, Onyeizugbe and Akpunuonu (2011) discovered that pay is the driving force for seeking employment in the civil service of Nigeria Ejionye in Ejiofor (1985) asserts that the typical Nigerian worker today is lazy and indolent, he avoids work and responsibility, but loves wealth and all the good things of life. According to him, the Nigerian worker is material oriented and pleasure seeking. Invariably, Anikpo's view in Ejiofor (1985) in identifying the needs of Nigeria workers opined that the Nigeria worker is intimidated by the power of money. That he sees money as the only salvation of his plight because the oppressor (his employer) has money as his only weapon.

Previous studies on employee rewards system have severally shown that there is a strong relationship between rewards and employee performance, Agwu (2013). This indicates that organizations productivity depends on the level of motivation or compensation schemes available. Majority of employees therefore, would wish to equate their output in terms of performance with the level of motivation generated from the incentives they get at workplace. A survey carried out by Scott, Tom McMillen and Bowbin (2010) discovered that 42% of the respondents agreed that their organizations total reward system had a positive effect on employee engagement and performance. The reason being organizations that encourage their managers to

engage employees and that have clear reward criteria foster team work that result into high yields for the organization.

The various contradictions above created a gap in literature and moreso they are mostly concentrated in the study of private and multinational corporations to the neglect of tertiary and public institutions such as our selected area of study.

The reward system and its organizational impact on workers performance is the major focus of this study housing, transport facilities etc.

### **Objectives of Study**

The main objective of this research is to find out organizational reward system and its effects on employees performance of staff in selected Polytechnics in South-East Nigeria. Other specific objectives are:

- To ascertain if reward system in the polytechnic in south East Nigeria has any positive effect on the productivity of employees.
- To determine the reward system that is capable of enhancing efficient job satisfaction and increased output in the organization.
- To identify the welfare packages or facilities that contribute in achieving increased productivity in the organizations.

### **Research Questions**

The study undertake to examine the following research questions.

- Does reward system in the Polytechnics in the South-East Nigeria has any effect on the productivity of employees.
- What level of reward system is capable of enhancing efficient job satisfaction and increased output.
- To what extent does the welfare packages or facilities contribute to achieving increased productivity in organizations.

### **Research Hypotheses**

Arising from the background and subsequent objectives of the study the following hypotheses were generated for testing.

The reward system in the Polytechnics in the South-East Nigeria has no significant effect on the productivity of employees.

The level of reward system is not significant in enhancing efficient job satisfaction and increased output.

The level of welfare facilities does not contribute to achieving increased productivity in organizations

## **CONCEPTUAL AND THEORETICAL FRAMEWORK**

It is a well known fact that Reward systems are vital aspect of any organization which can actively engage and renew the overall sense of commitment and mission of an organization. A properly administered system of rewards policy can provide incentive for quality workmanship and enhance efficient staff performance. In like manner a poorly administered reward system can lead to low morale, unproductive performance and at times to high level of staff turnover.

Rewards system are outcomes or events in the organization that satisfy work related needs. Rewards systems are much more than just bonus plans and stock options but while they often include intrinsic incentives, they also include extrinsic types like promotions non-monetary bonuses, vacation holidays or simple “thank you” from a manager. Since high morale and productivity go hand in glove, it is however, imperative on managers to reward employees when they hit organizational targets and stretched standards set by the organization. As earlier stated, a properly administered system of rewards has the capacity not only to improve incentives for quality workmanship and staff performance but also strategically attract skilled employees to join the organization whereas the reverse may lead to unproductive performance and even to a high incidence of staff turnover (Nyandema and Were, 2014).

Agwu (2012) in his study on the impact of fair reward system on employees job performance defines reward system as any process within an organization that encourages, reinforce or compensate people for taking a particular set of action. In other words, organizational rewards system refers to ways and modalities (qualities) by which workers in organization can be motivated and stimulated to put more interest and effort that will lead to attainment of the organizational goals for the success and the good of the organization. Scot (1996) defined organizational reward as “those motivational tools which an organization adopts to reward its workers for higher or improved productivity”. Rewards consists of monetary reward (extrinsic) and non monetary (intrinsic) reward. These rewards or incentives vary from one organization to another. There is need for workers to be motivated by providing variables or liable changes that will boost their morale or level of confidence in the service. These reward systems in an organization may include but not limited to the following. Advancement opportunity or improvement process in service of job security, good salary and wages, adequate medical health facilities, canteen service, pension scheme, credit for job well done (recognition), housing and transport allowance, good management/workers relation, physical working conditions such as good office accommodation etc.

To most people an incentive implies monetary reward but this is not necessary so. Incentive or reward may be financial and non-financial and they are meant to fulfill the following purposes.

- To persuade or encourage people to come to work
- To encourage people to work harder when they are at work
- To help people to identify themselves with the objectives of the organization

### **Classification and Types of Reward System**

There are several ways to classify rewards, the three most common types are discussed below:

- **Intrinsic Rewards and extrinsic Rewards:**  
Intrinsic rewards are the personal satisfaction you get from the job itself example having pride in your work, having a feeling of accomplishment or being part of a team. If an employee experiences feelings of achievement or personal growth from the job he is seen to have intrinsically rewarded. Mansor, Saidah and Yusuf (2013) define intrinsic reward as act of doing activity for its inherent satisfaction rather than for some separate consequence. It fulfils employee’s intrinsic factors or motivators, thus motivating him.

Hackman and Oldham in Khawaja *et al.* (2012) defined reward as the rewards that come from the content of the job itself and encompass motivational characteristics of the job. Extrinsic rewards would include money, promotions and other benefits. Extrinsic rewards are external to the job and come from an outside source, usually management. If an employee receives a salary increase or a promotion, this would be labeled as an extrinsic reward.

- **Financial Rewards and Non-Financial Rewards:**

Financial rewards are those that will enhance the employees financial well-being directly example bonus, increase in wages and profit sharing schemes. On the other hand, Non-financial rewards do not enhance the employees financial position directly but make the job more attractive. Some of the Non-financial rewards that a business organization or public institution offer might include an attractive pension scheme, access to private medical care, help with long- term sickness, crèche facilities, counseling services, staff restaurant etc.

- **Performance-Based Rewards and membership-Based Rewards:-**

The rewards that a business organization gives to their employees can be based on either their performance or membership criteria. Performance based rewards are exemplified by the use of commissions, piecework pay plans, incentive schemes, group bonuses, merit pay or other forms of pay for performance plans. Membership-based rewards would include cost of living increases, benefits and salary increase, seniority or time in rank, credential or future potential as can be seen in tertiary institution

### **Effect of Reward System on Workers Productivity**

An intrinsically motivated individual will be committed to his work to the extent to which the job inherently contains tasks that are rewarding to him or her. And an extrinsically motivated person will be committed to the extent that he can gain or receive external rewards for his or her job. If a reward is intrinsic to the job, such desire or motivation is intrinsic. But, if the reward is described as external to the job, the motivation is described as extrinsic. Good remuneration has been found over the years to be one of the policies the organization can adopt to increase their workers performance and thereby increase the organization productivity.

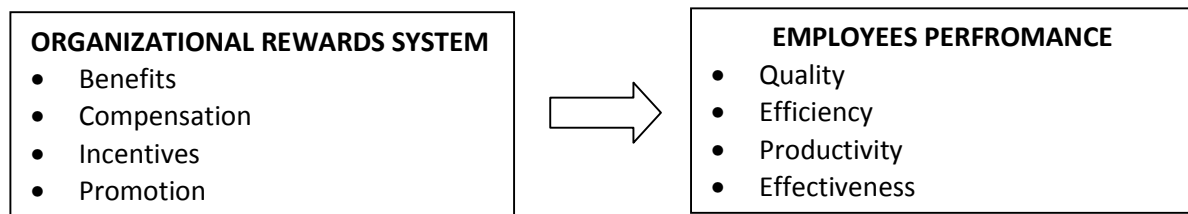
### **Some of the impact of organizational rewards system are:**

- **Increased productivity:** Organization who recognize and reward their workers for their efforts provide good incentives for them to perform better and be more productive. It encourages competitions within the work place and also stimulate workers to meet personal and organizational goals
- **Improved moral:** How employee's morale are may lead to poor job performance, burnout and increased absenteeism and insubordination and this scan stem from workers not feeling good about their jobs. So, organization often create work place reward system to encourage a positive work environment and to improve employees morale
- **Improve Retention:** Reward program increase employee engagement and improve attitude towards companies, inspiring workers to do their job well and stay longer.

- **Improved Attendance:** Unscheduled absence cost organization money absenteeism affects customers; services because workers are not available to assist client. Attendance based reward system offers employee incentives to adhere to the schedule and maintain perfect attendance which in turn support organization bottom line. Some organization choose to offer extra financial reward to employees such as bonus and commission to motivate workers to be more productive, but despite the potential to increase productivity, performance base incentives can have negative effect of the organization as follows.
- **Inconsistency:** One drawback of motivating employees with financial rewards like bonus and commission is that such rewards are often inconsistent for example, if a small business has a profitable year it might be able to rewards all of its workers with large annual bonus and vice versa. If employees receive smaller rewards than they expect or less than they have received in the past, it may hurt their morale.
- **Team work:** This is very vital to productivity in many organizations, a team of workers can often get more done together than the individuals of the team would be able to accomplish alone. Financial incentive like bonuses can inhibit teamwork because they often reward individuals achievement rather than group achievement which can cause competition and divisiveness.
- **Burn-out:** Another potential drawback of financial rewards is that it can lead to burn-out. Bonuses and other financial rewards tend to reward workers who put in extra hours meaning that workers may work long days, night and weekends in an effort to boost their chances of receiving rewards but this may cause employee to feel over worked and can lead to problems like low morale and lower productivity per hour spent at work.

### Independent Vs Dependent Variables

The study adopted the conceptual framework as shown in figure 1 and 2 below



In fig 1 diagrammatically the conceptual framework linking Employee Relations and Organizational Performance is depicted. Under the study, there is organization rewards policy being the independent variable with sub variable such as benefit compensation, incentives and promotion. On the other hand Organizational performance measures the following outcomes which include quality of output, efficiency productivity and effectiveness.

Fig 2 shows the relationship diagrammatically according to (Mugenda and Munganda, 2003) the association between the independent variables and the dependent variables pointing out the intrinsic rewards and extrinsic rewards.



Sources: Nyandema and Were (2018)

### Theoretical Review

Organizational reward system (policy) which was the independent variable in this research is a form of motivation and therefore requires a relevant theory of motivation as opined by Fertado, Aquino and Meira (2009). Among these theories are the need based theories such as Maslow's hierarchy of need theory. The cognitive process, Theories such as Equity theory, Behavioral theories such as Bandura's Theory and Armstrong (2009). Were (2014) in his study on employee reward policy opined that Maslow's theory could not be used because it lays emphasizes on the hierarchical attainment of needs whereas this study was only interested on rewards aspects which satisfy both higher and lower needs simultaneously. The two factor theory was very ideal, however it could not have been used because it ignored situational variables like performance which was key for this study. Expectancy theory again was dropped because it leans towards financial compensation as the main drive for production while this study concentrated only on both financial and non-financial aspects. The researcher aligns himself to the above expressed opinions and accepted the use of Equity theory.

Equity theories recognize that individuals are concerned not only with the absolute amount of rewards they receive for the efforts, but also with the relationship of this amount to

what others receive. Based on one's inputs such as effort, experience, education and competence, one can compare outcomes such as salary levels, increase recognition and other factors. When people perceive an in-balance in their outcome-input ratio relative to others, tension is created. This tension provides the basis for motivation, as people strive for what they perceive as equity and fairness.

This study therefore adopted Equity theory. The theory was adopted on the basis of its emphasis on rewards and performance which are the key variable under this study. The Equity theory postulates that employees seek to achieve a balance between inputs or efforts and outcomes or rewards received or unanticipated. Boxall and Purcell (2008). This entails that in a tertiary institution system where employee benefit compensation, recognition or incentives are equitably distributed and consistently provided the work force tend to put more efforts in terms of carrying out their assigned roles, duties and responsibilities.

Equity theory, also asserts that employees input take the form of work volume and quality performance, knowledge, compensation, praise and advancement in opportunities (Faems; SelsDeWinne and Maes, 2005). In every organizational setting the employee compare his or her input/outcome ratio with the perceived ratio of others in a social context and if the employee believes there is a sense of inequality the theory posits that the employee adjusts his or her effort to bring things into harmony. This means that the employees normally adjust their behavior to attain equilibrium through withdrawal, reduced input, cognitively adjust his or her perception or by addressing the situation with the employer. According to Gary (2000), equity theory is anchored on three principles of fairness to perception applied to organization settings. These principles are distributive justice or the perception of equality of an individual outcome, procedural justice or the fairness of the procedures used to determine one outcome and lastly, interactional justice which is the perception that employees has be treated with dignity and fairly.

### **Empirical Review**

Research has suggested that rewards system cause increase in motivation and job satisfaction which also leads to increase in organizational performance. Wage differential between high and low income earners was related to the low morale, lack of commitment and low productivity. Nwachukwu (1994) blamed the productivity of Nigerian workers on several factors among them is employer's failure to provide adequate compensation for hard work and the indiscipline of the privileged class that arrogantly display their wealth which is very demoralizing to the working class and consequently reduced their productively.

Byrt (1988) in his article on "the human factor in wage incentive noted that there is a fair amount of agreement among those administering reward schemes but little in the extent to which monetary incentives in themselves can be said to influenced output that is labour productivity. The amount by which output will be influenced not only by the amount of bonus offered but also by other factors (both intrinsic and extrinsic) that may affect his personal and domestic circumstance.

Fashina (1984) stated that the important point in organizational reward system is that of job satisfaction and dissatisfaction which are affected by different set of factors which have different effect on employees maturation and performance. Among these factors that bring element of job satisfaction on employees are prospects for promotion, good wages/salaries, good working condition sympathetic and help treatment on staff with personal problems. Tactful discipline being kept informed on organizational policy and affairs, job security, working in



interesting job e.t.c.

Pervious studies on employee reward system have severally shown that there is a strong relationship between rewards and employee performance Agwu (2013). This indicates that organization productivity depends on the level of motivation or compensation schemes available. Majority of employees therefore would wish to equate their output in terms of performance with level of motivation generated from the incentive they get at workplace. A survey carried out by Scott, Tom McMullen and Bowbin (2010) discovered that 42% of the respondents agreed that their organization total reward system had a positive effect on employee engagement and performance. The reason being organization that encourage their managers to engage employees and that have clear reward criteria foster team work that result into high yields for the organization. In many occasions, management thought that money could raise the workers productivity, moral and efficiency, but unfortunately management was disappointed when monetary rewards failed to give them the desired result. The researcher therefore conducted a survey in which a list of element were used to ascertain some supervisor's view on what shop personal considered most important to them and which gives them job satisfaction. These elements of job satisfaction includes:

- ❖ Employee prospects for promotion as at when due
- ❖ Anticipated hope for good wage/salaries and payment promotion arrears and other entitlement.
- ❖ Good working condition and environments.
- ❖ Sympathetic and help treatment with personal problems
- ❖ Tactful discipline
- ❖ Being kept informal on company affair
- ❖ Job security
- ❖ Working in an interest jobs.

This was collaborated with the result of the survey carried by GilChrist (1977) who showed an interesting pattern in the order of employees needs importance. He observed that the supervisor thought see some items to be more important and some less important. The important ones according to him include:

- ❖ Job security
- ❖ Help with personal problems
- ❖ Being kept informed on organization policy and affairs
- ❖ Good salaries/wages

The less importance ones are on the areas of;

- ❖ Working on interested job
- ❖ Prospect for promotion
- ❖ Good working condition
- ❖ Tactful discipline

This study therefore paid more attention on investigating the non-monetary incentives as a pivot to enhancing workers performance and increasing productivity in Nigerian tertiary institutions with the South-East as our case study.

## **METHODOLOGY**

### **Sample Size and Procedure**

The researcher used a descriptive research design or field survey. This was used to allow for numerical data to be collected within a short time for systematic analysis in order to test the null hypothesis. Descriptive surveys are normally intended to describe the characteristics of particular individuals or a group and report things as they are and provide numerical data of the population (Osso and Onen, 2009).

The study is situated in four Polytechnics in the South-Eastern parts of Nigeria covering two polytechnics from Imo state represented by Imo state Polytechnic Umuagwo and Federal Polytechnic Nekede, Abia State Polytechnic in Aba, Abia State and Oko Polytechnic in Anambra State.

The study used both secondary data collected from other sources but the major source for data collection for this study is mainly the primary source. The primary data were sourced through structured questionnaire posed to both the academic and non academic staff of the various polytechnics under study. Also, observations, oral interviews and group study were used to collect the required data for the study.

This study targeted only the academic and non academic staff in four polytechnics in South-East part of Nigeria. A total population of 10972 which is the staff strength of the polytechnic of interest under study. However, the top level management, middle management and lower level management were the focus of study- that is where the sample size were extracted. The operatives were not captured because most often, their agitation and understanding of reward system are not so clear to them.

From the population of interest of 10972 which consisted the employees in the top, middle and lower levels of the tertiary institutions for study, a stratified random sampling technique was used to extract the sample size of 210 employees of the selected polytechnic of respondents determined at 5% level of significance for sample error, using Eastman Kodak's sample size for inventory population was selected. Organizational reward system and workers performance (productivity) questionnaire was designed to obtain a fair representation of the opinion of the sample respondents of the levels of management staff using a four Likert scale.

However, content validity was used to adequately measure coverage of the research topic and reliability of instrument. To achieve good reliability rate, the test-retest technique was adopted where the questionnaire was administered to respondents randomly selected from the four polytechnics under study. The suggestions and corrections were incorporated and the tool was again piloted within a period of three weeks at the same institutions to ascertain the reliability. The content validity was achieved by consultation of experts in the required fields, and experienced researchers at different organization. Equally, the construct validity was ensured by the researcher developing a complete item based on Employee reward systems and performance indicators after a thorough literature review on past similar studies.

The researcher used the Pearson Product Correlation Coefficient Statistical tool to correlate the Dependent variable (Organization Performance) with the independent variable

(Employee Rewards System). The correlation statistics was necessary for this study because the researcher wanted to establish the strength and direction of the relationship between different sets of data (Baguley, 2012). Intrinsic and Extrinsic reward variables associated with job performance were selected for analysis. Each of the scale is modified to five point Likert-scale items. Degree of relationship varies from 1-5 representing “1” for strongly disagree “2” for disagree, “3” for neutral “4” agree and “5” strongly agree.

### **ANALYSIS OF DATA AND DISCUSSION OF FINDINGS**

The research questions posed for this study were interpreted using Pearson Product Moment Correlation Coefficient of determination and alienation for the strength of relationship. In the research question one which states “does reward system in the polytechnics in the South-East Nigeria has any effect on the productivity of employees”? Computation was done by the use of Pearson Product Moment Correlation between organizational rewards and its effects on employees productivity, using mean deviation method.

Table 1 show the result obtained. The strength of coefficient of determination with our calculated  $r(0.71)$  obtained by squaring  $.71$ . Therefore  $r^2 = .50$ . This means that 50 percent of intrinsic rewards or benefits such as employee appreciation or job rotation, degree of autonomy in job performance, recognition of meaningful work done and development of competence etc are important motivational factors while coefficient of alienation was  $.50$  showing that 50 percent of the total variation in employee extrinsic values such as medical aid benefits, good work environment overseas seminars/conferences contribute immensely to employees job satisfaction and increase in productivity in some polytechnics in the South-East Nigeria.

The second research question which states “what level of reward is capable of enhancing efficient job satisfaction and increased output? Computation by the use of Pearson Product Moment Correlation ( $r$ ) between organizational reward system and job satisfaction for increased output.

The strength of coefficient of determination with our computed  $r(0.87)$  was obtained by squaring  $.87$ . Therefore,  $r^2 = .76$ . This means that 76 percent of intrinsic variables such as responsibility assignments, team planning, development program and achievement as being accountable to employees job satisfaction and increased output while the coefficient of alienation was  $.24$ , showing that 24 percent variation of extrinsic variables like company in house training, salary, medical and job security etc is accounted for employees’ job satisfaction and increased output.

The final research question states “to what extent does the welfare packages contribute to achieving increased productivity”? Pearson Product Moment Correlation Coefficient ( $r$ ) was used to compute the level of welfare packages and its contribution to increased productivity using mean deviation method. The strength of the coefficient of determination with our computed  $r(0.56)$  was obtained by squaring  $.56$ . Therefore  $r^2 = 0.31$ . This means that 31percent of extrinsic variables in welfare facilities does account for increase in employees productivity, while the coefficient of alienation was  $.69$  showing that 69 percent of intrinsic variables is accounted for increased employees’ productivity in the polytechnics of study in the South-East Nigeria. The hypotheses were tested as follows:

H<sub>1</sub>: The reward system in the polytechnics in South-East Nigeria has no significant effect on the productivity of employees. Test of the significance of coefficient  $r(.71)$ , was carried out through the conversion of  $r$  to student  $t$ -distribution.

Table1. Summary of results of correlation and  $t$ -distribution between organizational reward system and employees productivity.

Variables	n	r	r <sup>2</sup>	1-r <sup>2</sup>	df	Sig level	Calculate t	Critical t
Organizational reward system and employees productivity	210	.71	.50	.50	208	0.05	14.48	1.96

**Source:** Results of empirical data, 2018

Table 1 above shows that a,  $t = 1.96$  is required for significance at .05 level with  $df = 208$ . Since the calculated  $t$  (14.48) is greater than critical  $t$ (1.96), we reject the null hypothesis and conclude that organizational reward system and employees productivity are significantly correlated.

H<sub>2</sub>: The level of reward system is not significant of enhancing efficient job satisfaction and increased output in the South-East polytechnics in Nigerian. The test of the significance of coefficient  $r(0.87)$ , was done through the conversion of  $r$  to student  $t$ -distribution.

Table 2: Summary of results of correlation and  $t$ -distribution between the level of reward systems and employees job satisfaction for increased output

variables	n	r	r <sup>2</sup>	1-r <sup>2</sup>	df	Sig level	Calculate t	Critical t
Organizational reward system and employees job satisfaction	210	.87	.76	.24	208	0.05	26.20	1.96

**Sources:** Results of empirical data, 2018.

Table 2 above shows that a,  $t = 1.96$  is required for significance at .05 level with  $df = 208$ , since the calculated  $t$ (26.20) is greater than critical  $t$ (1.96) we reject the null hypothesis and conclude that employees job satisfaction and organizational reward system are significantly correlated.

H<sub>3</sub>: The level of welfare facilities does not contribute significantly to achieving increased productivity in organization in the polytechnics in South-East Nigeria. The test of the significance of correlation  $r(.56)$ , was also carried out through the conversion of  $r$  to student  $t$  – distribution

Table 3: Summary of results of correlation and  $t$ -distribution between the level of welfare facilities and increased organizational productivity

variables	n	R	r <sup>2</sup>	1-r <sup>2</sup>	df	Sig level	Calculate t	Critical t
Welfare facilities and employees productivity	210	.56	.31	.69	208	0.05	9.72	1.96

**Source:** Empirical research data, 2018.

Table 3 above indicates that a,  $t = 9.72$  is required for significance at .05 level with  $df = 208$ . Since the calculated  $t$  (1.96) is less than the critical value we accept the null hypothesis and conclude that extrinsic welfare facilities and employees productivity are not significantly correlated.

### **CONCLUSION AND RECOMMENDATIONS**

The objective of this study was to explore the effects of organizational reward system on workers performance in polytechnics in South-East Nigeria. Intrinsic and extrinsic reward variables were exhaustively explored to ascertain their significance to employees productivity. It was discovered that reward system has a great impact on the organizational productivity in any establishment. From the interview and questionnaires, it was observed that there could be high level of job performance associated with high level of job satisfaction arising from good reward system as motivator. After the test of hypotheses, the research study proves that there is significant relationship between the intrinsic rewards such as employee appreciation or job rotation, degree of autonomy in job performance, recognition of meaningful work done with employees job satisfaction and increase in productivity. In conclusion the study found out that employee rewards policy significantly affects organization performance as two of the three null hypotheses were rejected at  $p < 0.05$ . The third hypothesis was accepted at less than critical value showing that extrinsic rewards system and employee productivity are not significantly correlated. The study therefore concluded that when employee rewards are aligned to the overall strategic objectives of the organization, there is an equivalent increase in performance. This calls for adjustments at work places that ensure that hardworking employees are motivated to increase their productivity particularly in tertiary institution in South-East Nigeria. The reward system of an institution should always be geared towards motivating its employees to be effective (both on the academic staff and non-academic staff). This is because, it will help them know that the organization have their welfare in mind.

### **RECOMMENDATIONS**

- From the findings the study recommend that reward packages must be valuable to the employees and should be based on realistic and reliable standards
- The policy making body of the various institutions should ensure that employee rewards are clearly spelt out in the remuneration policy and effectively implemented so as to enable performing employees to feel motivated, thus increased productivity.
- The study also calls for Government intervention in today's volatile operating environment by rewarding people for the value they create and align reward practices with business goals and employee value. This will intrinsically create a sustainable motivation and win-win situation to both the employees and organization they serve.
- Regular review of reward system is necessary to ensure that employees keep having a better perception of their work place and people they work for. Further study could be carried out.
- To use private organization as a comparative analysis

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