

An Assessment of the Impact of Reward System on Employee Performance: A Case Study of Boplas Maiduguri

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Abstract: *This study assesses the impact of the reward system on employee performance, using Boplas Industries in Maiduguri as a case study. The research explores how both monetary and non-monetary rewards influence employee motivation and overall performance. Through a combination of primary and secondary data collection methods, including questionnaires and relevant literature, the study investigates the effectiveness of various reward mechanisms such as bonuses, promotions, and recognition. The findings reveal that while monetary rewards play a significant role in employee motivation, non-monetary rewards like career growth opportunities and a sense of participation are equally important. The study concludes that a balanced reward system enhances employee performance, and it recommends that organizations should prioritize motivation by offering a mix of financial and non-financial incentives to foster a productive workforce. The study concludes that many organizations, including the case study, tend to overlook employee motivation due to cost concerns. However, it emphasizes that motivation should be a top priority. The research recommends that organizations should not rely solely on monetary rewards, as they are insufficient on their own. Instead, a combination of bonuses, promotions, training, and fostering employee participation is essential to enhance motivation and improve overall performance.*

Keywords: *Employee, Motivation, Promotions, Recognition, Reward*

INTRODUCTION

1.1 Background of the Study

A reward system is important for the employee's performance. Rewards are considered important tools to check the employee's performance in every organization. Management used reward for employment motivation, so we can say that effective rewards system attract new employees for organization and motivate existing employees to performance at high levels, (Ezigbo, 2016).

Motivation therefore becomes absolutely necessary because of its existing attitude to have one into objectives performance. For one to be able to perform his or her work in the theory

of give and take therefore, calls for adequate incentives such as good salary, job reorganization, handsome, pay packet bonus inclusion, person design and free medical care to mention but a few.

A well designed and functional reward system is an efficient way to increase employee work motivation. The appropriate type of reward is developed in accordance to the company's reward philosophy, strategies and policy. However, it might be challenging to find the right way to combine the company's integrated policies and practices together with the employee's contribution, skill and competence. (Armstrong, 2006).

When people are motivated they tend to develop a good attitude to work through it might cost the organization and at the long run both management and employee stands to benefit as at reduce the rate of employee turnover for the better organization have better efficiency to be achieved while the moral of of the employee is enhanced.

Organizational performance is a complex phenomenon largely affected by the ability and motivation of the workforce in any firm. Monetary and non-monetary rewards are provided in organizational setting with a view to motivating and influencing individuals, team and organizational behaviour for the achievement of strategic objectives and performance of organizations (Randhawa 2018).

However, a good number of firms do not provide appropriate mix of rewards to stimulate individual and sub-unit behaviour to attain strategic goals resulting in dwindling performance in the manufacturing sub-sector of the Nigerian economy.

Reward practices are positively related with retaining and enhancing the skilled employees that are considered assets of an organization. (Mondy and Noe, 1993) has divided reward in two types' financial reward and non-financial reward. Financial reward is further divided into direct and indirect financial reward. Direct reward includes bounce, good salary packages, profits and commission indirect financial reward are all those benefits that are not covered by direct financial reward. Non-financial reward consists of responsibilities, opportunities, recognition promotion, vacations, work place environment, sound policies, insurance, medical, retirement etc. All these rewards affect the performances of the employees in different manners.

1.2 STATEMENT OF THE PROBLEM

An organization does not exist without the internal public who contribute the workforce (employees) who have responsibility of putting in their best performance in job scheduled in order to achieve organizational objectives. If this must be achieved, the organization must realize that its employees must be motivated to put in their optimal performance to maximize productivity.

Bacon et al (as cited by Uzair, 2011), emphasized that employees are key to maintaining competitive edge by a business. To be successful in global market, a firm needs highly motivated, skilled and satisfied workforce that can produce quality goods at low cost. According to Sarvadi (2010), firms that don't match or exceed the reward levels of their competitors will have difficulty attracting and retaining top workers. Properly measuring

performance ensures that a reward program pays off in terms of business goals since rewards have a real cost in terms of time and money.

Motivation is a strong factor that is counted as having a potential to drive an employees for improve job performance we have in a world of technology where organizations are age to not only operate and survive but complete favorable with competitions and sustain their operations as a like manager, the employees want to fine where they can have their objectives easily achieved.

1.3 OBJECTIVE OF THE STUDY

The main objective of the study is to assess the impact of reward system on employee performance.

The specific objectives are to:

- (i) Examine the effect of reward system on employee's promotion in Boplas industries in Maiduguri Company.
- (ii) Examine the effect of reward system on employee's reorganization in Boplas industries in Maiduguri Company.
- (iii) Examine the effect of reward on employee's goal attainment in Boplas industries in Maiduguri Company.

LITERATURE REVIEW

CONCEPTUAL ISSUES

Concept of Reward Systems

Reward systems can be traced back to the scientific management era where management principles and philosophies were developed some of which are still existing today. Reward systems played an important role in this era in the success and implementation of this philosophy of scientific management. It all started with the American Society of Mechanical Engineers who was the first promoter of management. The most challenging problem they had was what they termed "wage problem" (Drury, 1915).

Although scientific management is not a reward system as stated by Taylor in his testimony before the special committee when he defined what scientific management is not, it is the major concern of scientific management. Scientific management is not a pay scheme for employee neither is it a piece works system. It is not a bonus or premium system neither is it a scheme for paying men but under scientific management, the pay system is simply one of the subordinate elements. However, task and bonuses constituted the most important elements in scientific management. In this era, Taylor pressed on the need for management to develop plans that offer high wages to workers and a relatively low labour cost to employers while fostering individual pay for performance. This was illustrated in a proposed pay system: the piece-rate plan (Taylor, 1947).

1. Frank and Lillian Gilbreth developed a reward system whose ideas are still being used today (Spriegal and Myers, 1953). They identified two kinds of incentives: direct

incentives which include ambition and pride of the worker, and indirect incentives which include rewards and punishment. The characteristics of reward are:

2. Positive in terms of their perceived gain to the worker.
3. Predetermined, meaning that they should be decided upon prior to the start of a job.
4. Personal or individual design i.e. for that particular man for that particular work.
5. Fixed/unchanged so that once the rate is established it must not be cut.
6. Assured by the organization so that employees trust that: rewards have always been paid in the past, therefore probably will be in the future.
7. Prompt so that the reward is announced and received as soon as the work has been completed.

In a world of global competition, employers are looking for better ways of motivating the employee to perform at optimum. One of such strategies is by the use of an appropriate reward system. Reward systems that not only attract and retain top performing employee but constantly motivates them towards achievement (Downes & Choi, 2014). Reward systems had existed in the past and have served as a premise for the development of recent ones that better align the interest of both employee and employer. According to Babakus. (2013), the perceptions that employees have with regards to their reward climate influences their attitude towards their employees. In addition, the commitment of managers towards their organization is also shown by how the manager rewards his/her employees. Hafiza (2015) mentions the norm of reciprocity, which focuses on the ability of organization to accommodate the needs of their employees, and reward them for their effort. In exchange for the rewards provided to them, employees should reciprocate by increasing their commitment towards their organization and their work. Many studies in the creativity literature have shown that the firm's perform creatively (Eisenberger, 2018; Eisenberger and Rhoades, 2017).

Reward systems have different parts and structures depending on the need of the organization exploiting the reward system. What every organization regards as its goals for profitability and growth are the parameters that are expected to be included in the reward system to ensure that desired behaviours are rewarded while undesired actions are not. This requires a breakdown and restructuring of organizational goals into understandable and measurable behaviours and performances. The outcome is some forms of a management control tool that measures and rewards performance. These systems sometimes have minimum and maximum reward that can be paid out depending on what it is designed to achieve (Jaghult, 2015).

There are different parts of a reward system. The first include the monetary part which is the most common part of every reward system. It is not necessarily the most important part of the system but has a high motivating impact on employee performance. It is the financial part of reward (Merchant, 2017). There are three main categories of the monetary part of a reward system:

1. Performance base salary-increase: Organizations pay salaries to their employees after every fixed period of time. It is expected that employee competencies increase

over time as a result of experience in longevity. As a result, provisions are made for a small increment in salary after particular periods of time (Merchant, 2007). These are known as performance base salary increments.

2. Short-term incentive plans: It is a cash bonus given mostly to managerial level staff based on performance measured over a short period of time usually less than one year.
3. Long-term incentive plans: Rewards that are based on performance measures over time periods longer than a year are long-term incentive rewards. By using this plan, a company can reward employees for their great work performance to maximize the firm's long-term value. This also helps to attract and retain key talented persons in an organization (Merchant, 2007).

Rewards systems can either result in intrinsic motivation or personal growth motivation. Intrinsic motivation is the type that comes from within the individual, a feeling of being proud of something, feeling content and happy by something that you have done. On the other hand, personal growth motivation is the type that is brought to you by another person or an organization (Kaplan and Atkinson, 1998). Furthermore, extrinsic rewards can be monetary or non-monetary. The monetary part is usually a variable compensation which is separated from the salary. It is received as an outcome of extraordinary performance or as an encouragement. It can be either individually based or group based. The conditions to obtain these reward systems are often set in advance as well as the performance needs to be expressed in a measurable form (Jaghult, 2005).

The Concept of Employee Performance

Employee performance is an indicator of the capacity of an organization to efficiently achieve organizational goals (Venkatraman & Ramanujam, 1986). It can be evaluated in many ways among which include; the employee's commitment display at work, the employees work values as well as the cohesiveness that employees display in a work environment. It is associated with both quantity and quality of output. It takes into consideration timeliness of output and presence/ attendance on the job, the efficiency of the work completed and effectiveness of job completed (Mathis & Jackson, 2009). Employee performance is the successful completion of a task by an individual or individuals, as lay down and measured by a supervisor of the organization. It entails meeting pre-defined and acceptable standards while efficiently and effectively utilizing available resource within a changing environment. Aguinis (2009) opines that the definition of performance does not include the results of employee's behaviour, but only the behaviours themselves. Performance is all about behaviour or what employees do and not just about what employees produce or the outcomes of their work.

Carlson (2006) proposes five human resource management practices that can affect performance. They are: setting competitive compensation level, training and development, recruitment package, performance appraisal and maintaining morale. Perceived employee performance refers to the general belief of the employee about his behaviour and contributions towards the success of the organization. There are three basic factors that

determine employee performance: procedural knowledge, declarative knowledge, and motivation (McCoy 1994).

EFFECT OF REWARD SYSTEM ON EMPLOYEE'S RECOGNITION

Employee's recognition is the classification and grouping of patterns which are classification which consist of the following two task supervised classification discriminate analysis in which the input pattern is assigned. Note that the recognition problem here is being passed as a classification or categorization task, where the classes are either defined by the system designed in supervised classification or are learned based on the similarity of patterns in unsupervised classification.

In the no shell, pattern recognition ha learns renewed recently due to emerging application which are not only challenging but also computational more demanding. Performance is determined and explained through different factors. However the most determinant factor of performance of employees is reward (Ermias, 2017).

It positively affects the employee performance and contributes to the company. However the effectiveness of the rewards still depend on how the management is designing its reward system in relation to the business strategies of the organization for the benefits of employees as well as for the organization. If employees are perceiving that the reward system is very help full to benefit them, their performance in the work place will be enhanced, therefore organization should have to design in the way that keep both the interest of people and the organization. Most of the work motivation theories argued that there is a significant relationship between reward and employee performance through assuming other condition remain constant (Addisu, 2018). For instance the theory of reinforcement articulated that the work performance and behavior of employees can be influenced by reward and punishment. Furthermore, employees' expectation towards what they get from the company will determine their performance according to expectance theory. This theory stressed employee beliefs about the rewards matters in the expected achievement of the employees (Vroom, 1964).

EFFECT OF REWARD SYSTEM ON EMPLOYEES PROMOTION

Bedfast (2004), point out promotion should not only be considered a means of merely rewarding employees but should be taken as a means toward place recent of employees in position they fit. In this view promotion touchies not oly the welfare of the employees but also that of organizational employees.

Therefore, promotion on employees in organization should be carefully implemented by the following special policies and a procedure contrary to that promotion turns into a setback to the employee's performance.

Employee need instructive, supportive feedback and desire reward if they have to translate their knowledge into improved productivity and superior quality, properly administrated feedback and rewards can guide, teach and motivate people in the direction of positive change. If the performance level is lower than that of others who get the same rewards, they are no reason to increase their output.

EFFECT OF REPORT SHARING ON EMPLOYEE PERFORMANCE

Customer's satisfaction and creativity for new product ideas. Effective training saves by reducing time spends on problem solving and saves money in the long run by producing a better workforce.

Investment in training can improve a company's financial standing. Poor performance of the results when employees don't know how to do exactly what they supposed to know to do their job or why the need to work certain way.

Training can help solve these performance problems by explaining the details of the job. This should reduce duplication of effort in the workplace, the time spent correcting mistakes and the problem solving necessary to correct bad performance.

Improved performance from employees training can reduce staff turnover, lower maintenance cost by reducing equipment breakdowns and result in fewer customer complains.

Better performance from employees typically create less need of supervisor and brings increased workers output. Job satisfaction generally increase and self-stern improves when improves when employee better understand the working of the company. Training can also enhanced moral on the job and loyalty to the company.

METHODOLOGY

The research design outlines the blueprint for addressing the research questions, with the choice of design based on the nature of the research questions. The study targets the population of 51 staff members at Maiduguri Boplas Industries Company. Using Yamane's formula, the sample size was determined to be 25 respondents. Both primary and secondary sources will be employed for data collection, including questionnaires for staff and secondary sources such as textbooks, journals, and newspapers. Random sampling and structured questionnaires will be used to gather data, ensuring that participant experiences are categorized into predetermined response options. For data analysis, the descriptive statistical tools using frequency distribution and simple percentage is utilize.

DATA PRESENTATION AND ANALYSIS

The research study present interprets and analysis the data collection from questionnaire administered to the respondent i.e. the employee of (B.P) Maiduguri industries. The chapter shows how each question from the questionnaire contributed to the research study questions raised.

4.2 Date presentation and analysis

A total of fifty one (51) questionnaire was administered to the respondent which was collected and used for this analyzed.

Table 4.2.1 Gender of Respondent

Option	Response	Percentage %
Male	40	78
Female	11	22
Total	51	100

Source: field survey, 2024

From the above table 4.2.1 shows the different gender distribution of the employees in the organization it indicates that 78% respondents are male, while (22%) of the respondents were female, these indicate that they is more male than female in the industries.

Table 4.2.2 level of academic qualification of the respondents

Option	Response	Percentage %
SSCE	22	43
Diploma	16	31
BSC/HND	13	26
Total	51	100

Source: field survey, 2024

From the above table 4.2.2 indicate that the 22 respondents representing 43% are SSCE holders, while 16 respondents representing 31% are Diploma holders, while 13 respondents representing 26% are BSC/HND, these indicate that majority of the respondents are SSCE holder.

Table 4.2.3 how long have you been in the corporation?

Option	Response	Percentage %
Less than 1years	25	49
1-4 years	16	31
5-10 years	10	20
10 years and above	-	-
Total	51	100

Source: field survey, 2024

From the above table 4.2.3 show that 25 respondents representing 49% are less than 1years in the corporation, while 16 respondents representing 31% are between 1-4 years, while 10 respondent representing 20% are between 5-10 years in the corporation these shows that majority of the employees worked 10 and above in the corporation .

Table 4.2.4: Have you been promoted since you starting your work as an employee in corporation?

Option	Response	Percentage %
Yes	38	75
No	31	25
Total	51	100

Source: field survey, 2024

From the above table 4.2.4 shows that 38 respondents representing (75%) were promoted in the corporation, where 31 respondents representing (25%) were not promoted in the corporation.

Table 4.2.5: If not” does lack of promotion affect if your work performance?

Option	Response	Percentage %
Yes	38	75
No	13	25
Total	51	100

Source: field survey, 2024

From the above table 4.2.5 shows that the promotion brought into the field is a mark of recognition of the individual performance from responses (75%) was promoted and (25%) were not promoted. The above shows that 38 of the respondent did not share this view with the 13 respondents so they answered negativity that lack of promotion affect their work performance.

Table 4.2.6: Are you promote or regulate?

Option	Response	Percentage %
Yes	35	69
No	16	31
Total	51	100

Source: field survey, 2024

From the above table 4.2.5 shows that the 35 respondents representing (69%) of the respondents agree that there is promotion in every 3 Years while 16 respondents representing 31% are not agree that potential were not utilized that shows the employee potential will being recognized and employee potential will being recognized and utilized in corporation.

Table 4.2.7: How do you consider your pay packages it satisfactory?

Option	Response	Percentage %
Yes	38	75
No	13	25
Total	51	100

Source: field survey, 2024

From the above table 4.2.7 shows that the 38 respondents representing 75% are adequately satisfied with their pay package in the corporation. While (25%) response negatively to their pay packages as inadequate this shows the package in the cooperation is satisfaction.

Table 4.2.8: Do you need more training to perform or will in Your work?

Option	Response	Percentage %
Yes	38	75
No	13	25
Total	51	100

Source: field survey, 2024

From the above table 4.2.8 shows that the 38 respondents representing (75%) of the respondents are of the view that they need more training in order to improve in their job performance while (25%) respondent are of the there is no promotion regularly. These show that the promotion is one regular basic in the corporation.

Table 4.2.9: Do you need more training to perform or will in Your work?

Option	Response	Percentage %
Yes	35	69
No	16	31
Total	51	100

Source: field survey, 2024

From the above table 4.2.9 indicate that 69% of the respondents were benefited from training programme are seminar related to their field of employment so this indicated that there is negative.

Table 4.2.10: Do you think employee's potential is being recognize and utilized?

Option	Response	Percentage %
Yes	38	75
No	13	25
Total	51	100

Source: field survey, 2024

Table 4.2.10 show that 38 respondents representing 75% of the respondent are potential were being recognized and utilized while 13 respondents representing 25% respondents answer negatively said that view that they do not needs any training in order to perform well in their work so this show majority of the respondents need more training to perform well in the corporation.

Table 4.2.11: Is your work satisfying to you or not?

Option	Response	Percentage %
Satisfactory	18	35
Good	17	33
Unsatisfactory	9	18
Indifferent	7	14
Total	51	100

Source: field survey, 2024

The table 4.2.11 shows that 18 respondents representing 35% are satisfactory while 17 respondents representing 33% are good, while 9 respondents representing 18% are unsatisfactory, while 7 respondents representing 14% are indifferent in the organization, in their work satisfying.

CONCLUSION AND RECOMMENDATIONS

In summary, the research highlights that motivation plays a crucial role in helping employees realize their potential and achieve self-fulfillment. Key elements of motivation include status, recognition, responsibility, and opportunities for growth and achievement. It was observed that job motivation, particularly through a monetary reward system, significantly impacts employee performance. The conclusion drawn is that while organizations, including the case study, often neglect employee motivation due to cost considerations, motivation should be prioritized. Recommendations include giving employee motivation top priority, recognizing that monetary rewards alone are not sufficient, and supplementing them with bonuses, promotions, training, and a sense of employee participation to foster appreciation and enhance performance.

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