

REWARD MANAGEMENT AND JOB PERFORMANCE: EVIDENCE FROM TEACHING AND NON-TEACHING STAFF OF ADEYEMI FEDERAL UNIVERSITY OF EDUCATION, ONDO STATE, NIGERIA

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Abstract

This study examined reward management and job performance in Adeyemi Federal University of Education, Ondo, Nigeria. Three research questions guided the study. A descriptive survey research design was adopted for the study. The sample size of this study was 105 teaching and non-teaching staff of Adeyemi Federal University of Education Ondo, selected through accidental sampling techniques. An 18-item questionnaire structured on a 4-point rating scale validated by two experts, one in Business education and one in Measurement and Evaluation was the instrument used for data collection. A test-retest measurement technique was used to determine the reliability of the instrument. A reliability coefficient of 0.79 was obtained through Pearson Product Moment Correlation Coefficient. The mean and standard deviation were used to analyses the data collected from the respondent. The findings showed that good working condition, free medical facilities, job security, promotion/training facilities, end of year bonus, annual increment, staff school/scholarship and housing facilities are the reward scheme available in the institution. The findings also showed that monetary and non-monetary rewards are predictors of job performance in tertiary institutions. The authors recommended, among others, that management of tertiary institutions and government should endeavor to use both monetary and non-monetary rewards in addition to providing other incentives that will help motivate employees for effective job performance.

Keywords: Reward Management, Monetary Reward, Non-monetary Reward, Job Performance.

Introduction

It is a common knowledge that organizations be they business concerns or mutual benefit associates, require their employees or workers to perform well and behave in certain ways if the organizations want to survive and achieve their aims. The various forms of behavior and attitudinal disposition which organizations require of their employees in order to actualize set goals depend on the kind of reward and incentive existing in the organization. In the global work-changing environment where millions of organizations seem to be scrambling for highly talented workforce, it would be profitable if institutions would make frantic efforts in ensuring that its workforce are adequately motivated and compensated for the work in which they do or otherwise be ready to stand the risk of staff attrition and brain drain (Iyamu & Eziechine, 2024).

Organization reward management system refers to the ways and modalities by which workers or individuals in an organization can be motivated to put more effort that will lead to attainment of the organizational goals. It is also seen as those motivational tools which organizations adopt to reward their workers for high or improved productivity. These rewards vary from one organization to another

and they include the following: advancement opportunity in the company, job security, good salary/wages, adequate medical facilities, canteen services, pension scheme, credit for job one does (recognition), vacation and holiday, housing, transport, company attitude towards employees physical working conditions such as office accommodation and so on.

Management involves motivating people and any human productivity inevitably is somewhat tied to rewards. To most people rewards imply money, but this is not necessarily so. Rewards may be monetary and non-monetary. It has to be mentioned here that rewards are used for four of these purposes: (1) To encourage people to come to work; (2) To encourage people to work harder while they are at work; (3) To help people to identify themselves with the objectives of the organization; and (4) To show management appreciation of the employee's contribution to the survival of the organization.

It is however a common problem that the refusal of employers or management to meet the needs of the employees has always caused discontent. According to Purcell (2004), the surest sign of deteriorating condition in an organization is job dissatisfaction, the results of which are grievances, low productivity, and other organization difficulties.

Reward system motivates an employee to perform better. Maslow propounded the need hierarchy theory of motivation in organizations. He viewed motivation as the dynamic force which activates the individual. It also holds that human beings are not only very complex animals; they also have a number of needs affecting their behavior in life. These needs are classified in five categories ranging from the basic physiological needs to the complex self-actualization needs.

The reward system designed to attract, retain, motivate and influence employees to be productive has been changing in line with changes taking place globally in organizational structures and workers' needs. The reward system strategies from the global perspective can be termed bureaucratic, job based, occasional pay for performance and ultimately pay for seniority. Decision about reward is based on planned pay structure which is the combination of job structure and pay levels. Factors that determine pay include qualification, experience and expertise.

In spite of the importance of reward system to both employees and employers, management considers it a huge source of expense or cost that must be kept under control. This has often resulted in management-labour disputes, translating sometimes, into protest marches and prolonged industrial strike which adversely affect the organizational performance. However, productivity bargaining also known as productivity-related pay negotiation which is the bargaining between unions and management by which a pay raise is offered in exchange for improved productivity could be used to foster the will to work among staff and establish correlation between reward and organizational performance.

Statement of the Problem

People go into organizations with a lot of expectations in mind. In most cases, they want good salary and other rewards or benefits if they are to be retained in the organization. When these rewards appear adequate and meet the expectations of staff they are retained but where they feel that the reward system is not satisfactory they resign and leave the organization for better prospects elsewhere. Good reward system is capable of motivating employees to put in their best in the performance of their duty which would result in efficiency, job satisfaction, commitment and increased productivity in the organization.

A cursory look at the Nigerian tertiary institutions shows that there are frequent management-labour disputes, translating sometimes, into protest marches and prolonged industrial strikes by different Labour Unions. It is assumed that workers are unmotivated and inadequately rewarded hence the frequent industrial strikes. If one may ask, how does an organization with unappreciated workforce expect the workers to be productive? Are they expected to produce good quality products and services with lack of adequate reward for higher education standards, higher skills and honest effort required to

perform jobs in these knowledge based organizations? Therefore, the problem statement put in question forms of this study are: Has the reward management in tertiary institutions in Nigeria been able to motivate the staff as expected? What influence has this on the organization performance as to enable them compete favourably with other tertiary institutions across the globe?

Purpose of the Study

The purpose of this present study is to examine the influence of reward management on job performance of teaching and non-teaching staff in Adeyemi Federal University of Education in Ondo State, Nigeria. The specific purposes of the study were to examine:

1. the reward schemes available to teaching and non-teaching staff.
2. the levels of monetary rewards and job performance.
3. the levels of non-monetary rewards and job performance.

Research Questions

The following research questions guided the study.

Research Question 1: What are the reward schemes available to teaching and non-teaching?

Research Question 2: What are the levels of monetary rewards and job performance?

Research Question 3: What are the levels of non-monetary rewards and job performance?

Theoretical Framework

The expectancy theory was proposed by Victor Vroom in the 60s. Vroom states that an employee will be motivated to work hard when he or she believes their efforts will produce a performance which, when recognized, will lead them to having rewards that have value to them (Vroom & Kenneth, 1968). Expectancy theory says that an employee will be motivated to make a high level of effort when he or she believes that the effort will lead to a good performance evaluation; that a good evaluation of performance will lead to organizational rewards, such as a bonus, a salary increase or a promotion; and that the rewards will satisfy the employee's personal goals (Robbins, 1999). This theory is targeted on the workplace. It is considered a theory of process, and not simply of content, because it identifies relationships between dynamic variables that explain the behavior of people at work (França, 2002).

Vroom developed a multiplicative model between the three variables: *Valence*, *Instrumentality* and *Expectancy*. According to Vroom, what motivates a person to make a decision is a product of these three variables: of how much a person desires a reward (*valence*); his/her estimate of the probability that effort will result in successful performance (*expectancy*); and his or her estimate that that performance will be a means to get the reward (*instrumentality*).

Thus, a person will reduce their efforts if he/she believes that they will not achieve the required performance, if they believe that it is impossible to achieve the rewards or if they believe that the reward is undesirable. According to Vroom, achieving rewards to which a large value is assigned leads a person to making more intensive efforts. The rewards may result in better performance if workers have the skills to enhance it, in fact, to desire the rewards being offered and if there are few physical and psychological restrictions (Spector, 2002).

Meaning of Reward Management

Reward is the remuneration received by an employee in return for his/her contribution to an organization. A reward is a work outcome of positive value to the individual. Reward is the fundamental expression of the employment relationship. Rewards can be classified as tangible or intangible (Armstrong, 2006, Armstrong, 2009). In the first case, they are defined as being awards granted to employees on the basis of tasks performed, which meet or exceed the expectations initially established. In the second, they are defined as praise granted in public by virtue of achievements

widely approved in the context of organizational culture (Stajkovic & Luthans, 1997).

Reward management has been defined by Armstrong (2006), to involve formulation and implementation of strategies and policies that aim to reward people fairly, equitably and in a consistent manner, which should be in line with organizational values so as to permit the organization to realize its strategic mandate or goal. Reward management deals with the strategies, policies and processes required to ensure that the value of people and the contribution they make to achieving organizational, departmental and team goals is recognized and rewarded. It is about the design, implementation and maintenance of reward systems (interrelated reward processes, practices and procedures) which aim to satisfy the needs of both the organization and its stakeholders and to operate fairly, equitably and consistently. These needs will particularly include the improvement of performance (Armstrong, 2010).

Reward management is not just about pay and employee benefits. It is equally concerned with non-monetary rewards such as recognition, learning and development opportunities and increased job responsibility. This implies that reward management is essentially about adding value to people. It is not just about attaching value to them.

Reward Management System tool includes both Monetary and Non-monetary rewards which are also called as Extrinsic and Intrinsic Rewards. According to Armstrong and Stephens (2006), total reward is the combination of both the financial (monetary) and non-financial (non-monetary) rewards made available to the employees. Monetary rewards are salary increase, bonus system, perquisite etc. On the other hand there are non-monetary rewards which are; promotion and title, authority and responsibility, education, appreciation and praise, certificate and plaque, participation to decisions, vacation time, comfort of working place, social activities, feedback, flexible working hours, design of work, recognition, social rights etc (Yang, 2008). It includes everything that the employee perceives to be of value in their employment relationship.

The aims of reward management are to support the achievement of business goals by developing a performance culture and stimulating high performance; define what is important in terms of behaviours and outcomes; align reward practices with employee needs; reward people according to the value they create; attract and retain the high-quality people the organization needs; motivate and win the engagement of employees; and add value through the introduction of effective but affordable reward practices.

Reward System

Towers (2007) conceptualize reward system to consist of compensation (pay and bonuses), benefits, learning and development and the work environment. Armstrong (2010) reiterated that a reward system consists of the interrelated processes and practices which combine to ensure that reward management is carried out effectively to the benefit of the organization and the people who work there. It consists of six major elements which include: base pay management; contingent pay; employee benefits; non-financial rewards; performance management; and total rewards.

Job Performance

Performance has been used synonymously with productivity, efficiency, effectiveness and competitiveness. Job performance is the extent to which an employee contributes to organizational goals. It is a critical determinant of organizational success. Performance, in this context, is shaped not only by the skills and abilities of employees but also by the psychological and motivational factors that drive their behaviour and effort. Understanding these factors and their interrelationships is essential for organizations striving to optimize employee performance and achieve sustainable success (Boadi, et al., 2025). According to Bohlander and Snell (2007) organizational performance comprises the actual output or results of an organization measured against its intended outputs (organizational goals and objectives). Organizational performance could be improved by systematically developing the performance of individuals and teams.

Reward Management and Organizational Performance

Managers globally are persistently searching for motivational factors that would enable employees to execute tasks at optimal levels to accomplish organizational goals. They are using monetary and non-monetary rewards to ensure employees' effectiveness at workplace. Reward practices (monetary and non-monetary) have been found to be positively linked to organizational performance as they help maintain a positive motivational environment relevant in improving organizational performance (Armstrong, 2006; Kepner, 2001; Kirunda, 2004).

Studies demonstrate that there is a positive relationship between the fairness of the compensation, and workers' level of stress and burnout on the job (Schaufeli and Bakker, 2004), which affects organizational performance. Usually stressed and burnt out employees are demoralized that in effect adversely affect their performances and consequently organizational performance. If organizations reward ethical behaviour and employee effort in a fair manner, chances are high that these workers will reciprocate by putting an extra effort geared towards improving organizational performance (Mujtaba & Shuaib, 2010).

Tertiary institutions authorities as employing agencies need to provide better and complementary working conditions that will ultimately make their workers pleased and committed. This will translate into offering an extra effort as a way of reciprocity, hence, causing the performance of their organization to improve. Similarly, if organizations and managers reward quality products and quality improvement, then employees will regularly think of quality in their work which may lead to better ways of doing the job, consequently, improving organizational performance. If organizations reward customer intimacy and satisfaction, employees are likely to adjust and change their behavior to build a good relationship with customers in order to know and satisfy their needs (Mujtaba, 2006). Once this is met, performance of the organization is likely to improve. A recent empirical study by (Mujtaba & Shuaib, 2010) demonstrated that a proper employee reward system as part of a comprehensive performance management programme can help enhance performance and productivity in the workplace.

Method

Research Design

The research design was a descriptive survey research.

Sampling and Sampling Procedure

The sample size of this present study were 105 staff, chosen through accidental sampling technique.

Research Instrument

The instrument for data collection in this study was a structured questionnaire. The instrument was structured in a manner to give necessary information of the research questions outlined accordingly. The questions were structured on a four (4)-point rating scale as follows: Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD).

Validation and Reliability of Instrument

The instrument was subjected to the scrutiny of two experts, one in the Business Education and one in Measurement and Evaluation for content, face and construct validity. A test-retest measurement technique was used to determine the reliability of the instrument. Reliability coefficient of 0.79 was obtained through Pearson Product Moment Correlation Coefficient.

Data Collection and Analysis

The instrument was administered personally to the respondents by the researcher, to facilitate ease and high rate of return. The data collected was analyzed using mean (\bar{x}) and standard deviation (SD). The decision point was 2.50. Mean scores above 2.50 was judged as positive and was accepted, while mean scores below 2.50 was judged as negative and rejected.

Results

Research Question 1: What are the reward schemes available to teaching and non-teaching?

Table 1: Mean and Standard Deviation of the Reward Schemes Available to Teaching and Non-Teaching.

Note. SD=Standard Deviation.

S/N	Items	Mean	SD	Remark
1.	Good working condition.	2.55	0.855	Agree
2.	Free medical facilities.	3.18	0.769	Agree
3.	Job security.	3.49	0.574	Agree
4.	Promotion/training facilities.	2.91	0.695	Agree
5.	End of year bonus.	3.22	0.571	Agree
6.	Annual increment.	2.86	0.955	Agree
7.	Staff school/scholarship.	2.80	0.825	Agree
8.	Housing facilities.	3.04	0.692	Agree

The Table 1 above shows that the mean of each of the eight items is greater than the mean value of 2.50. The result shows that the teaching and non-teaching staff of tertiary institutions agree that the reward scheme listed are available in the institution.

Research Question 2: What are the levels of monetary rewards and job performance?

Table 2: Mean and Standard Deviation of the Levels of Monetary Rewards and Job Performance.

S/N	Items	Mean	SD	Remark
1.	Monetary rewards (salary, bonus, etcetera) increase the motivation.	3.60	0.629	Agree
2.	Increase of salaries raises the performance of the employees.	3.16	0.810	Agree
3.	The benefits such as rent, health care and retirement increase the loyalty to the organization and success at work.	3.34	0.663	Agree
4.	Bonuses/palliatives which are given at special days such as new year and Christmas to employees, increase their performance.	2.56	0.865	Agree

Note. SD=Standard Deviation.

The Table 2 above shows that the mean of each of the four items is greater than the mean value of 2.50. The result shows that the teaching and non-teaching staff of tertiary institutions agree that there are high levels of Monetary Rewards and Organizational performance.

Research Question 3: What are the levels of non-monetary rewards and job performance?

Table 3: Mean and Standard Deviation of the Levels of the Levels of Non-Monetary Rewards and Job Performance.

S/N	Items	Mean	SD	Remark
1.	Performance of the successful employee may be increased by promoting them.	3.12	0.958	Agree
2.	Giving more responsibility and increasing the authorization for successful employees is effective to increase their productivity.	3.25	0.998	Agree
3.	Increase of success may be seen if management observe the talents of the employees and direct them to improve their talents.	3.17	0.882	Agree
4.	In order to have high performance, it is effective to make employees involve with decisions at workplaces.	3.27	0.858	Agree

Note. SD=Standard Deviation.

The Table 3 above shows that the mean of each of the four items is greater than the mean value of 2.50. The result shows that the teaching and non-teaching staff of tertiary institutions agree that there are high levels of Non-Monetary Rewards and Organizational performance.

Discussion

The findings of research question one revealed that good working condition, free medical facilities, job security, promotion/training facilities, end of year bonus, annual increment, staff school/scholarship and housing facilities are the reward scheme available in the institution. This finding agree with Bossey (2022) who found out that salary increase, cash bonus, promotion, recognition and career development have significant effect on organizational performance. Okwuise and Uzoechina (2023) also revealed that employee salary increase and promotion significantly affect performance in public universities.

The findings of research question two revealed that monetary rewards (salary, bonus, etcetera) increase motivation, Increase of salaries raises the performance of the employees and Bonuses which are given at the special days such as new years and feasts, to successful employees, increase their performance. This implied that there is significant relationship between monetary rewards and organizational performance. This finding aligns with Bossey (2022), Okwuise and Uzoechina (2023) and Boadi et al. (2025) who revealed that there is relationship between monetary reward and job performance.

The findings of research question three revealed that performance of the successful employee may be increased by promoting them, giving more responsibility and increasing the authorization for successful employees is effective to increase their productivity, increase of success may be seen if management observe the talents of the employees and direct them to improve their talents, and in order to have high performance, it is effective to make employees involve with decisions at workplaces. This implied that there is significant relationship between non-monetary rewards and organizational performance. This discovery agrees with Namo et al. (2025) and Boadi et al. (2025) findings indicating a strong positive correlation between motivation and performance, with intrinsic motivators (non-monetary rewards) playing a more significant role in driving long-term employee engagement. They found non-financial incentives, such as career development opportunities, to complement financial

rewards in fostering employee commitment and job satisfaction.

Both monetary and non-monetary rewards, emerged as significant predictors of the University's performance. These results do not contradict literature (Armstrong, 2006; Kepner, 2001) who observed that proper rewards, help generate a positive motivational environment necessary in improving organizational performance. Whilst both monetary and non-monetary rewards emerged as positive and significant predictors of the University's performance, the role of monetary rewards was immense as it showed a strong influence on the University's performance.

These findings demonstrate that when employees are properly motivated, they will bear the feelings of reciprocation relevant in improving the performance of their organization. The uniqueness of monetary, non-monetary, and performance relationship suggested that employees' perception of their organization's reward culture manifested in its monetary and non-monetary reward systems, can make them more committed to the organization, which in turn can translate into overall organizational performance. Besides, the results of this study suggest that organizations can use reward management systems as instruments for obtaining the best from their employees, as organizations seem to get what they reward. The findings of this study confirms the suggestions from Agwu (2013) and Kepner (2001) that organizations need to pay more attention to employee reward systems.

Conclusion

Based on the findings of this study, it is concluded that monetary and non-monetary rewards make employees more committed and increase the organization's potential to improve on its performance. Therefore, academicians and practitioners can now focus on making workforce more committed through reforming their reward systems to generate the best results. Since monetary and non-monetary rewards can improve organizational performance. It is implied that if an organization's management supports the human resources through appropriate reward systems the employees are likely to perceive a high degree of commitment and therefore, support from the organization's endeavour to improve on its performance.

Recommendations

Based on the findings of the study the authors provide the following recommendations:

- 1 Tertiary institutions should endeavor to use both monetary and non-monetary rewards in addition to providing other incentives that will help motivate employees.
- 2 The reward strategy used by the tertiary institutions should align the performance of the organization with the way it rewards its people, in order to provide the necessary incentives and motivation required for national development.
- 3 Universities management should endeavour to ensure constant review of their reward policy to reflect current realities so as to motivate their employee to be committed to improved performance.

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