EFFECT OF REWARD SYSTEM ON ORGANIZATION'S PERFORMANCE

BY

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BEING A DISSERTATION SUBMITTED AND PRESENTED TO THE DEPARTMENT OF BUSINESS ADMINISTRATION, FACULTY OF MANAGEMENT AND SOCIAL SCIENCES, THOMAS ADEWUMI UNIVERSITY, OKO, KWARA STATE, NIGERIA

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SUPERVISOR

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CERTIFICATION

This research work by SOWUNMI, Olamide Ezekiel (20/15BAA004) has been read and approved as meeting the requirements for the award of Bachelor of Science (B.Sc.) degree in Business Administration by the Department of Business Administration, Faculty of Management and Social Sciences, Thomas Adewumi University, Oko, Kwara State, Nigeria.

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DECLARATION

I, SOWUNMI, Olamide Ezekiel (20/15BAA004), hereby declare that the dissertation "Effect of reward system on organization performance", is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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DEDICATION

This project is dedicated to Almighty God, whose blessings and guidance have led me to the successful completion of my Bachelor of Science degree in Business Administration. I am greatly thankful for the strength, knowledge, and perseverance granted to me throughout this academic journey.

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ABSTRACT

Reward systems are increasingly recognized as vital for talent attraction and retention, as they demonstrate organizational value and motivate employees. However, while extensive research has been conducted on compensation packages, including bonuses and other incentives, there is a notable gap in studies focusing solely on how reward systems influence academic staff performance, with particular reference to private universities as institutions. Therefore, this study examines the impact of reward systems on organizational performance with a focus on Thomas Adewumi University, with specific objectives include to examine effect of basic pay on employee job commitment; determine effect of reward and recognition on employee turnover; investigate the relationship between promotion with employee retention; and evaluate effect of training opportunity on job productivity. Data for the study were collected through questionnaire administration to a sample of 108 academic and non-academic staff of Thomas Adewumi University using purposive sampling technique. A 5-point Likert scale was designed to capture and measure variables relating to reward systems and organizational performance. The data were presented and analysed using frequency distribution analysis. The hypotheses were tested using multiple regression and correlation analyses to examine the effect and relationship between basic pay, reward and recognition, promotion opportunities, and training opportunities on key performance indicators such as employee commitment, turnover, retention, and job productivity. The findings revealed that a well-structured reward system significantly enhances employee commitment and productivity while reducing turnover. It was concluded that Thomas Adewumi University could improve its institutional performance by aligning its reward strategies with employee expectations. The study recommends that the university management should continue refining their compensation packages and recognition programs to sustain employee satisfaction and commitment.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In contemporary organizational management, reward systems play a pivotal role in driving performance and fostering employee engagement. Recent research highlights the evolving importance of these systems in achieving organizational outcomes, particularly in the context of globalization (Ezigbo, 2021). Reward systems are increasingly recognized as vital for talent attraction and retention, as they demonstrate organizational value and motivate employees. A well-structured compensation plan, including benefits and bonuses, can significantly enhance job satisfaction by aligning employees' sense of accomplishment with organizational success (Bayon, 2019).

Human resources are a strategic asset for any organization, necessitating a management approach that aligns individual needs, ambitions, and goals with organizational objectives (Kamal, Mahat & Kandel, 2023; Salasiah & Ahmad, 2023). Effective compensation systems not only promote equity and fairness but also create a challenging work environment that boosts productivity and meets both internal and external needs (Bayon, 2019). However, many organizations often overlook the significance of employee reward policies, focusing instead on other resources. This neglect can lead to high turnover rates and negatively impact organizational success, as productivity is closely tied to employee morale and attitude.

In developing countries, where low productivity and high turnover are prevalent, reward management can address these issues by motivating employees and aligning their efforts with organizational goals. Basic pay remains a critical factor in attracting and retaining talent, influencing job commitment and productivity. In academic institutions, where skilled professionals are in high demand, understanding the impact of basic pay on job commitment is crucial for effective human resource management (Adebayo, 2013; Nwagbara, 2011)

While extensive research has been conducted on compensation packages, including bonuses and other incentives, there is a notable gap in studies focusing solely on how reward systems influence academic staff performance, with particular reference to private universities as institutions (Olowookere & Adeyemi, 2014; Eze, 2015).

This gap is significant because universities operate under different financial pressures compared to other sectors, and the specifics of academic work might influence how basic pay affects job commitment. Addressing this gap can help Thomas Adewumi university improve employee retention, satisfaction, and productivity by better structuring compensation.

Moreover, the modern workforce, particularly younger generations, values more than just financial compensation (Ogunleye, 2017; Chukwu, 2018). They seek recognition and appreciation for their contributions. Organizations must explore innovative reward and recognition programs to enhance employee satisfaction and retention. Despite the prevalence of such programs, the extent to which they reduce turnover remains underexplored. Empirical research is needed to clarify the impact of reward and recognition on long-term turnover rates and to determine the most effective elements of these programs.

Promotion is another crucial element in talent management, especially in academic contexts where it signifies career progress and increased responsibilities (Ibrahim & Yusuf, 2019; Adekunle, 2020). However, there is limited research on how promotions affect employee retention, particularly in academic institutions. Understanding the impact of promotions on retention requires exploring factors such as fairness in the promotion process and alignment with personal career goals.

Moreover, training opportunities equally play a vital role in improving job performance and productivity (Afolabi & Nwankwo, 2016; Balogun, 2017). While training is widely recognized as essential for organizational success, the direct link between specific types of training programs and productivity improvements remains poorly understood. More detailed empirical studies are needed to evaluate the effectiveness of different training formats and their impact on job performance.

Essentially, as organizations adapt to the changing workplace dynamics, understanding the role of reward systems and training programs is crucial. Combining insights from recent research can guide the design and implementation of effective reward strategies and training initiatives, ensuring sustainable success in a competitive environment. Further empirical studies are needed to address gaps in understanding and to optimize reward and recognition programs, promotions, and training for improved organizational performance. Thus, this study examined the effect of reward system on institution performance, with particular reference to Thomas Adewumi University.

1.2 Statement of the Problem

At Thomas Adewumi University, a burgeoning institution striving for growth, the relationship between basic pay and employee job commitment has emerged as a critical concern. Given the strategic role of basic pay in attracting, retaining, and motivating faculty and staff, its influence on job satisfaction, loyalty, and overall productivity is paramount (Ogunlana & Adeoye, 2015; Okeke, 2016). Basic pay is a crucial component of the compensation package that impacts employee commitment and the university's competitive position within academia. Addressing this issue involves exploring how well the current basic pay structure meets the financial expectations and needs of employees, thereby fostering their commitment.

Another core problem revolves around understanding how basic pay influences employee job commitment. Investigating this relationship requires a comprehensive understanding of how satisfaction with basic pay affects employees' commitment levels. The challenge is to determine whether the current pay structure aligns with employees' expectations and needs, influencing their overall engagement and commitment to the university.

Additionally, the interplay between reward and recognition practices and employee turnover is a pressing concern (Adebayo & Olatunji, 2018; Nwachukwu, 2019). Recognition extends beyond financial incentives to include non-monetary forms such as verbal praise, career development opportunities, and flexible work arrangements. It is essential to explore whether these non-monetary forms of recognition are valued by employees and how they impact turnover rates.

Furthermore, understanding the relationship between promotions and employee retention at Thomas Adewumi University is crucial. It is necessary to identify the factors that affect this relationship, including the perceived fairness and transparency of promotion processes. Assessing whether employees view these processes as merit-based and unbiased will help evaluate the impact of promotions on their commitment to remain with the university.

The effective application of training outcomes to job roles is also vital for productivity. Despite significant investments in training programs, the real impact on employee performance can be compromised if employees struggle to apply theoretical knowledge practically. Key issues include limited support and resources, misalignment between training content and job needs, and organizational barriers that hinder the effective use of acquired skills. Additionally, the varying effectiveness of different training types, such as on-the-job training versus formal workshops, adds complexity to this issue.

Addressing these problems requires a thorough examination of the factors that facilitate or impede the effective application of training outcomes in the workplace. Understanding these dynamics is essential for designing strategic training programs that enhance employee performance and productivity, ensuring that investments in development translate into tangible improvements for the university.

1.3 Objective of the Study

The main objective of this study is to determine the relative effect of reward system on organization performance, with particular reference to Thomas Adewumi University. Therefore, the specific objective includes to;

i. examines effect of basic pay on employee job commitment;

ii. determine effect of reward and recognition on employee turnover;

iii. investigate the relationship between promotion with employee retention; and

iv. evaluate effect of training opportunity on job productivity

1.4 Research Questions

The following questions provide proper guide for the conduct of the study;

i. To what extent does basic pay have significant effect on employee job commitment?

ii. What is the effect of rewards and recognition of employee turnover?

iii. Does promotion have significant relationship with employee retention?

iv. What is the effect of training opportunity on employee job productivity?

1.5 Research Hypotheses

The following null hypotheses were formulated to be tested in the course of the study;

$H_0$1: Basic pay has no significant effect on employee job commitment;

$H_0$2: Reward and Recognition have no significant effect on employee turnover;

$H_0$3: Promotion has no significant relationship with employee retention; and

$H_0$4: Training opportunity has no significant effect on job productivity.

1.6 Scope of the Study

The specific focus of this study is to examine the effect of reward system on organization performance, with particular reference to Thomas Adewumi University, Oko-Irese, Kwara State, Nigeria. The study geographical coverage is limited to Thomas Adewumi University, Irepodun Local Government Area of Kwara State, Nigeria. The study explores different elements of the reward system including financial rewards (salaries and bonuses), non-financial rewards (recognition programs, training opportunity) in relation to critical outcomes like employee job commitment, employee turnover, employee retention and employee productivity in determining the overall institutional efficiency. Thus, the study examined the effect of reward system on institutional performance from the perspectives of employees' perception and experience regarding reward system to have a wide-ranging perspective on true effectiveness and potential areas for improvement. The study hopes to provide useful insights that can serve as guidelines encouraging the formulation of rewarding strategies for increased organizational performance at Thomas Adewumi University.

1.7 Significance of the Study

This study is important because it seeks to help provide a useful case for the reward system and performance of an organization in Thomas Adewumi University. It is anticipated that this study will contribute to the greater realization of how compensation and recognition strategies can lead towards employee's motivation, job satisfaction as well as overall productivity by holding different reward mechanisms and checking their efficacy.

In particular, the results of this study are highly significant for Thomas Adewumi University as they provide empirical support to improve their reward system. Prompt retention of staff, higher levels of employee engagement at work and potentially improved institutional outcomes. For example, they can then use these insights to design and implement reward strategies that are both fairer for the different groups of staff (professional scientists vs. technical/administrative) as well as more in-line with their general needs/strategies this eventually leads into a better work environment where people feel less alienated due to lack of or improper rewards from their own peers/jobs etc.

Lastly, this work is expected to contribute a nuance understanding of human resource management in higher education institutions and specifically within the Nigerian context. It will stand as a case study that other universities can use to compare their own reward systems. The results may also be of interest to policymakers in the education sector and HR professionals as they work towards guidelines or best practices related to employee compensation, recognition.

This study is significant in addressing one of the most important elements related to organizational performance and its varied implications on employee satisfaction, institutional success. It is expected that by revealing the dimension of reward systems, it will assist Thomas Adewumi University and other academic institutes similar in human resource practices enable them to attain their strategic goals efficiently.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In the fast-developing landscape of higher education, universities strive to maintain high standards of organizational performance by promote employee commitment, reducing turnover, retaining valuable staff, and improve productivity. To achieve these goals, an effective reward system is important. This literature review aims to dig in into the relationship between various reward systems and organizational performance, with a particular focus on Thomas Adewumi University.

The purpose of conducting this literature review is to gather, analyze, and adapt existing research on the impact of different types of rewards on various aspects of organizational performance. This broad study will provide a solid foundation for understanding how basic pay, reward and recognition, promotion, and training opportunities influence employee behavior and overall organizational performance. By drawing on a wide range of scholarly sources, this review will offer insights into best practices and possible areas for improvement in the reward systems at Thomas Adewumi University.

2.1 Conceptual Clarifications

2.1.1 Conceptual of Reward Systems

Reward systems and organizational performance are two important concepts in the field of human resource management and organizational behavior. Reward systems refer to the putting in order of methods and strategies made use of by organizations to recognize and compensate employees for their contributions (Aguinis, Joo, & Gottfredson, 2013). These systems are designed to motivate employees, improve job satisfaction, and drive performance. Organizational performance, on the other hand, include the strength with which an organization meets its objectives, including financial results, customer satisfaction, and operational productivity (Richard, Devinney, Yip, & Johnson, 2009). This section introduces these concepts by discussing recent literature and their interrelationship.

Reward systems consist of internal and external rewards. Internal rewards are the psychological benefits employees receive from their work, such as a sense of achievement and job satisfaction (Deci, Olafsen, & Ryan, 2017). External rewards include tangible benefits like salaries, bonuses, and another financial motivator (Nyberg, Pieper, & Trevor, 2016).

Recent studies emphasize the importance of aligning reward systems with organizational goals to improve employee performance and organizational productivity. For instance, the research by Gupta and Shaw (2014) highlights that well-structured reward systems can significantly boost employee motivation and engagement, leading to improved performance. Likewise, Albrecht et al. (2015) emphasize the role of recognition and reward in causing a high-performance culture within organizations.

2.1.2 Organizational Performance

Organizational performance is a diverse concept that analyze how effectively an organization achieves its goals. According to Kaplan and Norton (1996), the Balanced Scorecard approach provides an extensive model for determining performance across financial, customer, internal business processes, and learning and growth perspectives. This board view ensures that organizations can identify and can take advantage of their strengths while addressing areas for improvement.

Recent research has further detailed on the determining factor of organizational performance. For example, a study by Lee and Raschke (2016) found that strategic human resource practices, including reward systems, are important in driving organizational performance. In addition, Boselie (2014) noted that performance management systems that integrate rewards and recognition can lead to sustainable organizational success. Understanding the relationship between reward systems and organizational performance is important for developing effective management system.

Organizational performance refers to how well an organization achieves its objectives and goals. It is a multi-dimensional concept that include various standard and indicators. Key performance indicators (KPIs) used to measure organizational performance include:

i) Productivity: Measures the efficiency of production processes. It is often quantified as the ratio of outputs (goods and services) to inputs (labor, capital, materials) (Bititci, Garengo, Dörfler, & Nudurupati, 2012).

ii) Employee Satisfaction: Gage the contentment and engagement of employees within the organization. High levels of employee satisfaction are related with reduced turnover, increased loyalty, and higher productivity (Harter, Schmidt, & Hayes, 2002).

iii) Financial Performance: Includes standards such as revenue growth, profit margins, return on investment (ROI), and earnings per share (EPS). Financial performance indicators reflect the economic health and credibility of the organization (Kaplan & Norton, 2004).

iv) Customer Satisfaction: Measures how products and services meet or surpass customer expectations. High customer satisfaction is linked to repeat business and customer loyalty (Zeithaml, Berry, & Parasuraman, 1996).

v) Operational Efficiency: Evaluate how well an organization uses its resources to achieve its goals. This includes measures like cost efficiency, cycle time, and flaw rates (Slack, Chambers, & Johnston, 2010).

vi) Innovation: Evaluates the organization's ability to develop new products, services, or processes. Creation standard include the number of new products launched, R&D spending, and patent filings (Tidd & Bessant, 2018).

2.1.3 Types of Reward Systems

Reward systems are important factor of human resource management, designed to motivate employees and improve organizational performance. They can be broadly categorized into internal and external rewards, and a total reward system that combines both types. This study research each type of reward system, providing definitions, examples, and their impacts on motivation, supported by recent literature.

2.1.3.1 Internal Rewards

Internal rewards are non-physical benefits that stem from the nature of the work itself and the personal satisfaction derived from performing it. These rewards are internally generated and satisfy psychological needs (Deci, Olafsen, & Ryan, 2017). The sense of fulfillment and contentment employees feel when they enjoy their work and find it meaningful (Deci & Ryan, 2000). Opportunities for professional and personal development, such as obtaining new skills, taking on challenging projects, and career advancement (Pink, 2011).

Internal rewards are strongly associated with increased motivation and job satisfaction. Employees who find their work essentially rewarding are more likely to display higher levels of engagement, creativity, and commitment (Gagné & Deci, 2005). Recent studies have shown that internal motivation is a significant predictor of performance and well-being in the workplace (Deci, Olafsen, & Ryan, 2017).

2.1.3.2 External Rewards

External rewards are physical benefits provided by the organization to recognize and compensate employees for their performance and contributions. These rewards are external to the job and include monetary and non-monetary motivator or bonus (Gagné & Forest, 2008). Regular financial compensation for work performed (Nyberg, Pieper, & Trevor, 2016). Additional financial rewards given based on performance, achievements, or meeting specific targets (Jiang, Xiao, Qi, & Xiao, 2009). Advancement to higher positions within the organization, often accompanied by increased responsibilities and higher pay (Devaro & Brookshire, 2007).

External rewards can effectively motivate employees, particularly in the short term. They provide clear and direct bonus for achieving specific performance goals (Gerhart & Fang, 2015). However, Dependency on external rewards can sometimes undermine internal motivation, leading to a dependance on external motivator (Deci, Koestner, & Ryan, 1999).

2.1.3.3 Total Reward System

A total reward system combines both internal and external rewards to create a broad approach to employee motivation and engagement (Armstrong & Taylor, 2014). A well-designed total reward system includes competitive salaries, performance bonuses, career development opportunities, and a positive work environment that promotes job satisfaction and personal growth (Alfes, Shantz, Truss, & Soane, 2013). Research indicates that a total reward system can lead to higher levels of employee satisfaction, retention, and overall performance (Kaplan & Norton, 2004). By addressing both the financial and psychological needs of employees, organizations can improve a motivated and committed workforce (Armstrong & Taylor, 2014).

Understanding the different types of reward systems; internal, external, and total reward systems is important for designing effective strategies that improve employee motivation and performance. Recent writings support the notion that a balanced approach, combining both internal and external rewards, leads to the best outcomes in terms of employee satisfaction and organizational success.

2.1.4. Constructs of Reward System and their Relative Effect on Organizational Performance

The impact of reward systems is critical in influencing employee motivation, job satisfaction and retention which will drive overall organisational performance. This review focuses on the different constructs of reward systems, which include financial rewards and non-financial rewards as well as recognition practices based on their effects to organizational performance. Nigerian literature is full of references and articulation on how these socially constructed forms affects the performance within a Nigerian setting.

i) Financial Rewards

Salaries, bonuses and incentives are major elements of financial rewards which have attracted more attention in reward system literature. Financial rewards are essential in promoting employee performance and satisfaction in Nigerian organizations as observed by Afolabi & Nwankwo (2016). Over and over, their research finds that competitive pay even with performance-based bonuses can escalate productivity while at the same time hold down voluntary turnover levels. At the same time, Ogunlana and Adeoye (2015) are adamant that it is critical to have an adequate financial compensation to attract and retain skilled employees in Nigerian universities.

But the efficacy of financial rewards depends on their perceived fairness to employee expectations. However, Kokemuller (2017) argues that reward only enhances morale and organisational commitment if employees feel they are being financially recognised fairly.

ii) Non-Financial Rewards

Organizational Performance is very much dependent on both Financial and Non-financial rewards, - Career Development opportunities work- life balance job enrichment etc. Balogun, 2017) stated train and develop programs could improve the personnel skills and well-being that had negative impact in business productivity. Chukwu (2018) alludes to this view as well, postulating that incentives outside of dollar signs can also help young employees - who value fulfilling work and self-betterment more than the generations before them-in staying put. In Nigeria, research has shown that going beyond just financial rewards is crucial for boosting employee engagement and performance. Adebayo and Olatunji's 2018 study highlight the importance of recognition, career growth, and a supportive work environment in driving success. By combining financial incentives with non-financial rewards, organizations can achieve sustainable improvements.

Recognizing employees' hard work and contributions is vital for morale and retention. Nwachukwu's 2019 research reveals that effective recognition practices, such as verbal praise, awards, and public acknowledgment, lead to higher job satisfaction and loyalty.

The interplay between rewards and recognition significantly impacts organizational performance, as shown by Ibrahim and Yusuf's 2019 study. Structured recognition programs, when combined with financial rewards, enhance employee motivation and performance.

The literature suggests that a comprehensive approach to rewards, addressing both financial and non-financial needs, is most effective in driving performance and reducing turnover. Ogunleye and Eze's research supports this, emphasizing the importance of a balanced reward system. a well-rounded reward system that includes financial incentives, non-financial rewards, and recognition practices is essential for organizational success in Nigeria. By adopting a holistic approach, organizations can foster a motivated and productive workforce

2.1.4.1 Basic Pay as a Construct of Reward System and its Relative Effect on Employee Job Commitment

Basic pay is a fundamental component of reward systems, playing a critical role in shaping employee job commitment. As the primary form of financial compensation, basic pay significantly impacts employee motivation, satisfaction, and loyalty. This literature review explores the significance of basic pay in reward systems and its effect on employee job commitment, with a focus on insights from Nigerian research.

The Role of Basic Pay in Reward Systems

Basic pay serves as the foundation of employee financial security and satisfaction (Afolabi & Nwankwo, 2016). In Nigeria, competitive basic pay is crucial for attracting and retaining top talent, particularly in high-demand sectors (Ogunleye, 2017). Fair basic pay not only ensures financial stability but also sets the stage for other forms of compensation and benefits. According to Ogunlana and Adeoye

(2015), basic pay influences employees' perceived value within the organization, with fair pay leading to higher job commitment.

Impact of Basic Pay on Job Commitment

Job commitment refers to the degree of attachment an employee feels towards their organization, influencing their willingness to stay and contribute effectively. Basic pay significantly impacts job commitment by addressing employees' fundamental needs and expectations (Nwachukwu, 2019). Research by Adebayo and Olatunji (2018) shows that competitive and fair basic pay leads to higher job commitment, motivation, and performance. In contrast, inadequate basic pay can result in dissatisfaction, disengagement, and decreased job commitment (Ibrahim & Yusuf, 2019).

Nigerian research highlights the critical role of basic pay in employee retention and job commitment. Olowookere and Adeyemi (2014) found that competitive basic pay contributes to job satisfaction and commitment in Nigerian private universities. Similarly, Eze (2015) discovered that adequate basic pay positively impacts job commitment and performance among academic staff in Nigerian private universities. basic pay is a vital component of reward systems, significantly influencing employee job commitment. Nigerian research emphasizes the importance of competitive and fair basic pay in shaping job satisfaction, loyalty, and organizational commitment. Ensuring that basic pay aligns with employees' expectations and reflects their contributions is crucial for fostering a committed and high-performing workforce.

2.1.4.2 Reward and Recognition as a Construct of Reward System and its Relative Effect on Employee Turnover

Reward and recognition are vital components of reward systems, significantly influencing employee turnover. This literature review delves into the impact of reward and recognition on employee turnover, with a focus on insights from Nigerian research.

Rewards encompass financial and non-financial incentives, designed to motivate employees and acknowledge their performance. Afolabi and Nwankwo (2016) found that combining financial rewards with meaningful non-financial rewards can significantly reduce employee turnover. Ogunleye (2017) supports this view, highlighting that comprehensive reward systems contribute to lower turnover rates when employees perceive rewards as fair and aligned with their performance.

Recognition involves acknowledging employees' achievements, efforts, and contributions, boosting their morale and job satisfaction. Nwachukwu (2019) emphasizes recognition's role in reducing employee turnover, while Ibrahim and Yusuf (2019) argue that effective recognition practices are crucial for employee retention. Nigerian research highlights recognition's significant impact on employee engagement and retention.

Research in Nigeria provides valuable insights into the relationship between reward, recognition, and employee turnover. Olowookere and Adeyemi (2014) found that combining competitive rewards with effective recognition practices leads to lower turnover in Nigerian private universities. Eze (2015) supports this, revealing that employees receiving both financial rewards and regular recognition are less likely to leave their positions. reward and recognition are critical constructs within reward systems, significantly impacting employee turnover. A balanced approach, incorporating both financial rewards and meaningful recognition, enhances job satisfaction and reduces turnover rates. Nigerian literature underscores the importance of these constructs in creating a positive work environment and retaining employees. By prioritizing reward and recognition, organizations can foster a committed and high-performing workforce.

2.1.4.3 Promotion as a Construct of Reward System and its Relative Effect on Employee Retention

Promotion is a vital component of reward systems, significantly influencing employee retention. This literature review examines the effect of promotion on employee retention, with insights from Nigerian research. Promotion involves elevating an employee to a higher rank or position, often with increased responsibilities, status, and compensation. Adebayo and Olatunji (2018) found that promotion directly affects employee retention, as employees who perceive clear opportunities for advancement are more likely to remain with the organization. Adekunle (2020) also highlights promotion's importance in enhancing employee retention, as it serves as a tangible reward for employees' hard work and dedication.

Promotion significantly impacts employee retention by providing a sense of progress and recognition. Employees who receive promotions often experience increased job satisfaction and a stronger connection to the organization, reducing turnover rates. Ibrahim and Yusuf (2019) argue that promotion positively influences employee retention by aligning employees' career goals with organizational objectives. Eze (2015) also finds that promotional opportunities are a key factor in retaining academic staff in Nigerian universities.

Research in Nigeria provides valuable insights into promotion's role in employee retention. Olowookere and Adeyemi (2014) found that clear and fair promotion policies contribute to higher retention rates, as employees perceive their career development as a priority. Nwachukwu (2019) adds that promotion is critical in maintaining employee engagement and loyalty, offering employees a sense of achievement and growth. promotion is a significant construct of reward systems, playing a crucial role in employee retention. Research highlights that providing clear and fair promotional opportunities enhances job satisfaction, loyalty, and commitment, reducing turnover rates. Nigerian literature underscores promotion's importance in recognizing and rewarding employees, fostering a more engaged and dedicated workforce.

2.1.4.4 Training Opportunity as a Construct of Reward System and its Relative Effect on Job Productivity

Training opportunities are a vital component of reward systems, significantly impacting job productivity. This literature review explores how training opportunities affect job productivity, with a focus on insights from Nigerian research. Training opportunities encompass various learning and development programs designed to enhance employees' skills, knowledge, and capabilities. Afolabi and Nwankwo (2016) found that training opportunities are crucial for enhancing job productivity, as employees who participate in training programs exhibit higher levels of competence and efficiency. Balogun (2017) also emphasizes the significance of training in improving job productivity, as it aligns with employees' job functions and career aspirations.

Training opportunities have a direct and positive impact on job productivity by equipping employees with necessary skills and knowledge. Eze (2015) found that training opportunities boost job productivity among academic staff in Nigerian private universities, while Ogunleye (2017) highlights that training programs contribute to increased job productivity by addressing skills gaps and providing up-to-date knowledge and techniques.

Nigerian research provides valuable insights into the relationship between training opportunities and job productivity. Ibrahim and Yusuf (2019) found that well-structured training opportunities lead to enhanced job performance and greater efficiency among academic staff, while Olowookere and Adeyemi (2014) highlight that training programs improve employees' skills, increase engagement and motivation, and lead to higher productivity levels. training opportunities are a crucial construct of reward systems, significantly impacting job productivity. Research highlights that effective training programs enhance employees' skills and knowledge, leading to improved performance and greater productivity. Nigerian literature underscores the importance of investing in training and development to foster a more capable and productive workforce.

2.2. Theoretical Review

2.2.1 Agency Theory

According to the agency theory, managers are obligated to design contracting arrangements that will create a congruence between employees' interests and the organizational objectives in a bid to avoid agency problems that would emanate from conflicts of interest between management and employees that would eventually breed agency costs (Carrasco-Hernandez & Sanchez-Marin, 2007; Eisenhardt, 1989; Fama & Jensen, 1983; Oyedijo, 2013; Adeoye, 2014). Employee compensation schemes are effective in aligning such interests centrally because they can incentivize employees to act in the best interests of the organization. Perkins and White (2008) rather proposed that it is the complexity and related transactional costs of monitoring employee behavior that affect the size of rewards. However, this is where transactional costs reduction becomes a concern in itself because interests of managers and employees have to be aligned. The contracts of employees and employers could either be behavior-oriented, such as merit pay, or outcome-oriented, such as stock options, profit sharing, and commissions. According to Erikson (2000), 'it is true that output can readily be observed by the firm but it has little information regarding the determinants of output such as worker effort, so the firm's problem is how best to design contracts based on easily observed output '. Eisenhardt (1989) further listed six other factors that may dictate the kind of contract an organization may utilize. These are: risk aversion, outcome uncertainty, job programmability, measurable job outcomes, ability to pay, and tradition. All these must be clearly communicated to ensure a successful principal agent relationship at the workplace. For example, if risk aversion is present, it does indeed mean that agents will always prefer relatively stable earnings, thus outcome-based contracts will be more expensive. Similarly, linking pay to profits is made costly by the uncertainty of outcomes, part of which is profit variability. Job programmability deals with the ease of monitoring task loads; therefore, less programmable jobs become difficult to monitor and may favour outcome-oriented contracts. Measurable job outcomes facilitate the use of outcome-oriented contracts; the ability to pay implies higher compensation costs due to the risk premium. Tradition shows historical use of outcome-oriented contracts, which influence the probability of their adoption (Tangthong 2010; Chukwuma 2015; Eze 2016). Perkins & White 2008 observed that pay rates may be set below market levels to start with, with the possibility of above-average remuneration on a performance basis. This policy motivates employees to remain with the organization long enough to obtain a full payback on their human capital investment, over time. Although agency theory has significantly guided the structuring of executive compensation packages, it is relatively less applied in the development of compensation at lower levels of the organizational hierarchy (Tangthong, 2010). Nevertheless, it offers a clear explanation of the well-settled relationship between fair compensation and job satisfaction among the organization's employees (Olusola, 2018). Applying agency theory to the study of reward systems and organizational performance, it is clear that a well-framed system of rewards would always be ideal in achieving superior performance. Good compensation packages, whether oriented towards behavior or outcome, should help to mitigate agency problems, reduce expenses, and finally lead to increased overall organizational efficiency. Viewed from another angle, an agency perspective of understanding the determinants of compensation contracts helps to provide a strong theoretical background in the exploration of reward systems and their role in organizational performance (Akinyemi, 2017).

2.2.2 Expectancy Theory

Expectancy theory points out to the employee's expectations at work and how those expectations can be met (Vroom, 1964). The expectancy theory sets out that motivation is a derivative of valence, instrumentality, and expectancy (Vroom, 1964). Motivation is a function of expectancy (the perceived linkage between effort and performance) and valence (the expected value of the outcome). These are the ways in which compensation systems influence these factors. In terms of expectancy, although pay systems differ in the extent to which they affect the perceived linkage of behaviours to pay, the valence of pay outcomes remains constant across different pay systems. (Perkins & White, 2008; Tangthong, 2010). This is because 'Perkins & White' (2008) argued that the informational signals of what one gets in relation to what one's counterparts are getting would make the individual more concerned and less about perceiving the contents of the reward received. In addition, there were different systems of compensation as well which influenced instrumentality; pay systems made the most effect on instrumentality, according to both 'Perkins & White', 2008 and 'Muguongo et al.'2015. According to Vroom (1964), there was perceived a relationship that existed between behaviour and rewards. The job satisfaction on the part of employees is directly proportional to the rewards existing in the jobs in terms of pay, consideration by supervisors, potential for promotion, good interpersonal relationships with co-workers, influence on decisions, and control over work pace (Gupta, 2003). The underlying assumption of the theory is that appropriate levels of effort and productivity will only be extended if employees' expectations are fulfilled. However, no static range of common expectations for all employees is assumed by the theory. Therefore, management must prove to employees that extra effort will reap commensurate rewards. The relation between effort and reward should not only be in terms of pay but a range of other extrinsic and intrinsic rewards (Faheem, Shuai, Muhammad & Mohsin, 2011). The reward system should have a favourable relationship between the pay packet size and the expended effort since money is the principle motivational factor for employees. Expectancy theory explains that motivation is a function of an individual's perception of their surroundings and the expectations built up as a result of this perception. The theory holds that the level of motivation will be a factor of the attractiveness of the desired reward. According to theories, employees may tend to engage more if they are convinced that it will lead to a valued reward. Therefore, for this motivation to function, the reward's value of money has to be attractive; and employees need to have trust that good performance is valued by their employer, and will lead to the expected reward (Vroom, 1964). Expectancy theory is employed to develop a linkage between rewards and behaviour (Muguongo et al., 2015). Rewards are considered in this research paper as pay for the performed task, and behaviour is perceived as the job satisfaction among the employees. Application of expectancy theory in reward systems and performance of an organization indicates that if employee expectations can be integrated with rewards, then organizational performance can be enriched. Adequate reward systems, whether monetary or otherwise, can help in the overall organizational efficiency by meeting employees' expectations and motivating them towards better performance (Adeoye, 2014; Akinyemi, 2017; Chukwuma, 2015; Eze, 2016; Olusola, 2018; Oyedijo, 2013).

2.2.3 Equity Theory

According to Adams (1963), equity theory states that individuals look at the "fairness of their outcomes following their choice of actions to satisfy their needs" (Adams, 1965). Employees feel either equitably rewarded, under-rewarded, or over-rewarded. If an individual perceives inequity, then he or she will act to reduce that inequity. It is a form of explanation to show how the perception of employees in terms of their contributions to the organization, what they get in return, and how their contribution-returns relate to other people in or outside of the organization influences their performance. It is an employee perception of equity in employment that determines employee performance. Their inputs are only fair if they are equivalent to perceived reward (Adams, 1965). Perceptions of inequity will make employees react in ways that help them restore equity (Tangthong, 2010; Redmond, 2010). According to Adams (1965), in the event that employees feel that they are being treated equitably within the work setting, they are satisfied with their jobs. On the other hand, if they feel they are inequitably treated, they become dissatisfied. White and Druker (2009) confirmed that equity theory is based on the assumption that people develop perceptions or judgments relative to others with whom they work in similar jobs under a pay progress system. The progression will generally be based on merit or appraisal, and employees will have the chance to make judgments if the outcomes for effort-reward are considered fair. Fair and just wages for all workers were being advocated at a relentless rate by these thinkers, and it is this theory that suggests that people compare their situations with others to make assessments about fairness. According to this theory, a person compares his or her ratio of perceived outcomes (O = pay, benefits, working conditions) to perceived inputs (I = effort, ability, experience) with the ratio of a comparison other (O = external inequity pay) (Adams, 1965). If P's ratio is smaller than the comparison with others' ratios, it results in under-reward inequity. This leads to over-reward inequity if P's ratio is larger, although evidence seems to imply that over-reward inequity is less likely to occur and less likely to be sustained because P can rationalize the situation by re-evaluating his or her inputs (self-worth) more favourably or outcomes less favourably (Adams, 1965). Gomez-Mejia, Berrone & Franco-Santos (2010) have argued that equity theory has dominated employees' compensation theory and practice. According to Odunlade (2012), the outcome of P's behaviour would mostly be determined by whether equity is perceived. If equity is perceived, P's attitude is unlikely to change. However, perceived inequity will cause P to restore equity through counterproductive ways such as: Reducing one's inputs (not working as hard), Increasing one's outcomes (e.g., through theft), and leaving the situation that generates perceived inequity (e.g., leaving the organization or refusing to work or cooperate with employees perceived as over-rewarded). Evans (1996) concluded that individuals want to be treated equitably in the workplace. If they are, they are contented with their jobs. If not, dissatisfaction occurs. When employees view the effort, they exert in their job as well as the sacrifices they make for an organization, they believe that there are certain outcomes that should be forthcoming from their work, namely an equitable salary and status in the organization and recognition for work conscientiously and effectively done. In applying the equity theory to the explanation of reward systems and organizational performance, however, it is seen that the perception of fairness in compensation would result in satisfaction in employees, which would cause further performance. An employee, thus, satisfied with his rewards—considering them as equitable to his efforts and other positions—shall be motivated to perform better. Appropriate reward systems need to ensure fairness in compensation for increasing organizational performance through retaining high employee satisfaction and decreasing turnover (Adeoye, 2014; Akinyemi, 2017; Chukwuma, 2015; Eze, 2016; Olusola)

2.3 Empirical Review

2.3.1 Reward system, Job Satisfaction and Organizational Commitment

Several empirical studies confirm that compensation improves employees' commitment, performance, motivation, and satisfaction (Faheem, Shuai, Muhammad & Mohsin, 2011). For instance, Silverthorne (1996) undertook an investigation on motivation and managerial styles in the public and private sectors. It was established that the motivational needs of the public and private sector employees are scarcely different from those of managers and non-managers. McIntyre, Bartle, Landis, and Dansby (2002) studied a causal hypothesis that USA military personnel's attitude regarding EO-related fairness would relate to their job satisfaction, organizational commitment, and perceptions of work group efficacy. This research found that perceptions of work group EO fairness are related to job satisfaction, organizational commitment, and perceived work group efficacy. Chee, Haddad and Singh (2007) reported an association of the use of nine human resource management practices in 46 United States hotels. Their research suggested that turnover intentions were largely significantly influenced by job satisfaction. Similarly, Falkenburg and Schyns (2007) noted that organizational commitment moderated the relationship between withdrawal behaviors to work and satisfaction when studied upon Dutch and Slovakian employees. Compensation exerts a significant influence, according to Dulebohn and Werling (2007), on the ability to motivate workers and to retain desired employees. Paik, Parboteeah, and Shim, 2007, relied on Equity Theory to investigate the impact of perceived compensation equity between host country workers and expatriates on job satisfaction and performance. The researchers observed in field surveys and based on in-depth interviews with Korean expatriates and Mexican workers the substantial negative effects of perceived compensation gaps on job satisfaction. Alfonso and Andres (2007) analyzed the effect of job satisfaction on labor turnover moderated by gender with the data from the first two waves of the Swiss Household Panel (1999 & 2000). They did find job satisfaction a useful predictor of future quits with gender significantly moderating the relationship between job satisfaction and turnover intentions. Deconinck and Bachmann (2007) examined the relationship among perceived pay fairness, job satisfaction, organizational commitment, and turnover intentions among marketing managerial personnel. This too came with the desired positive impact on perception of pay fairness and job satisfaction. Perception of pay fairness had a significant impact on all three organizational outcomes: sales management, reporting, and support and service. perceptions of equitable rewards. In the Nigerian context, Adeyinka et al. ay evaluated work motivation, job satisfaction, and organizational commitment among library personnel in academic and research libraries in Oyo State, Nigeria. Hundred and nine were younger. Thus, the design, a descriptive survey design employing total enumeration sampling, involved 200 employees. According to the analysis, perceived motivation has positive correlations both with job satisfaction and with commitment; further, its relationship with commitment is negative. Differences are noticed in the mean scores of the job satisfaction of the library personnel working with academic vis-a-vis research libraries, but an age-wise linkage with organizational commitment could not be revealed. Khalifa and Truong (2010) also found that there were many crucial predictors of job satisfaction. Job satisfaction was negatively related to turnover (Chee & Haddad, 2007; Alfonso & Andres, 2007; Wagner, 2007) and positively related to productivity (Keller & Julian, 1996; Neff, 2003). Khalid, Salim, and Loke (2011) examined the impact of rewards and motivation on job satisfaction among public and private water utility organizations in Malaysia. Through the models of perceived number of rewards, WPI and the JSS, the study found rewards as being positively related to motivation, which was a significant predictor of job satisfaction. As asserted by Sarwar and Abugre (2013), the perceived reward can positively affect job satisfaction and will, in many cases increases employee's productivity when the performance is enhanced. Muguongo, Muguna and Muriithi (2015) also studied the impact of compensation on job satisfaction among secondary teachers in Maara Sub-County, Tharaka-Nithi County in Kenya. From the study, basic pay, allowances, and work environment were found to be significant in accordance with job satisfaction. Rehman et al. (2010) studied the relationship between work rewards and job satisfaction in relation to moderating factors of age. They found that job rewards showed great determinants of job satisfaction in which extrinsic rewards have more association with job satisfaction than intrinsic rewards do. On the whole, empirical evidence corroborates the fact that reward systems significantly affect organizational performance by increasing employee motivation, satisfaction, and commitment. It is envisioned that an effective reward system to the extent of perceived fairness and equity remains very important in keeping a high level of employee morale and reducing turnover, thereby enhancing organizational performance in general. Adeoye, 2014; Akinyemi, 2017; Chukwuma, 2015; Eze, 2016; Olusola, 2018.

2.3.2 Reward system and Employees' work Performance

Many researchers have shown that there is a positive relationship between compensation and the performance at work of an employee. For instance, Blazovich (2013), Sopiah (2013), Mahmud (2012), Prasetya and Kato (2011), Khan (2010), and Pouliakas and Theodossiou (2009) discovered that compensation increases the job performance significantly. Oshagbemi (2000) found that satisfaction with the compensation package positively influences the employees' job performance. Heneman (2003) conducted a meta-analysis on 72 field studies and concluded that task performance was increased by 23% from monetary incentives, 17% for social recognition, and 10% for feedback. Added in total, these various forms of compensations enhanced job performance by 45%, showing how important compensation policies are in influencing employee and organizational performance.

In Nigerian context, Ajila and Abiola (2004) studied workers of the Central Bank of Nigeria, Abuja, and found that extrinsic rewards had a substantial impact on worker performance. Workers who felt they received inadequate rewards always performed poorly and showed less commitment. Roberts (2005) related rewards, recognition, and motivation by claiming that some changes in rewards and recognition can alter work motivation and satisfaction. Better rewards and recognition brought about more motivation and performance. This finding is consistent with the view of Mahender (2013) that increased rewards lead to higher productivity. Kominis and Emmanuel (2005) conducted a study on reward preferences and indicated that in most middle-level managers, there was an appreciation for intrinsic rewards more than extrinsic rewards. Most preferred a combination of intrinsic and extrinsic rewards, which was positively related to motivation and performance.

Ali and Ahmed (2009) conducted research to analyse the impacts of rewards management programs on performance. They state that changes in rewards and recognitions are able to influence work motivation and satisfaction; however, workers get to be the least motivated by rewards compared with other factors of job satisfaction. Ismail, Mashkuri, Sulaiman, and Hock (2011) conducted a study to examine the impact of pay-for-performance and interactional justice on job satisfaction. In their research, they found that interactional justice and sufficiency of pay was significantly related to job satisfaction and, therefore, the need for the equitable pay system.

Another researcher Nujjoo and Meyer (2012) conducted a study in South Africa which found that intrinsic rewards were significantly related to intrinsic motivation and affective commitment. Money rewards did not explain intrinsic variance in motivation. Julius and Olusegun (2012) also conducted research on the relationship between reward systems and job performance within Lagos State in the health sector of Nigeria. They found that employee remuneration determined macroeconomic variables, such as saving, consumption, and investment, which affected job performance. Agwu (2013) studied the relationship between reward systems that were perceived to be fair and job performance among Nigerian Agip Oil Company Limited employees. This study hinted that employee anticipated equitable returns for their efforts, and any perceived inequity may trigger dissatisfaction that in turn results in lowered input.

Sajuyigbe, Olaoye, and Adeyemi (2013) substantiated this by asserting that pay exerted a significant influence on the extent of job satisfaction and performance among Nigerian employees. More so, equitable and uniform compensation packages positively influenced the performances of employees and those of organizations. Oyebamiji, Kareem, and Ayeni (2013) found that the dimensions of job satisfaction had an impact on the employees' job performance in SMEs in Ibadan, Nigeria. They indicated that job satisfaction dimensions significantly affected job performance, so they could be used as policy tools to enhance job performance and reduce turnover. Yamoah (2014) conducted an exploratory analysis of compensation and job satisfaction and reported that overall, there is no significant relationship between compensation and job satisfaction. However, career development and job security issues were powerful predictors of satisfaction with the job.

In summary, empirical findings show that effective reward systems have a high contribution to organizational performance by motivating, satisfying, and committing employees. The desire for just and fair compensation programs is critical to strengthening both employee morale and organizational outcomes (Akinyemi, 2017; Chukwuma, 2015; Eze, 2016; Olusola, 2018; Oyedijo, 2013).

2.3.3 Reward system and Retention

Keeping good employees is fundamental to operating a successful business. Retaining strategies by providing this assurance at the outset can save companies two things: expensive training costs and a well-greased, properly functioning workforce (Mahender, 2013). In a related study, Omolayo and Owolabi (2007) examined monetary rewards as an antecedent of employee commitment in medium-scale organizations. CotopacoAgatep (2011) investigated transformational leadership as a predictor of organizational culture at the tertiary education level. In fact, their research of 160 employees (85 males/75 females) shows that the introduction of monetary rewards influenced employee commitment across genders - irrespective of being a new joiner or an experienced worker and holding educational degrees.

To this end, Scott, McMullen & Bowbin (2010) performed an explanatory survey in order to study the influence of rewards on employee motivation. According to their research, total rewards structures and programs are predictive of employee engagement. The organizations that provide incentive programs and which invite managers to deal with their own performance criteria are better at inculcating motivation, encouragement from the employee side (Mahender 2013).

In an empirical scenario, Odunlade (2012) conducted a study on managing employee compensation and the benefits of job satisfaction in libraries and information centers, Nigeria. There was a powerful link between compensation for employees and overall satisfaction, with 66.75 percent of participants satisfied with their salaries across departments. Also, the desire for overtime/shifting allowances was expressed by 68.6%, and hazard allowance was suggested to be included left unhindered in the response of 83.3%.

Study by Kooij et al. (2020) explored the relationship between reward systems and employee performance in various sectors. They found that performance-based rewards, including bonuses and promotions, significantly enhance employee productivity and job satisfaction. This study emphasizes the importance of performance-based rewards. However, the assumption of a fair and transparent reward distribution process might not hold in the Nigerian context. Adaptations to ensure transparency and fairness are essential for similar results in Nigeria.

Owusu-Boateng and Koomson (2020) examined how intrinsic rewards affect employee motivation and performance in Ghanaian manufacturing firms. Their findings indicate that intrinsic rewards like recognition and career development opportunities significantly boost employee performance. While the study's context is Ghana, the cultural similarities to Nigeria make its findings relevant. It highlights the need for non-monetary rewards in enhancing performance. However, the specific challenges of the Nigerian manufacturing sector should be considered when applying these insights.

Nda and Fard (2020) investigated the impact of reward systems on employee retention and performance in Nigerian public service. They found that both financial and non-financial rewards play a crucial role in improving employee retention and performance. This study is directly relevant to the Nigerian context, offering valuable insights into the public service sector. The emphasis on both types of rewards aligns with the need for a balanced reward system. However, the findings may need to be adapted for other sectors within Nigeria.

Al-Dalahmeh et al. (2020) studied the impact of reward systems on employee performance in the IT industry in Jordan. They found that competitive salaries, bonuses, and professional development opportunities significantly enhance employee performance. The IT industry in Jordan shares some similarities with Nigeria, such as a growing tech sector. This study underscores the importance of competitive financial rewards and professional growth opportunities. However, the specific economic conditions and tech industry dynamics in Nigeria should be considered.

Aguinis and Burgi-Tian (2020) explored the role of strategic reward systems in enhancing organizational performance. Their research highlights that reward systems aligned with organizational goals and employee values lead to improved performance and job satisfaction. The strategic alignment of rewards with organizational goals is crucial for maximizing performance. For Nigerian organizations, this means designing reward systems that reflect both organizational objectives and cultural values. However, implementing such alignment may face challenges related to organizational structure and culture.

Oluwaseun and Afolabi (2020) investigated the impact of reward systems on employee performance in Nigerian universities. They found that both monetary and non-monetary rewards significantly influence academic staff performance and job satisfaction. This study provides relevant insights for the Nigerian education sector, highlighting the effectiveness of a balanced reward system. It underscores the importance of addressing both financial and non-financial needs of employees. However, the findings may not be directly applicable to other sectors without adaptation.

Akhtar et al. (2020) examined the effects of reward systems on employee performance in the healthcare sector in Pakistan. Their findings indicate that comprehensive reward systems, including financial incentives, career development, and work-life balance, significantly enhance employee performance. The healthcare context in Pakistan offers valuable parallels to Nigeria, particularly in terms of resource constraints and workforce challenges. This study highlights the importance of a holistic approach to rewards. However, the unique challenges of the Nigerian healthcare system should be considered when applying these insights.

The findings from these studies collectively suggest that well-designed reward systems are crucial for enhancing organizational performance. For Nigerian organizations, it is essential to:

i) **Balance Financial and Non-Financial Rewards:** Studies like those by Nda and Fard (2020) and Oluwaseun and Afolabi (2020) highlight the need for a balanced reward system that includes both financial and non-financial incentives to boost employee motivation and performance.

ii) **Ensure Fairness and Transparency:** As indicated by Kooij et al. (2020), the effectiveness of performance-based rewards relies heavily on a fair and transparent distribution process, which is crucial for maintaining employee trust and motivation.

iii) **Align Rewards with Strategic Goals:** Aguinis and Burgi-Tian (2020) emphasize the importance of aligning reward systems with organizational goals. This strategic alignment ensures that rewards promote behaviours and outcomes that are in line with organizational objectives.

iv) **Adapt to Sector-Specific Needs:** Studies like those by Al-Dalahmeh et al. (2020) and Akhtar et al. (2020) suggest that reward systems should be tailored to the specific needs and challenges of different sectors. For Nigerian organizations, this means considering the unique dynamics and constraints of each sector.

v) **Consider Cultural and Economic Contexts:** The cultural and economic context of Nigeria, as discussed in studies like Owusu-Boateng and Koomson (2020), should be taken into account when designing reward systems to ensure their effectiveness.

Empirical evidence from recent studies suggests that effective reward systems can significantly enhance organizational performance. For Nigerian organizations, it is crucial to design reward systems that balance financial and non-financial incentives, ensure fairness and transparency, align with strategic goals, adapt to sector-specific needs, and consider the local cultural and economic contexts. By doing so, Nigerian organizations can improve employee motivation, productivity, and overall performance.

CHAPTER THREE

METHODOLOGY

3.0 Preamble

This chapter will focus on the methodology for collecting, classifying, summarizing, coding and analyzing the required data as well as the methods that will be employ to achieve the stated specific objectives of the study. The chapter include the following sub-headings: research philosophy, research design, population of the study, sample size and sampling procedure, method of data collection, validity and reliability of instrument, method of data analysis and statement of ethical consideration.

3.1 Research Philosophy Underpinning the Study

The five major philosophies in business and management are positivism, critical realism, interpretivism, postmodernism, and pragmatism. This study adopts the positivist research philosophy. The researcher prefers the positivist view primarily because it seeks to quantify qualitative data. The data collected from the management and staff of the selected hotels will be gathered using closed-ended questionnaires.

Additionally, the study will embrace epistemology and adopt a positivist research philosophy. Epistemology is relevant because the study aims to understand how knowledge on reward system and its relative effect on organization performance is acquired (Crotty, 1998; Daniel, 2016). Specifically, the researcher developed knowledge about the effect of reward system dimensions on organization performance, with particular reference to Thomas Adewumi University. The positivist research approach typically employs both surveys and quantitative techniques of statistical analysis (Williams, 2007), which this study employed to explore the relationship between independent and dependent variables. The study follows the positivist paradigm as it is empirical in nature, focusing on observable and measurable phenomena. It is based on testable hypotheses and deductive reasoning. However, it also incorporates elements of the post-positivist paradigm, recognizing that all observations are fallible and subject to error, and all theories are subject to revision. While it acknowledges that it is challenging to know reality with certainty, the goal is to approximate reality as closely as possible through scientific inquiry. Epistemologically, the study adopts a qualitative research methodology where the researcher remains detached and unbiased, aiming for objectivity in studying the phenomena.

3.2 Research Design

The cross-sectional survey research design will be employed for this study. According to Babbie (2017), a cross-sectional study is best suited for studies aimed at determining the prevalence of a phenomenon, situation, problem, attitude, or issue by examining a cross-section of the population at a single point in time. Cross-sectional studies are useful for obtaining an overall snapshot of the situation as it stands during the period of the study. This feature is particularly relevant to this study because the data were collected in a single time period, not in stages. The survey was conducted using a questionnaire to gather the necessary data from the selected population.

3.3 Population of the Study

A population is generally a large collection of individuals or objects that is the main focus of a scientific query (Saunders *et al.,* 2017). The study population for this research comprises one hundred and twenty-eight academic and non-academic staff of the institution. This comprises of eighty academic and forty-eight non-academic staff of Thomas Adewumi University.

3.4 Sample Size and Sampling Technique

A sample is a subset of a population (Zikmund *et al.,* 2010). This study employed the random sampling method which gives each of the respondent equal chance of being represented in the study. The sample size will be computed using Taro Yamane's (1967) formula for sample selection, as shown below:

$$n = \frac{N}{1+N(e)^2}$$

Where:

n = sample size

N = Population size = 128

e = error of margin of significance = 5% = 0.05 on the basis of 95% confidence level)

Therefore:

$$n = \frac{128}{1+128(0.05)^2}=97$$

Thus, the sample size was approximately 97 academic and non-academic staff. However, due to the typically low response rates in survey studies, it is crucial for researchers to take measures to reduce non-response rates in order to address the potential non-response error, which can often invalidate research. Thus, to reduce the non-response rate, this study adhered to Salkind’s recommendation for adjusting sample size, a method commonly used in management research (Bartlett, Kotrlik & Higgins, 2001). Salkind suggests increasing the sample size by 5 percent upward to account for lost questionnaires and uncooperative subjects. Therefore, in this study, the sample size was increased by 5 percent, making the total sample including attrition equal 102. Simple random sampling method was employed to ensure that each staff had equal chance of being represented in the sample.

3.5 Method of Data Collection

The collection of primary data was done using a close-ended questionnaire. The questionnaire was structured into two main parts. The first part focused on the demographic characteristics of the respondents, while the second part contained questions related to the dimensions of reward system and their effect organization. These questions were designed to provide basic answers to the research questions in line with the specific objectives. A five-point Likert-type rating scale will be used to enable respondents to give their opinions on the items in the questionnaire. The scale will be graded as follows:

Five Points	**Scale**	**Code**
Strongly Agree	**SA**	**5**
Agree	**A**	**4**
Undecided	**UN**	**3**
Disagreed	**D**	**2**
Strongly Disagreed	**SD**	**1**

A Likert scale is a rating scale used to assess the opinions, perception, attitudes or behaviour of respondents (Abidinet *et al.,* 2020). It allows the respondents to express the extent to which they agree or disagree with a particular statement (Oktaviani and Mandasari, 2020).

3.6 Method of Data Analysis

Descriptive and inferential statistical analyses were employed to present and analyze the data collected from the field of study, using the IBM Statistical Package for Social Sciences (IBM SPSS version 27.0). To determine the effect of the independent variables on the dependent variables, the formulated hypotheses were tested using regression and correlation analysis.

Specifically, the data were analyzed using these analytical tools to ascertain the extent to which dimensions of reward system influence organization performance. Descriptive statistics were help to provide an overview of the demographic characteristics and general responses, while inferential statistics, through regression and correlation analyses, enable the examination of relationships and impact between reward system and organization performance.

3.7 Validity and Reliability of the Instrument

The reliability of the research instrument (questionnaire) follows a statistical approach to ensure that the questions reliably measure the same variable consistently. A reliability test is essential to determine if the questionnaire items consistently measure the intended variables. This research adopts Cronbach's Alpha (α) test as the reliability test, following the guidance of Tavakol and Dennick (2011).

Cronbach's alpha, α (or coefficient alpha), developed by Lee Cronbach in 1951, measure's reliability or internal consistency. This test evaluates whether multiple-question Likert scale surveys are reliable, focusing on latent variables, hidden or unobservable variables that are challenging to measure in real life. Cronbach's alpha assesses whether the test designed accurately measures the variable of interest.

By calculating Cronbach's alpha, the study determines the internal consistency of the questionnaire items, ensuring that the instrument reliably captures the dimensions of reward system and their impact on organizational performance.

3.8 Ethical Consideration

This study adhered to established ethical standards in management sciences, ensuring that the outcomes are treated as purely academic work and pose no threat to participants. None of the respondents was coerced into providing information against their will. Confidentiality and anonymity of the respondents was maintained, as no names or other personal details was required on the questionnaire. To further ensure confidentiality, the information provided was to be used solely for the purpose of this study.

Additionally, ethical clearance to conduct the study was obtained from the University Ethical Committee. The findings of the study would be disseminated to the public through publication in both local and international journals. This approach would ensure that the research is conducted responsibly and that the results contribute to the broader academic community while respecting the rights and privacy of the respondents.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETAION

4.0 Preamble

The main emphasis of any empirical study is on the analysis of data for the achievement of research objectives. This chapter presented and analyzed the data collected from the field of study. The data were presented and analyzed using descriptive statistical tools and frequency distribution analysis (percentage count) while the hypotheses formulated for the study were tested using regression analysis and correlation analysis. The chapter is divided into three main sections. The first section used a cross-tabulation to analyze and described the socio-demographic characteristics of the respondents as well as the descriptive analysis of the items. The second section portrayed the test of hypotheses, while the last section focused on the discussion of findings coupled with managerial implications.

4.1 Analysis of Response Rate of Administered Questionnaire

Table 4.1 Response Rate

	Frequency	Percent
Returned	92	85.19
Non-returned	16	15.81
Total	108	100.0

Source: Field Survey, 2024

The responses to the questionnaires administered as depicted in table 4.1.1 revealed that a total of four hundred (108) copies of questionnaire were administered, three ninety-two (92) copies of the questionnaire representing 85.19% were returned and considered suitable for the study. This implies that majority of the respondents positively responded to the questionnaire, making it relevant for the study.

4.2 Analysis of Respondents Demographic Data

This section summarises the frequency distribution of respondents on different demographic items as shown in tables and bar graphs below. Scholars had averred that employees' demographic characteristics influence their job satisfaction (DeVane & Sandy, 2003). Therefore, the analysis of employees' demographic characteristics were presented below:

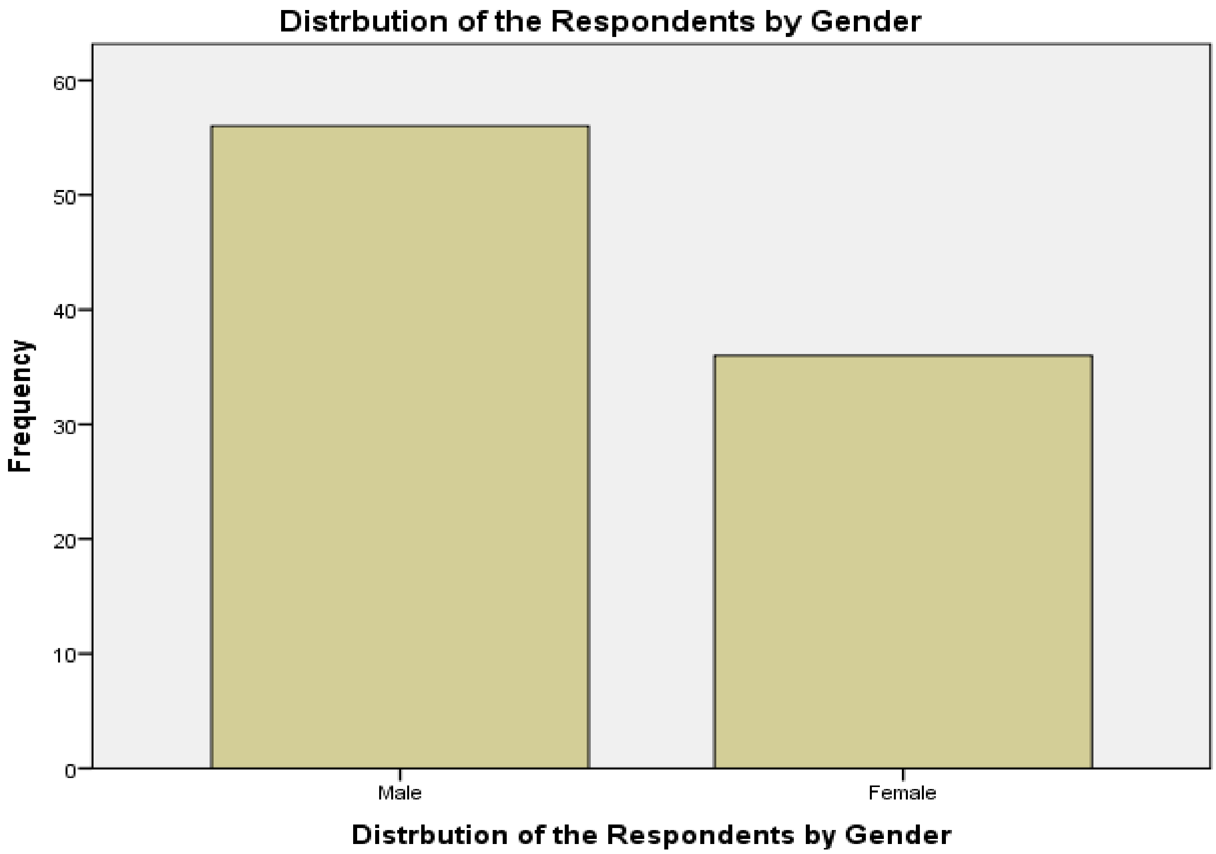


Figure 4.1: Distribution of the Respondent by Gender
Source: Field Survey, 2024

Table 4.2.1 Distribution of the Respondent by Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	56	60.9	60.9	60.9
	Female	36	39.1	39.1	100.0
	Total	92	100.0	100.0	

Source: Field Survey, 2024

Table 4.2.1 and figure 1 revealed the distribution of respondents by gender which indicates that majority were males with 60.9% (56) of the total percentage while females constitute 39.1% (36)

of the total respondents. This connotes that the institution has more male staff than females and they should therefore focus more of their reward system and programs on male so as to ensure that most of their staff are satisfied.

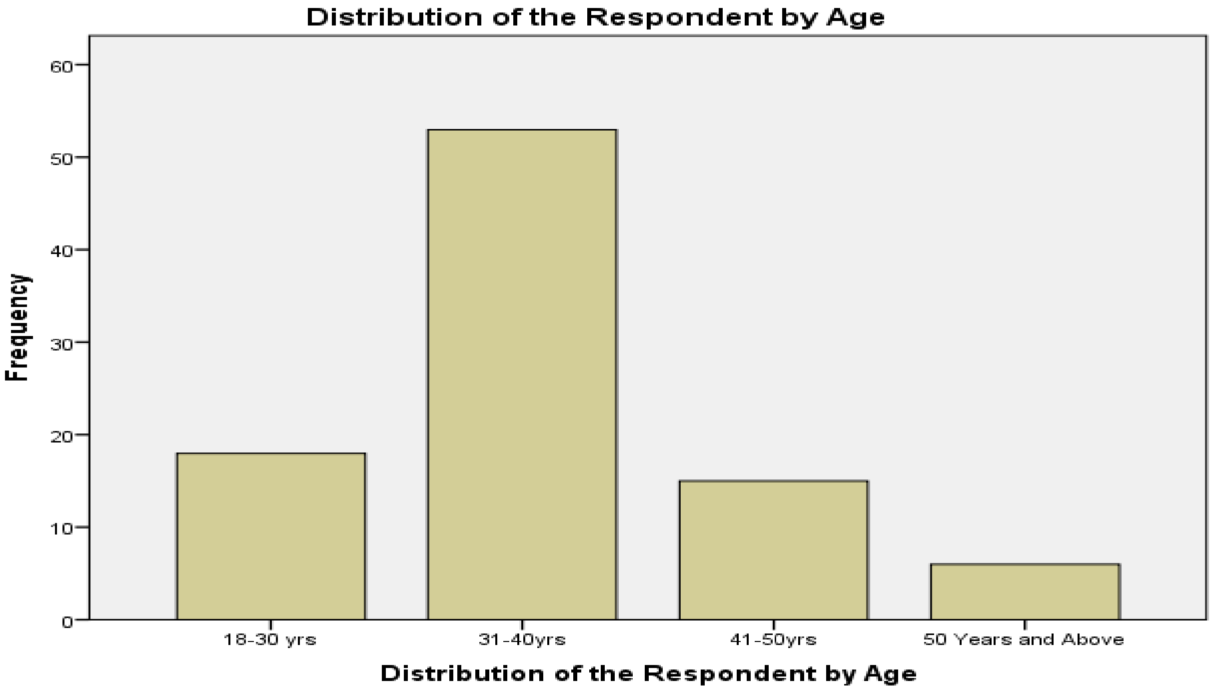


Figure 2: Distribution of the Respondent by Age
Source: Field Survey, 2024

Table 4.2.2 Distribution of the Respondent by Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30 yrs	18	19.6	19.6	19.6
	31-40yrs	53	57.6	57.6	77.2
	41-50yrs	15	16.3	16.3	93.5
	50 Years and Above	6	6.5	6.5	100.0
	Total	92	100.0	100.0	

Source: Field Survey, 2024

The age distribution in table 4.2.2 and figure 2 indicate that 19.6% (18) were within the age range of 18-30 years of age; 57.6% (53) were 31 to 40 years; 16.3% (15) were 41-50 years; while 6.5% (6) of the respondents were 50 and above years of age. This implies that majority of the respondents were young and mature adults and they were economically active, which implies that the staff would actually understand and appreciate the value of reward system and its impact on employee performance as core concepts underpinning this study.

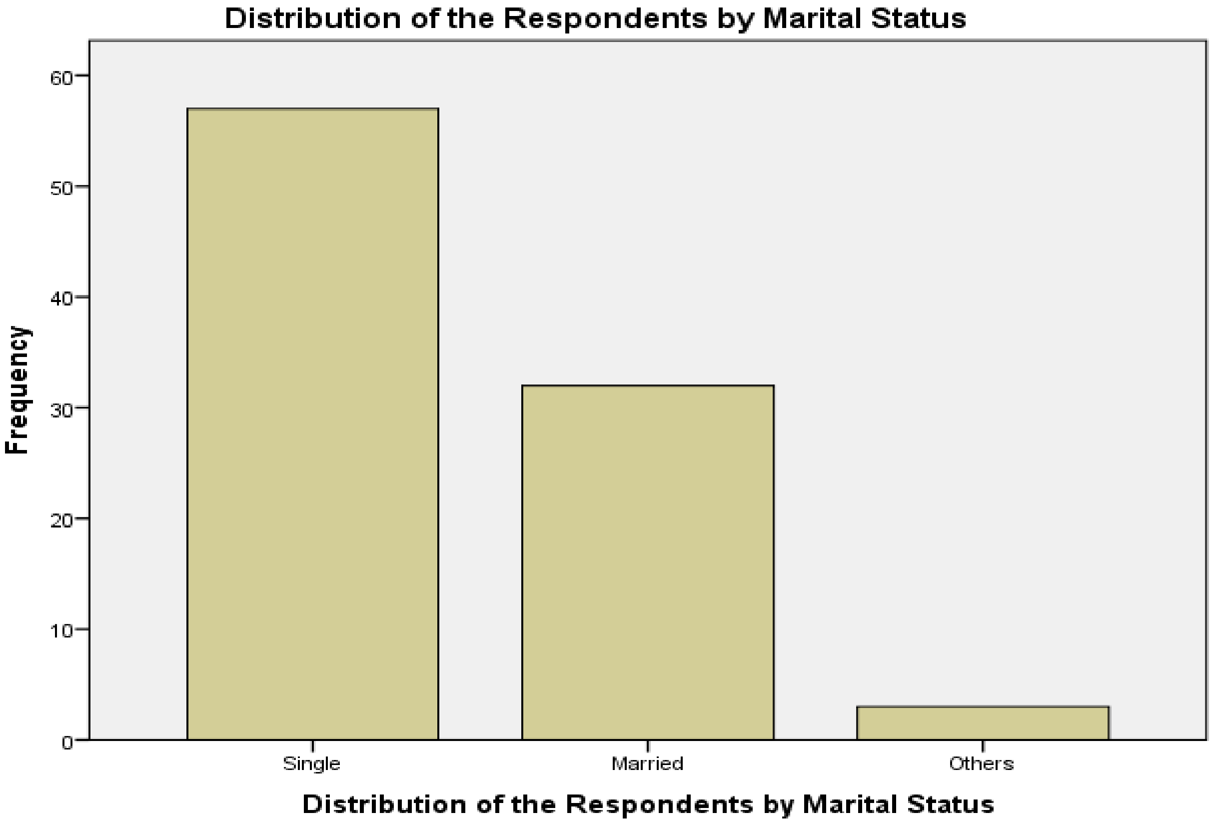


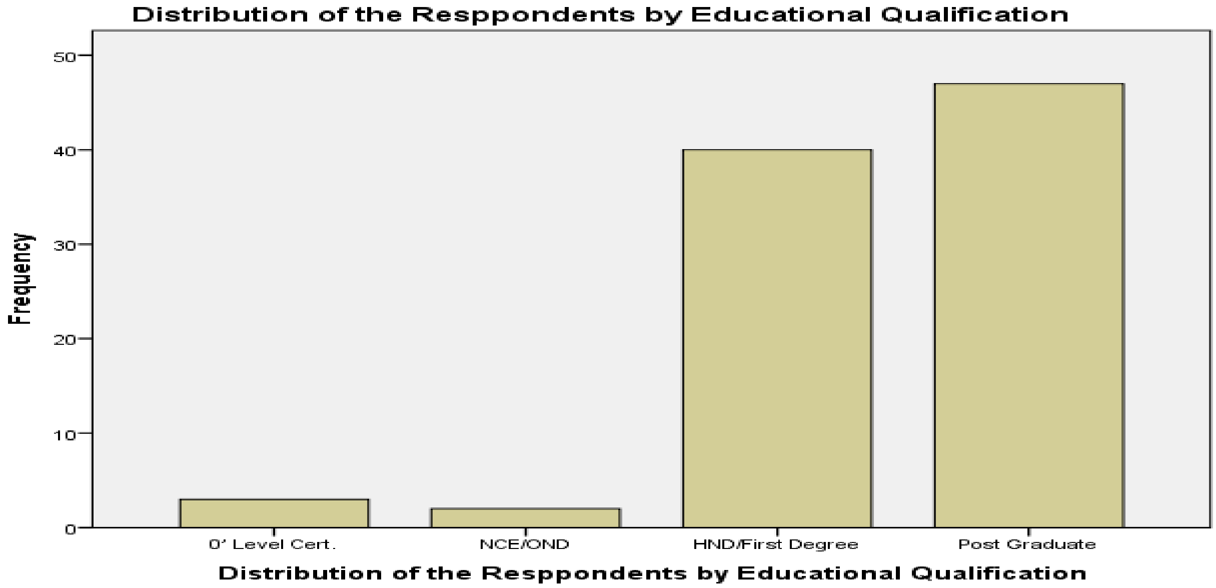
Figure 3: Distribution of the Respondents by Marital Status
Source: Field Survey, 2024

Table 4.2.3 Distribution of the Respondents by Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	57	62.0	62.0	62.0
	Married	32	34.8	34.8	96.7
	Others	3	3.3	3.3	100.0
	Total	92	100.0	100.0	

Source: Field Survey, 2024

Distribution by marital status as shown in table 4.2.3 and figure 3 revealed that 62.0% (57) were singles; 34.8% (32) which made up the majority were married; 3.3% (3) of the respondents belong to other categories not specified. This implies that majority of the staff were singles and they would react more proportional to level of satisfaction derived in the reward for the services.



Source: Field Survey, 2024

Figure 4: Distribution of the Respondents by Highest Level of Education Achieved

Table 4.2.4 Distribution of the Respondents by Highest Level of Education Achieved

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0' Level Cert.	3	3.3	3.3	3.3
	NCE/OND	2	2.2	2.2	5.4
	HND/First Degree	40	43.5	43.5	48.9
	Post Graduate	47	51.1	51.1	100.0
	Total	92	100.0	100.0	

Source: Field Survey, 2024

The distribution by level of educational qualification shows that 3.3% (3) had secondary school certificate or its equivalent; 2.2% (2) had National Diploma/NCE or its equivalent; 43.5% (40) had HND/Bachelor's degree or its equivalent; and 51.1% (47) which constitutes majority of the respondents had postgraduate certificate. This implies that majority of the respondents were educated and appropriately qualified to respond to the questions related to issues relating to under discourse.

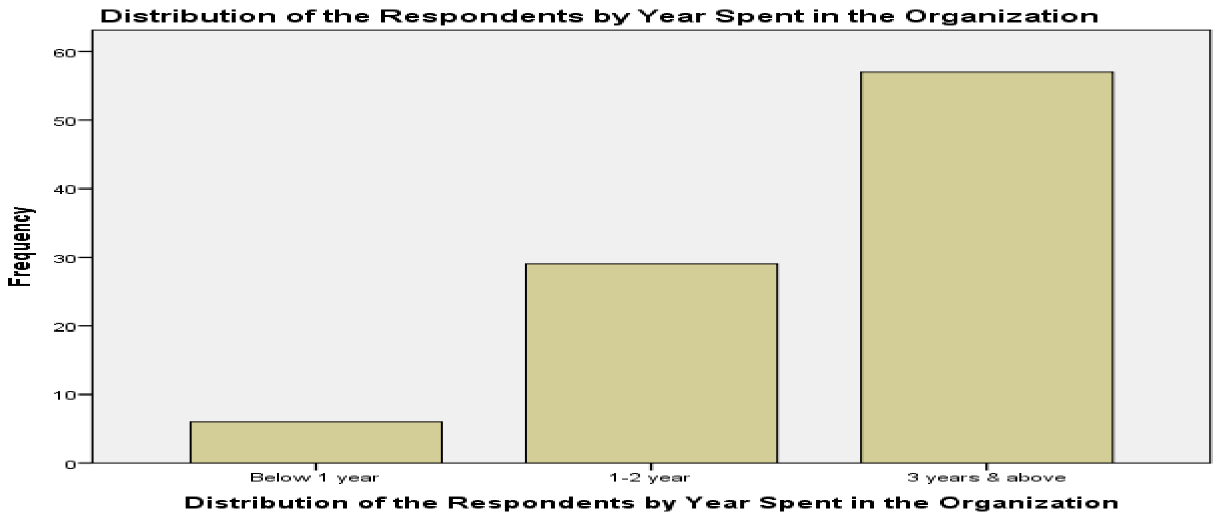


Figure 5: Distribution of the Respondents by Year Spent

Source: Field Survey, 2024

Table 4.2.5 Distribution of the Respondents by Year Spent in the Organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1 year	6	6.5	6.5	6.5
	1-2 year	29	31.5	31.5	38.0
	3 years & above	57	62.0	62.0	100.0
	Total	92	100.0	100.0	

Source: Field Survey, 2024

Distribution of the respondents by year spent in the organization posits that 6.5% (6) of the respondents have spent less than a year; 31.5% (29) have spent between 1 to 2 years; and 62.0% (57) have spent 3 years and above. This implies that the majority of the respondents have spent considerable amount of years with the institution since the institution itself is barely above 3 years.

The inference from the demographic characteristics of the respondents is that they cut across various age bracket, gender, marital and social status of the country, which helped the study gain heterogeneous perspectives on issues bordering on reward system in enhancing performance of university. The institution must therefore clearly perceive and understand the unique needs of these diverse staff and tailor their performance improvement programs towards those needs.

4.3 Descriptive Statistical Analysis of Items on Constructs of Reward System and Performance Criteria.

The goal of the descriptive statistics measurement, such as the mean value, standard variation, Skewness and Kurtosis, etc is to determine the statistical significance of the items on the instrument (questionnaire). The Likert scale, often known as the five-point interval scale, was used to assess items in the questionnaire. The instrument was constructed using five interval scale constructs on the scale of 1 to 5, representing strongly disagree to strongly agree; with 1 indicating Strongly Disagree (SA), 2 indicating Disagree (D), 3 indicating Neutral (N), 4 indicating Agree (A), and 5 indicating Strongly Agree (SA). The current study sought to assess information related to reward system and university performance criteria. Table 4.3.1 gives highlights of the trend of the participants' responses. Notably, the most commonly descriptive statistics measurement in management and social sciences are measures of central tendency, measures of variability around the mean, measures of deviation from normality, and information concerning the spread of the distribution (Wiedermann, Hagmann & von Eye, 2015; George & Mallery, 2010).

The commonest used measure of central tendency is the mean, which is the measure of the average value of the data set (Sekaran & Bougie, 2010), while the most commonly measure of deviation is the standard deviation, derived from the square root of the variance, which is a measure of dispersion that offers an indicator of variability in the data collection. Thus, the mean and standard deviation are two of the most important descriptive statistics for data. Accordingly, a score of less than 2.33 is considered low for mean, 2.33 to 3.67 is considered moderate, and 3.67 and above is considered high (George & Mallery, 2010; James, 2021). Moreover, skewness and kurtosis are the commonest means of testing for data normality. Skewness is perceived as a representation of the extent to which a given distribution varies from a normal distribution (James, 2021), depicting the degree of asymmetry observed in a probability distribution. Thus, the general rule is that if either of these values for skewness are less than +/-1 to +/-2, then the skewness for the distribution is not outside the range of normality, so the distribution can be considered normal; if the values are greater than +/-1 to +/-2, then the skewness or kurtosis for the distribution is outside the range of normality, so the distribution cannot be considered normal (George & Mallery, 2010). On the other hand, Kurtosis, which is a measure of the "peakedness" or "flatness" of a distribution, assumes that a kurtosis value near zero indicates a shape close to normal; a negative value indicates a distribution which is more peaked than normal, and a positive kurtosis indicates a shape flatter than normal. Thus, a kurtosis value of +/-1 or +/-2 is considered very appropriate for the study (George & Mallery, 2010; Streiner & Norman, 1995)

Table 4.3.1 Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
BaPay	92	4.58	.917	-2.636	.251	2.891	.498
ReReg	92	4.30	1.229	-1.840	.251	2.242	.498
PrOpp	92	4.12	1.265	-1.361	.251	.690	.498
TrOpp	92	4.11	1.253	-1.237	.251	.268	.498
JoCom	92	3.76	1.386	-.774	.251	-.757	.498
EmTur	92	4.08	1.188	-1.275	.251	.800	.498
EmRet	92	3.82	1.406	-.973	.251	-.385	.498
JoPrd	92	3.73	1.468	-.877	.251	-.640	.498
Valid N (listwise)	92						

Field Study, 2024

Table 4.3.1 depicts the summary of descriptive statistics in respect to reward system dimensions and performance criteria as independent and dependent variables included in the study. The table depict that the Mean and Standard Deviation values for the eight items (BaPay, ReReg, PrOpp, TrOpp, JoCom, EmTu,r EmRet, & JoPrd) representing basic pay, reward and recognition, promotion opportunity, training opportunity, employee job commitment, employee turnover, employee retention, and job productivity criterion were within the statistical acceptable range. The mean and standard deviation for the items basic pay (BaPay), reward and recognition (ReReg), promotion opportunity (PrOpp), training opportunity (TrOpp), employee job commitment (JoCom), employee turnover (EmTur), employee retention (EmRet) and job productivity (JoPrd) were 4.58 & 0.917; 4.30 & 1.229; 4.12 & 1.265; 4.11 & 1.253; 3.76 & 1.386; 4.08 & 1.188; 3.82 & 1.406 and 3.73 &1.468 respectively. This posits that the means for all items were greater than the standard deviation thereby they were within the statistically acceptable benchmark.

Moreover, the reported Skewness and Kurtosis for basic pay (BaPay), reward and recognition (ReReg), promotion opportunity (PrOpp), training opportunity (TrOpp), employee job commitment (JoCom), employee turnover (EmTur), employee retention (EmRet) and job productivity (JoPrd) were -2.636 & 2.891; -1.840 & 2.242; -1.361 & 0.690; -1.237 & .268; -.774 & -0.757; -1.275 & 0.800, -0.973 & -0.385 and -0.877 & -0.640 respectively. These posit that Skewness and Kurtosis for the values were not outside the range of normality, so the distribution of the values was considered to be statistically appropriate for the study.

4.4 Test of Hypotheses

The four formulated hypotheses were tested using regression and correlation analysis to examine the relative relationship and effect of independent variable(s) on the dependent variable.

4.4.1 Test of Hypothesis One

H01: Basic pay has no significant effect on employee job commitment.

Regression analysis was the instrument used to test this hypothesis as shown in table 4.4.1-4.4.3.

Table 4.4.1 Regression Model Summary of Effect of Basic pay on Employee Job Commitment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793[a]	.629	.625	.849

a. Predictors: (Constant), BaPay

Source: Author's Computation, SPSS 27.0, 2024

The model summary as shown in table 4.4.1 posits that basic pay as a construct of reward system is a positive and significant predictor of University performance in Thomas Adewumi University in Nigeria. The correlation coefficient (R) value of 0.793 (79.3%) signifies that there is positive significant relationship between basic pay (BaPay) as a construct of reward system and employee job commitment (JoCom) in Thomas Adewumi University in Nigeria. The table equally confirmed that the coefficient of determination, R-square value of 0.629 (62.9%) suggests that basic pay (BaPay) as a construct of reward system accounted for 62.9% when determining employee job commitment (JoCom) in Thomas Adewumi University in Nigeria, while the remaining 37.1% was accounted for by exogenous variables not included in the model. It also depicts that 62.9% variability change in employee job commitment (JoCom) in Thomas Adewumi University in Nigeria is explained by a unit change in basic pay (BaPay) as a construct of reward system, while other factors which accounted for the remaining 37.1% were not captured in the model specification of the study.

Furthermore, the adjusted R^2 value of 0.625 (62.5%) established that basic pay (BaPay) as a construct of reward system actually contribute to variation in the level of employee job commitment (JoCom) in Thomas Adewumi University in Nigeria. This is good enough in determining the goodness of fit for the model and for making predictions.

Table 4.4.2 Analysis of Variance (ANOVAa) of Mean, F-statistics and Significant Value

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	109.904	1	109.904	152.563	.000[b]
	Residual	64.835	90	.720		
	Total	174.739	91			

a. Dependent Variable: JoCom
b. Predictors: (Constant), BaPay

Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.2 described the overall diagnostic test of significant using Analysis of Variance (ANOVA) between basic pay (BaPay) as a construct of reward system and employee job commitment (JoCom) in Thomas Adewumi University in Nigeria. The ANOVA results for regression coefficients indicate that the significant value of the F-statistics at F=152.563>F-table=3.84 at a degree of freedom of (1, 90) with p-value< 0.05. This posits basic pay (BaPay) as a construct of reward system significantly influence employee job commitment (JoCom) in Thomas Adewumi University in Nigeria and therefore represent a good fit for the model. Thus, the F-statistics value of 152.563 with the probability value of 0.000 posits that the independent variable (explorative) of basic pay explained the variations in the dependent variable in term of employee job commitment (JoCom) in Thomas Adewumi University in Nigeria at 95% confidence level.

Table 4.4.3 Regression Coefficientsa of Beta and t-test statistics

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.725	.453		-3.809	.027
	BaPay	1.199	.097	.793	12.352	.000

a. Dependent Variable: JoCom

Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.3 reveals that the coefficient value for basic pay (BaPay) as a construct of reward system positively and significantly influences employee job commitment (JoCom) in Thomas Adewumi University in Nigeria. As shown in the table, employee job commitment (JoCom) in Thomas Adewumi University in Nigeria would be negative and equal to -1.725 when all other variables were constant. It would increase by 1.199 when there is a unit increase in basic pay (BaPay) as a construct of reward system.

Furthermore, the table depict that the beta coefficient in respect to basic pay (BaPay) as a construct of reward system was 1.199 with t-test value of 12.352 and p<0.005 at 5% level of significance. This posits that basic pay (BaPay) as a construct of reward system is a positive and significant predictor of employee job commitment (JoCom) in Thomas Adewumi University in Nigeria. Thus, it therefore becomes obvious that basic pay (BaPay) as a construct of reward system has significant and positive impact on employee job commitment (JoCom) in Thomas

Adewumi University in Nigeria. This is because the coefficient of trend analysis were β=1.199 and t-test 12.352 was significant at 5%. Therefore, the study rejected the null hypothesis and accepted the alternative hypothesis which established that basic pay (BaPay) as a construct of reward system has positive significant effect on employee job commitment (JoCom) in Thomas Adewumi University in Nigeria at 95% level of confidence.

4.4.2 Test of Hypothesis Two

H02: Reward and Recognition have no significant effect on employee turnover.

Regression analysis was the instrument used to test this hypothesis as shown in table 4.4.4-4.4.6.

Table 4.4.4 Regression Model Summary of Effect of Reward and Recognition on Employee Turnover

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588[a]	.346	.345	1.043

a. Predictors: (Constant), ReReg

Source: Author's Computation, SPSS 27.0, 2024

The model summary as shown in table 4.4.4 posits that reward and recognition (ReReg) as a construct of reward system is a positive and significant predictor of university performance in Thomas Adewumi University in Nigeria. The correlation coefficient (R) value of 0.588 (58.8%) signifies that there is positive significant relationship between reward and recognition (ReReg) as a construct of reward system and employee turnover (EmTur) in Thomas Adewumi University in Nigeria. The table equally confirmed that the coefficient of determination, R-square value of 0.346 (34.6%) suggests that reward and recognition (ReReg) as a construct of reward system accounted for 34.6% when determining employee turnover (EmTur) in Thomas Adewumi University in Nigeria. It also depicts that 34.6% variability change in employee turnover (EmTur) in Thomas Adewumi University in Nigeria is explained by a unit change in reward and recognition (ReReg) as a construct of reward system, while other factors were not captured in the model specification of the study. It shows that reward and recognition (ReReg) as a construct of reward system is a moderate predictor of employee turnover (EmTur) in Thomas Adewumi University in Nigeria.

Furthermore, the adjusted R^2 value of 0.345 (34.5%) established that reward and recognition (ReReg) as a construct of reward system actually contribute to variation in the level of employee turnover (EmTur) in Thomas Adewumi University in Nigeria. This is good enough in determining the goodness of fit for the model and for making predictions.

Table 4.4.5 Analysis of Variance (ANOVAa) of Mean, F-statistics and Significant Value

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.609	1	30.609	28.151	.000[b]
	Residual	97.858	90	1.087		
	Total	128.467	91			

a. Dependent Variable: EmTur

b. Predictors: (Constant), ReReg

Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.5 portrayed the overall diagnostic test of significant using Analysis of Variance (ANOVA) between reward and recognition (ReReg) as a construct of reward system and employee turnover (EmTur) in Thomas Adewumi University in Nigeria. The ANOVA results for regression coefficients indicate that the significant value of the F-statistics at F=28.151>F-table=3.84 at a degree of freedom of (1, 90) with p-value< 0.05. This speculates that reward and recognition (ReReg) as a construct of reward system significantly influence employee turnover (EmTur) in Thomas Adewumi University in Nigeria and therefore represent a good fit for the model. Thus, the F-statistics value of 28.151 with the probability value of 0.000 posits that the independent variable (explorative) of reward and recognition explained the variations in the dependent variable in term of employee turnover in Thomas Adewumi University in Nigeria in Nigeria at 95% confidence level.

Table 4.4.6 Regression Coefficientsa of Beta and t-test statistics

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.045	.398		5.139	.000
	ReReg	.472	.089	.488	5.306	.000

a. Dependent Variable: EmTur

Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.6 reveals that the coefficient value for reward and recognition (ReReg) as a construct of reward system positively and significantly influences employee turnover (EmTur) in Thomas Adewumi University in Nigeria. As shown in the table, employee turnover (EmTur) in Thomas Adewumi University in Nigeria would be equal to 2.045 when all other variables were constant. It would however improve by 0.472 when there is a unit increase in reward and recognition (ReReg) as a construct of reward system.

Furthermore, the table depict that the beta coefficient in respect to reward and recognition (ReReg) as a construct of reward system was 0.472 with t-test value of 5.306 and $p<0.005$ at 5% level of significance. This posits that reward and recognition (ReReg) as a construct of reward system is a positive and significant predictor of employee turnover (EmTur) in Thomas Adewumi University in Nigeria. Thus, it therefore becomes obvious that reward and recognition (ReReg) as a construct of reward system has significant and positive impact on employee turnover (EmTur) in Thomas Adewumi University in Nigeria. This is because the coefficient of trend analysis were $\beta=0.472$ and t-test 5.306 was significant at 5%. Therefore, the study rejected the null hypothesis and accepted the alternative hypothesis which established that reward and recognition (ReReg) as a construct of reward system has positive significant effect on employee turnover (EmTur) in Thomas Adewumi University in Nigeria at 95% level of confidence.

4.4.3 Test of Hypothesis Three

$H_0$3: Promotion Opportunity has no significant relationship with employee retention

The hypothesis was tested using Pearson moment correlation analysis as shown in table 4.4.7 below

Table 4.4.7 Correlations Statistics Showing Relationship Between Promotion Opportunity and Employee Retention

		EmRet	PrOpp
EmRet	Pearson Correlation	1	.383**
	Sig. (2-tailed)		.000
	N	92	92
PrOpp	Pearson Correlation	.383**	1
	Sig. (2-tailed)	.000	
	N	92	92

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

Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.7 depicts the result of the correlation statistical analysis table. The table indicates that there is positive and significant relationship between promotion opportunity (PrOpp) as a construct of reward system and employee retention (EmRet) in Thomas Adewumi University in Nigeria. It further pointed out that there is direct and significant relationship between promotion opportunity (PrOpp) as a construct of reward system and employee retention (EmRet) in Thomas Adewumi University in Nigeria (i.e $r=0.383$; $n=92$, $p<0.01$). The positive correlation coefficient posits that promotion opportunity (PrOpp) as a construct of reward system is significantly related to influencing employee retention (EmRet) in Thomas Adewumi University in Nigeria. Therefore, the null hypotheses was rejected while the alternative hypothesis which establishes that there is significant relationship between promotion opportunity as a construct of reward system and employee retention in Thomas Adewumi University in Nigeria is accepted.

4.4.4 Test of Hypothesis Four

H04: Training opportunity has no significant effect on job productivity

Regression analysis was the instrument used to test this hypothesis as shown in table 4.4.8-4.4.10.

Table 4.4.8 Regression Model Summary of Effect of Training Opportunity on Job Productivity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.507[a]	.258	.249	1.024

a. Predictors: (Constant), TrOpp

Source: Author's Computation, SPSS 27.0, 2024

The model summary as shown in table 4.4.8 suggests that promotion opportunity (PrOpp) as a construct of reward system is a positive and significant predictor of university performance in Thomas Adewumi University in Nigeria. The correlation coefficient (R) value of 0.507 (50.7%) signifies that there is positive significant relationship between promotion opportunity (PrOpp) as a construct of reward system and employee retention (EmRet) in Thomas Adewumi University in Nigeria. The table equally confirmed that the coefficient of determination, R-square value of 0.258 (25.8%) suggests that promotion opportunity (PrOpp) as a construct of reward system accounted for 25.8% when determining employee retention (EmRet) in Thomas Adewumi University in Nigeria. It also depicts that 25.8% variability change in employee retention (EmRet) in Thomas Adewumi University in Nigeria is explained by a unit change in promotion opportunity (PrOpp) as a construct of reward system, while other factors were not captured in the model specification of the study. It shows that promotion opportunity (PrOpp) as a construct of reward system is a moderate predictor of employee retention (EmRet) in Thomas Adewumi University in Nigeria.

Furthermore, the adjusted R^2 value of 0.249 (24.9%) established that promotion opportunity (PrOpp) as a construct of reward system actually contribute to variation in the level of employee retention (EmRet) in Thomas Adewumi University in Nigeria. This is good enough in determining the goodness of fit for the model and for making predictions.

Table 4.4.9 Analysis of Variance (ANOVAa) of Mean, F-statistics and Significant Value

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	32.750	1	32.750	31.219	.000[b]
	Residual	94.413	90	1.049		
	Total	127.163	91			

a. Dependent Variable: JoPrd
b. Predictors: (Constant), TrOpp
Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.9 portrayed the overall diagnostic test of significant using Analysis of Variance (ANOVA) between promotion opportunity (PrOpp) as a construct of reward system and employee retention (EmRet) in Thomas Adewumi University in Nigeria. The ANOVA results for regression coefficients indicate that the significant value of the F-statistics at F=31.219>F-table=3.84 at a degree of freedom of (1, 90) with p-value< 0.05. This speculates that promotion opportunity (PrOpp) as a construct of reward system significantly influence employee retention (EmRet) in Thomas Adewumi University in Nigeria, and therefore represent a good fit for the model. Thus, the F-statistics value of 31.219 with the probability value of 0.000 posits that the independent variable (explorative) of promotion opportunity explained the variations in the dependent variable in term of employee retention (EmRet) in Thomas Adewumi University in Nigeria in Nigeria at 95% confidence level.

Table 4.4.10 Regression Coefficientsa of Beta and t-test statistics

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.392	.368		6.502	.000
	TrOpp	.479	.086	.507	5.587	.000

a. Dependent Variable: JoPrd
Source: Author's Computation, SPSS 27.0, 2024

Table 4.4.10 reveals that the coefficient value for promotion opportunity (PrOpp) as a construct of reward system positively and significantly influences employee retention (EmRet) in Thomas Adewumi University in Nigeria. As shown in the table, employee retention (EmRet) in Thomas

Adewumi University in Nigeria would be equal to 2.392 when all other variables were constant. It would however improve by 0.479 when there is a unit increase in promotion opportunity (PrOpp) as a construct of reward system.

Furthermore, the table depict that the beta coefficient in respect to promotion opportunity (PrOpp) as a construct of reward system was 0.479 with t-test value of 5.587 and $p<0.005$ at 5% level of significance. This posits that promotion opportunity (PrOpp) as a construct of reward system is a positive and significant predictor of employee retention (EmRet) in Thomas Adewumi University in Nigeria. Thus, it therefore becomes obvious that promotion opportunity (PrOpp) as a construct of reward system has significant and positive impact on employee retention (EmRet) in Thomas Adewumi University in Nigeria. This is because the coefficient of trend analysis were $\beta=0.479$ and t-test 5.587 was significant at 5%. Therefore, the study rejected the null hypothesis and accepted the alternative hypothesis which established that promotion opportunity as a construct of reward system has positive significant effect on employee retention in Thomas Adewumi University in Nigeria at 95% level of confidence.

4.5 Discussion of the Findings

This study determine the effect of reward system on organization performance, with particular reference to Thomas Adewumi University. Four hypotheses were formulated in line with the study specific objectives, which were analysed using regression analysis and correlation analysis in order to arrive at conclusive findings for the study. This helped to portray the significance of the results of the analyses in the light of what was already known about the research problems being investigated and to further explain any new understanding that emerged as an implication of the study findings.

Findings from test of hypothesis one reveals that the beta coefficient (β) for basic pay as a dimension of the reward system is 1.199, with a t-test value of 12.352 and a significance level of $p < 0.005$. This indicates that basic pay is a positive and statistically significant predictor of job commitment among employees at Thomas Adewumi University. The results support the hypothesis that basic pay, as a component of the reward system, significantly influences employee job commitment.

Therefore, the positive beta coefficient ($\beta = 1.199$) suggests a moderate positive relationship between basic pay and job commitment. This implies that higher basic pay is associated with increased job commitment among employees. Basic pay, being a fundamental element of the reward system, is crucial for ensuring that employees feel valued and fairly compensated for their work. This aligns with Herzberg's Two-Factor Theory, which posits that adequate compensation is a key factor in maintaining employee satisfaction and commitment (Herzberg, 1966).

The t-test value of 12.352 and the significance level ($p < 0.005$) confirm that the relationship between basic pay and job commitment is statistically significant. This robust statistical evidence highlights the reliability of the impact of basic pay on job commitment. For Thomas Adewumi University, this finding highlights the importance of offering competitive basic pay as a strategy to enhance employee commitment. Employees who perceive their pay as fair and adequate are more likely to exhibit higher levels of commitment to their roles and the institution.

The acceptance of the hypothesis emphasizes that basic pay is a critical factor in influencing job commitment. It suggests that Thomas Adewumi University should focus on ensuring that basic pay levels are competitive within the higher education sector to retain and motivate employees. A well-structured and fair pay system can contribute to higher levels of job satisfaction and commitment, ultimately supporting the university's performance and stability.

The results are consistent with established theories and empirical studies on compensation and job commitment. According to equity theory, employees evaluate their job satisfaction and commitment based on their perception of fairness in compensation compared to their peers (Adams, 1965). Empirical research has shown that fair and competitive pay is positively related to employee commitment and performance (Meyer & Allen, 1997; Milkovich & Newman, 2008).

Findings from test of second hypothesis depict that the beta coefficient (β) for reward and recognition as a dimension of the reward system is 0.472, with a t-test value of 5.306 and a significance level of $p < 0.005$. This indicates that reward and recognition is a positive and statistically significant predictor of employee turnover levels at Thomas Adewumi University. The results support the hypothesis that reward and recognition significantly influences employee turnover, validating its role as a key factor in managing employee performance and retention.

The positive beta coefficient ($\beta = 0.472$) suggests that reward and recognition is positively related to the level of employee turnover, meaning that higher levels of reward and recognition are associated with increased employee turnover. This relationship is somewhat counterintuitive, as one might expect that increased reward and recognition would reduce turnover by enhancing job satisfaction and loyalty. However, the results indicate that, in this context, a positive relationship exists. This outcome can be explained through various theoretical lenses. For instance, while reward and recognition are typically viewed as mechanisms to enhance job satisfaction and reduce turnover (Luthans & Stajkovic, 1999), the specific implementation or perception of these rewards might be influencing turnover differently. For example, if rewards and recognition are perceived as inequitable or insufficiently aligned with employee expectations, they could lead to dissatisfaction and increased turnover (Adams, 1965; Vroom, 1964).

The t-test value of 5.306 and the significance level ($p < 0.005$) confirm that the relationship between Reward and Recognition and employee turnover is statistically significant. This robust statistical evidence highlights the importance of understanding how reward and recognition systems impact turnover. For Thomas Adewumi University, this finding suggests that simply implementing reward and recognition programs is not enough; the design and execution of these programs must be carefully managed to align with employee expectations and needs.

The results are supported by theoretical frameworks and empirical studies on rewards, recognition, and turnover. According to equity theory, employees assess their job satisfaction based on the perceived fairness of rewards and recognition relative to their contributions and those of their peers (Adams, 1965). If employees perceive these rewards as inadequate or inequitable, it could lead to dissatisfaction and increased turnover. Additionally, empirical research has demonstrated that while rewards and recognition can enhance employee satisfaction and motivation, the effectiveness of these systems depends on how well they are tailored to employee preferences and expectations (Kerr, 1975; Milkovich & Newman, 2008). Misalignment between rewards and employee expectations can result in unintended consequences, such as higher turnover.

Findings from the test of third hypothesis show that $r=0.383$; $n=92$, $p<0.01$ for promotion opportunity as a dimension of the reward system at a significance level of $p < 0.005$. This indicates that promotion opportunity is a positive and statistically significant predictor of employee retention at Thomas Adewumi University. The results support the hypothesis that promotion opportunity significantly influences employee retention, validating its role as a key driver of organizational performance. The positive $r=0.383$; $n=92$, $p<0.01$ suggests a direct positive relationship between promotion opportunity and employee retention. This implies that higher opportunities for promotion within the organization are associated with increased employee retention. In other words, employees are more likely to stay with the organization when they perceive that there are opportunities for career advancement.

This finding aligns with established theories and research on employee motivation and retention. According to Herzberg's Two-Factor Theory, opportunities for advancement are considered a "motivator" factor that contributes to higher job satisfaction and retention (Herzberg, 1966). Promotion opportunities can enhance employees' intrinsic motivation by fulfilling their desire for career growth and personal development, thereby increasing their commitment to the organization. The $r=0.383$; $n=92$, $p<0.01$ confirm that the relationship between promotion opportunity and employee retention is statistically significant. This robust statistical evidence underscores the importance of providing career advancement opportunities as part of the reward system to improve employee retention.

Therefore, for Thomas Adewumi University, this finding highlights the need to implement and communicate clear promotion pathways to enhance employee retention. Providing opportunities for career advancement not only helps retain talented employees but also fosters a positive work environment where employees feel valued and motivated. The results are supported by theoretical frameworks and empirical studies on promotion and employee retention. According to equity theory, employees compare their promotion opportunities with those of their peers, and perceived fairness in advancement opportunities can significantly affect their job satisfaction and retention (Adams, 1965). Research has shown that career development opportunities, including promotions, are strongly linked to employee retention and organizational commitment (Ng, Eby, Sorensen, & Feldman, 2005).

Additionally, empirical studies have demonstrated that promotion opportunities contribute to lower turnover rates by addressing employees' career aspirations and providing them with a sense of progress and recognition within the organization (Harris & Cameron, 2005; Milkovich & Newman, 2008).

Lastly, the test of the fourth hypothesis portrays that the beta coefficient (β) for training opportunity as a dimension of the reward system is 0.479, with a t-test value of 5.587 and a significance level of $p < 0.005$. This indicates that training opportunity is a positive and statistically significant predictor of job productivity at Thomas Adewumi University. The results support the hypothesis that training opportunity significantly influences employee job productivity, validating its importance as a key driver of performance. The positive beta coefficient ($\beta = 0.479$) suggests a direct positive relationship between training opportunity and job productivity. This means that increased training opportunities are associated with higher levels of job productivity among employees. In essence, when employees are given more opportunities for training, their job productivity tends to improve.

This finding is consistent with theories and research on employee development and performance. According to human capital theory, investments in training and development enhance employees' skills and capabilities, which can lead to improved job performance and productivity (Becker, 1964). Training opportunities enable employees to acquire new skills and knowledge, which can be directly applied to their job tasks, leading to enhanced productivity and performance.

The t-test value of 5.587 and the significance level ($p < 0.005$) confirm that the relationship between training opportunity and job productivity is statistically significant. This robust statistical evidence underscores the importance of providing training opportunities as part of the reward system to enhance employee productivity. Therefore, for Thomas Adewumi University, this finding highlights the need to invest in and promote training programs to boost employee job productivity. Effective training programs can lead to better performance outcomes by equipping employees with the skills necessary to perform their roles more efficiently and effectively.

The results align with established theories and empirical research on training and job productivity. According to the Resource-Based View (RBV) of the firm, training and development are critical resources that can provide a competitive advantage by enhancing employees' skills and capabilities (Barney, 1991). Research has consistently shown that training and development programs are positively related to job performance and productivity (Noe, 2010; Salas et al., 2012). Empirical studies have demonstrated that training opportunities lead to improvements in job performance by increasing employees' competencies and confidence in their roles. For instance, studies have shown that employees who receive regular training are more productive and perform better compared to those who do not (Aguinis & Kraiger, 2009; Saks & Belcourt, 2006).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Preamble

This chapter is concerned with the summary of findings, conclusion and recommendations drawn from the inferences of the findings of the study. Subsequently, contributions of the study to knowledge and suggestions for further study were also offered.

5.1 Conclusion

Given the findings reported in the study, it is concluded that dimensions of reward system examined in the study have significant and positive effect on organization performance, with particular reference to Thomas Adewumi University. Specifically, the study established that:

i) Basic pay is a significant and positive predictor of job commitment among employees at Thomas Adewumi University. The statistical evidence supports the hypothesis that effective reward systems, including adequate basic pay, contribute to enhanced job commitment, validating its role as a key driver of employee performance.

ii) Reward and Recognition is a significant predictor of employee turnover at Thomas Adewumi University. The statistical evidence supports the hypothesis that effective reward and recognition systems influence turnover levels, but the positive beta coefficient suggests that this influence might be complex.

iii) Promotion opportunity is a significant predictor of employee retention at Thomas Adewumi University. The statistical evidence supports the hypothesis that effective promotion opportunities within the reward system contribute to improved employee retention, validating its role as a key driver of organizational performance.

iv). Training opportunity is a significant predictor of job productivity at Thomas Adewumi University. The statistical evidence supports the hypothesis that effective training opportunities within the reward system contribute to improved job productivity, validating its role as a key driver of performance.

5.2 Recommendations

Based on the findings of the study, the following recommendations are made:

i) Based on the findings, Thomas Adewumi University should conduct a comprehensive review of its basic pay structures to ensure they are competitive within the higher education sector. Competitive basic pay is crucial for enhancing employee commitment, so aligning compensation with industry standards can help retain talented employees and foster a more engaged workforce.

ii) To mitigate potential negative effects, ensure that reward and recognition systems are tailored to meet the diverse needs and preferences of employees. This could involve offering personalized recognition programs and rewards that align with individual employee contributions and preferences, thereby improving overall satisfaction and reducing turnover.

iii) It is important to communicate promotion criteria and career advancement opportunities clearly to all employees. Regular updates about potential career paths and promotion requirements can help employees align their career goals with organizational opportunities, thereby increasing their engagement and commitment.

iv). To maximize the impact on job productivity, the university should offer a range of training programs, including technical skills development, leadership training, and soft skills workshops. Diversifying training opportunities ensures that employees receive support that is relevant to their specific job functions and career aspirations.

5.3 Contributions to Knowledge

This study contributes to the understanding of the effect of reward system in improving the organization performance, with particular reference to Thomas Adewumi University.: Specifically, the study has been able to:

i) Confirms that basic pay is a significant and positive predictor of job commitment, contributing to existing literature on the impact of compensation on employee performance. By providing empirical evidence on the importance of basic pay in enhancing job commitment, this research adds to the understanding of reward systems in the higher education sector.

ii) The findings contribute to a more nuanced understanding of reward and recognition systems, revealing that their impact on turnover can be influenced by various factors. This underscores the importance of designing reward systems that are not only fair but also well-aligned with employees' expectations and perceptions.

iii) The results underscore the effectiveness of incorporating promotion opportunities within reward systems. By demonstrating that promotion opportunities are a critical factor in employee retention, the study adds valuable insights into how reward systems can be optimized to enhance organizational performance.

iv). The findings provide insights into how training opportunities influence job productivity, highlighting the importance of effective training strategies. This contributes to the understanding of how targeted training can drive performance improvements and offers guidance for designing effective training programs.

5.4 Suggestions for Future Research

Future research could build on this study by exploring:

i) How other dimensions of the reward system, such as bonuses, benefits, and non-monetary rewards, interact with basic pay to influence job commitment and overall employee performance? Investigating these interactions can provide a more comprehensive view of how to design effective reward systems.

ii) Research could focus on how perceptions of fairness and equity in reward and recognition programs affect turnover. Understanding how employees perceive these systems and their fairness can provide valuable insights into optimizing these programs.

iii) Conduct longitudinal studies to assess the long-term effects of promotion opportunities and career development programs on employee retention. Understanding how these strategies impact employees over time can provide insights into their sustainability and effectiveness.

iv). Comparative research across different sectors or institutions can help identify sector-specific factors that influence the effectiveness of training opportunities. This can reveal how training impacts job productivity in various organizational contexts and help tailor training programs accordingly.

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Appendix:

Questionnaire

ANALYSIS OF RESPONDENTS DEMOGRAPHIC DATA

DEMOGRAPHIC CHARACTERISTIC

GENDER:

Male

Female

AGE:

18-30 yrs

31-40yrs

41-50yrs

50-Above

MARITAL STATUS:

Single

Married

Others

EDUC. QUALIFICATION:

0" Level

NCE/OND

HND/First Degree

Post Graduate

YEARS OF EXPERIENCE:

Below 1 year

1-2 year

3 yesrs & above

SALARY AS A COMPONENT OF REWARD SYSTEM {Strongly Agreed (%), Agreed (%), Undecided (%) , Disagreed (%), Strongly Disagreed (%) }

Salary of the company constitute a good rate for the job done by employee

My company clarifies salary decisions and provides additional information when requested by employees

The company's salary package is fair with different level of workers

ALLOWANCE AS A COMPONENT OF REWARD SYSTEM {Strongly Agreed (%), Agreed (%), Undecided (%) , Disagreed (%), Strongly Disagreed (%) }

The company gives good allowances in recognition of good contribution by an employee

I receive allowance whenever I achieved the target set by the company

To make allowance decisions, my supervisor on behalf of the company collects accurate and complete information from employees

WORKING CONDITION AS A COMPONENT OF REWARD SYSTEM {Strongly Agreed (%), Agreed (%), Undecided (%) , Disagreed (%), Strongly Disagreed (%) }

Working condition of the company provide good platform for effectiveness

The physical working conditions of the company motivate me to perform better

The working conditions enhances employees job satisfaction

PROMOTION AS A COMPONENT OF REWARD SYSTEM {Strongly Agreed (%), Agreed (%), Undecided (%) , Disagreed (%), Strongly Disagreed (%) }

Opportunity for promotion in the company is high

I am happy about the chances for advancement on my job in the company

I seek to be promoted in the company

QUESTIONS RELATED TO EMPLOYEES' RETENTION {Strongly Agreed (%), Agreed (%), Undecided (%) , Disagreed (%), Strongly Disagreed (%) }

The company emphasizes employee retention

I have intention to continue working for the company

The company reward packages are fair in measurement of target set for individual employee.

The compensation packages of the company must become better to ensure my stay.

QUESTIONS RELATED TO JOB SATISFACTION {Strongly Agreed (%), Agreed (%), Undecided (%) , Disagreed (%), Strongly Disagreed (%) }

I am satisfied with staying in this company

The value of the company's compensation is relatively fair with work schedule and work done.

The compensation offered by the company exceeded my expectation

I am satisfied with the way the company treat its employees

QUESTIONS RELATED TO EMPLOYEES' WORK PERFORMANCE {Strongly Agreed (%), Agreed (%), Undecided (%), Disagreed (%), Strongly Disagreed (%) }

I can never produce extra unit beyond target without extra compensation

I am happy with the amount of work I do

My aim is to perform better at my job in the company

I seldomly feel fatigue at work

My leaders give me positive feedback on my work performance.