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Reward Management And Organizational Performance Of Workers In Delta State

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ABSTRACT
The biggest resource to any organization is the workforce, the employees. The corresponding performance should be in line with reward packages. The reward should be without iota of inconsistency and unevenness. The end result for a reward system is to motivate the workers to realize the goals and objectives of the organization. This review bothers on reward management and organizational performance. It attempted to ascertain what other reviewers had found in reward performance relationship. It evaluated the benefits inherent in a reward management system. As a booster to better productivity achievement, reward management should be handled with utmost seriousness hence, the employees had come to the organization to also fulfill their goals and aspirations. This review concludes that reward management has a positive relationship with the level of performance as much as the reward motivates workers to perform creditably.
Keywords: Reward, Performance, Management, Organization, Motivation, Reward System, Efficiency

1.1. INTRODUCTION

The goal attainment of any organization is the level of productivity. Productivity is the index of performance. For an organization to have a competitive advantage at the market place, it must possess some sterling product qualities. Performance cannot be achieved if the human resources is neglected. For the human resources to be motivated, there is need for some level of recognition in terms of rewards, incentives, for some form of zeal being built up. According to Markova and Ford (2011), the success of the organization is a product of the readiness of the workers to apply expertize, skills, creativity and innovativeness.

According to Nyandoro and Goremusandu (2016), a well-planned reward management has bearing with the organizations strategy. Again, if reward is properly coordinated, it could lead to accomplishing competitive requirements. To ensure that companies are able to cope with daunting environmental forces, reward management should be encouraged in order to improve on organizational performance. This review therefore highlights the benefits that accrue to an organization that is reward conscious and equally putting it to practice.

2.0. REVIEW OF RELATED LITERATURE

Wilton (2011), had observed that performance management can help to encourage, coordinate and also enhance employees in achieving their objectives. He further said that performance management can lead to organization's long term success. Again, Wilton said, the practice of reward and its management can improve performance as each of three areas of reward management (motivation), learning and development (ability) and job design and the involvement of employees (opportunity) can be addressed.

It is pertinent to know that many organizations offer to their employees' remuneration package that is connected to performance and efficiency by being motivated. Once an individual is being motivated, the issue of turnover and absenteeism are being reduced. The proof that employees are highly motivated is evidenced in a higher performance of their duties (Zabouj and Antomades, 2015).

2.1. Conceptual Review

2.1.1. Performance

According to Chijioke and Chinedu (2015), performance is defined as employees' capability to accomplishing the requirement of their jobs. The job holder achieves the purpose of doing the job. As observed by Emerald and Genoveva (2014), performance is what the employees do. These cover how effective they complete their task, the level of cooperation as they relate with other people, the rate of output in terms of quality and quantity of the job and how much attention that is paid to the work they do. They further added that both internal and external factors can influence the individual's performance.

2.1.2. Employees Performance

According to Güngör (2011), employee performance is what an employee does or does not do. It plays a vital role in organizational performance. The indices for its assessment are: quantity or quality of output, timeliness of output, presence at work and cooperativeness.

2.1.3. Reward

Payam, Akram, Majid and Seyed (2013), had said that, reward is an essential and an unbreakable motivator to realize the organizational goals. According to Njanja, Maina, Kibet and Njagi (2013), employee performance has some indicators for its measurement. The indicators include the quality that is measurable in terms of percentage of the output of work which is subject to acceptance or rejection. The number of loyal customers and customers' feedback is used to determine their satisfaction. The time within which work is done in handling task is measured, the rate of tardiness and absenteeism is also used to measure the employees' performance. The level of achievement of objectives is measured to know how employees are meeting up with targets.

2.1.4. Reward Management

According to Armstrong (2010: 267), reward management is defined as "the strategies, policies and processes required to ensure that the value of people and the contribution they make to achieving organization, departmental and team goals is recognized and rewarded". He added that for organizations to accomplish a commitment that is exceptionally right for the realization of business objectives, a reward strategy should be made by valuing, recognizing and rewarding the commitment of the individuals or groups for the achievement of organizational goals. He had said, that reward management is about the maintenance of a reward system through design and implementation. Again, he stressed that reward management should go beyond pay and employee's benefit to include non-financial factors like recognition, training and development, increased job responsibilities of the motivators by Herzberg two-factor's theory. The management of reward concerns itself with the evaluation and control of the compensation to workers, other employees' benefits in terms of remunerations. It advocates a structure for the effectiveness of work in an organization. The structure for reward covers policies and practice for payment, administration of salary and payroll investigation, minimum wage follow up, executive payment status, reward analysis and team or group reward. It is pertinent that a framework for reward exists by specifying the organizational goals even as employees are being motivated (Armstrong, 2010).

2.1.5. Reward System

As observed by Armstrong (2010: 268), reward systems consist of the interrelated processes and practices which combine to ensure that reward management is carried out effectively to the benefit of the organization and the people who work there. The type of business strategy determines the reward strategy that leads to a reward system.

According to Svensson (2001), reward systems are those things valued by employees. A reward system can either be positive or negative. A negative reward advocates punishment in terms of no promotion, zero salary increase, etc. while positive reward is about wishing the employee well by giving of power and autonomy, rendering of bonuses and increment of salary.

According to Merchant (2007), every individual need some boosters or incentives to perform their tasks well. The goal of the organization determines the area an employee will focus effort.

2.1.6. Motivation

According to Dobre (2013), motivation is an inner drive in somebody's behavior in a job. It is a tool that triggers or reinforces behavioural tendencies to continue in an endeavor. It is an internal motive that propels someone to satisfy an unsatisfied need in order for a specific goal to be achieved. It entails a procedure that starts through a need that is psychologically and can stimulate someone to perform in a bid to fulfilling an objective or goal.

2.1.7. Job Satisfaction

As observed by Agustiningsih, Armanu, Djumilah and Noermijati (2016), Job satisfaction is a state of an emotion that is pleasant in nature with respect to how the individual does their job. It is a reflection of how somebody feels about his or her job. It is an individuals' positive outlook to the job he/she does. It entails everything or whatever the employee encounter in his/her job.

2.1.8. Remuneration

According to Agustiningsih et al., (2016), remuneration can assume the form of money or salary, variable allowance, incentive, fixed allowance and other facilities. It is the total compensation received by an employee in exchange for the services the employee had rendered.

2.2. Theoretical Review

According to Chijioke and Chinedu (2015), the theoretical work that favours the review is the Herzberg's two-factor theory. Both intrinsic rewards such as achievement, advancement, growth and recognition and extrinsic rewards in the form of company policies, interpersonal relations, financial benefits, supervision and salary. Based on the above, the employee who is being motivated is expected to perform. Specifically, hence there is expectation of reward from the employer. Similarly, there is an expectation of performance from the employee. It is therefore, most appropriate to adopt the expectation theory proposed by Victor Vroom (1964), the theory has it that the level or tendency to perform in a particular way is as a result of the intensity of an expectation; hoping to perform based on the level of what the individual expects. According to him, the expectancy theory states that how well an employee is motivated is a follow up of how the individual wants a reward (valence). The belief that the effort will lead to expected performance (expectancy) and the belief that the performance will result to a reward (instrumentality). Specifically speaking, valence is the associated significance that an individual has about an expected outcome. For this reason the theory of expectancy bothers on the following relationships:

a. Performance-reward relationship: This means that the employee expects that when his performance is evaluated, it can bring about organizational rewards.
b. Rewards-personal goals relationship: This is on how attractive or appealing a potential reward is to an individual.
c. Effort-performance relationship: This indicates the level of recognition of an individual's effort in appraising his performance.

2.3. Empirical Review

From the review made so far, it is found that so many individuals have written on reward system, management and its influence on organizational performance. So many researchers and reviewers have come up with several findings to include the following:

According to Khan, Farooqi and Khan (2010), in a study, found out that reward program has a positive and direct relationship with employee's motivation. Additionally, it was found that payment, promotion, recognition and benefits do influence employees' motivation to a higher level towards a positive direction.

In a similar development, Shahzadi and Farooqi (2014) came up in their study that a good reward and better working conditions have significant impact on employee's motivation. They also found out that

factors like employees' relationship with their supervisors, training process, opportunities for improvement can greatly influence the performance of employees.

Hayat, Khalid and Malik (2010) have found out in their study, that employees' job satisfaction can be made possible by pays and financial benefits. They also observed that factors like a free and fair promotion exercise, conducive working environment, and cordial relationship among colleagues can increase an employee's performance in an organization.

In a study carried out by Apeyusi (2012), it was found that reward management and recognition can motivate employees in order to improve their performance.

Diankenda (2015) found out in his study, that there is significant connection between the commitment of employees and the achievement of business goals. He identify the fact that organization reward system can contribute significantly to the organizational performance.

According to Markova and Ford (2011), the workers readiness to be creative, skillful and knowledgeable dictates how successful the organization becomes. For a better organizational performance, benefits and incentives should be used as effective ingredients. Reward as a human resources practice should be encouraged in order to motivate employees intrinsically and extrinsically.

Nnaji-Ihedinmah and Egbunike (2015) have in their review seen reward management as an important tool in the performance of employees. According to Ashraf and Mohammad (2014), in their study on the impact of non-monetary reward on the productivity of employees among selected government parastatals using the Pearson Correlation Coefficient analysis on respondents data showed that non-monetary rewards and the productivity or performance of the employees have positive correlation.

In the same vein, Mbah, Mgbemena and Ejike (2015) in their research work on the effective reward management and employee performance in civil service have found out that there is a positive relationship between reward management and employee's performance. Such factors as pay reward, employee recognition, conducive work environment and staff development were seen as having bearing with employees' performance.

Sajuyigbe, Olaoye and Adeyemi (2013) in their study, looked at the impact of reward on employee's performance with particular reference to selected manufacturing companies in Ibadan, Oyo State. From the analysis, it was found out that reward management determines employees' performance.

Ayesha, Amina, Tahleel and Hina (2015) who had a study on the impact of compensation and reward system on the performance of an organization found that reward and compensation of employees has significant effect on organizational performance.

Adeoye (2014) had a study on the relationship between compensation, management, motivation and organizational performance in the insurance industry in Nigeria. The findings state that there is a positive relationship between compensation management, employees' motivation and organizational effectiveness.

From the empirical reviews, it could be said that reward can assume the form of cash reward, recognition and praise. If employees are not treated well, such employees will not be able to perform creditably. Unfair treatment of employees can create bad blood. This would lead to less commitment and dedication to one's job. Reward management is therefore, an organizational practice that can improve organizational performance thereby increasing the productivity of an organization.

2.4. Types of Reward Management

Reward management is of two types; Intrinsic and Extrinsic rewards system. According to Danish and Usman (2010) the reward system helps employee's self-esteem to be kept intact.

According to Ahmed and Shabbir (2017), the content of both the intrinsic and extrinsic reward system are outlined below:

2.4.1. Intrinsic Reward

i. Job autonomy
ii. Recognition
iii. Career development
iv. Work itself

The intrinsic rewards bring about the type of satisfaction the job holder gets in the course of doing the job (Kaur, 2013). The satisfaction is within the individual. It is an inclination to being glad over something. It enables somebody to feel contented and happy over what someone had done or is doing.

2.4.2. Extrinsic Rewards

i. Salary
ii. Promotion
iii. Bonus
iv. Incentives
v. Commissions
vi. Benefits

The extrinsic reward depicts what is bequeathed by someone or an organization. The extrinsic reward system can either be fiscal (Monetary), non-fiscal (non-monetary).

The above factors if when adequately implemented would result to employee's;

a. Job satisfaction
b. Efficiency
c. Effectiveness

2.5. Monetary Rewards

As earlier said, extrinsic rewards are not really the best motivators, but for reason of choice of individuals. According to Merchant (2007), money related reward system is not the best and as observed by Svensson (2001), monetary rewards can be classified into three major parts:

a. Performance-based increment in salary.
b. Short-term incentive plan and
c. Long-term incentive plan.

Performance-based increment in salary is usually thought to be the best while short-term and long-term incentive plans are basically for managerial levels that are linked with particular time frame.

2.6. Non-Monetary Reward

As stated by Jagult (2005), a non-monetary reward can be an appreciation, a pat on the back or a thank you from one's superior. According to Armstrong (2010), a monetary reward induces a motivation that is short-termed while a non-monetary reward tends to be longer in terms of the duration in which a motivated behavior can be sustained. However, both monetary and non-monetary rewards should be practiced if someone is to be motivated to perform exceptionally.

2.7. Individual-based Versus Group-based Reward

As opined by Merchant (2007), group-based reward should be carried along with the belief that the group will be able to deliver on its promises for which performance is required. According to Jagult (2005), individual-based reward leads to substandard, hence employees would rather focus on their own performance instead of the organization performance, the individual stands to enjoy the benefits alone as much as he is expected to uphold organizational performance.

2.8. Factors that Motivate for Better Performance

According to Muogbo (2013), there are several factors that can motivate to increase organizational performance. These factors include;

a. Pay/bonus reward
b. Employee recognition and praise
c. Training and development
d. Conducive work environment

2.9. The Importance or Benefits of Reward Management

The benefits of a reward management system are numerous. The essence of the enumeration of reward importance is to encourage organizations to embark on reward management. If organization's

performance is anything to go by, the benefits of reward management with regards to organization and employees performance include the following:

i. According to Lucefera (2015), organization's productivity increases.
ii. Wilton (2011) had said, reward management enables, encourages, coordinates and does support employees in achieving their objectives.
iii. Wilton (2011) further said performance management would contribute to the long term success of the organization.
iv. Reward practices does improve performance as it addresses ability (learning and development), motivation (reward) management and opportunity, job design and employee involvement.
v. It encourages or motivate employees to achieve business goals.
vi. Ivancenvish and Kanopaske (2013) had said that reward management results to organization's development and motivation to employees.
vii. According to Gungor (2011), the benefits are:
    a. It serves as a core function of human resources discipline and a strategic partner with company management.
    b. It plays important role on work outcome
    c. It serves as a major impact on organization capability to catch, retain and motivate high potential employees.
    viii. Agustiningsih, Armanu, Djumilah and Noermijati (2016), noted that reward system motivates employees to perform better quality, makes them more productive, it forestals labour or job turnover, it helps to establish a service-oriented behavior. It helps to avoid sharp practices (corruption)
    ix. As observed by Sarwar and Abugre (2013), reward management encourages increment in productivity.
    x. According to San, Theen and Heng (2012), reward management is a powerful tool to improve employees' work motivation and job satisfaction.
    xi. A reward system that is seen to be fair can help to improve employees' job satisfaction (Priya and Eshwar, 2014).
    xii. According to Danish and Usman (2010), reward motivates the worker to devote more time to assigned task. It encourages putting more effort on the job for a better performance. Again, reward management and implementation enhances recruitment and retention of valuable staff as compensation packages would position the organization advantageously in terms of competition in the market.

3.0. CONCLUSION

A review had been embarked upon for the establishment of the impact of reward management on Nigerian organizations. The reward system should be either financial or non-financial or both for a more comprehensive result. The findings had revealed that organizational reward management has a positive relationship with organizational or employee's performance. It is also concluded in this review, that reward management enhances employees' motivation in order to work harder for productivity or performance to be improved. It is also pointed out in this review that the two specific form of reward concerned how individual personal growth can be enhanced and secondly, on incentive motivation. In other words, both the intrinsic and extrinsic reward tools should be adopted for the best of performance in organizations.

4.0. RECOMMENDATIONS

The issue of reward management cannot be over stressed as it is pivotal to the survival of the organization. Based on the literature reviewed, it is clear that reward management is very vital to the well-being of every organization. On this premise, it is hereby recommended that:

a. That organizations should made available to workers an appropriate reward that is commensurate with the present economic challenges to enable the employees to perform at optimum.

b. In every reward system, there should be a feedback mechanism that would help to monitor how well the various reward systems are being carried out. The feedback indicates the level of performance.
c. Management should strike a balance between monetary and non-monetary reward system. Hence, both reward of monetary and non-monetary should be practiced in order to enjoy the benefit inherent. The benefit of both would afford the organization and employee the best result in performance.
d. Management or organization should put into consideration a good reward system that can lead to payment in order to improve employees' performance and organizational productivity.

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