International Journal of Innovative Social Sciences & Humanities Research 13(2):242-256, April-June, 2025

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doi:10.5281/zenodo.15469139

Reward Practices and Employee Performance in Plastic Manufacturing Firms, Anambra State, Nigeria.

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ABSTRACT

This study investigated the effect of reward practices on the employee performance of plastic manufacturing firms in Anambra state. The specific objectives of the study were to evaluate the effect of pay on employee satisfaction; establish the influence of fringe benefit on employee efficiency; ascertain the extent to which promotion influences employee effectiveness; identify how provision of work environment affects employee commitment, and to evaluate how recognition affects employee loyalty. The study used survey research design and to generate data from the respondents of firms under study through questionnaire. The study posed and formulated five research questions and hypotheses respectively. The study was anchored on ability, motivation opportunity theory. Data were presented with descriptive statistics of tables, frequencies and the analysis of the study were done with ordinary least square regression technique. The study developed one model. The findings showed that pay; fringe benefit; promotion, work environment and recognition had positive significant effect on performance measured by employee (satisfaction, efficiency, effectiveness, commitment and loyalty) of the selected plastics SMEs during the period under study. The coefficient of determination (R^2) which determines the weight of the explanatory power of the predictor variables on the dependent variable and F-statistics for the model were 0.49 and 2.759 respectively. Pay hada t-statistics of 2.533 and p-value of 0.012 which was statistically significant at 5% level of significance. Fringe benefit had a t-value of 2.509 with a probability value of 0.013 which was statistically significant at 5% level of significance. Promotion recorded a t-value of 2.175 and a probability value of 0.07 which was within the acceptable threshold. Work environment recorded a t-value of 4.928 with an alpha value of 0.000 which was highly statistically significant. Recognition recorded a t-value of 4.818 with an alpha value of 0.009 which is highly statistically significant. The study concluded that reward practices had significant positive effect on performance in plastic manufacturing firms in Anambra state. The study recommended among others that management should express more enthusiasm to staff on what needs to be accomplished, and continuously provide employees with an inspiring vision and mission through pay to increase employee efforts in meeting and achieving set organizational goals and objectives. The study contributed to knowledge by establishing that reward practices has significant positive relationship with performance in plastic manufacturing firms in Anambra state, Nigeria.

Keywords: Reward Practices, Employee Performance, Anambra State, Nigeria

INTRODUCTION

Every organization's success relies on its workforce. Employees are the main and unique resources that organizations deploy in realization of their objectives and goals (Osuigwe, 2022).Employees are valuable resources of any organization. Employee performance has been the main concern of organizations. Rewarding employees for productivity is the focus of business organization (Aktar, Sachu& Ali, 2022). Rewards or incentives are things that motivate an individual to perform an action. They may be used to incite great effort, as a reward offered for increased productivity (Heath, 2020). Before recognition of reward practices, employees were treated as other inputsunder the production of goods and services. There is no difference in employee handling techniques in most manufacturing firms. Some scholars have undertaken extensive research to recognize how the work of reward influences employee performance in manufacturing firms (Ahmed 2020).The constant changes occurring in the world, especially with regards to technology and innovation, enforce companies to reassess the manner in which they communicate (Osuigwe, 2022). To cope with these changing environment, organizations need to use their resources effectively. Their resources may be available in human and non-human aspects.

The most important factor is human or people in organizations. One of the main management strategies of the organizations is to invest in employees. Organizations are seeking to develop, motivate and increase the performance of their employees in variety ways, using human resources applications because the survival and competitive advantage of any organization depends on the quality of human resources (Armstrong 2015). Reward is one of the important elements to motivate employees for contributing their best effort to generate innovation ideas that lead to better business functionality and further improve company performance both financial and non-financially (Aktar et al, 2022).A reward system is imperative for the employee performance and an increase in employee's performance will obviously lead to increase in organizational performance.

Reward practices could be defined as a program by an organization to reward performance and motivate individuals (Ngwa, Adeleke, Agbaeze, Ghasi, &Imhanrenialena, 2019). In order for organization to design a reward system, the organization should specify the organizational goals to be attained and the specific performance that will attract rewards. By doing so, the reward system will help management shape behavior of employees, thereby attaining the organizations goal. Chartered Management Institute (2018) noted that the traditional standard payment system has gradually taken over the reward system and all aspects of employee compensation have been packaged together.

In the business environment and intense business competition, organizations are needed to provide reward practices to improve their performance to become winners overall their competitors and become successful (Osuigwe, 2022). Human resource is considered as the most important resource that affect job performance in organizations. Organization's competitive advantage is very dependent on the quality of human resources. Organizations must be able to know what makes the employees motivated to maximize their potential to achieve work performance as expected so that organizational goals can be achieved (Meskob (2019). Organizations reward practices can be both extrinsically and intrinsically (Aktar et al, 2022).

The concept of performance management contains needs and goals alignment between organizations and employees (Meskob, 2019).Desired performance can only be achieved efficiently and effectively if anemployee gets a sense of mutual gain of organization as well as of himself, with the attainment of that defined goal(Osuigwe, 2022). An organization must carefully set the rewards practices to evaluate employee performance at all levels and rewarding them whether visible pay for performance or invisible satisfaction. A close look at employee performance of many organizations today reveals that most of their employees are not happy with the present compensation scheme in the organization due to the ever changing needs. Employees with good education and work experience are unsatisfied with their job and salary packages. As a result, low performances are inevitable (Abebe, 2019). If employees are well compensated and rewarded, they feel happier at their work places and perform at their maximum.

Core values: The core values of most manufacturing firms are persistence, endurance and tenacity, customer satisfaction, transparency, integrity and confidentiality, team spirit and grooming potential successor, total respect to customers and employees, competitive and motivated human resource with ever

growing skills, belongingness. The manufacturing firms promote learning and innovative organization (Bank annual report, 2020).

Therefore reward practices are used as tools to maximize productivity of employees and firms gain competitive advantage in the market. Secondly, demotivated employees at all levels quickly reflect about the reward system that are not offered by the firm, particularly on their individual performance. Knowledge of reward practices is likely to inspire employees to develop personally, grow professionally and open new career prospects that are not usually provided by manufacturing firms. This study therefore is conducted to unlock the effect of reward practices on employee performance in plastic manufacturing firms in Anambra state.

Statement of the Problem

Literature have dwelt much on organizational productivity and employee performance which do not address specifically the effect of reward practices as they bear on the employee performance in plastic manufacturing firms in Anambra state which is the major thrust of this study. Business organizations need efficient and effective strategies in different areas of operation. Performance and success of firms depend on the employee productivity and behaviour. A comprehensive reward practices is an effective management tool for changing employees' behaviour, particularly low performers and increasing job satisfaction particularly for high achievers.

However, due to differences in personalities and personal preferences, some employees are more motivated by extrinsic rewards while others prefer intrinsic rewards such as career and professional development which are not taken into consideration by many manufacturing firms. The type of rewards offered by manufacturing firms in Anambra State do not create a feeling in employees that they are valuable, and that their efforts are recognized and appreciated by the management. The foremost implication of this is that traditional approaches to maximize employee positive performance are ineffective in contemporary business environment. Thus, it is important for manufacturing firms to constantly review and improve employees' motivation which requires comprehensive review of the reward practices for the workforce. As employee motivation and employee behaviour vary with passage of time. Lack of work commitment and loyalty resulting from lack of promotion opportunity is a major source of lower job performance among employees.

Extant literature had established that most employees perform poorly in their job which can be traced to poor reward practices relative to Payment, fringe benefit, promotion, work environment, recognition and responsibility which disrupt employee satisfaction, employee efficiency, employee effectiveness, employee commitment and employee loyalty. As a result, the study tries to investigate perception of the prevailing reward practices of plastic manufacturing firms; and to examine their effect on employees performance within the prism of Pay, benefit, promotion, work environment and recognition that enhance individual employee behavioural outcome in form of employee job satisfaction, efficiency, effectiveness, commitment and loyalty in plastic manufacturing firms in Anambra State.

Review Related Literature

Conceptual Review

Reward Practices

Reward is the compensation which an employee receives from an organization for exchanging the service offered by the employee or as the return for work done (Lin, 2007). It also refers to the collection of brain structures that try to control and regulate behavior by inducing pleasure (Ajila and Abiola, 2004). Human resource can be rewarded and optimally utilized through rewarding it using different techniques of significant importance. Furthermore, Pitts, (2011) stated that reward is the benefit that arises from performing a task, rendering a service or discharging a responsibility. Pitts, (2011) also specified that pay is the most significant and motivating benefit that is received in return for performing a task or service .It is pay that motivates individuals to go out and seek work. Pay is also one of the few ways to set a mutually acceptance common value to the individual work contribution. Pay also can be a powerful de-motivator, if employees are not satisfied with the reward package, it will be hard for the company to recruit and retain good individuals.

Similarly, Torrington (2009) emphasized that advocates of the expectancy theory believe that employees will change their behavior by working harder to prioritizing their actions if they know that by doing so they will be rewarded with something of value to them. Hence, incentives are a great way to reward effort and behaviors which the organizations wish to encourage. If the incentive is paid in return for behavior that 11 contribution to the organizations goals, it will in the long run enhance organizational effectiveness and productivity and hence generates a positive outcome for both employer and employee. Pitts, (2011) underlined that the principle reward for performing work is pay, many employees however offer also reward packages of which wages and salaries are only a part of. The packages typically include: bonuses, pension schemes, health insurance, allocated cars, beneficial loans, subsidized meals, profit sharing, share options and much more. The term reward is not only referring to compensating people for their time at work but also aiming more on improving the performance of the individuals as well as that of the organization.

Reward Objectives

Different writers present varying purpose of reward management. But, the purpose of reward management includes attracting and retaining good employee, reducing absenteeism, motivating enhanced performance, developing employee skills, facilitating organizational culture and strategic objectives, and defining and reinforcing organizational structure. Among these, the idea of having or attracting and retaining good employee worth further enlightenment as many of the competitive advantage of firms in today's dynamic business environment lies more on having good pool of human resources than technology, good system in place and other production tools(Rose, 2014). The main purpose of reward is to attract the right people and provide interest to motivate by some types of rewards, so that employees are dedicated to maintain high level of performances. Other purpose of reward is acknowledging individuals for their contribution and performances moreover should foster loyalty and pride in so that employee want to stay and strive to do their best (Rose, 2014). Develop a positive employment relationship and psychological contract, and align reward practices with both business goals and employee values. Further, it helps to operate fairly apply equitably, function consistently and operate transparently (Armstrong, 2015).

Reward management is based on a well-articulated philosophy set of beliefs and guiding principles that are consistent with the values of the organization and help to enact them. These include beliefs in the need to achieve fairness, equity, consistency and transparency in operating the reward system. The philosophy recognizes that if human resource is about investing in human capital from which a reasonable return is required, then it is proper to reward people differentially according to their contribution (Armstrong, 2015).

Theoretical Framework

Several theories relating to reward practices and performance were discussed but the work was anchored on ability, motivation opportunity theory.

Valence–instrumentality–expectancy theory

Victor Vroom (1964) was the first to develop an expectancy theory with direct application to work settings, whichwas later expanded and refined by Porter and Lawler (1968) and (Pinder, 1987). The expectancy theory has three key elements: expectancy, instrumentality, and valence (Vroom, 1964). A person is motivated to the degree that he or she believes that (a) effort will lead to acceptable performance (expectancy), (b) performance will be rewarded (instrumentality), and (c) the value of the rewards is highly positive (valence).

Expectancy is a person's estimate of the probability that job-related effort will result in a given level of performance. Generally, estimates of expectancy by employees lie between two extremes. Expectancy, ranging from 0 to 1, is based on probabilities. If an employee sees no chance that effort will lead to the desired performance level, the expectancy is 0. On the other hand, if the employee is completely certain that the task will be completed, the expectancy has value 1. Instrumentality is an individual's estimate of the probability that a given level of achieved task performance will lead to various work outcomes. Valence is the strength of an employee's preference for a particular reward. Theoretically, a reward has a

valence because it is related to an employee's needs. Valence provides a link to the need theories of motivation.

Hertzberg's theory

According to Hertzberg (1950) the relationship of people to their work is a basic one and that their attitude towards their work can very well determine the performance. He states that intrinsic factor such as achievement, recognition, responsibility and advancements while extrinsic factors such as supervision, working conditions, interpersonal relations company policy and administration may lead to poor employee performance. Hertzberg states that motivating employees like achievement, recognition, responsibility and advancement are the characteristics that people find intrinsically rewarded. In Herzberg's original study, he identified six Motivator factors that are determined intrinsically by the employee. They include recognition, achievement, possibility of growth, advancement, responsibility, and the work itself. Motivators are referred to as "job content" due to the intrinsic nature of what is gained from Motivators (Herzberg, et al.,1959). Hygiene factors are determined by the extrinsic factors of an employee's job. There are ten Hygiene factors that were identified by Herzberg in his original study. They include salary, interpersonal relations supervisor, interpersonal relations subordinate, interpersonal relations peers, supervision technical, company policy and administration, working conditions, factors in personal life, status, and job security (Herzberg, et al., 1959).

Empirical Review

Osazevbaru, and Ogbuma (2024) investigated the effect of fringe benefits on employee performance. The study focused on civil service employees in selected local government councils in Delta State, Nigeria. Survey research design was used and questionnaire was the major instrument of data collection which was administered to 167 employees of four (4) selected local government councils in Delta State. Two fringe benefits dimensions were used namely; retirement and educational/house allowance benefits. Data gathered were analyzed using descriptive statistics (mean, standard deviation, minimum and maximum values, Pearson correlation); post-estimation statistics (variance inflation factor) and inferential statistics (multiple regression). Findings indicated that retirement fringe benefit positively and significantly influence the level of employee performance (t-value = 8.77; Prob. = 0.0000 < 0.05). It was also found that educational/house allowance fringe benefit positively and significantly influence employee performance (t-value = 6.459; Prob. = 0.0000 < 0.05).

Ngwuta, Udu, Arisi- Nwugballa, Okafor, and Ojong (2024) examined the effect of fringe benefits on employee performance in mining companies in Ebonyi State. The objectives of the study were to examine the influence of hazard allowance and willingness to be deployed to risky sites, the extent to which health insurance housing benefits affect employee performance in mining companies in Ebonyi State. The population of the study were 1212 mining workers in 25 mining companies registered in Ebonyi State Ministry of Commerce and Industry, Abakaliki. The cross-sectional survey design was adopted in this study. The Taro Yamani (1964) formula for sample size determination was used to drawn a sample size of 345 employees from a population of 1212 workers of the companies working in the 25 mining companies operating in Ebonyi State. A validated questionnaire with a co-efficient reliability of 0.75 formed the instrument of the study while the hypotheses was tested using the Pearson moment correlation technique at 0.05 level of significance. Findings indicate that payments of hazard allowance motivate mining workers, adoption and payment of health benefits to mining workers boost their morale at work and the provision of housing benefits encourages optimum performance of mining workers in Ebonyi State. Based on the findings, it was recommended that government of Ebonyi State should closely ensure that mining workers are paid their hazard allowance as at when due, mining companies should ensure prompt payment of health benefits and provides houses for them since it has been linked to improved performance.

Nwosu, Amoke, & Ikeotuonye (2023) examined the impacts of fringe benefits on job satisfaction among employees of the Nigerian public service, using the secondary method of data collection, and employing textual analysis in analyzing the collected secondary data. Findings from the study showed that the provision of fringe benefits to Nigerian public service employees enhanced their job satisfaction and increase in job satisfaction translates to effective public service delivery. Several recommendations were

suggested, such as the provision of enhanced remuneration, consistency in provision of mandatory fringe benefits, and the payment of fringe benefits in line with employees' job performance, among others.

Oseremen, et al (2023) examined the relationship between fringe benefits and staff job satisfaction in universities in Ogun State using ex-post facto design. A sample of 400 academic staff of Tai Solarin University of Education, Ijagun and Olabisi Onabanjo University, Ogun State were selected. The Pearson correlation coefficient result revealed that increased volume of work, poor salaries, allowances, loans to facilitate purchase of houses and cars as well as poor organizational culture were the challenges affecting staff job satisfaction in government owned universities in Ogun State

Sitorus, and Hidayat, (2023) examined the impact of compensation on job satisfaction on employee productivity at PT. SEIV Indonesia. In this study, secondary data was used and tests were carried out using the SPSS program to determine the most influential variables. The results revealed that: compensation had positive and critical impact on productivity of employee and jobs satisfaction have positive and critical impact on productivity of employee. Companies can improve employee welfare by adding rest room facilities and places of worship that can create job satisfaction and increase employee productivity. Satisfied employees are strongly encouraged to work more productively.

Akwaowo (2023) examined the effect of Fringe benefits on employee's performance in Mouka Foam industry limited. Data were collected using simple random sampling technique from 90 respondents using close-ended structured questionnaire. The data were analyzed using frequency distribution tables and percentages while Chi-Square (X^2) analysis based on 0.05 probability level of significance was used to test the hypothesis. The result revealed that provision of fringe benefits boosts the morale of the staff, encourages workers to improve their level of productivity in the organization and creates a deeper sense of commitment or affinity in the staff that prevents them from leaving the organization to other competitors. The study concluded that higher performance and efficiency of employees in a manufacturing industry especially MOUKA Foam industry, is possible with a well-designed fringe benefit.

Duru, Eze, Yusuf, Danjuma, and Saleh, (2023) investigated the relationship between promotion and employees' performance at the University of Abuja. The study utilized a descriptive research design. Multiple regression methodology and descriptive statistics were employed for the analysis of data. The data was derived through structured questionnaires from 337 workers at the University of Abuja. The findings indicated that the university treats workers fairly and equitably with regard to promotion, the university provides opportunities for promotioncareer development and thatpromotional opportunities had positive influence on employees' performance at the University of Abuja. Conversely, the university is fair and equitable in its treatment of management had a negative impact on employees' performance at the University of Abuja.

Osuigwe (2022) examined the effect of reward management system on organizational sustainability in selected small scale manufacturing firms in Anambra State, Nigeria. The study specifically is designed to determine the influence of appreciation system, fringe benefits and career development on organizational sustainability in small scale manufacturing firms in Anambra State, Nigeria. Relevant conceptual, theoretical and empirical literature was reviewed. This study is grounded on Expectancy Theory. Survey research design was adopted. The study was carried out in Anambra State, Nigeria. The population of study comprised 365 Small scale manufacturing firms in Anambra state, Nigeria. The sample size consists of 365 using entire population. With respect to this study, the researcher makes use of primary data. Questionnaire was used as the instrument of data collection. The researcher used testretest method to test reliability of the research instruments. The study also employed Cronbach's alpha to verify the internal consistency of each construct in order to achieve reliability. Multiple regression analysis was used in testing hypotheses. P value was considered significant at level 0.05. The study found out that appreciation system, fringe benefits and career development had significant positive effect on organizational sustainability in small scale manufacturing firms in Anambra State. The study concluded that reward management system management system has a significant positive effect on organizational performance in the sampled manufacturing firms in Anambra State.

Prashanth and Veena (2022) examined the level of Recognition and reward on Employee loyalty at MSMEs in Ballari, KarnatakaIndia. The universe comprised executive and non-executive workforce of the firm. Sampling was carried out using convenient sampling technique with sample size of 50 in line with the Cochran formula. Data was collected using observation and informal interview methods. Descriptive statistics and Chi-square test was used to analyse the data. The research envisaged that all the factors of Recognition and reward are associated with Employee loyalty at the MSMEs. The study revealed that, Moral awards and performance linkage to benefits at the MSMEs has significant influence on Employee loyalty.

Aktar et al (2022) investigated the relationship between rewards and employee performance as well as to identify the relationship between extrinsic and intrinsic rewards. The study explored factors determining extrinsic and intrinsic rewards and their impact on employee performance and actions to influence the commercial banks for a consideration of a more systematic and structured approach to acknowledge employee's efforts which would in turn prosper high performance culture in commercial banks of Bangladesh. The result indicates that there is a statistical significant positive relationship between all of the independent variables with dependent variable (employee work performance).

Mugaa et al (2021) analyzed the influence of financial reward on employee performance in large commercial banks in Nairobi City County in Kenya. The study adopted a descriptive research design.Primary data was collected using structured questionnaires that had both close ended and open-ended questionnaires. Based on the findings, the study concluded that financial reward has a positive and significant effect on employee performance.

Obiaga and Itakpe (2021) examined reward system and employee performance in the oil and gas industry in Rivers State. The objectives include: to examine the influence of bonuses on employee productivity; to analyses the relationship between compensation and employee productivity; and to determine the influence of promotion on employee productivity in oil and gas industry in Rivers State. Based on the sample of 243 respondents, the results indicate that there is a significant relationship between bonuses and productivity, compensation and productivity, promotion and productivity in the oil and gas industry in Rivers State.

Amponsah-Tawiah, Ntow and Mensah (2016), carried out a study titled "Occupational health and safety management and turnover intention in the Ghanaian mining sector". The objective of the study is to find the relationship between compensation and turnover rate in the area study. The study used a cross-sectional survey design collected quantitative data from the 255 mine workers that were conveniently sampled from the Ghanaian mining industry. The correlation coefficient showed that a negative relationship existed between dimensions of occupational health and safety management and turnover intention; safety leadership; supervision; safety facilities and equipment; safety procedure. The study also found that turnover intention of employees is heavily influenced by the commitment of safety leadership in ensuring the effective formulation of policies and supervision of occupational health and safety at the workplace. The study recommends that safety leadership is crucial in the administration of occupational health and safety and reducing turnover intention in organizations.

Alexander, Dahlavist, & Andreas Matsson (2013) examined the impact of extrinsic and intrinsic rewards on employee motivation in Lansforsakringar Skane Insurance Company. The study has a population of 275. Simple least square regression method was used to test hypotheses. The study found out that extrinsic reward are to some extent old fashioned

Research Gap

Several empirical studies have been reviewed on the relationship between reward practices and employee performance both in developed and developing countries such as (Saeed et al., 2019; Aktar et al., 2022; Dorothy and Okeke, 2019; Ahmed, 2017; Johnson and Osigbemhe, 2021 and, Myint and War, 2020). Saeed et al. (2019) pointed out financial rewards have positive and significant effect on performance of employees in the banking sector of Pakistan. Aktar et al (2022) in Bangladesh commercial banks and Ahmed (2017) in Pakistan concluded that extrinsic and intrinsic rewards cause positive influence on employee work performance. Dorothy and Okeke (2019) concluded that training, development and

strategy always improves employee performance in the banking sector. In recent time, Myint and War (2020) found that strong relationship between company's reward system and employee performance.

The gap in literature as evident from the studies carried out by previous researchers on reward practices and employee performance did not discuss the effect reward practice son employee performance of plastic manufacturing firms in Anambra State Nigeria showing geography gap (Okosi, 2020; Idemobi, etal., 2020; Akpan, 2020; Okeke2020). From the studies reviewed, there exist variable gap(Osuigwe2022; Aktar et al., 2022;Obiaga&Itakpe 2021; Ali & Ahmed 2021;Nurul et al., 2021). As a result, there is need in the SMEs Plastic manufacturing sectors for further research that investigates the outcomes of reward practice son employee performance using pay; fringe benefit; promotion, working condition and recognition as predictor variables of reward practices and employee performance of plastic manufacturing firms proxied by satisfaction, efficiency, effectiveness, commitment and loyalty of plastic manufacturing firms in Anambra State Nigeria.

Studies from the literature also revealed subject content gap (Nwagbala, 2021;Okogbe, 2021;Noorazem, et al., 2021;Sajuyigbeet al.,2020; Okosi, 2020); population gap (Myint& War 2020; Ngwa; et al., 2019) and methodological gap (Ejumudo, 2019; Idemobi; Idemobi, et al., 2020; Chukwuemeka, 2020; Nurul,et al.,2021; Prashanth&Veena2022).This study closes this gap with a new set of reward variables which had not been used together in any study especially in Anambra state Nigeria in plastic manufacturing firms. This study fills the gap by considering different factors under each reward system category and relate reward practices to performance represented by five constructs shown in the theoretical framework

Methodology

Research Design

The study used a combination of descriptive and explanatory research designs. The area for this study was plastic manufacturing firms selected from three senatorial zones in Anambra state. The data were analyzed quantitatively through the application of Pearson correlation coefficient and multiple regression analysis were used to answer the research questions while the t-statistics was used to test the hypotheses.

Model Specification

The Model for this study was modified using five factors or predictors which have influences on employee performance. In line with prior studies [Orga2019; Njanja et al., 2019; and Neoma&Haitham2020] that have analyzed the effect of reward on employee performance, the study adopted the models of Orga et al (2019) EMPERF = f (MB, AB, RA; VO**)** and Neama and Haitham(2020)

EMPERF = f (SA, BO, RE)then modified on mathematical notation as

EMPBO (EMS, EME, EFF, EMC, EML) = f (PAY, BEN, PRO, WCN, REC**) …….....** (1)

When transformed in econometric notation, the model becomes;

$EMPERF = \beta_0 + EMS\ (PAY) + EME\ (BEN) + EFF\ (PRO) + EMC\ (WCN) + EML\ (REC) + \mu \ldots$ (2)

Where:

EMPBO = (Employee Behaviourial Outcome)

Y= Behavioural Outcome (EMPBO)

$\beta_{1=}$ Employee satisfaction (proxy for Employee performance)

$\beta_{2=}$ Employee efficiency (proxy for Employee performance)

$\beta_{3=}$ Employee effectiveness (proxy for Employee performance)

$\beta_{4=}$ Employee commitment (proxy for Employee performance)

$\beta_{5=}$Employee loyalty (proxy for Employee performance)

$X_{1=}$ = Pay (proxy for Reward practices)

$X_{2=}$ = Benefit(proxy for Reward practices)

$X_{3=}$ = Promotion(proxy for Reward practices)

$X4_{=}$ = working condition(proxy for Reward practices)

$X_{5=}$ = Recognition (proxy for Reward practices)

Data Analysis

Analysis of the Regression results

The regression results are presented in tables 1 and 2 below.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.697[a]	.486	.525	4.289	1.840

a. Predictors: (Constant), PAY, BEN, PRO, WCN, REC

b. Dependent Variable: EMPERF

Source: SPSS Version 21.0

Table 1 recorded R square value of 0.486 indicating that pay, benefits, promotion, work environment and recognition explain 48.6% of the variations in employee performance of selected plastic manufacturing firms in Anambra state Nigeria. This was confirmed with the adjusted R^2 of 53%. The Durbin-Watson statistics value of 1.840 in table 1 shows that the variables in the model are not auto-correlated and are therefore reliable for predications.

Table 2 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	253.815	5	50.763	2.759	.018[a]
Residual	6291.848	342	18.397		
Total	6545.664	347			

a. Predictors: (Constant), PAY, BEN, PRO, WCN, REC

b. Dependent Variable: EMPERF

Source: SPSS Version 21.0

The F-ratio in the ANOVA table 2 test whether the overall regression model is a good fit for the data. The f-statistics value of 2.759 with a probability value of 0.018 in table 4.3.2 indicates that the independent variable (pay, benefits, promotion, working condition and recognition) has significant collective effect on the dependent variable employee (satisfaction, efficiency, effectiveness, commitment, and loyalty). This result indicates that pay, benefits, promotion, work environment and recognition can collectively account for the variations in employee performance of selected plastic manufacturing firmsin Anambra State, Nigeria and therefore has goodness of fit for the data.

Descriptive Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	11.90	19.24	17.16	.855	349
Residual	-11.867	9.070	.000	4.258	349
Std. Predicted Value	-2.647	2.428	.000	1.000	349
Std. Residual	-2.767	2.115	.000	.993	349

a. Dependent Variable: employee performance

The descriptive statistics in table 3 is used to describe the basic features of the data in the study. It provides simple summaries about the sample and the measures. Together with simple analysis, they form the basis of virtually every quantitative analysis of data. From table 3, the mean and standard deviation values of employee performance during the period under review are17.16 and 0.855 respectively. The statistics equally reveals that maximum number for employee performance was 19.24 while the minimum

was 11.90. However, the statistics showed that some of the sampled firms suffered negative minimum returns on their investment during the period of study.

Test of Hypotheses

In this section, the five hypotheses earlier formulated in chapter one were tested using the t value and probability value in the regression coefficients outcome. The table is presented below:

Table 4. Coefficient of the Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Beta	Std. Error	Beta		
1 (Constant)		22.006	2.618		8.405	.000
Pay (PAY)		.143	.056	.135	2.533	.012
Benefits (BEN)		.144	.057	.137	2.509	.013
Promotion (PRO)		.069	.059	.063	2.175	.007
working condition (WCN)		.067	.072	.050	4.928	.000
Recognition (REC)		.058	.080	.047	4.818	.009

a. Dependent Variable: Employee Performance

b. Source: SPSS Version 21.0

The unstandardized coefficients which indicate the variance of the dependent variables with an independent variable when all other independent variables are held constant are indicated below.

Emperf = 22.006 + 0.143 pay+ 0.144 benefits + 0.069 promotion + 0.067 working condition + 0.58 recognition

The coefficient for the intercept is 22.006 implies that if the factors (pay, benefits, promotion, working condition and recognition) are equated to zero then the employee performances improve by a margin of 22.006. The beta coefficient of pay is 0.143 implying that a unit increase in pay leads to an increase in employee performance by a margin of 0.143. Similarly, the beta coefficient of benefits is 0.144 meaning that a unit increases in benefits leads to an increase in employee performance by a margin of 0.144. Secondly, the beta coefficient of promotion is 0.069 meaning that a unit increase in promotion leads to an increase in employee performance by a margin of 0.069. Furthermore, beta coefficient of work environment is 0.067 meaning that a unit increase in working condition leads to an increase in employee performance by a margin of 0.067. Finally, the beta coefficient of recognition is .058 meaning that a unit increase in recognition leads to an increase in employee performance by a margin of .058

Test of Hypothesis One

$H0_1$. Pay does not have significant effect on employee satisfaction in plastic manufacturing firms in Anambra state.

H_1: Pay has significant effect on employee satisfaction in plastic manufacturing firms in Anambra state

Table 4 indicates that pay recorded a t-value of 2.533 with an alpha value of 0.012 which is statistically significant at 5% level of significance. Based on this, the null hypothesis is rejected while the alternative hypothesis is accepted. Therefore, pay has significant positive effect on employee satisfaction in plastic manufacturing firms in Anambra state.

Test of Hypothesis Two

$H0_2$. Benefit does not have significant influence on employee efficiency in plastic manufacturing firms in Anambra state.

H_2: Benefit have significant influence on employee efficiency in plastic manufacturing firms in Anambra state.

Benefit has a t-value of 2.509 with a. probability value of 0.013 which is statistically significant at 5% level of significance. Since threshold, we reject the null hypothesis and accept the alternate hypothesis. Hence, benefit has significant positive influence on employee efficiency in plastic manufacturing firms in Anambra state.

Test of Hypothesis Three

$H0_3$. Promotion does not have significant effect on employee effectiveness in plastic manufacturing firms in Anambra state.

H_3: Promotion have significant effect on employee effectiveness in plastic manufacturing firms in Anambra state.

Promotion recorded a t-value of 2.175 and a probability value of 0.07 which is within the acceptable threshold. We reject the null hypothesis and accept the alternate hypothesis; hence promotion has significant positive effect on employee effectiveness in plastic manufacturing firms in Anambra state.

Test of Hypothesis Four

$H0_4$. Working condition does not have significant influence on employee commitment in plastic manufacturing firms in Anambra state.

H_4: Working condition has significant influence on employee commitment in plastic manufacturing firms in Anambra state.

Work environmentrecorded a t-value of 4.928 with an alpha value of 0.000 which is highly statistically significant. We reject the null hypothesis and accept the alternate hypothesis which states that working condition has significant positive influence on employee commitment in plastic manufacturing firms in Anambra state.

Test of Hypothesis Five

$H0_5$. Recognition does not have significant effect on employee loyalty in plastic manufacturing firms in Anambra state.

H_5: Recognition has significant effect on employee loyalty in plastic manufacturing firms in Anambra state

Recognition recorded a t-value of 4.818 with an alpha value of 0.009 which is highly statistically significant. We reject the null hypothesis and accept the alternate hypothesis which states that recognition has significant positive effect on employee loyalty in plastic manufacturing firms in Anambra state

CONCLUSION

The study examined the effect of reward practices on employee performance of selected plastic manufacturing firms in Anambra State. The data generated were analyzed using multiple regression analysis and the result showed that the explanatory variables of reward practices factors (pay; fringe benefit, promotion, working condition and recognition) had significant positive effect on employee performance of selected plastic manufacturing firms in Anambra State.

RECOMMENDATIONS

Based on the result of the findings and conclusion, the following recommendations were made:

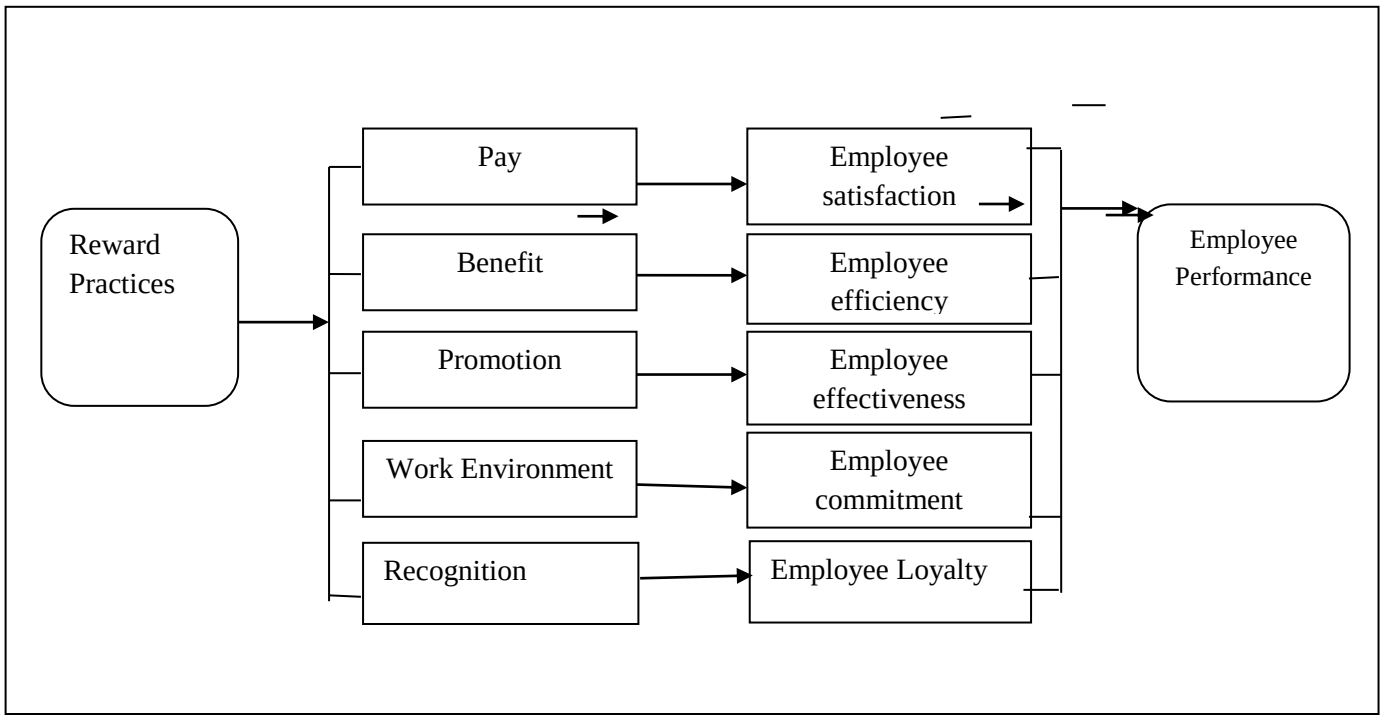
1. The study recommends that management need to express more enthusiasm to staff on what needs to be accomplished and continuously provide employees with an inspiring vision and mission through pay to increase employee efforts in meeting and achieving set organisational goals and objectives.
2. Management should improve on provision of fringe benefits. This can be done by creating gym membership, health insurance, dental care coverage to improve their health, motor vehicle allowance, life insurance, tuition assistance, childcare reimbursement, cafeteria subsidies etc. so as to increase employees' efficiency
3. Organizations targeting to improve employee performance need to go through promotion of employees on employee-friendly company culture. Management should ensure that prompt promotion is given to employees when due in order to motivate and make them capable of doing more work in less time

4. Furthermore, management in the study area should create good working conditions by ensuring that suitable physical and psychological conditions are made available to workers so as to make employees' work with the latest technologies and the needed organizational processes for the survival of the companies
5. Management should improve employee performance by prioritizing employees' recognition. This can be done through giving congratulatory and recognition letters to exemplary performance, verbally praising deserved employees, giving, publicly announcing any achievements of workers, etc

Contribution to Knowledge

The major contribution of this study to knowledge is its finding of significant relationship between reward practices and employee performance of selected plastic manufacturing firms in Anambra State. This study examines the perception of employees about reward practices components and their effects on employee performance.

Graphical Contribution to Knowledge



Suggestion for further Studies

The study therefore suggests the following aspects of reward practices for further studies:

1. The effect of reward practices on financial components of performance
2. A research on effect of reward practice son employee performance of small and medium enterprises in other states in Nigeria
3. The effect of reward practices using other non-financial performance components (corporate social responsibility, and customer satisfaction) on other communication service providers, government and private sectors.

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