Does Reward System Affect Employee’s Performance? A Case Study of Faculty in Covenant University, Ota, Ogun State of Nigeria

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Abstract:
The central objective of this study was to assess the effect of reward system on employee performance, the role Covenant University’s reward system plays in influencing the scholarly output of her faculty members and the significant effect that the Covenant University’s reward system has on the number of authors that publish articles in SCOPUS Indexed journals in doing this, the study examined the impact of Covenant University’s reward system on faculty’s performance. To achieving this, the study established that there are indicators to measure research prowess of a faculty namely: number of articles indexed in SCOPUS, number of citations and the number of authors. In rewarding faculty for their performance, Covenant University evolved reward policies on Publication Support, Conference Support, Promotion, and Staff Development Support. These policies provide that employees will receive full payment to publish their articles in SCOPUS as well get support to attend conferences indexed in SCOPUS. The reward system also permits faculty to use these publications to seek for academic promotions in the University. In collating data, the study used secondary data by exploring the total number of publications, citations and authors indexed in SCOPUS for Covenant University over a period of 12months. Findings reveal that there is indeed a direct impact of these approaches to reward on the performance of Covenant University’s faculty’s scholarly output.

Keywords: Reward system, employee performance, corporate rewards

1. Introduction
Living in a world of accelerated change, tremendous competition and overwhelming complexity coupled with blurring lines of geography due to globalization and the internet technology has made occupation highly mobile. The performance of employees on their roles is also greatly influenced by metrics that are now accurately measured and reported for performance appraisal and management purposes. The workforce is now subject to standards that put a lot more pressure on her, hence, the need to be well supported by a good reward system.

The work force of academia has been significantly plagued by predatory publishers that add no value to submissions but seek to milk the unassuming scholar of his financial resources simply because he needs to use his published and indexed article for career advancement purposes. The rise of reputable indexing bodies has made it easier for employers to rate the performance of their faculty such that those who seek to patronize predatory journals will not be as rewarded as those who take the pain to submit their work for peer review in credible outlets.

The total rewards model is the approach of employers to approve of behavioral traits and professional outputs of their employees. A good rewards model seeks to recognize and compensate an employee for the contributions made to the realization of corporate objectives. An organization’s reward system refers to the diverse initiatives employers have designed to acknowledge, monitor, recognize and reward employee performance. These initiatives also serve as attraction, retention and motivational strategies for human resource management. Reward systems also help to influence employee actions, behavior, opinions, values and experiences. Many authors have asserted that a corporate reward system plays a significant role in determining the attractiveness of an organization to potential employees. (Fay and Thompson, 2001) The structure of rewards systems has evolved from just been a pay item to a mix of financial and non-financial elements. Many employees have reached a point in their careers that money is no longer the topmost consideration when assessing the rewards system of an organization that they will likely work for. Today, there are policy statements that reward the employees far beyond what financial rewards can attract for them.

1.1. Statement of Problem
The future of the nation in many respects depends on the quality of the workforce. The quality of the workforce on the other hand depends heavily on the quality of the graduates from our institutions. The rewards received by faculty members in the institutions that prepare the future workforce do not seem commensurate to the value they offer the society. The metrics for measuring productivity in academia is clear but has become a publish or perish mantra without...
due consideration for the required compensation that drives the faculty members. Faculty members are amongst the least paid and there aren’t sufficient benefits and incentives to cater for their personal obligations let alone their professional development. The archaic approach to disseminating knowledge has been linked to inadequate models for enhancing the growth and exposure of the faculty members. Many of them do not have the means to attend conferences and career enhancing for a yet are confronted with performance metrics that are unattainable within the constraints of the work they do. Limited local grants are available for research active faculty and as such many have become victims of brain drain. This research article is concerned about the continued increase in demand for quality academic output vis-à-vis the available reward structure in academia.

1.2. Research Objectives

The central objective of this paper is to assess the effect of an organization’s reward system on the performance of her employees. The target is to know the effect of the total rewards/compensation program of Covenant University on the Performance of faculty members of the institution. The other specific objectives of the study include:

- To determine the relationship between rewards system and employee performance.
- To assess the role rewards system plays on faculty’s scholarly output.
- To determine the effect of Covenant University’s reward system on the increasing number of faculty members that publish articles in SCOPUS Indexed journals.

1.3. Research Questions

The study sought to answer the following questions:

- What is the extent of relationship that exists between an organization’s reward system and its employee’s performance?
- What role does Covenant University’s reward system play in influencing the scholarly output of her faculty members?
- What is the significant effect that the Covenant University’s reward system has on the number of authors that publish articles in SCOPUS Indexed journals?

1.4. Statement of Hypothesis

The hypothesis that guided this study are here stated in the null form:

- $H_01$: There exist no relationship between an organization’s reward system and its employee’s performance.
- $H_02$: Covenant University’s reward system does not play any role in influencing the scholarly output of her faculty members.
- $H_03$: Covenant University’s reward system does not have any effect on the number of authors that publish articles in SCOPUS Indexed journals.

2. Literature Review

This literature review has been divided into three sections. The sections contain reviews on conceptual clarifications, theoretical underpinnings of the work and empirical reviews of past findings in similar researches conducted.

2.1. Conceptual Review

2.1.1. Reward System

Reward system consists of rules, standards and procedures adopted by an organization to compensate and allocate benefits to its employees. Armstrong (2007) explained that a reward system consists of Reward strategies, that projects the organization’s stated plan on how to develop and implement practices, policies and procedures in terms of reward that would in turn help to achieve organizational goals.

Sufyan, Muhammad and Muhammed (2013) emphasized that a reward system is not only about salaries and bonuses, it could also include promotions, recognition and awards. They further explained that for an organization to gain an edge in a competitive environment, a highly effective and efficient reward system is needed to motivate their employees so as to boost performance. Tze and Boon (2012) also suggested that a good reward system is very important for attracting, hiring and retaining employees with skills, knowledge and competence to create a good organizational supportive culture and achieve organizational goals and objectives. Moreover, the focus of a manager should not be based on only production of goods and services but should also concentrate on how to select the right employees for the success of the company (wren, 2005).

2.1.2. Corporate Rewards

The works and studies of Aslam, Ghaffar, Talha & Mushtaq (2015) clearly affirms that corporate rewards have been perceived to have a strong and valued place in work relationships. Rewards are financial, non-financial and psychological derivatives that an institution provides her employees as a compensation for executing tasks assigned to them. These rewards are also perceived as benefits for the contributions the employees have made to the realization of corporate goals (Haider, Aamir, Hamid & Hashim, 2015). The essence of rewards besides being compensation for work
done include enhancing employee engagements (Ram & Prabhakar, 2011), improved job satisfaction (Oriarewo, Agbim & Owutuamor, 2013), performance enhancement (Hamukwaya & Yazdanifard, 2014), and talent recruitment, development and retention (Bussin & Toerien, 2015).

In compensating employees, the mix of compensation strategies is important in achieving the goals of the organization for improved employee performance. This mix can include intrinsic and extrinsic rewards as not all employees are moved by the same approaches.

Extrinsic rewards are elements of a compensation strategy that employees derive external value from. Extrinsic reward is seen as a consequence of achievement in the form of promotion, salaries, benefits, merit bonuses and pay rises. Extrinsic rewards are used to show employees that they are valued by their employers. (Hatice, 2012).

On the other hand, intrinsic rewards are elements of a compensation strategy that employees derive inner fulfilment from. Victor & Hoo (2017).

Khan, Waqas and Muneer (2017) explains that intrinsic reward aims at fulfilling employee’s intrinsic driving force and therefore motivates him this is in agreement with the work of Bosco (2014) who suggests recognition and accolades are effective forms of intrinsic reward which boosts employee’s performance.

2.2. Employee Performance

Shumen (2009) explains that an employee is a person recruited by an organization to perform tasks assigned to him by the recruiter based on an agreed term of payment within a certain period of time. On the other hand, the attainment of tasks assigned to a person or persons over a specified period of time is known as performance.

Employee performance has been described as the measured quality and quantity of output from an employee’s engagement on assigned tasks and duties. Performance is also measured by presence at work, timeliness of output and team spiritedness of the employee (Shahzadi, Javed, Pirzada, Nasreen & Khanam 2014). Abugre, (2012), expresses that employee performance consists of total amount of goods and services an employee is able to achieve given a period of time. For any business to survive, employee performance is of a great importance because for a business to survive, the customers must be satisfied and customer satisfaction comes as a result of the type of goods and services received from employees of an organization or business therefore Ahmad, Wasay and Malik (2012) explains that when employees are satisfied, it improves there performance which automatically brings about customer satisfaction. Also, employee performance can be measured by how committed an employee is as regards to the mission and organizational goals that a set to be achieved (Ahmad and Shahzad 2011).

2.3. Measurement of Employee Performance

Akinbowale, Lourens and Jinabha (2014) established that one of the most tasking aspects of appraising employee performance is to properly measure their performances. It entails evaluating whether tasks are effectively completed and if the completion of such tasks meets up with the given time frame.

In this paper, the performance of employees has been measured by:

- Number of Publications indexed in SCOPUS,
- Number of citations of published papers, and
- Number of institutionally affiliated authors.

The rewards that these employees get for these outcomes include:

- Full payment of publication fees
- Full payment of travel cost to SCOPUS indexed conferences
- Acceptance of published papers for regular promotion exercises
- Enhanced salary for exceptional faculty in research

2.4. Theoretical Review

This paper adopted two theoretical underpinnings associated with this kind of research. These theories included the Maslow’s Hierarchy of Needs and Vrooms Expectancy Theory. Abraham Maslow (1957) in his treatise espoused five major categories of individual needs. These needs were placed in hierarchy to reflect the highest level or most basic need to the self-actualizing needs.
Maslow’s hierarchy of needs are as follows:

- **Level 1: Physiological Needs.** These are needs for life. Todaro and Smith (2009) suggests that physiological needs are basic needs essential for human survival they are needs necessary for substance of life and they include the need for shelter, food, health and reproduction.

- **Level 2: Safety Needs:** These needs are expressed by a desire for protection against danger and deprivation of physiological needs.

- **Level 3: Social Needs:** These cravings are for love, affection and acceptance into groups. Mulwa (2008) suggests that as soon as the feeling of safety is established, then next needs people have is that of being part of a social community where they can express love and feel loved and accepted in return.

- **Level 4: Esteem Needs:** These are desires for a high evaluation of oneself. The desire for self-esteem and to be respected by others. Onah (2015) affirms that as soon as social needs are achieved, the need for self, trustworthiness, respectability, regard, honor, validity, and acceptance develops. This allows people to take part in the development of their different communities and conditions which they live in.

- **Level 5: Self-Fulfilment:** These needs are expressed in the need to develop and maximize one’s potentials to be great and sought after. When all other need is achieved, the need for self-fulfillment then comes up. Maslow (1957) explains that this need has to do with a person a being able to achieve what he was “born to do”. This is achieved by actualization of the persons potentials. These five needs were categorized into the self fulfilment needs, psychological need which consists of the esteem needs and belongingness and love needs and finally the basic needs which consists of safety needs and physiological needs. Maslow, in explaining these hierarchy of needs said that, when a lower need is satisfied, the next level of need becomes dormant and the individual attention is turned into satisfying that higher level of need.

2.5. **Victor Vroom’s Expectancy Theory**

  Vroom’s expectancy theory is different from Maslow’s hierarchy of needs in the sense that vroom’s theory it gives a series of actions or steps of subjective variables that show the differences in work rewards unlike Maslow’s law that gives specifics of what motivates employees. (Lunenburg 2011)
The elements of this theory are: expectancy, instrumentality and valence. (Vroom, 1964). In explaining this theory, it is stated that people become motivated to the degree to which they believe that their (a) effort will lead to appreciable performance [expectancy], (b) performance will be compensated [instrumentality], (c) rewards will receive a high measure of value that is positive [valence].

2.6. Empirical Review

This section evaluates four scholarly works on the relationship between Rewards and Employee Performance.

The first is from Qureshi, Zaman and Shah (2013). The purpose of the study was to establish the direct relationship between rewards and employee performance among cement companies in Pakistan. The study surveyed 100 employees and established the following:
- Recognition techniques (intrinsic and extrinsic) used in cement factories enhance employee performance.
- A mix of fixed salaries and bonuses also impacted employee performance positively.

The second is from Muhammad (2014). He studied the impact of compensation on employee performance with respect to commitment in Saudi Arabia. The study sampled 45 public institutions in the country with an average of 265 employees. The conclusion of the research affirmed as follows:
- That compensation in form of incentives enhances the motivation of employees to put in their best in performing their duties.

The third article reviewed was by Ngui (2014). The study focused on the effect of Human Resource Strategies on Performance of Commercial Banks in Kenya. The study concluded that rewards and compensation system have an important effect on the performance of banks employees in Kenya.

The fourth article is by Egbunike and Nnanji-Ihedinma (2015) who studied the effects of rewards on employee performance 8 commercial banks in Akwa community of Nigeria. The primary aim of the study was to find out the relationship between rewards and employee performance. This research was carried out through survey and data was collected through the administration of questionnaire and hypotheses was tested using multiple regression method. The study concluded that the employees are the most important aspect of service industries therefore their motivation and satisfaction is at the fore front of the managerial tasks.

3. Methodology

This is an empirical study based on secondary data. The researcher collected information and data from the relevant offices of the University to aid in reaching findings and conclusions. The data collected included policy documents on publication support policy, conference support policy, promotion policy and data on scholarly output of all faculty in the University from October 2017 to September 2018. The study considers employee performance as the dependent variable where indices of scholarly output, number of authors, and citation count. The independent variable was the reward system. The sub variables included policy on publication support, conference support and faculty promotion.

4. Data Analysis

The information collected was a simple frequency table. One of the limitations of this research was that there wasn’t access to the cost of publication and conferences for the period under review. However, there were existing policies that clearly showed that there is a reward system in place to support employee publications, publishing with faculty from other Universities, citing other indexed journals and joint authorship of papers and research work in the University. However, a simple analysis that was done with the data collected on scholarly output, citation count and number of authors are as shown in the tables below.
4.1. On Scholarly Output

- Every month witnessed an increase in the scholarly output of Covenant University faculty due to the prevalence of the publication support policy.
- The University pays for the publication of all papers indexed in SCOPUS.
- The highest increase came between months of February and March because that’s the time to submit CVs for promotion and many faculties had targeted those release dates for their articles.

<table>
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<th>Date</th>
<th>Scholarly Output</th>
<th>Difference</th>
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<td>1567</td>
<td>11</td>
<td>0.70694087</td>
</tr>
<tr>
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<td>34</td>
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<td>2.31105559</td>
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<td>Mar-18</td>
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<td>7.47058824</td>
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<td>Apr-18</td>
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<tr>
<td>Sep-18</td>
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<td>1.7515052</td>
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</tbody>
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*Table 1: Scholarly Output of Faculty 2017-2018*

Employee Performance of Faculty of Covenant University
October 2017 - September 2018

Source: Researchers Review of Secondary Data from Covenant University

4.2. On Authors

- Every month witnessed additions in the number of authors.
- We found out that not all these authors are faculty of Covenant University. A number of them are postgraduate students. There is also an existing policy that makes it compulsory for postgraduate students to publish at least 2 articles before graduation.
- The highest increase came in February and March due to the season for call for promotions.
Table 3: Citation Count on Published Articles of Staff
Employee Performance of Faculty of Covenant University
October 2017 - September 2018
Source: Researchers Review of Secondary Data from Covenant University

<table>
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<th>Citation Count</th>
<th>Difference</th>
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4.3. On Citation Count
- Every month saw increases in citation count.
- We found that Covenant University has a policy that makes it compulsory for her staff to cite other authors within the University if they must get publication support. This policy enabled their performance to be improved.
- The highest change came in the season of promotion.

5. Conclusion
One of the most crucial factors for ensuring organizational growth is employee performance and this can be boosted by the organizational reward system. It is obvious from the secondary data gathered that there is a positive trend in performance as a result of the reward system adopted by the faculty. Evidently, there is not just a relationship between the reward system and employee performance, there is adequate proof that the increases in scholarly output, number of authors and citation count is as a result of the system of recognition that Covenant University has in place. The staff enjoy financial support in foreign currency to pay their publication fees, financial support to attend local and foreign conferences. The promotion policy recognizes these outcomes hence guaranteeing career development for the staff.

University faculty has the potential to perform better if there are benefits and incentives to support their efforts at teaching and research. The faculty enhances the reputation of the institution; hence employers can’t afford to be laidback on the need to support their engagements and outcomes.

6. Recommendations
Having carried out an empirical study on finding out if rewards system has effect on employee performance, the following is recommended.
- Employers should provide incentives that encourage research
- Employers should support faculty exposure through travel to other academic for seminars and conferences. This will aid teaching and widen their perspectives.
- Employers need to constantly reviewing their policy to aid career development of their faculty.

7. Areas of Further Research
Muhammad (2014). As seen in our empirical review studied the impact of compensation on employee performance. This research was carries out in Saudi Arabia and he concluded that employees put in their best in performing duties when compensation comes in form of incentives. Having carried out this study, it should be noted not all areas in terms of reward system and employee performance have been covered. The findings made as a result of this researched as only narrowed the gap that exists on this particular topic therefore other areas are worthy of consideration.
- Policy implications for improved research outcomes in academic community.
- Review of Total Rewards Model for Academia
- Collaborative Research and Its Impact on Improved Institutional Reputation.

8. References


