

The Effect Of Extrinsic Reward On Employee Performance In The Public Sector

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Abstract: The study examined the effect of extrinsic reward factors on employees' performance in the public sector in Nigeria, using the states' civil service in the South-East, Nigeria as the study area. The literature for the study was partitioned into four main sections namely; conceptual review, theoretical framework, theoretical exposition/extant literature and empirical review. The study used descriptive survey design. Major statistical tools of analysis were summary statistics of percentages, Pearson Correlation and multiple regression analysis. Whereas summary statistics was used in analyzing the demographic characteristics of the respondents and answering the research questions which were structured in a Likert scale format, correlation and multiple regression analysis were used in verifying the various claims of the null hypotheses. All tests were conducted at 0.05 level of significance. Preliminary results from the regression estimation indicates that F-Statistic of 19.888 was statistically significant and as such, the model was considered stable and valid for predictions. Regression coefficient of 0.857 showed that 85.7 percent relationship exists between the dependent and independent variables. Similarly, the coefficient of determination 'R²' with a value of 0.818 showed that 81.8 percent of variation in the dependent variable can be explained by the independent variables. Major findings include the following: pay rise and bonus payment, have positive and significant effects on employees' performance in the civil service in Nigeria. The study concludes that there is a consensus of opinions on the link between extrinsic reward factors and employees' performance in the civil service. Efficient reward system creates moral incentives for employees enhanced performance. The study recommended among others that government should take the issue of extrinsic reward in the civil service very serious as well as ensure that workers salaries/wages are reviewed upward at regular intervals so as to enhance performance in the service.

I. INTRODUCTION

A. BACKGROUND TO THE STUDY

Right from the days of Taylor and his scientific management mentality, money has always been seen as the greatest motivator for workers. Of course, this has to be so in a situation where money is the only means of acquiring whatever one wanted/wants. The motivational value of money is invariably high in low income countries like Nigeria and others because of the circumstances – mass poverty, lack of basic amenities which turns everyone into his own municipal government and corruption (Chukwudi, Odogwu and Adedehinbo, 2012). As a medium of exchange, it is the instrument used in carrying out salary/ wage administration by

organizations. Workers are paid money at the services they render to their employers at the end of a specified period of time.

Evidence from literature shows that wage administration in Nigeria is as old as the civil service itself. Past and present governments have at one time or the other deliberated on what should constitute the minimum wage for the country. In many occasions, negotiation for minimum wage in Nigeria has been provoked by the labour centers who consider it as a way of improving the welfare status of their teaming workers. In many occasions too, the demand for increase in wages and salaries in Nigeria has been accompanied by industrial dispute between the government and the trade unions, usually declared by the Nigerian Labour Congress and Trade Union Congress. The obvious outcome of such disputes has always been loss in

productivity and output. The industrial disputes have always been seen as an evil wind that blows nobody any good (Egbo and Okeke, 2009).

Payment of wages or salaries to the employees by the employer is mandatory and backed by the enabling law. Workers and the employers enter into a contractual agreement which compels the employer to pay certain amount of money to the worker at an agreed interval of time after a defined service must have been rendered by the worker to the employer (Sule and Ugorji, 2013). Such wage or salary paid to the worker is an instrument of motivation or 'driver' which makes the worker to work harder. It is common knowledge that when one becomes a stakeholder in an organization, such a worker will always want the survival and sustainability of such an organization at all times. Thus the extent to which organization is able to achieve goals and vision depends to a great extent on the relationship between the organization and the employees (Muo, 2007).

Productivity is a prominent area of interest in human resource management domain but it would appear it is not given any serious consideration in the civil service as workers could be owed salaries and wages for as many months as the government wishes. No wonder that inefficiency and poor productivity has been the major features of the States' Civil Service in Nigeria (Nwachukwu, 2009). To Nwokolo (2011), such poor labour-management relations affects workers' productivity severely as they collectively presume that government does not appreciate their contributions.

Workers collective bargaining through their elected representatives have often been misunderstood by the government. Although, industrial action is the last weapon in the hands of labour to press home the demands of its members for better conditions of service, it becomes very unfortunate if government decides to be vindictive or selective in its relationship with the employees. The problem is that when workers are not adequately remunerated as should they will not only be demoralized but will also exhibit corrupt tendencies as feelings of insecurity overwhelms them. In particular, poor remuneration is capable of leading workers to contemplate embezzlement, misappropriate and outright diversion of public funds to private or personal use. This is in an attempt to take care of present shortfall in salary as well as ensure that during retirement, there would be something to fall back on. There is no doubt that an effective and efficient state civil service will make every other sector of the economy very vibrant and facilitate the desire development that will impact on the quality of life of the citizenry (Obiorah, 2014).

It must be noted that workers with little pay will never feel satisfied or secure no matter the extent of the job security because the assumption is that such jobs is just for them to be leaving the house on daily basis and possibly, to gather working experience. This is because such jobs cannot and will not be able to fulfill and satisfy their social needs and obligations. This is considering the kind of family tie and circle we operate as Africans. Relatives upon relatives from relatives are still part of your family and there is always the need to cater for them, this is, the super extended family relations (Sule and Amuni, 2014). But it is only those who are adequately motivated that can exhibit optimal productivity. Motivation is about getting the best from the employees, the

best that is good enough for the organization. The government should provide conducive work environment to enable the workers motivate themselves for effective performance.

Opinion are that effective salary/wage administration will recognize the need for employees' pay rise, bonuses, fringe benefits, employee promotion and allowances to enlist the cooperation of workers towards the achievement of expected level of productivity in the organization (Lawal and Oluwatoyin, 2011). As elements or components of extrinsic rewards, employees are always expectant of the rewards otherwise they tend to withhold service when they feel that government/ management are unmindful of their efforts and contributions to the organizations. On this note, this study examines the effect of effective salary/wage administration on the performance of civil servants across the states of the South-East Geo-political Zone of Nigeria, with particular reference to pay rise, bonuses, employee promotion, fringe benefits and allowances as the components of extrinsic rewards.

B. STATEMENT OF THE PROBLEM

The inefficiency and poor performance that have characterized the civil service in Nigeria, especially the states' civil service, has occupied public discourse for sometime. Many have blamed it on poor remuneration and lack of incentives for the workers, others way it is part of the general decadence which affects other sectors of the economy. Whatever is the cause of poor performance of the civil service, it is worthy of note that there has been a manifestation of unethical and corrupt practices leading to misappropriation of funds, outright embezzlement and diversion of public funds to private use. The situation has led to poor service delivery to the members of the public.

Past studies in related area had presented conflicting results. For instance, Bard (2006) in his study of effect of pay administration and pay level came out with the finding that extrinsic motivation only effective for low wage employees that those who are on high wage are not motivated by extrinsic rewards. Similarly, Nur, Jamian Jidi and Zakirai (2016) worked on rewards system in Kuala Lumpur, Malaysia and found that extrinsic reward factors do not influence employees' performance rather intrinsic rewards do motivate employees for enhanced performance. On the other hand, Shaikh, Shaikh and Sumair (2019) found from their study of the impact of extrinsic motivation on employees' performance that all extrinsic factors have positive and significant effects on employee performance. The conflicting results as presented above has given impetus to this study which is designed to mediate among the conflicting results as well as identify factors that can really enhance employees performance in civil service.

C. OBJECTIVES OF THE STUDY

The broad objective of the study is to examine the effect of extrinsic reward factors on employee performance in the public sector organizations, using the State's Civil Service in the South-East, Nigeria as the study area. But specifically, the study intends to:

- ✓ Determine the effect of pay rise on employees' performance in the civil service in Nigeria.
- ✓ Ascertain the effect of performance bonus on employee performance in the civil service in Nigeria.

RESEARCH QUESTIONS

The following research questions were considered very germane to the study and therefore, they were raised to guide the objectives of the study:

- ✓ How significant is the effect of pay rise on employees' performance in the civil service in Nigeria?
- ✓ What is the effect of performance bonus on employees' performance in the civil service in Nigeria?

SIGNIFICANCE OF THE STUDY

The study has both theoretical and empirical significance. Theoretically, the study will expand the frontier of knowledge thereby adding substantially to the stock of existing literature in this area of study. On the other hand, the empirical significance is certain, given the categories of people that will benefit from the outcome of the study. Those that will benefit include, but not limited to:

- ✓ The Government: The government would be given insight on how to imbibe the modern methods of approaching industrial relation issues to achieve mutual benefits.
- ✓ The Workers: The workers would be sufficiently enlightened on how to engage the government on issues relating to wage and salary administration so that productivity does not suffer unnecessarily.
- ✓ The General Public: This category of people will benefit from the efficiency and productivity that will follow after the policy dialogue. Quality of service delivery will certainly improve.
- ✓ The Students/Researchers: The students/researchers who might want to carry out further studies in this area will find the report very interesting as it will serve as a good starting point.

D. SCOPE OF THE STUDY

The study is being conducted in the South-East Geopolitical Zone of Nigeria, covering all the states in the zone. Namely; Abia, Anambra, Ebonyi, Enugu and Imo states. The focus is on the civil servants that are located in ministries, departments and agencies (MDAs) within each states' secretariat complex that are scheduled, that is, pensionable civil servants only who are on grade levels 07 and above. The issue under investigation is the effect of extrinsic reward factors such as pay rise and bonus/performance bonus, on employees' performance in the civil service in Nigeria. Basically, the study focuses more on how extrinsic reward factors can be used to motivate employees of the civil service to enhance performance and increase productivity in the sector. The time frame is between 2020.

E. CONCEPTUAL FRAMEWORK

Rewards management can be traced back to the scientific management era where management principles and philosophies actually started, some of which are still relevant today. Rewards management played an important role in the era in the successful and implementation of the philosophy of scientific management. It was said to have started with the American Society of Mechanical Engineers who was the first promoter of management. Although scientific management is not a reward system as stated by Taylor in his testimony before the special committee when he defined what scientific management is not, it is the major concern of scientific management. Scientific management is not a pay scheme for employee neither is it a piece works system. It is not a bonus or premium system neither is it a scheme for paying men but under scientific management, the pay system is simply one of the subordinate elements. However, task and bonuses constituted the most important elements in scientific management. In this era, Taylor pressed on the need for management to develop plans that offer high wages to workers and a relatively low labour cost to employers while fostering individual pay for performance. This was illustrated in a proposed pay system: the piece-rate plan (Taylor, 1947 in Ngwa et al, 2019).

a. SALARY AND WAGE

In the opinion of Maduabum (1998), salary could be conceptualized as compensation received by an employee for services rendered during a specified period, weekly, monthly or yearly. Wage on the other hand, refers to compensation paid to an employee as stated sum per piece, hourly, daily or any other unit or period for service rendered. Essentially, wage and salary refer to money paid in concrete terms in return for job done. By these definitions, the two concepts can be used inter-changeably to mean the same thing. He notes further that wage or salary is usually based on an agreement between the labourer who offers to sell his services to the management who in turn accepts to pay money in return for the services of the labourer.

b. EXTRINSIC REWARDS

In the opinion of Baron (1983) cited in Eshak et al (2016), extrinsic rewards are tangible or financial rewards and the rewards are external to the job or task performed by the employees. They can be in terms of salary or pay incentives, bonuses, promotion, fringe benefits, allowances and/or job security. They are also called financial or monetary rewards. To Luthans (2006), they mean pay-for-performance such as performance bonus, job promotion, commission, tips, gratuities and gifts. McCormick (1979) defines it as those rewards that are external to the task of the job such as pay rise, work conditions, fringe benefits, security, promotion, contract of service, the work environment in terms of compensations and conditions of work. He notes that such tangible rewards are often determined at the organizational level and may be largely outside the control of individual manager. In his opinion, other things included in it are competitive

salary/wage, annual increment in pay, bonuses and such indirect forms of payment.

c. PERFORMANCE

The term performance can also be described as how an employee carries out the tasks that make up the job. Good performance results from efforts, ability and direction (Bello and Adebajo, 2014). In the opinion of Ngwa et al (2019), employee performance is an indicator of the capacity of an organization to efficiently achieve organizational goals. It can be evaluated in many ways among which include: the employees' commitment displays at work; the employees' work values as well as the cohesiveness that employees display in a work environment. It is associated with both quantity and quality of output. Also, it takes into account timeliness of output and presence/attendance on the job efficiency of the work completed and the effectiveness of job completed (Mathis and Jackson, 2009).

Employee performance can therefore be defined formally as the successful completion of a task by an individual or group of individuals, as laid down and measured by a supervisor of the organization. It also entails meeting pre-determined and acceptable standards while efficiently and effectively utilizing available resources within a changing environment. However, Agui (2009) opines that the definition of performance does not include the results of employees' behaviour, but only the behaviour themselves. Performance is all about behaviour or what employees do and not just about what they produce or the outcome of their work, he remarks.

To Bate and Holton (2005), performance is a multidimensional construct, the measurement of which varies depending on a variety of factors. They added that it is important to determine whether the measurement objective is to assess performance outcomes or behaviour. However there are different views on what performance is. It can be regarded as simply the record of outcomes achieved. On an individual basis, it is a record of the person's accomplishments. Kane (2006) adds that performance is something that the person leaves behind and that exists apart from the purpose. Kane (2006) observes further that employee performance connotes the quantity of work done and the effectiveness as well as the efficiency with which the piece of work is done. To him it can be measured precisely as a unit of output per worker within a given timeframe.

F. THEORETICAL FRAMEWORK

In this section of the review of related literature, Blau's Social Exchange Theory of Motivation. has one thing or the other to say about the connection between employees motivation and performance/productivity in the organization be it public or private sector organization.

BLAU'S SOCIAL EXCHANGE THEORY

Blau's social exchange theory is another important theory that has relevance to the subject matter of the study. In the theory, Blau assumes that employees tend to act in ways that

reflect their organization's or manager's treatment to them. The implication of this is that employees are motivated to compensate beneficial treatment from the employer by acting in ways that are valued by the organization (Blau, 1964). An assumption underlying the social exchange theory is the idea of reciprocity where both parties adopt a contingent approach; one party gives benefit based on previous contributions by the other party thereby adhering to the norm or reciprocity through the reciprocation to the benefits gives.

Blau's social exchange theory is also a full compliance of social contract which states that in employment relations, the employee will offer his/her services to the organization and the organization in return will pay an agreed amount of money to the employee for the services rendered over a specified period of time. It could be weekly, fortnightly or monthly. The theory also presupposes that employees who are engaged actively in their organizations may have a feeling of obligation to respond and repay the organization in some form and one way of doing so is to increase commitment towards the achievement of organizational goals (Corpanzano and Mitihell, 2005).

Blau's Social Exchange Theory was chosen as the theory upon which the study would be anchored. The choice of the theory was informed by the fact that the phenomenon under investigation can actually be effectively explained within the framework of the theory. This is because its element of reciprocity as explained in the social contract construct is the core of employment relations between the government/management and the employees. The salary/wage administration of the government should be such that employees would be motivated to have job satisfaction and be more task involved through commitment and loyalty to the organization. Such a conducive work environment will eliminate the tendency for crises as well as minimize labour turnover intentions. The theory emphasizes that parties should always keep to their own part of the agreement in the employment relations.

This theory is widely associated with B.F. Skinner who proposed that every behaviour is a function of its consequences. The theory is one of the process theories which explain how people become motivated and what they are motivated to do. The theory features three basic components and proper understanding of the components will guide the manager on the most efficacious and strategic application of the theory for achieving desired organizational results. The first component is *Stimuli* and what it does is to create certain awareness in the environment (workplace) for the employee to ensure a certain behaviour. The second component is the *response* which represents the behaviour that the employee exhibits after interfacing with the stimuli in the environment. The third and final component is the *outcome* which is a direct result of the response exhibited by the actor. Summarily, reinforcement theory suggests that the response a person makes to the stimuli is a function of what he/she expects will happen (Denisi and Griffin, 2011). The employees are the most important assets of the organization. If a manager can through good management strategy earn the loyalty of the workforce, they will definitely see themselves as co-owners in the organization and will surely protect their interest by increasing performance. In application, the manager must

identify things that are incongruous with positive stimuli and do away with them so that they will not generate negative responses, which ultimately will lead to negative outcomes. If the manager gets it right (positively) at the 'stimuli' component level, the response and outcome components will at least fairly fall in line. That is to say, the employees will be fair enough to respond accordingly to the positive stimuli found in the work environment. This agrees with Agris (1964) when he stated that where the organization is not managed in such a manner that individual's (employees') needs and goals are incongruent with those of their organization which will result in full integration of individuals with their organization, the individual workers in such organizations would manifest adaptive behaviours such as absenteeism, lateness to work, labour turnover, alienation, slow down and in extreme cases, withdrawal from work.

RELEVANCE OF THE THEORY TO THE STUDY

We chose Blau's Social Exchange Theory as the underlying theory for the study because its elements were found to be capable of analyzing the critical issues in extrinsic rewards management in the organization. The element of reciprocity as explained in the social contract construct is the core of employment relations between the government/management and the employees. Salary/wage administration of the government should be such that employees would be motivated to have job satisfaction and be more task involved through commitment to the organization. Such a conducive workplace environment will eliminate the tendency for crisis as well as minimize labour turnover intensions. The theory emphasizes that each party in employment relations will always act in a way that there would be mutual benefit to each party in the agreement.

G. THEORETICAL EXPOSITION

"Thou shall eat from your sweat" says the Lord to our great, great grand-father and mother at the beginning of the world. This, perhaps, is the reason that people, man and woman, old and young are always engaged in one activity or the other to make ends meet and/or at least, put food on their table and also meet other basic needs of shelter and of course clothing (Sule and Amuni, 2014). In their opinion, the activities people get involved in today are what is referred as employment and wherever this occurs, there must be an employer, one who engage the services of another and the employee, one whom his/her services are engaged. Similarly, Sale of Goods/Services Act establishes that, for there to be a valid contract of sales, there must be, among other things, what is referred to as consideration which could otherwise be referred to as the price or value of the transaction(s). In the same vein, the employment related law, as well, established that for a valid employment contract, there must be a price to be paid by the employer to the employee at the end of a fixed period, it could be daily, weekly, fortnightly or monthly. This is what is referred to as salary and/or wage. It is the compensation paid to an employee for engaging his/her services for a stipulated period of time.

Chukwudi, Odogwu and Adedehinbo (2012) note that the issue of what constitutes a fair day's pay has plagued employers of different categories for decades. In their opinion, the problem has been compounded by the fact that most employers of labour are capitalists in the case of private sector organizations, that do not want to part with anything as cost of generating their profit. In the case of the public sector employers, however, ability to pay adequate compensation to workers is always hindered by corrupt practices which the leaders are always entrenched in which makes them siphoning public funds for their private use. But workers need to be compensated adequately to justify their contributions to the organizations where they work.

In the opinion of Blumberg and Pringle (1982) cited in Sule and Amuni (2014), compensation that employees are paid is the most tangible reward they get for their efforts in the organization. It include all rewards that they receive as a result of the services they render to the organization. Therefore, it is more than just monetary income as it may include the following: pay – the money that an employee is paid for performing duties, that is direct financial compensation, additional financial benefits other than the basic pay such as payment for holiday trips and medical insurance. Others may include subsidized launch, transport and housing among others.

Salary/wage administration equally imply compensation administration and it is a crucial segment of human resource management, which focuses on planning, organizing and controlling of the direct and indirect payments that employees receive for the work they perform (Ezeh, 2014). Compensation includes direct forms base, merit and incentive pay and indirect forms such as vacation pay, deferred payment and health insurance among others. The ultimate objectives of compensation administration are: maintenance of productive workforce, equitable pay, and compliance with federal, state and local regulations based on what organizations can afford. Compensation administration as the name implies, suggests having a compensation structure in which hardworking employees are recognized in one way or the other as well as maintaining the regular payment of salary/wages (Hewitt, 2009). It is a strategy that encourages top-performers to work harder and helps to build a competitive atmosphere in the organization. Armstrong and Brown (2005) postulate that compensation administration is an integral part of human resource management (HRM) approach to managing people and as such, it supports the achievement of business objectives and it is strategic in the sense that it addresses long term issues relating to how people should be valued for what they want to achieve. It is therefore integrated with other HRM functions, especially those concerned with human resource development.

People in the organization are the most critical factors of production because the coordinate other resources and they have the will and discretion in deciding if, when and how to work. The concern of managers' right from days of industrial revolution and emergence of formal organizations has been how to ensure that workers put in their best and that their best is good enough. In effect, there are two major challenges: how to ensure that workers are committed to organizational goals and are working towards those goals to the best of their abilities. These two challenges are complicated by the fact that

the workers have different needs, which also vary with time (Muo, 2007).

As Luthan (2005) observes, motivation is a goal directed behaviour. It starts with deficiency (needs) which activates behaviour (drives) aimed at the goals (that which can alleviate the deficiency). These three independent elements: Needs, Drive and Incentives (or Goals) in his opinion, are thus central to a proper understanding of motivation. For example, when needs arise, drive energises the person toward goals which will satisfy those needs and restore equilibrium once more. Motivation is also the inner force that accounts for the intensity, (how hard one tries); direction (the focus of the effort) and persistence (how continuously one tries) of a person's efforts toward attaining a goal or a basket of goals (Ivancevich and Matteson, 2002).

a. EFFECT OF EMPLOYEE PAY RISE ON PERFORMANCE

It is common knowledge that workers will always want their salaries/wages to be increased to reflect the prevailing economic realities occasioned by high inflationary trend in Nigeria. Even though it does not really translate to economic well-being sometimes given the peculiarities of the nation's economy, workers always clamour for wage increase thinking that it will make them better-off. In the opinion of Martocchoi (2006), the link between good pay and employee performance is not hard to see. Reilly (2003) lends support to the above opinion expressed by Martocchio when he notes that when workers' salaries or wages are commensurable to their outputs, it does not only motivate them to put in more efforts but also serves as a stabilizing force in the work environment. He observes further that such working conditions provides the right atmosphere for improved performance as well as diminish any appearance of industrial or trade dispute which often affects productivity negatively in the organization.

Low pay, especially as could be found in the Nigerian civil service has been blamed for the inefficiency and low productivity which has plagued the service for decades. A typical work environment in any state civil service in Nigeria is a display of dissatisfaction and frustration and as such, there has been endless agitation for pay like or increase to enable the workers meet up with basic needs of life. Yusuf and Metiboba (2012) note that in most cases, workers inability to meet up with basic family needs as a result of inadequate remuneration is carried to the workplace and gets the environment polluted. In support of this, Akintayo (2012) observes that work environment needs to be stable because it influences workers' psych and attitude towards work. In his opinion, a stable and conducive work environment will enlist the cooperation of workers in the organization. Therefore, if a place where workers and employers meet is made toxic rather than being friendly and conducive, productivity will suffer. To Kyko (2005), irresponsible or uncommitted employee can change to become responsible and committed employee with a friendly and conducive work environment. He remarks that favourable conditions of service is one strong way of motivating civil servants.

Armstrong (2004) notes that labour relations consist of all those areas of human resource management, which involves

relationships with employees directly and/or through collective agreement where trade unions are recognized. It has to do with the welfare of the employees, especially as it affects their remuneration and other conditions of service. Anikeze (2007) states that monetary inducement is still very influential in ensuring and sustaining industrial peace in organizations. He identified some areas as being contentions in labour-management relations and they include: job security, conditions of service (hours of work, shift-where applicable, holidays, etc), remuneration level and other fringe benefits all of which affects employee performance either directly or indirectly.

History of pay or salary increase in Nigeria is not a pleasant one. There is no salary increase that has taken place without the agitation by labour leaders. Government at all levels in Nigeria does not regard productivity as anything and that is reflected in the type of remuneration that civil servants get from the government. No administration in Nigeria had ever contemplated wage increase for the workers unless workers' union agitate for it through negotiations and sometimes with a threat of strike action just as we are currently witnessing in the country. Sometimes even when an agreement is reached between the government and labour unions, implementation becomes a serious problem. It is quite difficult to explain a situation where Mr. President assented to a minimum wage since April, 2019 and up till now the workers are yet to be paid even when market women have increased the prices of their wares in anticipation that workers would be paid a paltry increment in their salary. Workers are already suffering varying degrees of price increase for the money that is yet to be paid. Such is the plight of Nigerian civil servants. It would be quite unreasonable for anybody to expect enhanced performance from such workforce.

Armstrong and Baron (2009) note that one of the reasons that government does not contemplate salary/wage increase for the worker is because such increase if granted, often swells up the size of government wage bill and bring about high increase in recurrent expenditures. It is easier and cheaper for the government to give bribe to some labour leaders that are willing to compromise their functions and accept a pay-off at the expense of their colleagues in service. Egbo and Okeke (2009) opine that enhanced remuneration is workers' right in order to create the right atmosphere for expected performance.

Munir, Lodhi, Sabir and Khan (2016) observe that salary raise as one of the extrinsic rewards which is earned in different ways can actually motivate an employee for higher performance. They listed the ways salary raise can be earned to include: employee attaining and acquiring new skills or academic certificate from further training, as an appreciation for excellent performance and annual increment in the service. It is a type of reward that motivates employee in developing their skills and competencies which the organization really need for increased productivity and performance. It is a kind of reward that offers long-term satisfaction to the workers. Nevertheless, managers must be fair and equitable in distributing the rewards so that the issue of preferential treatment does not arise under any guise, they noted.

To Siti-Nabiha, Thum and Sardana (2012), an extrinsic reward, especially pay is usually something valuable, such as money. It serves many purposes in the organization. It serves

to build a better employment deal, hold on to good employees and to reduce labour turnover rate. The principal goal is to increase employees' willingness to work and perform optimally to enhance productivity and output of the organization. Emeka, Amaka and Ejim (2017) posit that all extrinsic factors, especially pay like enhances the motivation of employees which ultimately influences them positively to perform effectively towards the realization of organizational goals and objectives. Armstrong (2008) posits that pay reward plays a vital role on increasing the employees' performance in an organization. He further notes that it is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standard and competency requirements.

Deeprouse (2014) notes that while the presence of money may not be a very good motivator, the absence of it is a strong de-motivator. In addition, financial rewards generally are significant not only in terms of their instrument value as a medium of exchange, but also a highly tangible means of recognizing an individual's worth, improving self-esteem and symbolizing status and achievement (Armstrong, Reilly and Brown, 2011). Monetary reward, especially pay like motivate workers of any organization and it results in higher productivity in the organization. Fareed, Shahzad, Ameen and Iodhi (2013) note that monetary inducement arouses the use of inner abilities in employees in the organization. In their opinion, performance and reward have direct relationship and managers should endeavour to exploit the relationship to the benefit of the organization.

Salary/wage administration policy that aims at the viewing workers' pay at regular intervals to reflect the prevailing economic realities, will enhance performance of civil servants in Nigeria. Performance of workers has become important due to the increasing concern of human resource and personal experts about the level of output obtained from workers due to poor remuneration (Puwanenthiren, 2011). Furthermore, Payam, Akram, Majid and Seyed (2013) supported the opinion that pay reward has been found to be one of the main organizations' policies which can actually increase the performance of workers and increase the output of organizations. Pay reward has been seen to be a vital instrument in employee performance and a well-rewarded employee feels that he or she is being valued by the organization that he/she is working for (Sajuyigbe, Olaoye and Adeyemi, 2013). Thomas (2009) observes that extrinsic reward, especially pay raise are now more important than any other because it has direct positive effect on employee ability to make effective demand and improve his/her condition of living.

Denga (2006) posits that individuals whose needs, goals and aspirations are thwarted by the organization through under payments, tend to develop feelings of low self-worth, become apathetic, uninterested, frustrated and above all, tend to withhold self-commitment to the work. Thus, the way the resources of any organization is managed can go a long way in influencing workers' feelings and interest toward their jobs and hence, their level of job involvement. Therefore, efficient resource management, especially financial resources, means effective deployment of resources where they are most needed in the organization (Adetoro, 2009). A pay regime that

addresses the peculiar circumstances of the civil servants in Nigeria can go a long way in eliminating the age long inefficiency which has characterized the sector since independence. Therefore, job involvement of civil servants is a function of effective salary/wage administration by the government. Proper management of workers remuneration will determine the extent they will be involved in their jobs (Akpan, 2012).

Nwachukwu (2007) asserts that extrinsic reward in form of pay rise, enhanced fringe benefits, etc, from an organization to the employee reassures and reinforces an employees belief in the organization. He notes further that such compensations can only come from an organization that has favourable wage regime, a culture of wage administration that is employee friendly. In his opinion, employees in an organization where such conditions of service are lacking are likely to leave the organization or become very tardy, absent from work at the least opportunity and characteristically manifest other negative attitudes to work. This is because job satisfaction is inversely related to absenteeism and labour turnover.

Overtime, it has been a case in some organizations that their employees are under-remunerated or that they do not have good compensation administration programs. It could also be in the area of delayed promotion/advancement or that their pay packages are not commensurate to the work they do for the organization. In any of the situations raised above, the consequence has always been negative employee behaviour (Fein, 2010). Sometimes, it could be a deliberate act by management in order to frustrate the employees as we have witnessed many at times with the Nigerian Government, or that the management lacks the necessary managerial capabilities to effectively administer a compensation administration programme (Dyer and Schwab, 2004).

Gone are the days when such issues are condoned or accepted by the employees, they various unions under which the workers negotiate their welfare with their employers, be it public or private sector, are ever ready to tackle the problem of under remuneration headlong so that employees can bring out their best in terms of performance in the workplaces in order to enhance productivity and output (Anyabe, 2003). In essence, inadequate salary/wage do contribute to low job satisfaction and consequently increases employee absenteeism and labour turnover in the organization (Decenzo and Robbins, 2007).

Redling (2008) notes that wage/salary administration which includes direct cash payment, indirect cash payments in the form of employee benefits and incentives to motivate employees to strive for higher levels of productivity, is a critical component of the employment relationship. He opines that a good compensation package is a good motivator. Hence, the primary responsibility of the human resource manager is to ensure that the employees are well paid to avoid the issue of labour turnover. He stresses further that poor salary/wage administration program can make an organization to become a training ground for other well paying organizations. That is, employees leaving the organization due to inadequate remuneration from the management.

James, Debra and Laurie (2016) observe that good pay raises employee's self-esteem, job satisfaction and increases cooperation with the management. According to them, it also

results in reduced conflict and stress, more commitment to goals achievement and better acceptance of change and its elements. Barbee and Boll (2010) in Aroh (2015) pointed out that many writers have agreed that rewarding work environment seems to offer the prize of generating feelings of commitment to the services employees render in their organizations. Similarly, Cotton, Mcfarlin and Sweeney (2008) have stated that workplace stability couldn't have been achieved and commitment to duty couldn't have been observed if employees were not commensurably compensated for their services to the organization.

Armstrong (2013) notes that desired performance by the employees in an organization can only be attained if employees get a sense of mutual gain of the organization as well as of themselves, with the attainment of the defined target or goal. The activities of the employees in the civil service are properly guided by a set of rules called "Civil Service Rules and Regulations" for the conduct of its members in executing their day-to-day tasks. The civil service as a system of government is functional through the activities of individuals who make up the body. Therefore the performance of the body is determined by the efficiency of the body parts or components. In this respect, the efficiency and hence the productivity of the individuals in the system is expected to depend on the conduct and attitude of the government in terms of provision of conducive work environment through enhanced remuneration for the staff to be up and doing in the system, he reiterated.

Unfortunately, this has not been the case because the performance gap of the employees, particularly of the civil servants, has been largely attributed to poor remuneration given to them. Ejumudo (2014) notes that the inefficiency and low productivity which has characterized the civil service in Nigeria has been traced to poor salary/wage administration, especially at the state and local government levels. In his opinion, there is nothing to motivate a university graduate whose total take-home pay is within the range of ₦30,000 to ₦40,000, in the face of current economic realities. The commitment and loyalty of such an employee can never be in such a work environment and that is why civil servants exhibit all manners of negative work attitudes including corrupt practices, he remarked.

b. EFFECT OF PERFORMANCE BONUS ON EMPLOYEE PERFORMANCE

Defined as an extra amount of money that is added to a payment, especially to somebody's wages or salary as a reward, it could be end of year or Christmas bonus or productivity bonuses, workers are always expecting it in an organization that has the tradition of giving it to its workers. Given usually quarterly or annually or at any other intervals, bonus motivate employees to put in their best in any job assignment in their place of work. In Nigeria for instance, some state governments have made it mandatory an annual ritual that they must pay workers what they chose to call the thirteenth month. Therefore, state civil servants in such states always hope on such extra income to augment whatever they must have saved for Christmas celebration. According to Ezeali and Esiagu (2009), employee from such work

environment always show commitment to duty and sometimes, they surpass expectations in their performance.

The scheme of bonuses vary within organizations; some organizations ensure fixed bonuses which eliminate the elements of asymmetric information like the thirteenth month concept in the civil service and even some private sector organizations. Conversely, other organizations deal with bonuses in terms of performance which is very subjective and introduces bias in the process of administration. The subjective administration of bonuses discourages employees and creates setback in the system. Therefore to ensure that bonuses perform the function for which they were designed, managers must be cautious and extra careful to avoid bias and ensure equity and fairness by providing level playing ground for all employees on issues of bonus administration (Munir et al, 2016). Public sector employees prefer extrinsic factors of which bonus happens to be part of, than intrinsic factors. Bonus as a financial compensation has been increasingly utilized by organization, especially those in the public sector because of its appeal to the beneficiaries. Organizations often use it to prevent employees' dissatisfaction and intention to leave (Chiang and Birtch, 2008). They note that it conveys job satisfaction, commitment and desire for improved performance to the employees.

To Ngwo et al (2019) generally, individuals are motivated to work by the needs they have which requires satisfaction. Such individuals are committed to jobs they perceive to have possibility of satisfying their needs through the reward they will receive for the work done. The type of motivation depends to a great extent on the nature of the reward. Remuneration is, therefore, one of the factors that have the ability to improve the performance of individuals and organizations by increasing productivity, quality of performance and encouraging positive work attitudes from workers to be in line with organization's objectives (Bayon, 2013). Similarly, extrinsically motivated persons will be committed to the extent that they can gain or receive external reward such as bonus for their job. In a nutshell, managers can only get as much as they reward.

Bonus reward can be used to improve performance by setting targets in relation to the work given e.g., surpassing the targets. When employees surpass their targets, they can be given an additional amount to their salaries in form of bonus; this will make them strive to achieve more (Perry, Mesch and pearlberg, 2006). Research has shown that when human being are appreciated, they tend to improve their performance. Sometimes, portion of the retained earnings or the end of year profit can be shared to stimulate stellar performance in the private sector organizations. When organizations take time to meet and recognize employees who have performed well, it plays a big role in enhancing employee's performance (Torrington and Hall, 2006). It has also been suggested that organizations should reward employees more often because it greatly improves performance when compared to having the rewards maybe only once a year. As it is frequent rewards are easily linked the performance. Past related studies are reviewed in this section of the literature review purposely to measure the level of consistency between present and past studies and perhaps, to facilitate the establishment of gap in literature. Accordingly, Sule and Amuni (2014) carried out a

study on wage and salary administration as a motivational tool in Nigerian organizations, a study of Nestle Nigeria PLC. The study design was descriptive survey design and by analyzing a sample of 100 employees, the study revealed that wages and salaries serves as motivational tool and that wages and salaries have significant relationship with workers performance in Nigerian organization. The study concludes that effective salary and wage administration have direct effect on employee performance.

Chukwudi, Odogwu and Adedehinbo (2012) did a study on motivation and its effect on employee performance in the public sector in Nigeria: a study of Ogun State Civil Service. The study adopted descriptive survey design. By analyzing the responses of 501 respondents across different departments and ministries on various areas of compensation and remuneration of the workers, it was found that poor remuneration of government workers was responsible for the inefficiency and low productivity being experienced in the service. It was concluded that private sector employees are not better than the public sector employee rather the difference is from the way their performance is being managed.

Nnorom, Akpa and Egwuonwu (2016) did a study on the effect of compensation administration on employee productivity in selected private sector organizations in Ogun State, Nigeria. The study was designed as a descriptive survey. From the analysis of data, it was found that effective compensation administration has positive and significant effect on employee productivity. It was concluded that employers are continually challenged to develop pay practices and procedures that will enable them to attract, motivate, retain and satisfy their employees for the realization of the desired level of productivity. In another study, Oriarewo, Agbim and Owutuamor (2013) investigated job rewards as correlates of job satisfaction; an empirical evidence from the Nigerian Banking Sector. The design was descriptive survey design and from the analysis of data, it was found that job satisfaction is more related to extrinsic rewards than intrinsic rewards. The results showed that extrinsic compensation in form of pay and other financial incentives are what really brings about job satisfactions. Also, Idemobi (2011) conducted a study on compensation management and found through the method of survey design that performance of the civil servants have been negatively affected by government's inability to implement favourable financial compensation policies.

II. METHODOLOGY

In this chapter, we discussed the method and procedures to be used in carrying out this study under the following sub-headings: research design, area of the study, nature and sources of data, population of the study, sample size determination, sampling technique, instrument for data collection, validity of the instrument, reliability of the instrument, method of data collection, method of data analysis and model specification.

RESEARCH DESIGN

The design considered to be very appropriate for the study is the descriptive survey design. The choice of the design was informed by the fact that principally, primary data would be used in the survey and the result of the analysis would be generalized for the entire population of interest. Besides this reason, Obasi (2000) observes that survey approach is often adopted in researches of this nature when the necessary data cannot be accessed from any statistical records and when accurate and up-to-date data are needed.

Furthermore, Ikeagwu (1997) notes that studies of this nature would use the survey method to look for information, facts, attitudes, practices and opinions of the respondents. Similarly, Cochran (1997) opines that a descriptive survey has to do with the use of selected sample of the population in a study and use of questionnaire as the instrument for data collection is common with survey studies. Therefore, the justification for adopting survey method in the study lies in the fact that the study involves the investigation of a group of people with common characteristics (civil servants), considered to be representative of the entire population of interest. Also, the study involves the selection of large sample while few variables would be studied.

AREA OF THE STUDY

The study is being conducted in the South-East Geopolitical Zone of Nigeria comprising Abia, Anambra, Ebonyi, Enugu and Imo States, using the states' civil service as the study area. Given the level of inefficiency and low productivity in the civil service, it became necessary to investigate the effect of effective salary/wage administration on the productivity of civil servants in the mentioned states.

NATURE AND SOURCES OF DATA

The data for the study are principally primary in nature and were collected from a sample of civil servants in the states mentioned above. The primary source was however complement with secondary data also sourced from textbooks, journal publications, official publications of the government and other academic works in form of literature.

POPULATION OF THE STUDY

The population targeted for the study comprises all senior civil servants from grade level 07 and above, cutting across all ministries, departments and agencies (MDAs) in all the states of the South-East Geo-political Zone of Nigeria. The choice of this category of workers was informed by the fact that they are presumed to possess the capacity that can facilitate effective and detailed discussion of the issues involved in salary/wage administration and employee performance in civil service. The population for the study is also restricted to core civil servants whose offices are located at the each states' secretariat complex in the state capital. In otherwords, all those departments and agencies whose offices are not within the complex or directly under any ministry, are excluded from the study. The reason for excluding them was to facilitate ease

of sampling. With respect to the above clarifications, the following figures were identified from the five (5) states that make up the geo-political zone: Abia State – 4,327; Anambra State – 5,109; Ebonyi State – 3,307; Enugu State – 4,573 and Imo State – 4,715. Thus, 22,031 senior civil servants constituted the population for the study. This was determined from the nominal roll of each ministry in the states under study.

SAMPLE SIZE DETERMINATION

The issue of sample size in a study of this nature is a very serious one because it must be determined in such a way that the sample will be a good representation of the population being investigated. For this reason, we ignored the popular Taro Yameni's statistical formula because of its limitation of not being able to produce a sample size above 400. Instead, we opted for a formula developed by Borg and Gall in 1973. This we did because we are aware that the larger the sample size, the more it tends to the actual population and therefore the less the sampling error. The procedure for the application of Borg and Gall formula is as follows:

$$n = (Z_{\alpha})^2 (e) [N]$$

Where:

n = Sample size to be determined

Z_{α} = Confidence level (1.960)

e = Acceptable error margin

α = significance level (0.05)

N = The entire population of interest.

Substituting the values in the formula, we have:

$$n = (1.96)^2 (0.05) [22,031]$$

$$= 3.8416 \times 1,101.55$$

$$= 4,231.71448$$

$$\therefore n = 4,232 \text{ (Nearest whole number)}$$

Thus, 4232 is the estimated sample size for the study.

Furthermore, proportionate distribution of the sample across the states being studied was carried with the aid of the following formula:

$$n_i = \frac{nh_i}{N} \times n$$

Where:

n_i = Sample size for the i th state

nh_i = Population of the i th state

N = Entire Population of interest

n = Sample size for the study

Substituting the values in the formula, we have:

1. Abia State:

$$n_1 = \frac{4327}{22031} \times 4,232 = 831$$

2. Anambra State:

$$n_2 = \frac{5109}{22031} \times 4,232 = 981$$

3. Ebonyi State:

$$n_3 = \frac{3307}{22031} \times 4,232 = 635$$

4. Enugu State:

$$n_4 = \frac{4573}{22031} \times 4,232 = 878$$

5. Imo State:

$$n_5 = \frac{4715}{22031} \times 4,232 = 906$$

These samples are summarized in Table 3.1

S/N	State	Population	Sample Allocation	Percentage of Total (%)
1.	Abia	4327	831	19.6
2.	Anambra	5109	982	23.2
3.	Ebonyi	3307	635	15.0
4.	Enugu	4573	878	20.8
3.	Imo	4715	906	21.4
Total		22031	4232	100.0

Source: *Field Survey, 2019*

Table 3.1: Population and Sample Distribution across the States

Population and sample distribution presented in Table 3.1 shows that population of civil servants in each state determined proportionately the sample allocated to the state. As could be seen, Abia State with a population of 4327 was allocated 831 persons representing 19.6 percent of the sample. Also, Anambra State with the highest population 5109 got sample allocation of 982 representing 23.2 percent of the entire sample.

SAMPLING TECHNIQUE

The sampling technique used in selecting the units of observation is the systematic sampling technique. This method was chosen in preference to other sampling techniques because of its unique attributes which make it stand out among other methods. As the only sampling method that has random start and sampling interval, we believe it has the capacity to spread the sampling units evenly across the population of interest.

INSTRUMENT FOR DATA COLLECTION

The researcher developed an item structured instrument that reflects the options strongly agree, agree, disagree, strongly disagree and undecided. It is a modified five (5) point Likert scale which he hopes to use in eliciting the necessary information from the respondents. The structure of the instrument is such that it is made up of two main sections, A and B. Whereas section A dwells on the personnel or demographic information of the respondents, section B focused on the issues relating to salary/wage administration and the intervening variables that it elicits to influence employee productivity.

VALIDITY OF THE INSTRUMENT

The instrument was both face and content validated. This was achieved by giving copies of first draft of the instrument to the senior lecturers in the department who are quite knowledgeable in questionnaire drafting to criticize. All comments and corrections made by the experts were duly reflected in the final draft of the questionnaire.

RELIABILITY OF THE INSTRUMENT

The reliability of the instrument was determined through the test re-test method. The procedure involved giving 20 copies of the instrument to senior civil servants in Delta State to answer. After an interval of two weeks, the same 20 people were issued with the same instrument to answer. At the end, both the first and second responses were collated and analyzed through the application of spearman rank order correlation. The analysis returned the following coefficients 0.80, 0.83, 0.80, 0.73 and 0.90 (see Appendix for details) for the five research questions respectively with an average coefficient of 0.812. Thus showing that the instrument is 81.2 percent reliable and it was considered adequate for the study.

METHOD OF DATA COLLECTION

The researcher used direct questionnaire distribution method. The choice of the method in preference to others was made for three main reasons. One, the approach enabled the researcher to make clarifications or explanations where necessary. Two, it afforded the researcher the opportunity of knowing whether the respondents really understood the questionnaire items. Three, it reduced the volume of non-response which often associate with surveys of this nature. Out of the 4232 copies of the questionnaire distributed, 4011 were completed and returned thus making a response rate of 94.8 percent which we considered very adequate for the study.

METHOD OF DATA ANALYSIS

The data generated in the study was analyzed in three sections namely; the analysis of the demographic data, answer to research questions and the test of hypotheses. Whereas simple summary statistics of percentages was used in analyzing the demographic features of the respondents and answering the research questions, Pearson correlation coefficient and Ordinary Least Squares (OLS), Multiple regression analysis was used to verify the various claims of the null hypotheses at 0.05 level of significance.

MODEL SPECIFICATION

The study investigates the effect of salary/wage administration on the productivity of civil servants across the five (5) states of the South-East Geo-political Zone of Nigeria. In this section of the methodology, we try to specify, the functional relationship of the variables as follows:

$$\text{Employee Productivity} = f(\text{SWE}, \text{EJS}, \text{JIN}, \text{ETO}, \text{ECL}) \text{ --(1)}$$

Specifying econometrically, we have:

$$EP = \alpha_0 + \alpha_1\text{SWE} + \alpha_2\text{EJS} + \alpha_3\text{JIN} + \alpha_4\text{ETO} + \alpha_5\text{ECL} + \mu_t \text{ --(2)}$$

Where:

EP = Employee productivity

α_0 = The intercept

μ_t = Stochastic error term

SWE = Stable work environment

EJS = Employee job satisfaction

JIN = Job involvement

ETO = Employee Turnover

CCT = Employee commitment and loyalty

The *a priori* or theoretical signs expectations are:

$$\alpha_1 > 0, \alpha_2 > 0, \alpha_3 > 0, \alpha_4 < 0 \text{ and } \alpha_5 > 0$$

Where the dependent variable is employee productivity and the independent variables are stable work environment, employee job satisfaction, job involvement, employee turnover and employee commitment and loyalty.

The data gathered in this study were presented and analyzed in three main sections namely; demographic features of the respondents, answer to the research questions and test of hypothesis. Accordingly, frequency tables and summary statistics of percentages were used to analyze the demographic characteristics of the respondents as well as provide answers to the research questions which were already in a Likert scale format. Pearson Correlation Coefficient was used to determine the level of association between the dependent and independent variables and among the independent variables and to find out whether there is multicollinearity or orthogonal relationship between and among the variables. Ordinary Least Squares (OLS) multiple regression analysis was used to verify the various claims of the null hypotheses. All tests were carried out at 0.05 level of significance.

TEST OF HYPOTHESES

In this section of the analysis of data, all hypotheses formulated to guide the objectives and strengthen analysis were restated and tested through the application of Ordinary Least Squares (OLS) multiple regression analysis. The tests were carried out mainly to ascertain the validity or otherwise of the claims of the various null hypotheses so that valid conclusions can be made on the effects of the predictor variables on the dependent variable, employee performance. But first, we carried out correlation analysis through the application of Pearson product moment correlation coefficient to display the matrix between the dependent independent variables as well as among the independent variables.

Correlation Matrix

Variables		Employee Performance	Pay Rise	Bonus payment
Employee Performance	Pearson Correlation Sig. (2-tailed)	1	.795**	.687 **
	N	4011	4011	4011
Pay Rise	Pearson Correlation Sig. (2-tailed)	.795**	1	.574 **
	N	4011	4011	4011
Bonus Payment	Pearson Correlation Sig. (2-tailed)	.687**	.574**	1
	N	4011	4011	4011

** Correlation is significant at 0.05 level (2-tailed).

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

Table 4.11: Pearson Correlation Analysis for the Variables

The correlation analysis presented in Table 4.11 showed that the relationships between the dependent and independent

variables as well as among the independent variables are positive and strong. However, some are weak but positive, especially the relationships among the independent variables. The implication of the result is that there is neither multicollinearity nor orthogonal relationship between and among the variables.

ANOVA^b

Source of Variation	df	Sum of Squares	Mean Square	F-ratio	Sig.
Regression	4	275.176	68.794	6.172	.000 ^a
Residual	45	501.584	11.146	-	
Total	49	776.760	-		

a. Predictor: (constant), Pay rise, bonus payment

b. Dependent Variable: Employee Performance

Table 4.12: Summary of Analysis of Variance (ANOVA) Result

Table 4.12 is the presentation of summary of analysis of variance (ANOVA) result. The table shows that F-Statistic has a value of 6.172 and it is significant because 0.000 is less than $P \leq 0.05$, the significance level. Consequently, it was concluded that overall, regression model is statistically significant, stable, fit and valid for predictions.

Model	R	R.Square	Adjusted R-Square	Standard Error of the Estimate
I	0.857 ^a	0.818	0.764	0.716

a. Predictor: (constant), Pay rise, bonus payment

Table 4.13: Summary of Regression Results

From Table 4.13, regression coefficient represented by 'R' has a value of 0.857 and it shows that 85.7 percent relationship exists between the dependent and independent variables in the model. Similarly, coefficient of determination represented by 'R²' with a value of 0.818, shows that 81.8 percent variation in the dependent variable (employee performance) can be explained by the independent variables.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sign
	β	Std. Error	Beta		
1 (Constant)	-185	.209	-	-.783	.445
Pay Rise	.637	.057	.781	10.524	.000
Bonus Payment	.189	.061	.775	3.435	.006

a. Dependent Variable: Employee Performance

Table 4.14: Coefficients of the Independent Variables, t-values and the Significance Levels

Table 4.14 above is the presentation of the coefficients for the respective independent variables, t-values and the corresponding significance levels. As could be seen from the table, the coefficients conformed with the expected signs or *a priori*. Also, the coefficients have high values thus signifying the importance of the extrinsic factors to employee performance in the civil service.

RE-STATEMENT OF THE STUDY HYPOTHESES

The hypotheses formulated to guide the objectives of the study and strengthen the analysis were re-stated and tested in this section of the analysis of data with the help of regression results presented in Table 4.14. Accordingly, the null and alternative hypotheses were stated as follows:

H₀: Pay rise does not have positive and significant effect on employees' performance in the civil service in Nigeria.

H₁: Pay rise have positive and significant effect on employees' performance in the civil service in Nigeria.

H₀: Payment Of bonus does not have positive and significant effect on employees' performance in the civil service in Nigeria.

H₁: Payment of bonus have positive and significant effect on employees' performance in the civil service in Nigeria.

INTERPRETATION OF REGRESSION RESULTS AND VALIDATION OF THE HYPOTHESES

We interpreted the regression results in this section of the analysis, using the coefficients of the independent variables beta (β), t-values and the significance levels (sig.) as well as using the results to carry out the decision rules on the null hypotheses.

Accordingly, as could be seen from Table 4.14, the values of the regression coefficients show their relative contributions to the dependent variable in the model. Equally, the value of the t-Statistic and the probability levels were really explained in details to give meaning to the raw statistics as presented in Table 4.14. Starting with the coefficient of pay rise which is represented by α_1 in the model with a value of 0.781. It means that when pay rise is increased by one unit, employee performance will increase by 78.1 percent if other variables in the functional equation are held constant. The t-value of 10.524 and it corresponding significance level of 0.000 shows that the coefficient is positive and significant because 0.000 is less than $P \leq 0.05$ which happens to be the chosen significance level upon which the test is being evaluated. Consequently, the null hypothesis was rejected while the alternative which states that pay rise have positive and significant effect on employees' performance in the civil service in Nigeria was accepted.

The second variable in the model is bonus payment and it is represented by α_2 with a value of 0.775 which means that if payment of bonus to the employees is increased by one unit, employees' performance will increase by 77.5 percent if other factors in the model are not allowed to vary. The t-statistic of 3.435 and its corresponding significance level of 0.006 shows that the coefficient is positive and significant because $P \leq 0.05$ is greater than 0.006. Consequently, the null hypothesis was rejected while the alternative which suggests that payment of bonus to the employees have positive and significant effect on employees' performance was accepted.

III. DISCUSSION OF RESEARCH FINDINGS

The discussion done in this section of the analysis was based on the answers to the research questions and the results of the test of hypotheses carried out in this study. On a general note, the extrinsic reward factors were found to have positive and significant relationship with employees' performance in the organizations, but particularly employees in the civil service in Nigeria because of low remuneration in the sector. In a situation where employees' compensation in form of salary/wage is nothing to write home about any of the

extrinsic rewards such as pay rise, bonuses, fringe benefits, promotion and prompt pay of allowance, is usually a high motivator to the employee because the base salary/wage is below the minimum that can actually maintain the employee. The finding is consistent with the result of Eshak et al (2016) when they found that extrinsic reward factors have positive and significant relationship with employees' performance in the organization. They are also very important for attracting high talented employees and retaining them. The result also showed that competitive salaries and job security as components of extrinsic rewards are very good in attracting employees with necessary competencies which organizations need to maintain their competitive advantage, particularly in this era of intense competition in business environment which is necessitated by globalization and information communication technology (ICT). With this background information, we can now discuss the results in details.

EFFECT OF PAY RISE ON EMPLOYEE PERFORMANCE

From the first research question, it was found that 94.6 percent of the respondents agreed that pay rise is a strong motivator that leads to employees' effective performance in civil service. This opinion was confirmed by the result of the first test of hypothesis which is also consistent with the result of Bello and Adebayo (2014) when they found from their study that significant relationship exists between employees' performance and salary package, employee job allowance and in-service training allowance. The implication of the above result is that employees would always want their salaries/wages reviewed upward, especially in the civil service in Nigeria where the compensation is very poor not being enough to meet the basic needs of the employee. Therefore, employees are always very expectant of salary increase. Whenever the issue of minimum wage takes center stage as it currently obtains in Nigeria, workers and particularly, civil servants don't leave anything to chance because they often see it as a means of increasing their well-being in terms of pay rise. Pay increment provides the right atmosphere for enhanced employee performance.

Low pay, especially as obtains in Nigeria's civil service has been suspected for the low performance, which has plagued the service for decades. Nigerian civil service, especially at the state and local government levels is characterized by a dissatisfied workforce, unmotivated and consequently uncommitted. According to Yusuf and Metiboba (2012), the poor remuneration of workers has led to all kinds of negative work attitudes which include; absenteeism, lateness to work and labour turnover or with many having intention to leave the service if they can. Government have shown high level of irresponsibility and lack of commitment to the plight of civil servants and the situation has given room for all kinds of unethical practices in the service. It includes using official hours for personal business. Workers come to work when they like and at the local government level, workers go to work only on pay days and that is why most of the local government headquarters are covered with overgrown grasses which turn to forests in many places.

In fact, the immediate past Imo State Governor, Chief Owelle Rochas Okorocha told the Imo State civil servants to

come to work only three times in a week and use the other two days to look for how they can help themselves that he can only pay for three days. There were series of attempts to resist the policy but that was what prevailed in Imo State Civil Service until he left office in May, 2019. Such action from a sitting governor is a clear indication of how much government value the contributions of civil servants as those that implement all government policies toward national development. As the main government bureaucracy, civil servants occupy very crucial position in the governance of a state. Therefore, not giving attention to their welfare in terms of proper salary/wage administration will amount to poor performance and general weak service delivery to the people.

EFFECT OF PAYMENT OF BONUS ON EMPLOYEE PERFORMANCE

More than 94 percent of the respondents agreed that payment of bonus in the civil service will motivate employees to put up improved performance in their respective assigned duties. This opinion was confirmed by the result of the second test of hypothesis which states that payment of performance or routine bonus have positive and significant effect on employees' performance in the civil service in Nigeria. The result is also consistent with that of Irshad (2016) when he found that extrinsic reward, especially bonus payment, enhances employees' performance.

Bonus is an extra amount of money that is added to a payment, especially to an employees wage/salary, as a reward. Some state governments in Nigeria, such as Enugu State and others pay what they call thirteenth (13th) month to their civil servants at the end of every year. Similarly, some private sector organizations also pay the one month salary and call it Christmas bonus. Some organizations deal with it in terms of performance in which case it is called performance bonus. The latter is subjective and as such, there are usually bias in determining who should be paid the bonus. This, perhaps, is the reason that some organizations have decided to make bonus payment as uniform as possible irrespective of performance. It is a practice which has helped those organizations to eliminate elements of asymmetry in the administration.

In the organizations where bonus are paid, workers are always expectant of the annual ritual, especially civil servants who depend on the thirteenth month for Christmas celebration. In the opinion of the respondents, payment of bonus is a morale booster which also increases their job satisfaction level and hence commitment for effective performance in the service. Apart from the annual payment, sometimes, bonus reward are used to set performance targets so that any worker who meets or surpasses the target, is given an additional amount to the salary in form of bonus. It can be concluded that with the prevailing poor remuneration in the civil service, government can only get as much as they reward.

IV. SUMMARY OF FINDINGS

The study has revealed that extrinsic reward factors have positive and significant effect on employees' performance in

the civil service in Nigeria. This is the opinion of about 93 percent of the respondents contacted in the course of the study. However, there were equally few decenting voices who felt otherwise by opining that intrinsic reward factors are of more importance in motivating them to perform effectively. Apart from the answers to the research questions which were summarized above, preliminary results from the regression analysis indicate that F-Statistic has a value of 19.888 and it was found to be significant because $P \leq 0.05$ is greater than 0.000 significance level. Thus overall, regression model was considered statistically significant, stable, fit and valid for predictions. Other preliminary results are that regression coefficient represented by 'R' with a value 0.857 means that 85.7 percent relationship exists between the dependent and independent variables and the coefficient of determination represented by 'R²' also with a value of 0.818, means that 81.8 percent variations in the dependent variable can be explained by the explanatory variables in the model.

The rest of the findings are specifically summarized as follows:

- ✓ The result of the first test of hypothesis revealed that pay rise have positive and significant effect on employees' performance in civil service in Nigeria.
- ✓ The result of the second test of hypothesis showed that payment of bonus to employees have positive and significant effect on their performance in civil service in Nigeria.

V. SUMMARY OF FINDINGS

The study has revealed that extrinsic reward factors have positive and significant effect on employees' performance in the civil service in Nigeria. This is the opinion of about 93 percent of the respondents contacted in the course of the study. However, there were equally few decenting voices who felt otherwise by opining that intrinsic reward factors are of more importance in motivating them to perform effectively. Apart from the answers to the research questions which were summarized above, preliminary results from the regression analysis indicate that F-Statistic has a value of 19.888 and it was found to be significant because $P \leq 0.05$ is greater than 0.000 significance level. Thus overall, regression model was considered statistically significant, stable, fit and valid for predictions. Other preliminary results are that regression coefficient represented by 'R' with a value 0.857 means that 85.7 percent relationship exists between the dependent and independent variables and the coefficient of determination represented by 'R²' also with a value of 0.818, means that 81.8 percent variations in the dependent variable can be explained by the explanatory variables in the model.

The rest of the findings are specifically summarized as follows:

- ✓ The result of the first test of hypothesis revealed that pay rise have positive and significant effect on employees' performance in civil service in Nigeria.
- ✓ The result of the second test of hypothesis showed that payment of bonus to employees have positive and significant effect on their performance in civil service in Nigeria.

VI. CONCLUSION

The study examined the effect of extrinsic reward factors on employees' performance in the public service, using the states' civil service in the South-East, Nigeria as the study area. From the result of the analysis of data both in the areas of answer to research questions and the test of hypotheses, there is a concensus opinion on the link between extrinsic reward factors and employee performance. This link creates an opportunity for the employers (government) to use rewards as a motivating factor to fine-tune employee behaviour towards efficiency and effectiveness in the service. It is an opening for the government to improve upon employees' productivity by ensuring that she uses extrinsic reward factors to fairly reward the right persons performing their tasks with success and with excellence discipline. Rewards appeal differently to employees and as such, employees' commitment to organizational objectives can be achieved through the use of an appropriate reward system. The reward factors serve as motivating force to improve employees' loyalty to the organizational goals and targets.

Efficient reward system provides moral incentive which can be linked practically with some level of performance so as to distinguish excellent employees according to their performances as a means of improving performance and productivity in the service. Some systems ensure that rewards are fair and recognize individual performances of employee both at their jobs and groups as a means of enhancing performance. It is necessary to state at this juncture that employees place a great value on different extrinsic reward factors given to them by their employers (government) and it has significant effect on their performance.

When reward factors do not meet the expectations of the employee, they tend to express their displeasure/disappointment through poor performance and non-commitment to work. The civil service in Nigeria have been characterized by inefficiency and low productivity and poor salary/wage administration has been the major issue in that regard. Employees can be motivated to perform better through the use of extrinsic reward system. In civil service in Nigeria, it is common knowledge that salary/wage base of workers is very low compared to other frontline African countries like South African, Ghana, Egypt, etc. Empirical evidence supports this assertion substantially. Government have enough resources to pay leaving wage to civil servants if not what corruption has done to the system. Effective administration of extrinsic rewards can change the inefficient and poor performing civil service to a vibrant and productive workforce in Nigeria.

VII. RECOMMENDATIONS

From the interrogation of the extant literature in the study, it was found that the laxity and the inefficiency which have characterized the civil service in Nigeria were due to poor remuneration and lack of motivation. It was also found that employees of the service can be repositioned to become efficient and more productive through effective administration of extrinsic reward factors. From these findings and the

conclusion drawn from it, the study made the following recommendations:

Pay rise was found to have positive and significant effect on employees' performance in civil service in Nigeria. The government should ensure that salary/wage of civil servants are reviewed upward at regular interval of time to reflect the current economic realities in the economy. This will increase performance and productivity in the service.

Bonus payment as one of the extrinsic reward factors has significant effect on workers' performance in places where it has been applied. Government at all levels should encourage the payment of bonus to the employees to motivate them for enhanced performance in the service.

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