

ORGANISATIONAL REWARD SYSTEMS AND EMPLOYEE COMMITMENT OF BOTTLE WATER FIRMS IN PORT HARCOURT, RIVERS STATE.

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ABSTRACT

This study was carried out to examine the relationship between Organisational Reward System and Employee Commitment of bottle water firms in Rivers state, Nigeria. The study adopted a cross-sectional survey design. The population of the study consisted of 167 employees from 10 bottle water firms in Rivers state which has been in operation over a decade and above. This study adopted a census sampling technique as the population was considered reasonable and justifiable to be study. Hence the sample size is 167 respondents. The Cronbach's Alpha indicates a reliability index of .938 which indicate that the items are reliable. Demographic data were adopted using charts, univariate analysis was adopted using descriptive statistics of mean and standard deviation, Bivariate Data Analysis was done using Spearman Rank Order Correlation Coefficient at 0.05 significance level. The study revealed that there is a significant relationship between Organisational Reward system and employee commitment of bottle water firms in Rivers state, Nigeria. The study concluded that reward systems is imperative and essential for enhancing employee commitment of bottle water firms in Rivers state, Nigeria. The study recommended that Management of bottle water firm should adopt adequate financial reward by providing salaries, wages and other benefits as at when due in other to enhance employee commitment.

Keywords: Organisational Reward, Employee Commitment, Fringe Benefit, Non-Financial reward and Financial Reward

INTRODUCTION

Reward have been observed as a driving factor that motivate employee commitment in any and every form of organization which bottle water firms is no exception. Organisational Reward system is one of the key strategies used to create a motivated and committed workforce. Studies have long shown that employees who are motivated and committed to the organization are less likely to quit. A number of favorable perceptions of rewards, in turn, have been linked to positive human resource outcomes such as employee job satisfaction, work motivation, affective commitment, high levels of performance and organizational effectiveness (Allen & Kilmann,2001). It has been noted that Human Resource Managers use rewards for attracting and retaining suitable employees as well as facilitating them to improve their performance through motivation. HR managers seek to design reward structures that are meant to facilitate both the organizations strategic goals and the goals of individual employees in order to enhance performance. There are many factors that affect employee performance such as working conditions, worker and employer relationship, training and development opportunities, job security, and company's overall policies and procedures for rewarding employees, etc. Among all those factors which affect employee performance, motivation that comes with rewards is of utmost importance (Armstrong,2013).

There are various problems associated with bottle water firms which thought affect the attainment of organizational goals. It has been observed that employee do not put in their best in working for the firm as their income or salaries is relatively low compare to the nature of work they do. Financial reward, none financial reward and fringe benefit have been observed not to be practice in bottle water firms as employee do not get bonuses, no leave allowance, no insurance or health scheme and no recognition of employee which affect employee commitment of bottle water firms.

Several people believe that employee commitment is because of the identity of the organization, and the high recognition of the organization which makes the employees commitment to their work, however employee will not be committed to bottled water firms if they are not motivated by means of providing an adequate reward system. Bottling of drinking water by the company poses a significant threat to the environment and human rights. High water prices have barred the sparse population from undeveloped countries from affording them, leading to the outbreak of infectious diseases such as cholera (WHO,2012). It is believed that if employee is motivated it will enhance their duty of care during the water production process. It is in the light of the aforementioned that his study intent to fill tis lacuna by providing adequate solutions to problem being faced by bottle water firms arising from poor reward system.

Hypotheses

The following hypotheses were formulated and tested at a significant level of 0.05.

HO₁: there is no significant relationship between financial reward and employee commitment of bottle water firms in Port Harcourt.

HO₂: there is no significant relationship between non- financial reward and employee commitment of bottle water firms in Port Harcourt.

HO₃: there is no significant relationship between fringe benefit and employee commitment of bottle water firms in Port Harcourt.

Organisational Reward Systems

Rewards systems can either result in non financial motivation or personal growth motivation. Non financial motivation is the type that comes from within the individual, a feeling of being proud of something, feeling content and happy by something that you have done. On the other hand, personal growth motivation is the type that is brought to you by another person or an organization (Amstrong,2013). Furthermore, financial rewards can be monetary or non-monetary. The monetary part is usually a variable compensation which is separated from the salary.

Organisational Reward system practices are changing as they keep pace with participative management. For example, gain sharing has become increasingly popular in the last two decades, and skill-based pay plans have replaced job-based plans in many manufacturing organizations practicing participative management. Organisational Reward system influences the attraction and retention of employees. Organizations that given the most rewards are seen to be successful and attract and retain the most people. These obviously occur because high reward levels lead to high satisfaction, which, in turn, leads to lower turnover and create more job applicants. The best performers of an organization are generally prone to leave the organization for better prospects and rewards (Devaro et al,2017).

The organisational Reward system of an organization is a tool of recognizing talent. Organisational Reward system includes 'group incentive plan' which means giving bonuses to workers in a team. The group incentive schemes are designed to promote teamwork, encourage synergy, and making the team work effectively. The performance and output of the team as a whole determine the rewards to be given to the team. Of course, if the continuance commitment of any performer is more, he is unlikely to leave. To prevent or reduce possibility of attrition, a organisational Reward system must work on a par with those received by individuals performing similar jobs at a similar level in the same or other organizations. The emphasis here is on external comparisons because turnover refers to leaving an organization for a better position at some other organization. Reward systems have been demonstrated to motivate performance(Gabriel et al,2016).

The term Reward has oft been discussed by the scholars and it generally refers to something that the organisation provides to the employees in exchange of their contributions and performances. It is also something that is always desired by an employee. Arshadi (2010) defines rewards as something that one receives for working hard and effectively at the workplace. According to him, the rewards that are given by the manager or some senior position member generally include pay

rise or promotions. Such rewards act as motivators and are also a good way to boost the performance of competent performers and retain them. Armstrong (2013) contends that the monetary rewards like bonus and profit sharing act as the indirect source of motivation. It enhances the employee's financial well-being and encourages them to perform better than before even in the absence of supervision; especially in the cases when profits are shared with the employees, the performances are seen to improve remarkably.

Employee Commitment

Employees who are engaged in their work and committed to their organizations give firms crucial competitive advantages including higher productivity and lower employee turnover. Thus, according to Zeb-Obipi and Agada(2018) it is not surprising that organizations of all sizes and types have invested substantially in policies and practices that foster engagement and attitude in their workforces. Though different organizations define engagement differently, some common themes emerge. These themes include employees' satisfaction with their work and pride in their employer, the extent to which people enjoy and believe in what they do for work and the perception that their employer values what they bring to the table. The greater an employee's engagement, the more likely he or she is to "go the extra mile" and deliver excellent on-the-job performance. In addition, engaged employees may be more likely to commit to staying with their current organization. Clearly, engagement and attitude can potentially translate into valuable business results for an organization (Megha,2011).

Attitude is a high level of attachment to an organization. Employee commitment is the emotional bond between the employee and the school. It can also lead to motivation to work (Meyer et al,2004). Attitude is one's attitude, including affect, belief, and behavioral intention toward his work (Qing et al,2019). Attitude as an attitude reflects feelings such as attachment, identification and loyalty to the organization as an object of attitude. Meyer, Allen and Best (1994) as cited in Meyer et al,(2004) indicated that attitude as a behavior is evident when committed individuals enact specific behavior due to the belief that it is morally correct rather than personally beneficial. In terms of the motivational perspective, organizational attitude is a state of being in which organizational members are bound by their actions and beliefs that sustain their activities and their own involvement in the organization. Qing et al (2019) organizational attitude as a person's feeling with regard to continuing his or her association with the organization, acceptance of the values and goals of the organization, and willingness to help the organization to achieve such goals and values. Thus, organizational attitude is a bond the employee has with his/her organization. Attitude is regarded as the opinion that employee commitment is one of the major professional characteristics that influence an educator's success (Rai et al,2018). A three-component model proposed by Meyer et al,(2004) has implications for the continuing participation of the individual in the organization. According to Meyer et al,(2004) when an employee reports to work, his attitude affects his work performance and can have an impact on the employee morale around him. Generally, workers with good attitudes have stronger performance, and workers with poor attitudes exhibit less-than-superior performance. It is up to managers to monitor employee attitudes and address attitude problems such as negativity and laziness. An Employee's Attitude Danish and Usman (2010) opined that an attitude is based on many factors that an employee brings to the workplace. The deep roots of an employee's attitude make it hard to change. Her attitude is the product of her upbringing, including patterns of thought and ways of looking at the world that she has learned over many years from peers, parents, teachers, coaches and other adults. An employee's attitude has a potential to impact his interactions with others and his individual work performance (Saba, 2011). Attitude affects an employee's reactions to others, including colleagues, supervisors and customers; attitude performance affects his perception of his job and his value to the organization, according to Performance Magazine. If an employee's work tasks involve collaboration with others, his attitude can affect the success or failure of the group.

According to Shito et al (2020) Some signs of negativity in employees are all-or-nothing thinking, overgeneralization and labeling, personalization and blame, jumping to conclusions and focusing on the negative. These signs are examples of patterns of thinking that affect an employee's view of her job and her social relationships with others in the workplace. When a manager observes negative patterns of thinking in a group situation, he can ask himself which kind of thinking is affecting each employee. He can also help group members examine their attitudes to turn the focus back to positive thinking.

Meyer et al,(2004) Managers can assess whether an employee's poor performance reflects an attitude problem or factors such as employee attitudes and job satisfaction, an inability to handle work tasks, training needs, problems with the work environment or personal problems (Cross & O'Driscoll,2014). Upon closer examination, managers may find that an employee struggles at performance because of a combination of these or other factors. Therefore, it's important to approach an employee's performance problems with care, because they may or may not be related to his attitude. This conversation may reveal an employee's insights into why he struggles.

METHODOLOGY

Research Design

In line with the adopted philosophy for the study, the researcher adopted a cross-sectional survey design for the study.

Population for the Study

The population of the study consisted of forty-five (45) bottled water firms in Rivers State registered with the in Rivers State Ministry Commerce and Industry. Ten (10) bottled water firms was selected.

Sample size / Sampling Techniques

This study adopted a census sampling technique as the population was considered reasonable and justifiable to be study. Hence the sample size is 167 respondents.

Instrumentation and Measurement

The study which is dominantly quantitative in nature, adopts the structured questionnaire in the generation of primary data for the study.

Method of Data Analysis

The data collected from the administration of the instrument on the respondents will be hand scored and entered on frequency tables in excel and exported to SPSS (Statistical Package for Social Sciences).

Equity Theory

Equity Theory Stacy J. Adams propounded the Equity Theory in 1964. This theory is one of the popular process theories of motivation. The proponent of this theory provides a logical explanation of how the behaviour and morale of workers is influenced by how they perceive their reward in relation to their work input as well as in relation to the reward received by other employees who had made equivalent input. Describing the implication of the theory, Datta (2012) opined that the theory "focuses on the people's feelings of how fairly they have been treated in comparison with the work they have performed". The theory is based on the notion that every worker wants to receive what he perceives as an equitable reward for his efforts. The theory provides a framework for the conclusion that how workers perceive the reward they get will determine how they feel about their employer, about their job and consequently their morale to work. The theory holds that in order to be motivated, individuals must believe that the rewards they are receiving are fair. This results in people determining whether their salary is commensurate with the work they are doing and is fair when compared to the salary others are receiving for the work they are doing.

The equity theory states that employees expect fairness when being rewarded for the work done. The Equity theory essentially refers to an employee's subjective judgment about the fairness of the reward she/he got in comparison with the inputs (efforts, time, education, and experience) when compared with others in the organization. The Equity theory of motivation concerns on the people's perception and feelings on how they are treated as compared with others (Armstrong, 2001).

This theory provides a useful framework for assigning of duties amongst school personnel and the fair administration of reward system. It provides an insight on how school personnel (employee) perceive their reward and how this perception affects their morale and productivity. Egbo and Okeke, (2009) identified two forms of equity namely distributive equity and procedural equity. The former is concerned with the how workers feel about the reward they receive in relation to their input as well as in comparison with the input of others while the later is concerned with the feelings of workers about the appraisal of their performance in relation with their task (Egbo & Okeke, 2009). This theory provides a useful theoretical framework for this work because it provides logical explanation that was used to predict organisational Reward system and teaching staff morale within the school system. Accordingly, a favourable perception of reward will technically boost teachers' morale and the reverse is equally applicable. Writers in education have tended to used equity theory to emphasis the importance of non financial motivation for teachers. Accordingly financial, material and social rewards qualify as financial rewards because they are self-granted. An employee who works to obtain financial rewards such as money or praise is said to financial ally motivated one who derives pleasure from the task itself or experience a sense of competence or self-determination is said to be non financial ally motivated. The relative importance of non financial and financial rewards is a matter of culture and personal taste.

Results

Bivariate analysis

H0₁: there is no significant relationship between financial reward and employee commitment of bottle water firms in Port Harcourt.

Correlations 1

			financial reward	employee commitment
Spearman's rho	financial reward	Correlation Coefficient	1.000	.726**
		Sig. (2-tailed)	.	.000
		N	160	160
		Correlation Coefficient	.726**	1.000
	employee commitment	Sig. (2-tailed)	.000	.
		N	160	160

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

H0₁ there is no significant relationship between financial reward and employee commitment of bottle water firms in Port Harcourt (correlation. 1) reveals that there is a significant relationship between financial reward and employee commitment of bottle water firms in Port Harcourt (where rho = .726 and p =0.000) and based on the decision rule of p < 0.05 for null rejection; we reject the null hypothesis and accept the alternative hypothesis: *there is a significant relationship between financial reward and employee commitment of bottle water firms in Port Harcourt.*

H0₂: there is no significant relationship between non- financial reward and employee commitment of bottle water firms in Port Harcourt.

Correlations 2

			non- financial reward	employee commitment
Spearman's rho	non- financial reward	Correlation Coefficient	1.000	.678**
		Sig. (2-tailed)	.	.000
		N	160	160
	employee commitment	Correlation Coefficient	.678**	1.000
		Sig. (2-tailed)	.000	.
		N	160	160

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

H₀₂ there is no significant relationship between non- financial reward and employee commitment of bottle water firms in Port Harcourt. (correlation. 2) reveals that there is a significant relationship between non- financial reward and employee commitment of bottle water firms in Port Harcourt. (where rho = .678 and p =0.000) and based on the decision rule of p < 0.05 for null rejection; we reject the null hypothesis and accept the alternative hypothesis: *there is a significant relationship between non- financial reward and employee commitment of bottle water firms in Port Harcourt.*

H₀₃: there is no significant relationship between fringe benefit and employee commitment of bottle water firms in Port Harcourt.

Correlations 3

			fringe benefit	employee commitment
Spearman's rho	fringe benefit	Correlation Coefficient	1.000	.726**
		Sig. (2-tailed)	.	.000
		N	160	160
	employee commitment	Correlation Coefficient	.726**	1.000
		Sig. (2-tailed)	.000	.
		N	160	160

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

H₀₇ there is no significant relationship between fringe benefit and employee commitment of bottle water firms in Port Harcourt. (Correlation 7) reveals that there is a significant relationship between fringe benefit and employee commitment of bottle water firms in Port Harcourt. (where rho = .726 and p =0.000) and based on the decision rule of p < 0.05 for null rejection; we reject the null hypothesis and accept the alternative hypothesis: *there is a significant relationship between fringe benefit and employee commitment of bottle water firms in Port Harcourt.*

Discussion of Findings**Financial Reward and Employee Commitment**

correlation. 1 reveals that there is a significant relationship between financial reward and employee commitment of bottle water firms in Port Harcourt (where rho = .726 and p =0.000) and based on the decision rule of p < 0.05 for null rejection; we reject the null hypothesis and accept the alternative hypothesis: there is a significant relationship between financial reward and employee

commitment of bottle water firms in Port Harcourt. In the same vein, Komal Khalid and Saima Aftab (2017) carried out a study on Employee's Intrinsic and Extrinsic Rewards as Stimulus of Increased Organizational Commitment: A Study of Higher Education Institutions of Pakistan. The purpose of this study was to investigate the influence of intrinsic and extrinsic rewards on different forms of employee's organizational commitment (Continuous, Affective and Normative commitment) in Higher Education Sector of Pakistan. Data was collected regarding impact of intrinsic rewards on different forms of organizational commitment from Higher Education Institutions of Pakistan. Study sample included 513 faculty members from 34 different universities of Rawalpindi and Islamabad. Reliability statistics, Confirmatory Factor analysis, Descriptive Statistics, Pearson Correlation Analysis and Multiple Regression Analysis were used to analyse the data. Results indicated that intrinsic have a greater effect on affective commitment of faculty members whereas variables of extrinsic rewards have a greater influence on continuous commitment. Study also found out that salary is highly significant for all types of organizational commitment but it is influencing continuous commitment more as compared to other two forms.

Non- Financial Reward and Employee Commitment

Correlation 4 reveals that there is a significant relationship between non- financial reward and employee commitment of bottle water firms in Port Harcourt. (where $\rho = .678$ and $p = 0.000$) and based on the decision rule of $p < 0.05$ for null rejection; we reject the null hypothesis and accept the alternative hypothesis: there is a significant relationship between non- financial reward and employee commitment of bottle water firms in Port Harcourt. *In the same vein*, Salah, (2016) undertook a study on the influence of reward types (extrinsic, intrinsic, social and rewards mix) on employees performance. Subjects for the study consisted of 308 workers which constituted 60% of the total target population of 513 people working for Unified Mining Firms located in the southern part of Jordan. Total of 308 self-designed questionnaire were distributed to employees on their job location, 268 questionnaires were returned and only 250 were suitable for statistical analysis. SPSS version 16 has been used for data analysis. Both descriptive and inferential statistics were used for data analysis. The statistical tools were aligned with the objective of the research. For this purpose, frequency Tables, percentages, means and standard deviations were computed and substantively interpreted. Inferential statistics like Pearson product moment correlation coefficient (r) was used to determine if there is a significant relationship exist between independent variables (rewards types: Extrinsic, intrinsic, social and rewards mix) and dependent variable (employees performance). Analysis and interpretation were made at 0.05 level of significance. The findings indicated that there is a statistical significant relationship between rewards types and employees performance. The study has concluded that, management should have deep sense of commitment towards the issue of rewarding employees, if performance levels to be enhanced. Finally, future research can be conducted to cover all types of rewards and to determine their affect on performance.

Fringe Benefit and Employee Commitment

Correlation 7 reveals that there is a significant relationship between fringe benefit and employee commitment of bottle water firms in Port Harcourt. (where $\rho = .726$ and $p = 0.000$) and based on the decision rule of $p < 0.05$ for null rejection; we reject the null hypothesis and accept the alternative hypothesis: there is a significant relationship between fringe benefit and employee commitment of bottle water firms in Port Harcourt. *in the same vien*, Agba, Ogaboh; Festus Nkpoeyen; and Ushie, (2019) undertook a study on Career development and employee commitment in industrial organisations in Calabar, Nigeria. This study examined the relationship between career development and employee commitment in industrial organizations, in Calabar, Cross River State, Nigeria. Niger Mills PLC, Calabar and Cross River Newspaper Corporation, Calabar were selected for the study. Data was obtained through structured questionnaire. Three hypotheses were tested using Pearson Product Moment Correlation (r). Findings revealed that, career advancement, career counseling and

career opportunities significantly influence workers commitment. The study recommended among others that, a comprehensive career development programme should be adopted by management.

CONCLUSION

The study which appraised the relationship between Organisational Reward system and employee commitment of bottle water firms in Rivers state, Nigeria was undertaken using primary data. The objectives of the study sought to establish the effects of the dimensions of the independent on the dependent variable. The study revealed that there is a significant relationship between Organisational Reward system and employee commitment of bottle water firms in Rivers state, Nigeria. The study also revealed that there is a significant relationship between financial rewards and measures of employee commitment, there is a strong significant relationship between non financial reward and measures of employee commitment, there is significant relationship between fringe benefit and measures of employee commitment. The study concluded that reward systems is imperative and essential for enhancing employee commitment of bottle water firms in Rivers state, Nigeria.

RECOMMENDATIONS

In respect to the findings and conclusion of this study, the following recommendations were made.

- 1) Management of bottle water firm should be adopt adequate financial reward by providing salaries, wages and other benefits as at when due in other to enhance employee commitment.
- 2) Management of bottle water firm should be adopt adequate non-financial reward by providing proper recognition and appreciation in other to enhance employee commitment.
- 3) Management of bottle water firms should provide adequate and appropriate fringe benefits such as Insurance and others which help boost employee commitment and productivity.
- 4) Management of bottle water firm should develop an adequate leadership approach as it is observed that leadership approach significantly influences the relationship between organisational Reward system and employee commitment.

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