



(REVIEW ARTICLE)



## Effect of reward system on employee's productivity in Nigeria hospitality industry

Adaora Chinelo Uzochukwu, Ernest Chukwuebuka Nwankwo and Sunday Okwuchukwu Okafor \*

*University of Nigeria, Enugu Campus, Nigeria.*

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### Abstract

This study investigated the effect of reward system on employee productivity in Nigeria hospitality industry. The specific objectives of the study are to: assess the effect of sizeable wage and salary reward system on employee quality of service delivery in Nigeria hospitality industry and ascertain the effect of retirement benefits reward system on employee commitment in Nigeria hospitality industry. Research design was descriptive survey research. Study Area was Enugu State. Sample size of 378 respondents was drawn from 503 population of the study using Taro Yamane sample technique. The research question was answered with simple percentage, mean and deviation while methods of data presentation are table and simple percentage. The hypotheses were tested with regression analysis comprising student-t statistics. The following are the major findings of the study: the study revealed that sizeable wage and salary reward system has significant effect on employee quality of service delivery in hospitality industry (t-statistics (8.312) > P-value (0.000); the study reveals that retirement benefits reward system has significant effect on employee commitment in hospitality industry (t-statistics (9.491) > P-value (0.000). The study concludes that there was positive and significant effect of reward system on employee productivity in hospitality industry especially in Nike Lake Resort Hotel Enugu Nigeria. The study recommends that managements of Nike Lake Resort Hotel Enugu should ensure that there are regular promotions as at when due in order to further encourage staff to put in their very bests to their jobs which will in turn have a positive effect on performance of the hospitality industry.

**Keywords:** Reward System; Employee's productivity; Hospitality Industry

### 1. Introduction

Reward system is an important tool that management uses to channel employee's motivation in desired ways such as better functionality and further improve company performance. Generally, individuals are motivated to work by the needs they have which require satisfaction. Such individuals are committed to jobs they perceive to have a possibility of satisfying their needs through the reward they will receive for the work done. The type of motivation depends greatly 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 (Abdul, et al 2019). Intrinsically motivated individuals will be committed to their work only when they find out that their job contains task that is intrinsically rewarding (Ajila & Abiola, 2016). In the same light, extrinsically motivated persons will be committed to the extent that they can gain or receive external rewards for their job. In a nut shell, you can only get what you reward. Good remuneration, therefore, is expected to contain elements that reward both intrinsically and extrinsically to trigger both extrinsic and intrinsic motivation from the employee. With a well-motivated workforce, employee performance can be manifested on organizational effectiveness, which allows individuals to focus on the development of their work, in terms of behaviour, knowledge, ethics, skills, and effectiveness (Chiekezie, Emejulu & Nwanneka, 2017).

\* Corresponding author: Sunday Okwuchukwu Okafor

The performance of every employee is a major concern to the human resource department. In spite of the qualification and longevity of service of an employee, workers are sometimes reluctant to put in their best at their job site. Many work only within the confines of their job specification and are not interested in putting in any additional effort in driving the organizational goals. This takes away creativity from the work place, limits invention and improvement and places such a firm at a competitive disadvantage in the adverse business world that is constantly shifting to meet consumer needs and expectations. It takes only motivation to transform these employees into a self-driven and work oriented labour force (Eze & Anikeze, 2018). As pointed by Falola, Ibidunni & Olokundun (2019), an effective reward system is not static but constantly fine-tuned and its effectiveness often evaluated to ensure it constantly captures employee motivation. It must constantly increase the desire to attain high standards, increase employee satisfaction and give a feeling of competence and freedom (Enyioko & Ikoro, 2018). Employers get more of the behaviour that they reward, not actually what they assume they will naturally get from employees. Thus when employees surpass their target or exceed their standard they expect to be rewarded immediately as a way of motivating them. By doing this, employees directly connect reward with work behaviour and the higher performance they have attained (Ezeanyim, Ufoaroh & Ajakpo, 2019).

Employee is the key resource in the success or failure of any formal organizations. The ability of the employers to attract, retain and reward appropriately talented and competent employee could depend on reward system employed in the organization. Likewise, an employee's willingness to stay on the job largely could depend on reward packages of the organization (Armstrong, 2019). In attempt to ensure employee optimal satisfaction and retention, organizations need to consider a variety of appropriate ways to reward the employee to get the desired result (Falola, Ibidunni & Olokundun (2019). It has been argued that the degree to which employee are satisfied with their job and their readiness to remain in an organization is a function of reward packages (Onodugo, 2021). Organizations that have goals to achieve would require satisfied and happy staff in her workforce. One of the fundamental tasks in human resources management is reward management. It is a complex task that occurs periodically, demand accuracy and must not be delayed. Reward management requires integrating employees' processes and information with business process and strategies to achieve optimal organizational goals and objectives. This can be attributed to the fact that reward management is an essential tool to "integrate individual efforts with strategic business objectives by encouraging employees to do the right things which will ever improve efficiency" (Kehinde, & Adeagbo, 2020). In other words, reward management is a powerful means of focusing attention within an organization. The ability of an organization to guarantee its employer certain comfort and tranquility when he or she retires is very critical to the organizations survival.

### **1.1. Statement of the Problem**

The rate at which employee turnover is increasing in hospitality industry in South East and Nigeria generally has become a thing of concern and it is obvious that the step taken by the managements have not solved this problem. There had been constant mobility of these highly skilled employees from one hospitality firm to another and they hardly stay for long in one bank before moving to another bank. In view of the above, one of the reasons that informed this study has to do with the unique importance of reward system in relation to employee productivity among hospitality industry. This affects the retention of employee yet it is not being addressed. It is necessary to identify how best to retain these employee of hospitality industry (at least for a longer period of time) to prevent constant mobility.

After recruiting an employee, companies tend to expect maximum employee productivity. The problem arises when the employees, at a certain point start looking for other opportunities. And their job satisfaction starts to shrink due to lack of fringe benefits provided by the employer. Among the factors, promotion can be the major one that highly influences the job satisfaction of employee because of its direct tie with higher benefits and greater responsibilities or powers. Lack of effective promotion strategies lead to high turnover (which denotes lack of talent, additional recruitment and training costs), de-motivation, and lack of commitment. In Nigeria today, most employees both in public and private organizations are not covered by any reasonable form of retirement benefit arrangement. This has hampered the ability of most employees of such organizations to contribute effectively to the achievement of the organizations objectives. Majority of pensioners in Nigeria live in abject poverty and neglect as a result of the failure of the country's pension scheme. Against backdrops, this study aims to examine effect of reward system on employee productivity in hospitality industry: a study of Nike Lake Resort Hotel Enugu, Nigeria.

### *Objectives of the Study*

The main objective of the study is to investigate the effect of reward system on employee productivity in hospitality industry: a study of Nike Lake Resort Hotel Enugu, Nigeria. The specific objectives of the study are to:

- Assess the effect of sizeable wage and salary reward system on employee quality of service delivery in hospitality industry.

- Ascertain the effect of retirement benefits reward system on employee commitment in hospitality industry.

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## 2. Conceptual Review

### 2.1. Reward System

Reward is generally understood as the total amount of financial and non-financial reward or total remuneration provided to an employee in return for labour or service rendered at work. Reward, which is at times been described as reward or remuneration, is possibly the most critical contract term in each paid-work (Samatha, Amewugah & Mawutor, 2018).

Rewards can be intrinsic and/or extrinsic. Among the intrinsic rewards are job autonomy, recognition, training and responsibilities. On the other hand, extrinsic rewards comprise of salaries and wages, promotions, allowances and bonuses. The effective administration of intrinsic and extrinsic rewards affects employees' behaviour in the areas of punctuality, turnover, absenteeism, commitment and satisfaction, which in turn affects performance and productivity levels (Akuoko, Kanwetuu & Dwumah, 2014).

According to Armstrong (2010), "reward systems consist of the interrelated processes and practices which combine to ensure that reward management is carried out effectively to the benefit of the organization and the people who work there." Reward systems are based on the reward strategy; which runs from the business strategy, for instance to gain competitive advantage, and the human resource (HR) strategy, which is impacted by the business strategy. Reward system coordinate the advancement and operation of reward practices and processes, and furthermore shape the reward policies, which in turn influence reward practices, processes and procedures (Armstrong 2019).

Reward is the reward which an employee receives from an organization for exchanging for the service offered by the employee or as the return for work done (Tetteh, Annor & Larbi, 2014). It also refers to the collection of brain structures that try to control and regulate behaviour by inducing pleasure (Ajila and Abiola, 2016). Human resource can be rewarded and optimally utilized through rewarding it using different techniques of significance importance.

### 2.2. Types of Rewards

There are several types of reward systems that organisations can use. According to McCormick and Tiffin (1979) cited in Onuorah, Okeke & Ikechukwu, (2019), the system of rewards can be classified as intrinsic or extrinsic. Intrinsic reward system is those that are inherent in the job and which the individual enjoys as a result of successfully completing the task or attaining his goals. On the other hand extrinsic reward comes from external and it is tangible in order to appreciate the task performed by employee. Extrinsic rewards are external to the task of the job, including pay, work condition, fringe benefits, security, and promotion, contract of service, salary, incentives, bonuses, payments and job security the work environment and conditions of work.

#### 2.2.1. Types of Reward System

There are various forms of reward and nearly all these forms of reward can be categorized into four broad types (Jamila, 2019). The four broad types are:

##### Wages and Salary

Wages are what is paid to employees who are not permanently employed and typically pertains to hourly rates of pay (the more hours worked, the greater the pay), while salary is what is paid to people that are permanently employed and this is at a fixed weekly, monthly, or annual rate of pay.

##### Status

With reference to an organization, status refers to the position in the hierarchy of the organizational chart. The level of authority, responsibility, recognition, salary, perks, determine the status of an employee in the organization. A person at the top level management has more authority, responsibility, recognition and salary and vice-versa. Status satisfies the self-esteem and psychological needs of an individual and in turn, motivates him to work hard.

##### Organizational Climate

Organizational climate refers to the environmental characteristics of an organization that are perceived by its employees about the organization and have a major influence on their behavior. Each organization has a different

organizational climate that distinguishes it from other organizations. Some of the factors that influence the organizational climate of an enterprise are organizational structure, individual responsibility, rewards, risk and risk-taking, warmth and support and tolerance and conflict. When the organizational climate is positive employees tend to be more motivated.

#### Career Advancement Opportunity

It is very important for an organization to have an appropriate skill development program and a sound promotion policy for its employees which works as a booster for them to perform well and get promoted. Every employee desires growth in an organization and when he gets promotion as an appreciation of his work he is motivated to work better.

#### Job Enrichment

It refers to the designing of jobs in such a way that it involves a higher level of knowledge and skill, a variety of work content, more autonomy and responsibility of employees, meaningful work experience and more opportunities of growth. When the job is interesting, it serves as a source of motivation.

#### Job Security

Job security provides future stability and a sense of security among the employees. The employees are not worried about the future and thus work with more enthusiasm. Owing to the unemployment problem in our country, job security works as a great incentive for the employees. However, there is also a negative aspect of this incentive that employees tend to take their job for granted and not work efficiently.

#### Employee Recognition Programmes

Recognition means acknowledgment and appreciation of work done by employees. Recognition in the organization boosts their self-esteem and they feel motivated. For example, declaring the best performer of the week or month, displaying their names on the notice board and giving them rewards, fall under the Employee recognition program.

#### Employee Participation

Involving the employees in decision making regarding the issues related to them such as canteen committees, work committees, etc. also helps in motivating them and inducing a sense of belongingness in them.

#### Employee Empowerment

Giving more autonomy and powers to subordinates also make them feel that they are important to the organization and in turn they serve the organization better.

#### Promotion

Promotion from within is another form. Here, the firm designs programs for employees to be promoted to higher positions before recruiting qualified persons for vacancies. This is vital for lower level employees who desire to have increased responsibilities and pay (Don, 2013). Verbal praise and positive feedback are also forms of non-monetary incentive. It could be sending a thank you email or phone call to the person who did a great job on a project. It makes them know that the organisation values and appreciates what they are doing (Lim, 2013). Educational reimbursement is also offered to employees. The firm reimburses the workers for expenses on improving their educational qualification. This is vital for employees who love to improve their education for increased pay and positions (Torrington, Hall & Taylor, 2018).

### **2.3. Employee Productivity**

Employee productivity is an assessment of the efficiency of a worker or group of workers. In actual terms, productivity is a component which directly affects the company's profits (Kehinde & Adeagbo, 2020). Productivity may be evaluated in terms of the output of an employee in a specific period of time. Typically, the productivity of a given worker will be assessed relative to an average out for employees doing similar work. It can also be assessed according to the amount of units of a product or service that an employee handles in a defined time frame (Samatha, Amewugah and Mawutor, 2018).

### 3. Theoretical Review

#### 3.1. Maslow's Hierarchy of Needs Theory

The psychologist A. H. Maslow (1964) has developed a widely acclaimed theory of human motivation in which he postulates that there is a definite rank-order priority of human needs. Until the more basic wants are fulfilled, a person will not strive to meet his higher needs. Maslow classifies needs into five categories;

- **Physiological needs:** needs for food, shelter cloth etc.
- **Safety needs:** needs for a stable environment relatively free from threats.
- **Love needs:** needs related to affectionate relations with others and status within a group.
- **Esteem needs:** needs for self-respect, self esteem and the esteem of others.
- **Self-actualization needs:** the need for self-fulfillment, self-realization and self-accomplishment.

The second and most central point of Maslow's theory is that people tend to satisfy their needs systematically, starting with the basic physiological needs and then moving up the hierarchy. Until a particular group of needs is satisfied, a person's behavior will be dominated by them. Thus, a hungry person is not going to be motivated by consideration of safety or affection, for example until after his hunger has been satisfied. Maslow later modified this argument by stating that there was an exception to the rule in respect of self-actualization needs. For this group of needs it seems that satisfaction of a need gives rise to further needs for realizing one is potential.

Maslow's theory provided a useful early framework for discussions about the variety of needs people may experience at work and the way in which their motivation can be met by managers. One criticisms of the theory is that systematic movement up the hierarchy does not seem to be a consistent form of behavior for many people. Alderfer (1972), for example, argued that individual needs were better explained as being on a continuum, rather than in a hierarchy. He considered that people were likely to move up and down the continuum in needs - existence needs (ie the basic of life), relatedness needs (ie social and interpersonal needs) and growth needs (ie personal development needs).

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### 4. Empirical Review/Literature

Obiaga and Itakpe, (2021) examined reward system and employee performance in the oil and gas industry in Rivers State. Specifically, the study sought to: to examine the influence of bonuses on employee productivity; to analyze the relationship between reward and employee productivity; and to determine the influence of promotion on employee productivity in oil and gas industry in Rivers State. The questionnaire was adopted as the research instrument to elicit the needed data from 243 respondents. The descriptive statistics and Pearson's correlation analysis were employed to carry out the data analysis. The results indicate that there is a significant relationship between bonuses and productivity, reward and productivity, promotion and productivity in the oil and gas industry in Rivers State. Based on the findings, the study recommends that reward framework of oil and gas firms should be planned with the end goal that employees are qualified for some percentage of profit earned by the firm as a method for improving productivity amongst workers, improving dependability and guaranteeing worker devotedness to performing allotted task. As a method for guaranteeing cohesiveness among employees, hardworking employees that meet targets should be promoted promptly to increase employee productivity. The study recommended that employees in oil and gas firms should not be paid fix pay rates as it could bring about a high pace of lateness and hesitance of worker within a group to put in more than average performance. It should be a basic salary plus additional bonuses and rewards. This would enhance innovativeness and the craving to acquire new knowledge among worker.

Kawara, (2021) conducted a study to examine effects of reward systems on employee productivity in The Catholic University of Eastern Africa, Kenya. The specific objectives of the study were: to determine the factors which increase employee motivation to better performance and critically evaluate and focus on the effects of reward systems on employee productivity. Purposive sampling was used to sample 80 respondents from all cadres of staff. Data was collected through self-administered questionnaires. Regression technique was used to analyze the data. The findings of this study revealed that different respondents had different motivational preferences but majority of the Institution's staff was more exposed to the use of non-financial rewards such as recognition, training, opportunities to handle greater responsibilities, employee promotion and participation in key decision making and challenging jobs to motivate exemplary performers. The study also shows that the rewards offered as a result of good performance were worthwhile and meaningful. The study concluded that employees reward systems is a source of motivation to the employees. This study recommended that the management should ensure that they provide rewards that satisfy the needs of the employees.

Kehinde and Adeagbo, (2020) investigated the impact of reward system on employee performance in KPMG Nigeria. Specifically, the study sought to: examine impact of pay reward on the performance of employee's tasks at KPMG Nigeria; find out the impact of recognition on the contextual performance of employee's in KPMG Nigeria; examine the impact of conducive work environment on counterproductive behaviour of employee's in KPMG Nigeria and investigate the impact of employee's development on adaptive performance of employees at KPMG Nigeria. Data was collected through self-administered questionnaires. Regression technique was used to analyze the data. Empirical result showed that pay reward significantly impacts on employee Adaptive performance; employee recognition significantly impact employee counterproductive performance; conducive work environment significantly impacts on employee contextual performance and employee development in KPMG Nigeria significantly affects employee task performance. The study recommended that KPMG's management should ensure that they provide the needed motivation, reward or remuneration irrespective of employees' level to spur employees to act towards improving their task performance.

Ngwa, Adeleke, Akintola, Agbaeze, Ghasi and Imhanrenialena, (2019) investigated the effect of reward system on employee performance in selected manufacturing firms in the Littoral Region of Cameroon. Specifically, the study assesses the degree to which profit sharing affects employee commitment in manufacturing firm; ascertains the effect of flat-rate systems on employee work values in manufacturing firms; and appraises the influence of collective bargaining reward systems on employee cohesiveness in manufacturing firms. The sample of 538 employees drawn from a population of 5146 employees of ten selected manufacturing firms within the Cameroon Littoral Region. The instrument used for data collection was questionnaire. The findings revealed that, profit sharing had a significantly positive effect on employee commitment in manufacturing firms; flat rate systems had a significantly negative effect on employee work values in manufacturing firms; and collective bargaining reward systems had a significantly positive impact on employee cohesiveness in manufacturing firms. The study recommended amongst others that reward systems for manufacturing firms should be designed such that employees are entitled to percentages of profit earned by the firm as a means of promoting productivity and group cohesiveness amongst employees.

Eze and Anikeze, (2018) assessed the effect of Contributory Pensions Scheme on Workers Performance. The specific objectives included; to determine the extent the Contributory Pension Scheme has enhanced workers attitude to work, to determine how Contributory Pension Scheme has helped to attract and retain qualified workers, to ascertain the effects of contributory pension scheme on workers morale and satisfaction. The study combined Co-relational and Cross Sectional Survey research design. The population of the study is Six Thousand Eight Hundred and Fifty (6850) comprising of the staff of five Federal Universities in South East Nigeria. The sample size was determined using the Taro Yamane statistical formula. The data for the study was obtained from the respondents with the help of structured questionnaire and were tested with T-test statistical test. The study revealed that Contributory Pension Scheme has enhanced workers attitude to work, to determine how Contributory Pension Scheme has helped to attract and retain qualified workers, Contributory Pension Scheme has equally helped to boost workers morale and satisfaction. This study recommended among others that Universities in Nigeria especially State and Private Universities should ensure adequate implementation and strict compliance with the provisions of Pensions Reform Act 2004.

Muchai, Makokha and Namusonge, (2018) conducted a study to establish the effects of remuneration system on organizational performance in public organizations with reference to Teachers Service Commission. The study specifically examined the effects of employees' turnover on organizational performance in Teachers Service Commission. The study applied a descriptive research design and the target population was 1,500 employees of Teachers Service Commission (TSC) headquarters in Nairobi with a sample size of 316 respondents. The study findings thus showed that employee's turnover affected the organizational performance. The study found out that employees that are highly contented with their work; employees that are highly motivated; regular review of reward systems; employees' commitment and conducive working conditions affected organizational performance in the organization. The study drew conclusions that the effects of remuneration system that affected organizational performance in public organizations included; employee's turnover. The study recommended that the organization management should review and increase the employee's remuneration and rewards and in addition provide more benefits to the employees. Good working environment should also be provided and proper working conditions should be provided to all employees.

Chiekezie, Emejulu, and Nwanneka, (2017) conducted a study to examine the influence of reward management on employee retention. It specifically set out to examine the relationship between Salary and Employee satisfaction in selected Commercial banks in Awka. The study employed descriptive research design. Primary source of data was the major instrument used for this study. 60 copies of questionnaire were administered to employees of selected Deposit Money banks (First bank, Fidelity and Sterling bank); 56 were retrieved and they were all useful. Pearson's Product Moment Correlation was used for the analyses. The findings revealed that there is a positive weak relationship between salary and employee satisfaction. This shows that employees were not satisfied despite their seemingly attractive salary.

In view of the finding, the study concluded that if management fail to formulate, administer and implement good reward policies that would allow them retain their talented employee; these employees might leave their job if they find a better offer elsewhere. The researcher recommended among others that reward structure should include new and enticing ways to motivate and retain employee with wide range of benefits other than salary.

Olatunji, Sarat, Kehinde and Hassan, (2015) conducted a study that examined how the organization's human capital was compensated and see whether the reward even serves as a motivational tool to enhance organisational performance. Seven research questions and two hypotheses were postulated to find solutions to the problems of the study. One hundred and twenty personnel formed the sample size from six organisations. A self-designed instrument labeled Wages and Salaries as a Motivational Tool Questionnaire (WASAMOTOQ2) containing seven sections was used in the collection of data. The findings of the study revealed those factors that militate against adequate reward to include labour market conditions, the ability of the organisation to pay adequate reward and the existing country/nation's present cost of living; what makes up good and adequate reward include recognition of individual performance and taking care of individual incentives and it shows the relationship between reward and motivation. It further established the consequential effect of inadequate reward and motivation on the organisational development. Based on the findings, the following recommendations were proffered - that there should be wages/salaries scale and schedule; such should be based on identified indices in the study; that disparity between two identical workers should not be based purely on 'paper' qualification but the ability to 'deliver'; and that wages/salaries should display equality, no 'sacred cow'.

Kikoito, (2014) conducted a study to examine the impact of reward systems on organisational performance in commercial banks in Mwanza city, Tanzania. Specifically, the study sought to: (i) to determine the reward systems currently used in commercial banks in Mwanza city, (ii) to determine employees' view of reward system used by commercial banks in Mwanza city, (iii) to assess the effect of extrinsic rewards (remuneration, bonus, salary and promotion) in organization performance and (iv) to assess the effect of intrinsic rewards (praise and recognition) on organization performance in commercial banks of Mwanza city. The study used descriptive research design. The study surveyed 65 employees from three commercial banks (CRDB, NBC and NMB). The method of data analysis was ANOVA. The research questions were answered with mean and standard deviation. The findings of this study showed that the three commercial banks in Mwanza city offer both extrinsic (salary, bonus and promotion) and intrinsic (praise, recognition and genuine appreciation) rewards to their employees. However, the results found that employees were not satisfied with the current reward packages and salary level was viewed to be too low and did not reflect cost of living in Mwanza city. The research revealed that the present salary level offered to employees of commercial banks is very low and employees are not satisfied. This has led to low workers' motivation and employee turnover. The study recommended that HRM department in conjunction with senior management and Trade unions should revise the current salary scale in line with prevailing economic environment and set an appropriate and competitive salary scale.

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## 5. Methodology

Research design was descriptive survey research. Study Area was Enugu State. Sample size of 378 was drawn from 503 management and non-management staff of Nike Lake Resort Hotel Enugu, Enugu State. The study used structured questionnaire to obtain data. The research question was answered with simple percentage, mean and deviation while methods of data presentation are table and simple percentage. The hypotheses were tested with regression analysis comprising student-t statistics.

Three hundred and seventy eight (378) copies of questionnaire were designed and distributed to the respondents. Out of the 378 Questionnaires distributed, 378 (95%) were completed and returned while 20 (5%) were not returned. Therefore, 95 percent respondents were a good representation. The table showed the respondents profile in frequency and percentage distribution of gender, age bracket, marital status, educational qualification, and working experience.

**Table 1** Comprehensive Demographic Distribution of Respondents

Title		Frequency	Percentage
Questionnaire Distributed		378	100%
Returned copies of questionnaire		358	95%
Non-returned Questionnaire		20	5%
<b>Gender</b>	Female	213	59.5%
	Male	145	40.5%
<b>Age Bracket</b>	20-30 Years	153	42.7%
	31-40 Years	111	31.0%
	41-50 Years	66	18.4%
	51Years – above	28	7.8%
<b>Educational Qualification</b>	HND/B.sc	231	64.5%
	MBA/M.sc	125	34.9%
	Ph.D	2	0.5%
<b>Working Experience</b>	1- 5 Years	111	31.0%
	6-10 Years	153	42.7%
	11-20 Years	66	18.4%
	21 -35 Years	28	7.8%

Sources: Field Survey, 2022

**4.1 Presentation of Data**

*4.1.1 Question One*

To what extent do you agree that sizeable wage and salary reward system affect employee quality of service delivery in Hospitality industry?

**Table 2** Mean rating of responses of respondents on the extent to which sizeable wage and salary reward system affect employee quality of service delivery in Hospitality Industry

S/ N	Question Items	VGE (5)	GE (4)	ME (3)	LE (2)	VLE (1)	Total	Mean	SD
1	The wage and salary reward techniques increases an organizational overall productivity by making employee to be committed the office tasks	780	496	174	24	8	1475	4.14	0.0029
		156	124	58	12	8	358		
		44%	34%	16%	3%	2%	100%		
2	The wage and salary reward encourages employee to take customers’ feedback serious	620	624	144	40	10	1438	4.02	0.0027
		124	156	48	20	10	358		
		35%	44%	13%	5%	2%	100%		
3	The wage and salary reward promotes the willingness of employee to use their creativity in workplace	1065	364	126	18	3	1576	4.40	0.0034
		213	91	42	9	3	358		
		59%	25%	12%	2%	0.8%	100%		
4	The wage and salary reward encourages employee to build commitment to convince customers to patronize the deposit money bank	985	416	111	24	8	1544	4.31	0.0032
		197	104	37	12	8	358		
		55%	29%	10%	3%	2%	100%		
	Grand Mean							4.218	0.0031

Source: Field Survey, 2022

This table showed the opinion of respondents on the extent to which sizeable wage and salary reward system affect employee quality of service delivery in hospitality Industry. The study thereby revealed that sizeable wage and salary reward system has significant effect on employee quality of service delivery in Hospitality Industry since the wage and salary reward promotes the willingness of employee to use their creativity in workplace (Grand-mean 4.218 was greater than the cutoff point 3).

4.1.2 Question Two

To what extent do you agree that retirement benefits reward system affect employee commitment in hospitality industry?

**Table 3** Mean rating of responses of respondents on the extent to which retirement benefits reward system affect employee commitment in Hospitality Industry

S/N	Question Items	VGE (5)	GE (4)	ME (3)	LE (2)	VLE (1)	Total	Mean	SD
1	The retirement benefit reward reduces absenteeism in workplace	900	400	144	46	7	1497	4.18	0.0030
		180	100	48	23	7	358		
		50%	30%	13%	6%	1%	100%		
2	The retirement benefit reward eliminates poor attendance in a workplace	630	632	192	40	10	1504	4.20	0.0030
		126	158	64	20	10	358		
		35%	44%	18%	5%	2%	100%		
3	The retirement benefit reward stir more energy to come to work at a slight illness	1000	404	135	18	3	1560	4.36	0.0033
		200	101	45	9	3	358		
		59%	28%	13%	2%	0.8%	100%		
4	The retirement benefit reward motivate employee to always come to work and even do overtime work in the workplace	950	444	105	24	10	1533	4.28	0.0032
		190	111	35	12	10	358		
		53%	31%	9%	3%	2%	100%		
	Grand Mean							4.255	0.0031

Source: Field Survey, 2022

This table showed the opinion of respondents on the extent to which retirement benefits reward system affect employee commitment in hospitality industry. The study thereby revealed that retirement benefits reward system has significant effect on employee commitment in hospitality industry since the retirement benefit reward eliminates poor attendance in a workplace. The respondents are in agreement with all the items. (The grand mean 4.255 was greater than the cutoff point 3).

4.2 Test of Hypotheses

4.2.1 Test of Hypothesis One

Sizeable wage and salary reward system have no significant effect on employee quality of service delivery in hospitality industry.

**Table 4** Single Regression Result for test of Hypothesis

Model Summary					
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.917 <sup>a</sup>	.840	.840		.40781
a. Predictors: (Constant), Sizeable wage and salary Reward system					

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	50.510	1	50.510	15.954	.000 <sup>b</sup>
	Residual	1130.262	357	3.166		
	Total	1180.772	358			

a. Dependent Variable: Employee Quality of service delivery;

b. Predictors: (Constant), Sizeable wage and salary Reward system

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.640	.113		5.645	.000
	Sizeable wage and salary Reward system	0.208	.025	.917	8.312	.000

a. Dependent Variable: Employee Quality of service delivery

In testing this hypothesis, sizeable wage and salary reward system was regressed against employee quality of service delivery. The result of the single-regression analysis showed the model to examine the effect of wage and salary reward on employee quality of service delivery in hospitality industry.

Employee Quality of service Delivery = 0.640 + 0.208 Sizeable wage and salary Reward system

The empirical result showed that the coefficient of sizeable wage and salary reward system has positive effect on employee quality of service delivery; it means that sizeable wage and salary reward system had positive and direct effect on employee quality of service delivery. The result of the t – statistics denotes that the coefficient of sizeable wage and salary reward system was statistically significance because the observed values of t – statistics (8.312) is greater than its P-values (0.000). The result of the F – statistical test showed that the overall regression of the hypothesis one was statistically significance because the observed value of the F – statistics (15.954) was great than its P-value (0.000). Again, our empirical result showed that the Pearson product moment correlation analysis (r) was 0.917. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and conclude that sizeable wage and salary reward system had positive and significant effect on employee quality of service delivery in hospitality industry.

#### 4.2.2 Test of Hypothesis Two

Retirement benefit reward system has no significant effect on employee commitment in hospitality industry.

**Table 5** Single Regression Result for test of Hypothesis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.932 <sup>a</sup>	.869	.868	.37028
a. Predictors: (Constant), Retirement benefit Reward system				

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.923	1	2.923	21.338	.000 <sup>b</sup>
	Residual	48.909	357	.137		
	Total	51.832	358			

a. Dependent Variable: Employee Punctuality; b. Predictors: (Constant), Retirement benefit Reward system

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.650	.102		6.401	.000
	Retirement benefit Reward system	0.218	.023	.932	9.491	.000

a. Dependent Variable: Employee Punctuality

In testing this hypothesis, retirement benefit reward system was regressed against employee commitment. The result of the single-regression analysis shows the model to examine the effect of retirement benefit reward system on employee commitment in hospitality industry.

$$\text{Employee Commitment} = 0.640 + 0.218 \text{ Retirement Benefit Reward system}$$

The empirical result showed that the coefficient of retirement benefit reward system had positive effect on employee commitment; it means that retirement benefit reward system has positive and direct effect on employee commitment. The result of the t – statistics denotes that the coefficient of retirement benefit reward system was statistically significance because the observed values of t – statistics (9.491) was greater than its P-values (0.000). The result of the F – statistical test showed that the overall regression of the hypothesis one was statistically significance because the observed value of the F – statistics (21.338) was great than its P-value (0.000). Again, our empirical result showed that the Pearson product moment correlation analysis (r) was 0.932. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and concluded that retirement benefit reward system had positive significant effect on employee commitment in hospitality industry.

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## 6. Conclusion and Recommendations

The following are the major findings of the study:

- The study revealed that sizeable wage and salary reward system has significant effect on employee quality of service delivery in hospitality industry since the wage and salary reward promotes the willingness of employee to use their creativity in workplace, (t-statistics (8.312) > P-value (0.000).
- The study revealed that retirement benefits reward system has significant effect on employee commitment in hospitality industry since the retirement benefit reward eliminates poor attendance in a workplace (t-statistics (9.491) > P-value (0.000).

### 5.2 Recommendations

The study recommended that:

- Managements of Nike Lake Resort Hotel Enugu should ensure that there are regular promotions as at when due in order to further encourage staff to put in their very bests to their jobs which will in turn have a positive effect on performance of the hospitality industry.
- Managements of Nike Lake Resort Hotel Enugu should enforce effective reward plans to reward performance, loyalty, experience, responsibility, and other behaviors.

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## Compliance with ethical standards

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### Disclosure of conflict of interest

No conflict of interest among the Authors

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