

Effect of extrinsic reward system on employee's productivity in deposit money banks in Nigeria

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Abstract

This study investigated the effect of extrinsic reward system on employee productivity in deposit money banks in Nigeria. The specific objectives of the study are to: determine the effect of fringe benefits reward system on employee turnover intention and evaluate the effect of promotion reward systems on employee productivity. 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 standard 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 reveals that fringe benefits reward system has significant effect on employee turnover intention since the fringe benefits reward promotes attention and focus of employee to render service without fear or favour (t-statistics (9.292) > P-value (0.000), the study reveals that promotion reward systems has significant effect on employee productivity since promotion reward system improves employee's statue thereby enhancing their employee productivity (t-statistics (6.312) > P-value (0.000). The study concludes that there was positive and significant effect of extrinsic reward system on employee productivity in deposit money banks in Nigeria. The study recommends that managements of deposit money banks should embrace and prioritize the use of a performance based reward system to encourage employee to give their best performance at all time.

Keywords: Extrinsic Reward System; Fringe Benefits Reward; Promotion Reward; Employee Productivity

1. Introduction

Employees are the live wire of any and every organization, and in this era of globalization, cutting edge technology and latest communication systems, it is imperative that an organization that wants to remain afloat and continue to be in business must be able to always look for ways to attract and retain qualitative manpower (Okosi, 2020), and to do this, the organization must be able to motivate its employees by administering appropriate and timely rewards. Employee reward systems are usually programs that are put in place by organizations to reward individuals or groups in the organization for work well done (Noorazem, Sabiroh & Eliy-Nazira, 2021). Reward is one vital tool that is used to improve employee performance and an employee feels motivated and energized when he knows he will be rewarded by the organization (Kimani, Thomas & Arasa, 2017).

Reward is described as all monetary, non-monetary, and psychological payments that an organization provides for its employees (Egbe, 2022). Eziokwu and Onuoha, (2021) observed that reward systems is aimed at motivating employees in order to perform better and above expectations. It further aims at retaining them in order to build up high levels of competence. The studies also noted that reward systems are designed to compensate individuals and groups which can

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be either financial or non-financial. Understandably, a reward system is hinged on the notion of 'pay for performance' which may take the form of promotion, commission, bonus, awards, safe working conditions, praise, appreciation, social recognition, diversification in job description increasing responsibilities, etc. (Eziokwu & Onuoha, 2021). The nature of financial and non-financial rewards is categorized into extrinsic and intrinsic rewards. Extrinsic rewards can be called monetary rewards or simply cash rewards or tangible rewards or environmental rewards but also include formal recognition such as appreciation letters, certificates, other fringe benefits, incentive-based payments such as sales commission, and promotion. On the other hand, intrinsic rewards are classified as non-monetary or non-cash rewards or intangible rewards or psychological rewards, for example, recognizing employee of the month or year achievement, providing professional training opportunities etc. A good balance of extrinsic and intrinsic rewards enables the organization to maximize employee's commitment, motivation and job satisfaction which in turn maximizes the performance of employees particularly in terms of productivity (Ejim, Ajagu, & Onah, 2021). Fringe benefits refer to the remuneration provided by the employer to the individual employee or a pool of employees as a part of the organizational membership. Fringe benefits are paid to all the employees (unlike incentives which are paid only to the extra ordinary performers) based on their membership in the organization. Fringe benefits are indirect reward because they are extended as a condition for employment and are not directly related with the performance (Okeah & Inimotimi, 2020). But for the purpose of this paper, the focus will be on extrinsic reward and its effect on employees' productivity in deposit money banks in Nigeria.

1.1. Statement of the Problem

The banking industry has for almost a decade now witnessed constant and persistent disengagements of staff, divestment of foreign subsidiaries, rationalization of branches due to flagrant loss making, persistent loss of income to divisions, directorates or even the bank at large, and several others are ominous signs connoting that the existence of banks in Nigeria is threatened. It is observed that many banks have remained in an ailing condition despite government relentless efforts to make banks in Nigeria very sound and stable.

The salaries of executives and senior staff members of the banks are too large for the present income generated by banks to sustain and usually their salaries are not usually tied to direct performance target. The aggregate of these salaries engulf most income made by the banks as the task of this group of staff do not add any form of financial value that commensurate to their pay. They are rated by group performances rather than by individual performance contribution. The present compensation model in use in banks is toxic to the health of the bank. There is a need for senior staff pay cut or assignment of business targets that will at least justify their monthly salaries, or even implemented the duo to revert the present status.

An assessment of the banks showed that they hired most of their top managers rather than growing them from within the system over time. Any serious organization grows its managers from within-such organization has no entry level point i.e any staff that shall man their management level desk must have grown through the organization and can never be hired from outside. Staff retention is achieved through effective talent management system that identifies and sieves performers from laggards and tries to develop these star performers to grow and occupy strategic positions within the organizations. Against backdrops, this study aims to examine the effect of extrinsic reward system on employees' productivity in deposit money banks in Nigeria

Objectives of the Study

The main objective of the study is to investigate the effect of extrinsic reward system on employees' productivity in deposit money banks in Nigeria. The specific objectives of the study are to:

- Determine the effect of fringe benefits reward system on employee turnover intension in deposit money banks in Nigeria.
- Evaluate the effect of promotion reward systems on employee productivity in deposit money banks in Nigeria.

Significance of the Study

This study is significant on three major perspectives: namely theoretical, empirical and policy perspectives. Theoretically, this study will be anchored on Theory X and Theory Y that was developed by Douglas McGregor in 1960. The significant nature of the theory to the study was it was able to point out that there are two aspects of human behaviour at work namely those workers who dislike of work must coerce, control, direct and threaten most people with punishment to get them to put forth adequate effort towards the achievement of organizational objectives while

those workers who like of work must rewarded with extrinsic reward system to put forth adequate effort towards the achievement of organizational objectives.

Empirically, this study will dig out facts from empirical literature of reward system to capture knowledge gaps. This is missing in the previous studies in the empirical literature.

In terms of policy, the policy recommendations of this study will help management of deposit money banks to determine suitable reward model that will considerably improve the employee's productivity in banking industry. It will trigger a revolution in the performance of staff and the organization as a whole.

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).

2.2. Types of Extrinsic Reward System

There are various forms of reward and nearly all these forms of reward can be categorized into four broad types (Alsabri & Ramesh, 2012). The four broad types are:

2.2.1. 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.

2.2.2. 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 (Eziokwu & Onuoha, 2021).

2.2.3. 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 (Kimani, Thomas & Arasa, 2017). 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 (Jamila, 2019). 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 (Okeah & Inimotimi, 2020).

2.3. Employee Productivity

Employee productivity according to Egbe, (2022) is the ratio of output created as a result of the process's use of organizational resources. Here the output refers to the quantity and quality of goods and services generated by the organization and inputs refers to the amount of productive resources such as materials, labour, technologies, energy and time used in the creation of a certain product. 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

(Gummesson, 1998; Sels et al., 2006). 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 (Piana, 2001). OECD (2018) define it as the ratio of a volume measure output to a volume measured input; illustratively, Productivity is simply the output of a given resource input at a particular time.

2.4. Theoretical Review

2.4.1. Douglas McGregor's Theory X and Theory Y

In 1960, Douglas McGregor formulated Theory X and Theory Y suggesting two aspects of human behaviour at work, or in other words, two different views of individuals (employees): one of which is negative, called as Theory X and the other is positive, so called as Theory Y. McGregor was an individual psychologist who became famous for his contrasting theories of individual behavior which he labeled theory X and theory Y. These two theories clearly distinguished the traditional autocratic assumptions about people (theory X) from more behaviourally based assumptions about people (theory Y).

2.4.2. The Theory X assumptions about human nature are that

- The average human being has an inherent dislike of work and will avoid it if possible.
- Because of his human characteristic of dislike of work, one must coerce, control, direct and threaten most people with punishment to get them to put forth adequate effort towards the achievement of organizational objectives.
- The average human being prefers to be directed wishes to avoid responsibility has relatively little ambition and wants security above all (McGregor 1960:53)

2.4.3. Theory Y Stipulates that

The expenditure of physical and mental effort in work is as natural as play or rest. The average human being does not inherently dislike work. Depending upon controllable conditions, work may be a source of satisfaction (and will be voluntarily performed) or a source of punishment (and will be avoided if possible).

External control and the threat of punishment are not the only means for bringing about effort toward organization objectives. Man will exercise self-direction and self-control in the service of objectives to which he is committed.

Commitment to objectives is a function of the rewards associated with their achievement. The most significant of such rewards eg the satisfaction of ego and self-actualization needs, can be direct products of effort directed towards organizational objectives.

The average human being learns under proper conditions, not only to accept but to seek responsibility. Avoidance of responsibility, lack of ambition and emphasis of security are generally consequences of experience not inherent human characteristics.

The capacity of exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organizational problem is widely, not narrowly, distributed in the population.

Under the condition of modern industrial life, the intellectual potentialities of the average human being are only partially utilized (McGregor 1960:33).

The theory X approach actually precedes the old human relations theory and practice of management. By contrast, theory Y marks the point of departure for the newer behavioural approach to management. Theory X implies an autocratic approach to managing. It assumes that workers dislike work and wish to avoid responsibility. As a result they behave in an immature and dependent fashion and the consequent out-come is alienation from activity or Sabotage or they withdraw and produce no more than a minimum amount of work. The only applicable solution is for management to adopt. Theory Y which implies a humanistic and supportive approach for managing people. It assumes that people are not lazy and indolent. They can enjoy work and can exercise self-control, and are imaginative and creative. This means that management should develop policies which promote intrinsic job satisfaction and individual development. They should promote job enlargement, general supervision, strong cohesive work groups and decentralization. If management to release workers potential, work will become as natural to them as play or rest. Finally, McGregor stated that the central principle of organization which derives from theory X is that of direction and control through the

exercise of authority and this is been called “the scalar principle” furthermore, the central principle which derives from theory Y is that of integration” the creation of conditions such that the members of the organization can achieve their own goals best by directing their efforts towards the success of the organization.

2.5. Empirical Review/Literature

Egbe, (2022) investigated the relationship between employee productivity and the organizational reward system in Faith Plant Ltd Cross River State, Nigeria. The specific objectives of this research study are to: assess reward system available for workers in Faith Plant Ltd Cross River State; examine ways staff can be compensated for hard work to enhance their productivity; assess the relationship between reward system and employee productivity and ascertain the impact of rewards system on employee productivity. A total of 120 questionnaire instrument were utilized to collect data for the study. The method of data analysis was descriptive research. The study’s findings showed a strong correlation between employee productivity and reward systems as well as considerable effect these systems have on productivity. Using the results as a basis, the study came to the conclusion that reward system are essential and crucial tools in motivating workers, which results in high production. The study recommended that management should create programs that use both extrinsic and intrinsic rewards systems to improve employee welfare.

Eziokwu and Onuoha, (2021) investigated the relationship between reward systems and organizational performance of deposit money banks in Rivers State, Nigeria. Specifically, the study sought to identify the relationship between pay/salary and employee satisfaction of Deposit Money Banks in Rivers State and examine the relationship between pay/salary and customer satisfaction of Deposit Money Banks in Rivers State. This study used data generated from 227 study elements which was analyzed using Pearson’s Product Moment Correlation technique. Based on the results, it was observed that reward systems dimensionalized using pay/salary contributed significantly towards employee satisfaction and customer satisfaction as measures of organizational performance. In the light of the findings, the study concluded that reward system is a critical and highly imperative factor in sustaining organizational performance. The study recommended that banks in conjunction with senior management should develop innovative bonus plan that recognizes the efforts of non-managerial staff.

Ejim, Ajagu and Onah, (2021) examined the relationship between reward system and turnover intentions of employees in deposit money banks in South East, Nigeria. The specific objective of the study were to: ascertain the relationship between compensation and turnover intentions of employee of deposit money banks; determine the relationship between recognition and turnover intentions of employee of deposit money banks and examine the relationship between employee motivation and turnover intentions of employee of deposit money banks. The researcher obtained data through the use of a questionnaire. The study used the survey approach. Sample size of 365 was taken from population of 7,122 staff of selected deposit money banks. The hypotheses were analyzed using Z-test statistic tool. The findings indicated that there is positive significant relationship between compensation and turnover intentions of employee of deposit money banks in South East, Nigeria with $Z(95, n = 344) = 5.229, p > 0.05$; there is positive significant relationship between recognition and turnover intentions of employee of deposit money banks in South East, Nigeria with $Z(95, n = 344) = 5.257, p > 0.05$; there is positive significant relationship between employee motivation and turnover intentions of employee of deposit money banks in South East, Nigeria with $Z(95, n = 344) = 5.872, p > 0.05$. The study recommended that banks should take necessary steps to upgrade employee incentive programmes such as providing bonuses depending on performance and there should be a periodic training and development, and other incentives to motivate the workforce.

Noorazem, Sabiroh and Eliy-Nazira, (2021) investigate the effects of a reward system in an organization on employee performance. Specifically, the study sought to; effect of salary reward system on employee performance; effect of bonus reward system on employee performance; effect of appreciation reward system on employee performance and effect of medical benefits reward system on employee performance. This study adopted a quantitative approach where 132 sets of questionnaires were distributed to the participants selected using convenience sampling. Data were then analyzed using SPSS software and a few analyses were carried out such as correlations analysis and regression analysis. The results show salary reward system has positive and significant effect on employee performance; bonus reward system has positive and significant effect on employee performance; appreciation reward system has positive and significant effect on employee performance and medical benefits reward system has positive and significant effect on employee performance. The study recommended that organization should use output result of the study to improve its reward system and to ensure it could help in increasing the employees’ performance.

Okosi, (2020) examined the effect of reward system on employee performance in sachet water companies in Anambra state. The specific objectives of this study were to; assess the effect of wages and salaries on employee performance, to determine the effects of recognition on employee performance, to investigate how staff training and development affect employee performance. Research design was cross-sectional survey research design. The instrument for data collection was questionnaire. The population of the study comprised of 525 employee of the selected sachet water companies in Anambra state. A sample size of 150 employees was drawn from the population. Research hypotheses were tested using Multiple Regression Analysis (MRA). Findings from the study revealed that wages and salaries have a significant effect on employee performance in the selected sachet water companies in Anambra state. The study results also showed that staff recognition have a significant positive effect on employee performance in the selected sachet water companies in Anambra state. Staff training and development showed a significant positive impact on employee performance. The study recommended that employees should be trained according to the present content of the environment. Therefore, seminars/ workshop should be regularly organized by the management in order to update the employee knowledge

Jamila, (2019) examined effect of reward on employee productivity in A.B.U. Demonstration Secondary School Zaria. The specific objectives of the study to; evaluating the effects of financial reward as a motivating factor for higher productivity and find out the role of financial reward in attracting and retaining workers in an organization. Questionnaire administration was adopted for data collection. Twenty five (25) questions were administered on (170) population samples. The method of data analysis was simple percentage, frequency and mean. Empirical result that the issue of lack of uniformity in reward system of the school in hypothesis one, 65.2% of the respondents were of the view that lack of uniformity in reward system makes productivity low. The study showed that the issue of lack of uniformity in the exhibition of skill by teachers as a result of ineffective reward system. The study showed that lack of uniformity in financial reward system does not make teachers task more ineffective. The study recommended that management should see to the general welfare of workers as an important factor to be considered in trying to motivate them to work harder, employee should be encouraged to see themselves as an integral part of the organization, where possible, they should take part in decision making where such decisions affects them.

Ezeanyim, Ufoaroh, & Ajakpo, (2019) conducted a study to examine the impact of job satisfaction on employee's performance, with the selected public enterprise in Awka, Anambra State as a case study. In view of the above cause, data was collected from primary sources. 286 copies of questionnaire were administered to the respondents and 250 copies of questionnaire were returned successfully which was used as the bases for the research analysis. Ordinary Chi square was the statistical tool used in analyzing the data. The research findings revealed that there is a linear relationship between job satisfaction (Job reward/Pay, Promotion, job safety/ security and working condition) and employee's performance proxy which is employee's morale. It was concluded on the note that employees are dissatisfied with the working conditions of the organization; it is evident in their responses. It was recommended that the management of the company should provide good working conditions for its employees, so as to boost their morale.

Kimani, Thomas, and Arasa, (2017) conducted a study to establish the effect of reward system on employee performance: a case study of Mombasa Cement Limited. The study utilized three research objectives. The first being to determine the effect of salary on the performance of employees, secondly, to find out the effect of benefits on the performance of employees and to establish the effect of recognition on the performance of employees. The study used survey research method. The population of this study was all employees of Mombasa Cement Limited based at the headquarters, Athi River, who totaled to 153. Statistical Package for Social Sciences (SPSS) version 20 was used to analyze quantitative data into descriptive statistics such as means, standard deviation, frequencies and percentages. The study found that reasonable salary, benefits in form of bonuses and allowances and recognition through certification or verbally, promoted employee performance. The study recommends that the Human Resources Manager should develop systems that will ensure that there is a proper salary plan entailing proper job evaluation processes and pay structures in the organization as this could motivate employees to perform.

3. 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 three selected deposit money banks in Nigeria namely First Bank of Nigeria, Union Bank PLC and Access Bank PLC. 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.

3.1. Data Presentation and Analysis

Table 1 Comprehensive Demographic Distribution of Respondents

Title	Frequency	Percentage
Questionnaires Distributed	378	100%
Returned Questionnaires	358	95%
Not Returned Questionnaires	20	5%
Gender`		
Female	213	59.5%
Male	145	40.5%
Age Bracket		
20-30 Years	153	42.7%
31-40 Years	111	31.0%
41-50 Years	66	18.4%
51Years – above	28	7.8%
Marital Status		
Married	223	62.3%
Single	125	34.9%
Widow/widower	7	1.9%
Divorce	3	0.8%
Educational Qualification		
HND/B.sc	230	64.2%
MBA/M.sc	125	35.0%
Ph.D	3	0.8%
Working Experience		
1- 5 Years	111	31.0%
6-10 Years	153	42.7%
11-20 Years	66	18.4%
21 -35 Years	28	8.3

Sources: Field Survey, 2023

Three hundred and seventy eight (378) copies of questionnaire were designed and distributed to the respondents. Out of the 378 Questionnaires distributed, 358 (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.

4. Result

4.1. Question One

To what extent do you agree that fringe benefits reward system affect employee turnover intention in deposit money banks in Nigeria?

Table 2 Mean rating of respondents on the extent to which fringe benefits reward system affect employee turnover intention in deposit money banks in Nigeria

S/N	Question Items	VGE (5)	GE (4)	ME (3)	LE (2)	VLE (1)	Total	Mean	SD
1	The fringe benefits reward promotes attention and focus of employee to render service without fear or favour	630 126 35%	632 158 44%	192 64 18%	40 20 5%	10 10 2%	1504 358 100%	4.20	0.0030
2	The fringe benefits reward improves employee motivation as workers become more results-oriented in upright manner	580 116 32%	632 158 44%	222 74 21%	26 13 3%	17 17 2%	1477 358 100%	4.13	0.0029
3	The fringe benefits reward encourages employees to do the right things with even improved efficiency	900 180 50%	400 100 30%	144 48 13%	46 23 6%	7 7 1%	1497 358 100%	4.18	0.0030
4	The fringe benefits reward attracts employees who are committed to working harder in order to ensure organizational financial wellbeing without partiality	985 197 55%	416 104 29%	111 37 10%	24 12 3%	8 8 2%	1544 358 100%	4.31	0.0032
	Grand Mean							4.205	0.0030

Source: Field Survey, 2023

This table showed the opinion of respondents on what is the extent to which fringe benefits reward system affect employee turnover intention in deposit money banks in Nigeria. The respondents are in agreement with all the items. The study thereby revealed that fringe benefits reward system has significant effect on employee turnover intention in deposit money banks in Nigeria since the fringe benefits reward promotes attention and focus of employee to render service without fear or favour. (The grand me 4.205 was greater than the cutoff point 3).

4.2. Question Two

To what extent do you agree that promotion reward systems affect employee productivity in deposit money banks in Nigeria?

Table 3 Mean rating of responses of respondents on the extent to which promotion reward systems affect employee productivity in deposit money banks in Nigeria

S/N	Question Items	VGE (5)	GE (4)	ME (3)	LE (2)	VLE (1)	Total	Mean	SD
1	Promotion of employee increases their responsibility thereby enhancing employee performance	780 156 44%	496 124 34%	174 58 16%	24 12 3%	8 8 2%	1475 358 100%	4.14	0.0029
2	Promotion strategies motivates employee to work harder for a	620 124	624 156	144 48	40 20	10 10	1438 358	4.02	0.0027

	better position hence improving employee productivity	35%	44%	13%	5%	2%	100%		
3	Promotion reward system improves employee's statue thereby enhancing their employee productivity.	1065 213 59%	364 91 25%	126 42 12%	18 9 2%	3 3 0.8%	1576 358 100%	4.40	0.0034
4	Promotion reward system motivates employee to be trustworthy in their works so as to be promoted hence increase employee productivity.	985 197 55%	416 104 29%	111 37 10%	24 12 3%	8 8 2%	1544 358 100%	4.31	0.0032
	Grand Mean							4.218	0.0031

Source: Field Survey, 2023

This table showed the opinion of respondents on the extent to which promotion reward systems affect employee productivity in deposit money banks in Nigeria. The respondents are in agreement with all the items. The study thereby revealed that promotion reward system has significant effect on employee productivity in deposit money banks in Nigeria since promotion reward system improves employee's statue thereby enhancing their employee productivity. (Grand-mean 4.218 was greater than the cutoff point 3).

4.3. Test of Hypotheses

4.3.1. Test of Hypothesis One

Fringe benefits reward system has no significant effect on employee turnover intention in deposit money banks in Nigeria.

Table 3 Presentation Regression Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.871 ^a	0.885	0.884	0.34657
a. Predictors: (Constant), Fringe Benefits Reward system				

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	72.903	1	72.903	14.239	0.000 ^b
	Residual	1827.84	357	5.120		
	Total	1900.743	358			
a. Dependent Variable: Employee turnover intention						
b. Predictors: (Constant), Fringe Benefits Reward system						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.195	0.086		2.275	0.024
	Fringe Benefits Reward system	0.455	0.049	0.941	9.292	0.000
a. Dependent Variable: Employee turnover intention						

In testing this hypothesis, fringe benefits reward system was regressed against employee turnover intention. The result of the single-regression analysis showed the model to examine the effect of fringe benefits reward on employee turnover intention in deposit money banks in Nigeria.

$$\text{Employee Turnover Intention} = 0.195 + 0.455 \text{ Fringe Benefits Reward}$$

The empirical result showed that the coefficient of fringe benefits reward had positive effect on employee turnover intention; it means that fringe benefits reward had positive and direct effect on employee turnover intention. The result of the t – statistics denotes that the coefficient of fringe benefits reward was statistically significance because the observed values of t – statistics (9.292) 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 (14.239) was great than its p-value (0.000). Again, our empirical result showed that the Pearson product moment correlation analysis (r) was 0.871. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and concluded that fringe benefits reward had positive and significant effect on employee turnover intention in deposit money banks in Nigeria.

4.3.2. Test of Hypothesis Two

Promotion reward systems have no significant effect on employee productivity in deposit money banks in Nigeria.

Table 4 Presentation of Regression Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.902 ^a	0.840	0.840	0.40781
Predictors: (Constant), Promotion reward system				

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	61.376	1	61.376	9.954	0.000 ^b
	Residual	2201.262	357	6.166		
	Total	2262.638	358			
a. Dependent Variable: Employee Productivity						
b. Predictors: (Constant), Promotion reward system						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.650	0.113		5.645	0.000
	Promotion reward system	0.391	0.062	0.917	6.312	0.000
a. Dependent Variable: Employee Productivity						

In testing this hypothesis, promotion reward system was regressed against employee productivity. The result of the single-regression analysis showed the model to examine the effect of Promotion reward system on employee productivity in deposit money banks in Nigeria.

$$\text{Employee Productivity} = 0.650 + 0.391 \text{ Promotion reward system}$$

The empirical result showed that the coefficient of size promotion reward system has positive effect on employee productivity; it means that promotion reward system had positive and direct effect on employee productivity. The result of the t – statistics denotes that the coefficient of promotion reward system was statistically significance because the observed values of t – statistics (6.312) 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 (9.954) was great than its P-value (0.000). Again, our empirical result showed that the Pearson product moment correlation analysis (r) was 0.902. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and conclude that promotion reward system has positive and significant effect on employee productivity in deposit money banks in Nigeria.

5. Summary of Findings/Discussion

The following are the major findings of the study:

- The study revealed that fringe benefits reward system has significant effect on employee turnover intention in deposit money banks in Nigeria since the fringe benefits reward promotes attention and focus of employee to render service without fear or favour (t-statistics (9.292) > P-value (0.000).
- The study revealed that promotion reward systems has significant effect on employee productivity in deposit money banks in Nigeria since promotion reward system improves employee's statue thereby enhancing their employee productivity (t-statistics (6.312) > P-value (0.000).

6. Conclusion

The study concluded that there was positive and significant effect of reward system on employee productivity in deposit money banks in Nigeria since fringe benefits reward promotes attention and focus of employee to render service without fear or favour and promotion reward system improves employee's statue thereby enhancing their employee productivity. It is necessary that deposit money bank adopt reward system to help boost their employee's performance. On a normal day, an employee's job can be challenging and stressful, and management must devise ways to appreciate the employee for performing above expectations. Reward is one effective tool that employee's need to improve or enhance their performance which in-turn translates to organizational performance and productivity increment. There's a popular saying that goes thus: 'a happy employee is a productive employee' and for any organization that wants to continue effectively and efficiently be in business, the employees need to be adequately rewarded, as this is very critical and vital to any deposit money bank. It should be stated that in the absence or lack of an appropriate extrinsic reward system, employees will one way or the other show how displeased they are through lack of commitment to work, truancy, absenteeism etc.

Recommendations

The study recommends that:

- Managements of deposit money banks should embrace and prioritize the use of a performance based reward system to encourage employee to give their best performance at all time. Managements of deposit money banks should introduce generous benefits like post-retirement medical treatment, regular promotion, job security etc as a tool for retaining talent.
- Managements of deposit money banks should implement distributive justice in providing rewards to employees as to provide a sense of fairness, equity, consistency, transparency in line with their firm. Managements of deposit money banks should pay salaries with a fixed percentage of commission upon achievement of fixed target of income or performance objectives.

Compliance with ethical standards

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Disclosure of conflict of interest

No conflict of interest among the authors.

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