Reward Strategy: An Intervention Prescription to Organizational Effectiveness in Nigerian Public Sector

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Abstract: This study seeks to pinpoint the influence of reward strategy on organizational effectiveness in Nigeria Public Service in Rivers State. Eighty-three (83) copies of the survey instrument were administered to administrative officials of ten government parastatals resulting to 86.7% response rate. This work adopted the census study technique, and espoused the Product Moment Correlation Coefficient, with the aid of SPSS. We recommended that in order to improve the perception of reward strategies government parastatals in Rivers State should adopt universally acceptable pay structure and unify same to enhance high quality of work by employees. Government parastatals in Rivers State should make prompt salary payment a watch word as this would ensure employees are committed to their work and increase output because reward are seen as having value. Government parastatals in Rivers State should introduce incentives and bonuses that would induce employees to increase their input which will ultimately increase output if the employees respond as intended. Government parastatals in Rivers State should sustain incentives and bonuses introduced for employees to better prepare them for the task ahead or use effective communication in making employees understand when incentives and bonuses are unavailable.

Keywords: Reward Strategy (RS), Organizational Effectiveness (OE), Intervention Prescription, and Nigerian Public Sector.

INTRODUCTION

Enhancing organizational activities to the point of stimulating effectiveness takes time. This may be even more difficult when it has to do with the Nigerian Public Sector because of several factors which includes bureaucratic bottlenecks. It is imperative to comprehend that, the Nigerian Public Sector represents all organizational set-up that exist as part of government machinery for implementing government programmes and delivering services that are of high value to her citizenry [1]. These organizational set-ups broadly include the civil service and other parastatals. Thus, national and state assemblies, armed forces, the judiciary, the police and paramilitary services, educational institutions, regulatory agencies [1].

In the light of this, tilting the activities of the public service towards achieving effectiveness is desirable and appropriate. Bartel [2] stresses that for a firm to be effective, the active use of knowledge, expertise, and abilities in transforming desired capabilities into anticipated results is required. Little wander, Hall and Bryn [3] revealed that the success of any firm requires an all-inclusive training for employees not only for their own development but also to act as effective team members and leaders as the role of coaching in organizational effectiveness (OE) attainment is critical.

This is true because, effective firms tend to enhance the suitable system for shifting workplace realities, such as high work quality targets and timely delivery of work towards goal attainment [4]. In the same vein, OE is perceived as accomplishments by the firm that is linked with the set ends, because it encompasses firm’s set goal through coordinated individual or firm’s team work [5], because it embraces behavioural outcomes and economic achievements [6]. OE explains the fashion in which employees are systematically handled in demand to bring about OE, revolution, satisfaction and goal motivation in the business. It is a consistent strategy that brings about a positive achievement [7], through quality of work and increased output per time.

Owing to the preceding postulations, managers and employees alike would be inspired to ensure OE where good reward system is domicile. It is true that modern-day approaches to reward give...
emphasis to the prominence of arrange in line employee behaviours into strategic course of the firm, which is often branded reward strategy (RS). Gerhart, Minkoff and Olsen [8] noted that RS is at the heart of the engagement relationship, being of serious reputation to both parties.

This is why, employees stereotypically depend on wages, salaries, and other benefits to improve their earnings, health, and security, because employers, reward decisions tend to swayed their cost of doing business and spending behaviour through pay structure, and incentives and bonuses [8]. This is so because reward has become a prevailing means through which organizations may entice and keep desired aptitude, and stimulate desired behaviour consequences in the form of employee enthusiasm, pledge and loyalty, all of which are contributing to positive OE [9]. With a precise focus on OE, RS integrates sizeable scope reward approaches to be adopted for potential employees to enhance individual/team/division that would lead to firms’ effectiveness [10].

Although, other scholars have conducted studies on reward systems and strategies, and OE respectively, and in relation with several other concepts; there is still scanty empirical and proof on the influence of RS on OE in Nigerian Public Sector, in Rivers State, Nigeria [7, 8]. Hence, this study seeks to fill the perceived gap by relying on this strong point as a point of departure. In the light of this, the emphasis of this study is to examine if RS serves as an intervention prescription to OE in Nigerian Public Sector; investigating if any relationship exist.

Nevertheless, the Nigerian Public Sector constantly experiences inconsistency in terms of rewards due to political instability which has made it to be inefficient. Right from the times of the military to the present democratic dispensation; there has been obvious autocracy and bureaucratic bottlenecks in the fashion of reward administration in the Nigerian Public Sector which is traceable to delay in putting into practice government programmes, poor quality job, erosion of public confidence, corruption, policy reversal, age falsification, primordial considerations like ethnicity instead of meritorious achievements, outdated administrative machinery [1], etc. that may result in numerous reforms that has been politicized. Notwithstanding, this study intends to explore how suitable reward strategies would improve OE of Nigerian Public Sector in Rivers State.

Theoretical Framework

The theoretical framework for OE is built on the foundation of organizational ecology theory and supported expectancy theory for RS.

Organizational Ecology Theory

Hassan and Freeman [11] introduced this theory and believed that any form of effectiveness of organization(s) may be directly tied to the environment in which the firm operates, noting that an organization that delivers high performance even in a challenging environment may be more functional than an organization the performs creditably well without encountering the complexities of the milieu of business.

Hassan and Freeman [11] maintained that organizational ecology philosophy makes organizations device ways of contending with the challenges of the business milieu that out rightly prevents them from reaching their goals is to adjust to the ecology. A typical example is if an organization lacks funds to hire experts in a particular field, they can resort to training the available staff to assume the task when and where necessary. In essence, an effective organization makes use of the available human and other resources to adequately seize the opportunity by practically adapting to the milieu of business.

Expectancy Theory

This theory was put forward by Victor H. Vroom [12]. Expectancy theory holds that an individual will behave in a certain positive way when they are motivated. In that the factors or set of factors that motivate an individual tends to determine the desirable outcomes that it results in. because expectancy theory is about choice and choosing; it tends to explain the behavioural development of why individuals prepare one behavioural outcome over the other [12].

It is imperative to state here that, expectancy theory have three basic components viz; valence (V), Expectancy (E), and instrumentation (I). These three elements go a long way to determine effort-performance expectancy (E > P expectancy) and performance-outcome expectancy (P > O expectancy), while, valance = V(R) outcomes – reward. In essence, expectancy is the thinking that ones’ effort (E) will end in attainment of desired performance (P) goals, as V(R) represents the value one places on the rewards on an outcome which is established on the needs, goals and value and sources of motivation [13].

Concept of Reward Strategy (RS)

RS as concepts depicts a systematic arrangement that is structured to estimate that amount of money due an employee in reward for their contribution to the production activities [14]. The manager discreetly guesses the simplest amount a person is expected to be waged and the amount that an individual will be willing to accept. Multifariously RS covers countless and diverse verdicts, procedures and manners for defining the level and structure of pay

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RS practices vary across employment units such as organizations, business units, and facilities on a number of dimensions [16].

Treble [16] noted that other remunerations and rewards are essential factors in enticing and keeping excellent man power, leading to an employee been committed and motivated, which is openly knotted to this area of the employment relationship. Money is seen as a reward that is given in return for work to aid family and work done. Barton [15] advocated that organizations should plan for financial rewards like pay structure as well as other incentives and bonuses, because it has a robust bearing on the motivation of an employee.

**Pay Structure**

RS includes various proxies; one of which is pay structure, indicating relative pay different from jobs-to-job within the same organization and how this is decided [14]. Pay structure represents relative amount of wage assigned to each job compared to the job market based on employees’ level, rank, and status within the firm.

It is true that, pay structure is part of the makeup of the pay this individual receives, and the basis for pay rise which demonstrates how pay changes yearly [14]. It is however imperative to note that private employees use salary scale structures with grades such as minimums, midpoints, and maximum to determine the ranges of pay available to the employee [14].

**Incentives and Bonuses**

First, an incentive is a forward-looking plan for payment is tied to the accomplishment of specific predetermined objectives which are communicated to all concerned. In reality, the main aim of incentive scheme is to induce the employee to work towards the stated goal of the organization [14]. In incentive can be monetary or non-monetary award such as gifts or travels.

Second, a bonus represents a discretionary, backwork-looking imbursement which is usually to the employee(s). In essence, in influences the decision to pay an employee, a group or all, as established by the criteria pegged by management to reward earlier achievements, e.g. reaching a specific profit margin or other milestones [14].

Both the incentive and benefits are strategic moves to influence certain positive outcomes in the behaviour of the employees and make them commit to the stated objective of the organization.

**Concept of Organizational Effectiveness (OE)**

OE relates to operations in achieving outcomes that the firm intends to produce per time [17]. It is a measure of the quantity and quality of work done, considering the cost of the resources applied [18]. Akerele [17] maintained that OE as a measure of overall production efficiency, success and achievements of individual organization. Akerele [17] suppose that OE is the measure of how well organizations resources are utilized for accomplishing a set of result reaching the highest level of attainment with the least expenditure of resources, including human resources to attain high quality of work and increase in output.

Akerere [17] added that effectiveness is a thing of the mind. It is the mindset of headway and continuous improvement of a phenomenon. It is the conviction of being able to modify or adjust the phenomenon. It is the belief of being able to do better than the earlier version of a thing. It is the will to improve on the status quo, no matter how good it may look. It is the sustained effort to apply new practices and it is the faith in human competences because OE is concerned with the final and specific outputs desired from the individuals considering the resources spent on the employee [19].

**Quality of Work**

Quality of work must first come to mind when effectiveness is being considered. Poor quality of work is a concern that not only affects businesses everywhere, but also has powered a huge deal of investigation in management and organizational behavior [20]. Although the field of management has predominantly engaged the aforementioned with how one can make an employee as creative and industrious as possible, the any field of behavioural sciences has been intensified on how to prevent loss as related to effectiveness due to a certain negative outcome [21].

In the light of this, quality of work is a relevant outcome measure the extent to which an organization is effective. Notwithstanding its prominence, no wide-ranging theoretical framework of quality of work exists, but a solid theoretical framework is a precondition for optimum dimension of the construct in any field of endeavor [21]. It has characteristically been assumed that what establishes quality of work differs from job to job. As a result, countless measures of work routine have been recycled [22]. Consequently, the assessment of quality of work has predominantly absorbed either on objective measures of work output or on subjective judgments of quality of work from the employee him or herself, peers or supervisors [20].
Increased Output

Newstrom and Davis [23] noted that increased output have a tendency to establish a favourable link between units of labour input as equaled to unit of output; being an active force behind the organization’s capability of firm to serve its envisioned persistence and cost-effectiveness, since it has turn out to be a foremost objective of firm [24]. It is the connection between output and input of human and non-human or other resources used in the production arrangement.

In the light of the following, Newstrom & Davis [23] illustrated that effectiveness represents proficiency in the employment of the fundamentals of production such as land, labour and capital to produce/realize a higher output. In this rationality, increased output connotes the ratio of output as compared to input; meaning that the greater the statistical value of the percentage, the larger the increased output [23]. Similarly, it is the measure of how well the resources namely man, money, material, and machinery are harnessed together to their thorough utilization to the feat of a predetermined or projected result. Similar to this, Marcoulides and Heck [24] noted that increased output implies attaining the peak of performance with the least or negligible expenditure of the resources; at several levels.

Reward Strategy (RS) and Organizational Effectiveness (OE)

Team oriented employees are enticed by organizations that depend on team rewards, while organizations that hinge their pay to the achievement of individual is enticed by individualistic employee. Judge and Bretz [25] has revealed that personality trait and values op different people is attracted by that pay systems of organizations.

Judge and Bretz [25] maintained that the forces of demand and supply in the labour market determines the level and structure of wages due an individual and this is operated both at the local, regional and national levels, the increase in demand for certain skills will bring about an upshot in the price to be paid for these skills. The labour market when delayed due to pressures probably pushes most organizations to re-strategize using several pay schemes on how to fill jobs at an advanced level that is recommended by the job appraisal

Empirical Review

Different scholars tend to have divergent views on the variables under study especially when verified with other variable. This is painted in the table 1A.

Research Hypotheses

This study is guided by the following hypotheses:

- **H₀₁**: there is no significant relationship between pay structure and quality of work in Nigeria public sector in Rivers State.
- **H₀₂**: there is no significant relationship between pay structure and increased output in Nigeria public sector in Rivers State.
- **H₀₃**: there is no significant relationship between incentives and bonuses and quality of work in Nigerian Public Sector in Rivers State.
- **H₀₄**: there is no significant relationship between incentives and bonuses and increased output work in Nigerian Public Sector in Rivers State.

RESEARCH DESIGN

The cross sectional survey method, a form of quasi-experimental design, was considered most appropriate for this study. The quasi-experimental research is used in studies that are descriptive and in situations where there researcher has no control over the study variables, subjects and study settings, while the cross sectional survey method was used because some of the government parastatals are located in different places.

Population of the Study

The population comprises all the eight-three administrative officials of government parastatals in Rivers State. However, the simple random sampling technique was adopted in selecting administrative officials from the various parastatals namely; Rivers State Bureau on Public Procurement, Road maintenance and Rehabilitation, Rivers State Waste Management Authority, Local Government Service Commission, Christian Pilgrimage Welfare Board, Universal Basic Education Board, Senior Secondary Schools Board, Rivers State Television Authority, Rivers State Newspaper Corporation and Rivers State Broadcasting Corporation.

Sampling and Sample Size Determination

Since the population is relatively small, the population been administrative officials of government parastatals in Rivers State, the population was adopted as a sample size according to the doctrine of census study technique [34], being eight-three administrative officials of government parastatals in Rivers State.

METHODS OF DATA COLLECTION

The primary data were obtained through questionnaire distribution. The questionnaires were designed to ease understanding thereby increasing its ability to get a snapshot of the information needed for the success of this study. The researcher also extracted additional information from respondents in order to supplement data through other methods. While useful materials that provided information through this source include journals, text books, magazine, newspapers, internet, notebooks, library materials and papers presented at symposia, workshop seminars etc.
Table: 1A

<table>
<thead>
<tr>
<th>S/No.</th>
<th>Author(s)</th>
<th>Year</th>
<th>Country</th>
<th>Construct/Topic</th>
<th>Method</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Khan and Mufti [26]</td>
<td>2012</td>
<td>Pakistan</td>
<td>Reward System and Employee Motivation</td>
<td>Chi-Square, Regression, questionnaire and validity tested at 0.832 using Cronbach’s Alpha.</td>
<td>Employees are motivated if rewarded by something they value.</td>
</tr>
<tr>
<td>2.</td>
<td>Moragwa [27]</td>
<td>2013</td>
<td>Kenya</td>
<td>Determinants of reward systems among commercial banks</td>
<td>Census study method, questionnaire and descriptive statistics.</td>
<td>Employees are encouraged by uniformity in reward procedures</td>
</tr>
<tr>
<td>6.</td>
<td>Obasan [31]</td>
<td>2012</td>
<td>Nigeria</td>
<td>Effect of compensation strategy on corporate performance</td>
<td>Cross-sectional data analysis</td>
<td>Compensation strategy has the potential beneficial effects of enhancing workers’ productivity</td>
</tr>
<tr>
<td>7.</td>
<td>Anders [32]</td>
<td>2010</td>
<td>Denmark</td>
<td>Strategic planning and corporate effectiveness</td>
<td>Vote-counting method</td>
<td>Strategic planning has a positive effect on corporate effectiveness.</td>
</tr>
</tbody>
</table>

Validity and Reliability

Every measuring instrument is designed for a specific measurement if it correctly measures what it is supposed to measure, then it is said to be valid. The validity of this work was tested using construct and content validity for the questionnaire. While, reliability of the questionnaire was ascertained with the use of the test-retest reliability technique, in which after two weeks, the test was carried out again on the respondents. The findings were correlated and only items that returns Cronbach’s alpha values of 0.70 or above which is generally accepted to be high according to Nunnally was considered reliable [35].

Data Analysis Technique

For the purpose of analysing the research data for the study, the data analysis technique to be used is the Spearman Rank order Correlation Coefficient (rho) with the aid of the statistical package for social sciences (SPSS).

Data Analysis

In total: eighty-three (83) copies of the research questionnaire were administered to the respondents, although only seventy-two (72) returned and was analyzed. The table below establishes a depiction of response rate in a tabular form.

Test of Hypotheses

The decision criteria for our test of hypotheses would be a rejection of null hypotheses when p-value is less or equal than 0.05. This implies that our guidance coefficient could be weak but we would take
decisions firmly on the p-value if it is less than or equal to 0.05.

Table-1: The relationship between pay structure and quality of work in Nigerian Public Sector in Rivers State

<table>
<thead>
<tr>
<th>Pay Structure</th>
<th>Correlation Coefficient</th>
<th>Quality Of Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>1.000</td>
<td>.978**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.</td>
</tr>
<tr>
<td>N</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

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

Table-1 reveals a spearman ranking correlation coefficient of 0.978 and probability value of 0.000. This result indicates that there is a strong positive significant relationship between pay structure and quality of work in Nigerian Public Sector in Rivers State. Therefore, the null hypothesis was rejected because the PV (0.000) <0.05 level of significance.

Table-2: The relationship between pay structure and increased output in Nigerian Public Sector in Rivers State

<table>
<thead>
<tr>
<th>Pay Structure</th>
<th>Correlation Coefficient</th>
<th>Increased Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>1.000</td>
<td>.902**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

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

Table-2 reveals a spearman ranking correlation coefficient of 0.902 and probability value of 0.000. This result indicates that there is a strong positive significant relationship between pay structure and increased output in Nigerian Public Sector in Rivers State. Therefore, the null hypothesis was rejected because the PV (0.000) <0.05 level of significance.

Table-3: The relationship between incentive and bonuses and quality of work in Nigerian Public Sector in Rivers State

<table>
<thead>
<tr>
<th>Incentive And Bonuses</th>
<th>Correlation Coefficient</th>
<th>Quality Of Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho</td>
<td>1.000</td>
<td>.811**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

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

Table-3 reveals a spearman ranking correlation coefficient of 0.811 and probability value of 0.000. This result indicates that there is a strong positive significant relationship between incentive and bonuses and quality of work in Nigerian Public Sector in Rivers State. Therefore, the null hypothesis was rejected because the PV (0.000) <0.05 level of significance.

DISCUSSIONS

The first hypothesis stated that there is no significant relationship between pay structure and quality of work in Nigerian Public Sector in Rivers State. The null hypothesis was tested at a 5% level of significance. The result showed the probability value to be 0.000 while the alpha value was 0.05. Following the decision rule, the null hypothesis was rejected. This means that there is a substantial nexus between the elements. This finding is supported by the work of Erasmus, Sutton and Gong [14] where they noted that employees are induced by high salary structures which
to determine the ranges of pay available to the employee and the quality of work on certain tasks.

**Table-4: The relationship between incentive and bonuses and increased output in Nigerian Public Sector in Rivers State**

<table>
<thead>
<tr>
<th></th>
<th>Incentive And Bonuses</th>
<th>Increased Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman’s rho</td>
<td>Correlation Coefficient</td>
<td>.902**</td>
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<tr>
<td></td>
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<tr>
<td></td>
<td></td>
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<td>Correlation Coefficient</td>
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<tr>
<td></td>
<td>N</td>
<td>60</td>
</tr>
</tbody>
</table>

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

Field Survey Data, 2018, SPSS 21 Output

The second hypothesis stated that there is no significant relationship between pay structure and increased output in Nigerian Public Sector in Rivers State. The null hypothesis was tested at a 5% level of significance. The result showed the probability value to be 0.000 while the alpha value was 0.05. Decision rule, applied, signifying a non-existence of any link between the elements. This finding is supported by the work of Newstrom and Davis [23] where he stated that increased output have a tendency to establish a favourable link between units of labour input with an increase in pay.

The third hypothesis stated that there is no significant relationship between incentive and bonuses and quality of work in Nigerian Public Sector in Rivers State. The null hypothesis was tested at a 5% level of significance. The result showed the probability value to be 0.000 while the alpha value was 0.05. Decision rule was put to play, meaning that a non-significant association exists between proxies. This finding is supported by the work of Erasmus, Sutton and Gong [14] where they concluded that employees are induced by high incentives and bonuses which to determine the quality of work they undertake on certain tasks.

The fourth hypothesis stated that there is no significant relationship between incentive and bonuses and increased output in Nigerian Public Sector in Rivers State. The null hypothesis was tested at a 5% level of significance. The result showed the probability value to be 0.000 while the alpha value was 0.05. Decision rule was applied, indicating non-significant link between the elements. This finding is supported by the work of Newstrom and Davis [23] maintained that increased output have a propensity to institute a strong connection with labour input if incentives and bonuses are given.

**CONCLUSION**

In conclusion, the emergence of the private sector and changing business environment are threatening the future reward systems and strategy in Nigerian Public Sector especially government parastatals in Rivers State. The Nigerian Public Sector in Rivers State is therefore faced with the encounters of matching skills and performance to universally acceptable reward systems to retain the best and skilled employees. Lastly, Nigerian Public Sector in Rivers State should harmonize their reward policies to remove the various discrepancies caused by the nature of RS adopted by different government parastatals in Rivers State. This will ensure uniformity in the amount paid by different government parastatals in Rivers State for similar job ranks and tasks.

**RECOMMENDATIONS**

It was therefore recommended that:

- In order to improve the perception of reward strategies government parastatals in Rivers State should adopt universally acceptable pay structure and unify same to enhance high quality of work by employees.
- Government parastatals in Rivers State should make prompt salary payment a watch word as this would employees committed to their work and increase output because reward are seen as having value.
- Government parastatals in Rivers State should introduce incentives and bonuses that would induce employees to increase their input which will ultimately increase output if the employees respond as intended.
- Government parastatals in Rivers State should sustain incentives and bonuses introduced for employees to better prepare them for the task ahead or use effective communication in making employees understand when incentives and bonuses are unavailable.

**REFERENCES**


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