

EMPLOYEE PERFORMANCE ON NIGERIA'S FEDERAL CHARACTER COMMISSION: THE EFFECTS OF REWARD AND COMPENSATION

UNACHUKWU Larry Chukwemeka

Department Industrial Relations of and personnel management
College of management sciences
Michael Okpara University of Agriculture, Umudike
Abia State, Nigeria.
larryunachukwu1@gmail.com

EKE Abigali Chinwe

Department Industrial Relations of and personnel management
College of management sciences
Michael Okpara University of Agriculture, Umudike
Abia State, Nigeria.

ABSTRACT

This study examined reward and compensation on employee performance in Federal character commission (FCC). A descriptive survey research design was adopted in this study. The sample for this study consisted of randomly selected 179 staff of FCC. Data collected were analysed using descriptive statistic; and Chi-square testing. Results from the study revealed that compensation program does influence employees' performance in FCC, that fair rewarding system does enhance employee loyalty in FCC, Quality of work compensation and conducive working atmosphere do affect employees' performance in FCC. It was concluded that there is a need for the management and employees of FCC to promote fair and adequate compensation system. Thus, it was recommended that the management of FCC should improve on their monetary and non-monetary incentives scheme and to ensure that employee motivation is well articulated and executed at all level of the organization for the purpose of employee loyalty, job satisfaction and improved employee performance at all times. Also, the management should introduce some level of innovation and flexibility into the company policies concerning employee's motivation, there is need for better and healthy relationship between the management and its Employees at all level and between the employees themselves.

Keywords: Reward and Compensation System, Employees Satisfaction, Employee, Motivation, Organizational Performance.

INTRODUCTION

The management of many organizations develops their training programmers, benefit packages, performance appraisal and work system based on their company policies. Usually, these policies are aimed at developing loyal employees and enhancing organization performance. The longer an employee works for an organization the more valuable they become. Loyalty is the kind of faithfulness and trueness an employee has over the organization dealings. The performance of a worker does not depend largely on his ability, intelligence, skills and knowledge but on the reward and compensation he gets

(Armstrong, 2009). So therefore, Globalization necessitates organizations to re-evaluate their behaviours to communicate with both their employees and customers. A need also

exists for them to organize the design of the processes and systems, tasks, and enhance management effectiveness (Anam, Rab-Nawaz & Mohammed, 2015). Furthermore, employees are a vital resource for nearly all organizations, especially since they represent a significant investment in term of location and recruitment, among others. The performance of a worker does not depend largely on his ability, intelligence, skills and knowledge but on the reward and compensation he gets (Armstrong, 2009).

The reward systems inspire employees and are also used to distribute other objectives like authorized submission, assumed fairness towards employees, controlling cost and improvement. Among many exclusive backgrounds that influence employees' innovative performance and loyalty are treatment and attitudes (Williams, 2004), perceptive design (Scott & Bruce, 1994), and personality and demographic factors like education, age, background, and issues of research and development experience (Rothwell, 1992). Compensation is what employer offered as both tangible and intangible rewards to an employee receives as part of the employment relationship. The Society for Human Resource Management (SHRM, 2012) defined compensation as systematic approach to providing monetary value to employees in exchange for work performed. Compensation may achieve several purposes, assisting in recruitment, job performance, and job satisfaction. It can be said that compensation is the "glue" that binds the employee and the employer together in the organized sector, this is further codified in the form of a contract or a mutually binding legal document that spells out exactly how much should be paid to the employee and the components of the compensation package.

Appropriate rewards and benefits are also type of compensation program that are important for employees. Financially, the salaries must be fair according to employees' contribution. This gives a great sense of ownership and an interesting financial advantage for the employees. Compensation packages entail some basic features that tend to make employees satisfy on their job amongst which includes salaries, bonuses, incentives, allowances, promotion, recognition (Obisi, 1996; Werner, 2001). All these have significant impact on employees' performance and loyalty (Yamoah, 2013). However, to avoid wrong perception and controversy by the employees, compensation system must be clearly communicated to employees with job measurement, which will drive the much-needed performance in the employees (Hartman, 2014).

Loyalty, as a general term, signifies a person's devotion or sentiment of attachment to a particular object, which may be another person or group of persons, an ideal, a duty, or a cause. Employee loyalty is a function of how he is treated, motivated and rewarded in the course of performing its tasks. Employees' willingness to stay on the job largely depends on compensation packages of the organization (Armstrong, 2003). In an attempt to ensure employees optimal performance and retention, organizations need to consider a variety of appropriate ways to reward the employees to get the desired results (Falola, Ibidunni & Olokundun, 2014). It has also been argued that the degree to which employees are satisfied with their job and their readiness to remain in an organization is a function of compensation packages and reward system of the organization (Osibanjo, Abiodun & Fadugba 2012). Therefore, it is a continuous and constant challenge for companies to really work on comprehending what parameters add to their employees improved satisfaction levels and loyalty. Furthermore, it is important that organizations also work on the identification of the motivators that nurture the employee performance, and make appropriate and enough self-development suggestions for their employees.

Compensation and employee reward play a number of key roles in organizations including signaling employee worth, attracting potential job incumbents, and retaining existing employees (Gerhart & Rynes 1987). Reward is the centerpiece and manifestation of an exchange relationship between the employees and employers. In situation of high competition in the business environment, the attainment of high organizational productivity must recognize the need to inspire and motivate the employees via the design, establishment and implementation of a robust reward system that calls out the best in the employees in terms of their performance, commitment, dedication and loyalty. The management of employee reward is today more complex than it had hitherto been some four decades ago. More complex because many unanticipated legal, social, cultural and economic constraints have surfaced in recent time (Banjoko 2006).

The dynamic nature of the environment has altered the values and expectation of the workers thus, putting pressure on employers to review upwards the contents of any compensation and rewarding package. The economic situation of Nigeria has changed drastically in recent time such that cost of living has shot up drastically, cost of operation has increased and competition has become more intense. Workers are more sensitive to the value they create and the reward they get in form of wages and benefits. FCC is not left out in the race for better rewards by making use of their union to agitate for better pay and incentives. Employees through their unions now argue that if they had put in so much effort to help the organization to create value, it is only fair that they be given a fair bite of the cake. Consequently, there are often more frequent demands for pay increases from workers in all the sectors of the economy. Reward management is no doubt one of the most problematic and significant aspects of human resources management (Armstrong, 2009).

The primary objective of this study therefore, is to investigate the effect of reward and compensation on employee performance in Federal character commission (FCC). The specific objectives of the study are to:

- i. Determine whether compensation program influences employee's performance in FCC.
- ii. Examine whether fair rewarding system enhances employee loyalty in FCC.
- iii. Study whether quality of work compensation and conducive working atmosphere affects employees' performance in FCC.

LITERATURE REVIEW

Reward

Reward like any other human resource management concept has different meanings. This is due to the diverse conceptualizations often ascribed to the concept. Armstrong and Brown (2001) in defining rewards conceptualized it as an adequate and equitable remuneration for employees due to their contributions to achieving organizational objectives. Reward system implies having organizational policies and procedures in which the employees who perform better are paid more than the average performing employees (Pearce, 2010; Hewitt, 2009). According to Baraton (1999) rewards refer to all form of financial returns and tangible services and benefits that employee receives as part of an employment relationship. Reward is the benefits that arise from performing a task, rendering a service or discharging a responsibility (Collin, 1995). Rewards can be categorized into two broad areas, namely extrinsic rewards and intrinsic rewards. Extrinsic rewards are usually financial or tangible

rewards which include pay, promotion, bonuses and benefits (Zaman, 2011). Luthans (2000) highlights that the two types of rewards are financial (extrinsic) and non-financial (intrinsic) reward can be utilized positively to enhance employee's productivity. Financial rewards mean pay-for-performance such as performance bonus, job promotion, commission, tips, gratuities and gifts etc, while non-financial rewards are non-monetary/non cash and it is a social recognition, praise and genuine appreciation etc.

Compensation

Naukrihub (2007) posit that compensation is an integral part of human resource management which helps in motivating the employees and improving organizational effectiveness. These arguments suggest that there is a link between compensation and job performance (Quartey & Attiogbe, 2013). Compensation deals with every type of reward individuals receive in exchange for performing organizational tasks, with a desired outcome of an employee who is attracted to the work, satisfied, and motivated to do a good job for the employer (Ivancevich, 2004). Compensation is referred to as all forms of financial returns and tangible benefits that an employee receives as a part of an employment contract (Gerhart & Milkovich, 1990).

Employee Performance

Employee loyalty is a deep commitment of an employee loyalty is a deep commitment of an employee (Teich, 1997). Gremler and Brown (1996) explains that employee loyalty is the degree to which an employee exerts considerable efforts into an organization's task and activities. The loyalty of an employee is measured in the work attitude, work ethics and willingness to maintain long term membership with the organization which Mowday, Porter and Steers (1982) describes an employee commitment, where the employees demonstrate strong belief in what the organization stands for, exert enough effort in the discharge of their duties and responsibilities and a strong desire to maintain membership with the organization.

McConnell (2003) explains that performance is about an employee's task and behavioural accomplishments which could be pragmatic and yet measurable. Therefore, it is expected that a job should not only consist of task and behaviour requirements but definitely be quantifiable. Campbell, McCloy, Oppler, and Sager (1993) opine that performance should not be the consequence of behaviours but rather the behaviours themselves. Behaviour-centred approaches to performance evaluation seems to be the new norm in performance management as much empirical evidence suggests that job performance consists of the measurable and observable behaviours that employees actually engage in.

Empirical Literature

Many empirical studies have actually found a link between compensation packages and other organizational variables. In their study, Judge and Hulin (1993) found a positive correlation between compensation packages, employee satisfaction and job performance. Furthermore, strong evidence exists to support the positive link between compensation packages and job performance. Samad (2007) and Oshagbemi (2000) found that employee's satisfaction with their compensation packages often had a positive impact on their job performance. Heneman (2003), in examining the meta-analysis of 72 Quartey and Attiogbe 4401 field studies, shows that monetary incentives improved task performance by 23%, social recognition improved task performance by 17% and feedback elicited a 10% improvement. He further observed that all three types of compensation or rewards

improved employee job performance by 45%. Therefore, it can be argued that compensation policies and strategies affect employee and organizational performance. Besides, different studies have argued and found that compensation in general has a positive link with employee job performance (Quartey & Attiogbe, 2013). Idemobi, Onyeizugbe, Chinedu and Akpunonu (2011), studied the extent to which compensation management can be used as a tool for improving organizational performance in a typical public sector organization like the Anambra State of Nigeria Civil Service by using questionnaire and concluded that the programmes of the Anambra State Government have shown any significant effect from financial compensation policies and practices of the civil service. Further evidence from empirical studies suggests that higher compensation helps in producing higher job satisfaction among employees (Boyd, Grossman, Lankford, Loeb, & Wyckoff, 2008).

Reinforcement Theory

This theory holds that individuals can actually be motivated by their work environment when it is properly developed (Maslow, 1954; Robbins, 2003). Hence, rather than considering internal factors such as attitudes, feelings, impressions and other cognitive behaviour, employers should keep on making positive changes in the external environment of the organization. It emphasizes the importance of a person's actual experience of a reward, and the implication of this for compensation management is that high employee performance, followed by a monetary reward will make future high performance more likely. Theories of compensation generally assume that higher performance requires greater effort or that it is in some other way associated with disutility on the part of workers. In order to provide incentives, these theories predict the existence of reward systems that structure compensation so that a worker's expected utility increases with observed productivity. These rewards can take many different forms, including praise from superiors and co-workers, implicit promises of future promotion opportunities, feelings of self-esteem that come from superior achievement and recognition, and current and future cash rewards related to performance (Abraham, 2010).

The Expectancy Theory

According to Vroom (1964), the expectancy theory is an attempt to explain an individual drive and motivation to work based on certain expected outcomes, the value or importance placed on that outcomes and the expectation that the desired outcomes can be achieved if certain amount of effort is exerted. It should be emphasized however, that increased pay is only one of the potential outcomes of high-performance levels. First developed by Vroom (1964), expectancy theory identifies three factors, which play an interactive role in motivation. The first of these factors, effort-performance expectancy (referred to hereafter as "E-P expectancy") concerns the individual's perception that effort is positively correlated with level of performance. This theory is based on the assumption that individuals will perform if they believe that they have necessary ability, that they will receive a valued reward that is contingent on performance and that the reward will be equitable relative to their actual performance. When an individual expects that performance leads to the obtaining of outcomes in terms of total compensation, (s) he is likely to be motivated to put in more effort. Valence, the degree to which an individual values a particular reward, is the third component of expectancy theory. The more a person values the reward he will receive for his effort, the more motivated he will be to receive the reward. The value attached to each component, that is fixed pay, flexible pay, and benefits, of total compensation will increase work motivation.

Designing Compensation Package

The design of a compensation system is much easier exercise than its administration and maintenance. A compensation programme is not easily changeable or discarded once it has been implemented or agreed to. The traditional compensation theory has tended to categorize employees into work groups or labour grades, and to compensate them on the basis of group membership rather than individual needs and desires. To every employee, compensation decisions are important because they affect his ability to meet status, esteem, and self-fulfillment needs. A worker decides to join an organization because of the reward of the organization promises to give for his services. If the compensation system is such as would reward high producers adequately for their efforts, a worker who has ability will tend to work hard and produce at a high level of efficiency. If the compensation package is not adequate, the worker tends to seek other means of job satisfaction within or outside his present organization.

To the employer, compensation decisions are crucial because labour cost represent a large percentage of the total cost of operating the business. Total compensation decisions have a significant impact upon profits, a major objective of private sector organizations. Those responsible for compensation decision must appreciate the fact that these decisions have broader impact than their immediate influence on the employee, manager, and even the organization involved. The cumulative impact of these decisions adds up to a distribution of a large part of the wealth of the economy. In formulating a compensation policy, which may be considered as part of a manpower development system or even when planning a nationwide compensation programme, it is necessary to consider several types of income, some of which are: financial, social, and psychic.

Functions of Compensation Management

Effective compensation policy aims at minimizing conflicts and tension in an organization. It restores equity, equality and job satisfaction. It removes imbalance and enhances status quo. On the contrary, inequitable and imbalance compensation policy creates disequilibrium in the organization. Therefore, in order to formulate an effective and comprehensive compensation policy, the following functions have to be studied:

- i. It helps in analysis of jobs and ranking them in their order of priority or superiority so that adequate wage could be determined.
- ii. It helps in designing wage structure for the organizations.
- iii. It helps in appraising the performance of employees.
- iv. It compares and contrasts the effects of rewards and incentives on productivity and motivation of employees.
- v. It ensures dynamism in wage rates.
- vi. It eliminates inequalities.
- vii. It reduces and eliminates personal influences and favoritism.
- viii. It helps in reducing irritants and grievances.
- ix. It aids in Promotion.
- x. A sound compensation policy is a motivator to employees.
- xi. It helps in recruiting and retaining good employees who are problem-solvers

Typology of Incentives Scheme

Formal incentives on the individual level remain important tools for motivating self-interested agents (Haque, 2005). The two types of incentives, individual and organizational, are therefore kept separated in most typologies. In order to provide a complete list of the incentives identified in the literature, it is useful to present a typology based on the ones elaborated by authors such as Adam and Hicks (2000), Haque (2005) and Hongoro and Normand (2006). These authors make the distinction between individual and organizational incentives on one hand and financial & non – financial incentives on the other. When it comes to organizational incentives, a further distinction is made between internal and external incentives, the former referring to the internal functioning of an organization, and the later relating the organization to its external environment.

Compensation and Employee Performance

There are several factors that have been identified as influencing the performance of employees. They include managerial factors, employees' health, employees' motivation, and interpersonal communication involved in the production process. Effect of compensation on employees' performance and loyalty could be very strong in some organizations (Stajkovic and Luthans, 2006). According to Mohrman and Odden (1996), a good compensation for employees will be able to stimulate the emergence of fresh ideas and employees' innovation. With so many ideas from employees, it would be very useful for the company. In a similar study, Mohrman & Odden (1996) found that the existence of a good compensation of employees will make the health of employees also good. With the maintenance of health, the employee will get maximum performance opportunities. The number of working hours or employee present hours is able to obtain a maximum work performance. As a result, the planning process can be obtained with good production. They also noted that low compensation toward employees will trigger the employee to try to get their own business or side job. With the side business, it will disrupt the quality of employees' work and concentration. Low concentrations of certain employees have a negative impact on quality and quality of production of goods in the company. From these facts, it is clear that the influence of compensation on employee performance is very strong. If it given more reasonable compensation to employees, the higher the productivity of employees. Conversely, if it given lower compensation for employees, the lower the productivity of the employee (Stajkovic and Luthans, 2006).

METHODOLOGY

This study employed the survey research design reason being that it helps the researcher to obtain direct data by witnessing the population in the field, which then enable test for the hypotheses or answer the research questions. The population of this study consisted of Three Hundred and Twenty-Four employees working in FCC in Lagos, Nigeria. The sampling technique adopted in this study is the use of simple random sampling, which gives every employee of the study organization equal chance of being selected for the study. Since the population is a finite one, application of statistical formula becomes imperative in determining the sample size. The sample size was determined by using Yaro Yamani (1964) Formula below:

$$n = \frac{N}{1 + N(e)^2}$$

Where n = Sample size
N = Population size
e = Tolerable error (5%)

$$n = \frac{324}{1 + 324 (0.05)^2}; \quad n = 179 \text{ workers.}$$

The instrument of data collection is questionnaire containing the scales of Reward and Compensation, Employee Performance. Validity assetment was carried out using face and content validity. While reliability was determine via Cronbach-Apha test of reliability. The Cronbach-Apha for all the variables exceeded 0.70 values which Osuagwu (2002) recommends to be okay. The method of data analyses used in carrying out this research is simple percentage for the bio-data information, Chi-square Analysis for the hypotheses processing with the statistical package for social sciences (SPSS). Simple percentage would be used for the demographic information because it helps to show the number or proportion of the sampled variables belonging to a particular variable.

RESULTS

Analysis of Respondents According To their Socio-Demographic Characteristics

Table 1: Demographic Distribution of Respondents

Variable	Items	Frequency	Percent
Age of Respondents	20 - 29years	65	39.6
	30 - 39years	63	38.4
	40 - 49years	31	18.9
	50 and above.	5	3.0
	Total	164	100.0
Gender of Respondents	Male	103	62.8
	Female	61	37.2
	Total	164	100.0
Educational Qualification	OND/HND	19	11.6
	M.Sc	35	21.3
	B.Sc./BA	84	51.2
	LLB /BL.	26	15.9
	Total	164	100.0
Cadre in the Corporation	Top Cadre	23	14.0
	Middle Cadre	75	45.7
	Lower Cadre	66	40.2
	Total	164	100.0
Marital Status	Single	57	34.8
	Married	91	55.5
	Divorced	11	6.7
	Separated	5	3.0
	Total	164	100.0
How Long Have you been a staff of this Corporation	0 – 2 years	22	13.5
	3 – 5 years	97	59.1
	5 years and above	45	27.4
	Total	164	100.0

Source: Field Survey, 2016

Table 1 shows the socio-demographic characteristics of sampled respondents. Focusing on the gender distribution of the respondents, it is seen that there more male than Female in the

organization, also focusing on the age distribution of the respondents it is seen that majority of the respondents are within the age group of 20-40years. Also, according to the marital status of the respondents it is seen that majority of the respondents that partook in the survey are married. In addition, according to distribution of respondents which focuses on their academic qualification in table 1 above shows that majority of the respondents have at least an BSC/BA certification. Furthermore, according to the distribution of the respondents based on their position in the company the table shows has majority of the respondents were administrative staff, of which majority of them had 3 - 5 years' work experience

Test of hypotheses

Hypothesis one

Compensation program does not influence employees' performance in FCC.

Chi-Square test

Table 2: Workers are adequately compensated for their efforts

	Observed N	Expected N	Residual
Strongly Disagree	7	32.8	-25.8
Disagree	21	32.8	-11.8
Undecided	27	32.8	-5.8
Agree	81	32.8	48.2
Strongly Agree	28	32.8	-4.8
Total	164		

Table 3: Test statistics

Workers are adequately compensated for their efforts	
Chi-Square	97.098 ^a
Df	4
Asymp. Sig.	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 32.8.

Source: Field Survey, 2016

The chi-square result in hypothesis one shows that $\chi^2C = 97.098$ while the table value at 4 degree of freedom is 9.48 at confidence interval of $\alpha = 0.05$, the null hypothesis will be rejected if the computed value of the test statistics χ^2C exceeds the tabulated value χ^2t . Therefore, since $\chi^2C > \chi^2t$, the null hypothesis was therefore rejected, while the alternative hypothesis was accepted, which states that compensation program does influence employees' performance in FCC.

Hypothesis two

Fair rewarding system does not enhance employee loyalty in FCC.

Chi-Square test

Table 4: All workers should be given chances for fair financial incentive for them to be productive.

	Observed N	Expected N	Residual
Undecided	22	54.7	-32.7
Agree	111	54.7	56.3
Strongly Agree	31	54.7	-23.7
Total	164		

Source: Field Survey, 2016

Table 5: Test statistics

All workers should be given chances for fair financial incentive for them to be productive.	
Chi-Square	87.817 ^a
Df	2
Asymp. Sig.	.000
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 54.7.	

Source: Field Survey, 2016

The chi-square result in hypothesis two shows that $\chi^2C = 87.817$ while the table value at 2 degree of freedom is 5.99 at confidence interval of $\alpha = 0.05$, the null hypothesis will be rejected if the computed value of the test statistics χ^2C exceeds the tabulated value χ^2t . Therefore, since $\chi^2C > \chi^2t$, the null hypothesis was therefore rejected, while the alternative hypothesis was accepted, which states that Fair rewarding system does enhance employee loyalty in FCC

Hypothesis three

Quality of work compensation and conducive working atmosphere do not affect employees' performance in FCC.

Table 6: Case processing summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Good working conditions discourage fatigue in my organization * I am normally given gift for extra efforts put in the job I do	164	100.0%	0	0.0%	164	100.0%

Source: Field Survey, 2016

Table 7: Chi-Square tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	156.502 ^a	9	.000
Likelihood Ratio	158.813	9	.000
Linear-by-Linear Association	25.573	1	.000
N of Valid Cases	164		

a. 8 cells (50.0%) have expected count less than 5. The minimum expected count is 1.40.

Source: Field Survey, 2016

The chi-square result in hypothesis three shows that $\chi^2C = 156.502$ while the table value at 9 degree of freedom is 16.92 at confidence interval of $\alpha = 0.05$, the null hypothesis will be rejected if the computed value of the test statistics χ^2C exceeds the tabulated value χ^2t . Therefore, since $\chi^2C > \chi^2t$, the null hypothesis was therefore rejected, while the alternative hypothesis was accepted, which states that Quality of work compensation and conducive working atmosphere do affect employees' performance in FCC

DISCUSSION OF FINDINGS

The first proposition that compensation program does not influence employees' performance in FCC was rejected, based on the chi-square result of 97.098 at 4 degree of freedom, as such its alternative was accepted, hence compensation program does influence employees' performance in FCC, this findings is in agreement with the work of Carraher, Gibson, Buckley, (2006), they noted that Compensation management is used to motivate, and boost employee performance as well as ultimately improving the overall effectiveness of an organization.

Furthermore, the second proposition that Fair rewarding system does not enhance employee loyalty in FCC. was rejected, bases on the chi-square result of 87.817 at 2 degrees of freedom, while its alternative was accepted, hence Fair rewarding system does enhance employee loyalty in FCC this finding corroborates the work of Roberts (2010) he posited that fair reward systems is advantageous to both employees and employers. It is beneficial for the employer in the sense that it lowers the absenteeism rate. If any employee is happy with his work and he is satisfied with the current salary and benefits he is getting then there would be no reason to take a day off from the job.

Finally the third proposition that Quality of work compensation and conducive working atmosphere do not affect employees' performance in FCC was rejected, bases on the chi-square result of 156.502 at 9 degree of freedom, and its alternative was accepted, hence Quality of work compensation and conducive working atmosphere do affect employees' performance in FCC this findings corroborates the work of Ngethe, Iravo, and Namusonge (2012) argued that retention and performance of employees needs to be managed through adequate compensation and also that Career growth opportunity, work environment, performance management and flex time were identified as areas that impact on staff performance.

CONCLUSION

In view of the findings of this study, there is a need for the management and employees of FCC to promote fair and adequate compensation system, the behaviour of workforce as

group and as individual should be understood by those who manage them. Management should embrace change in attitude and value system.

It is obvious from the finding, that issues like adequate opportunities for training and advancement, working with less supervision, initiative in performing duties, task is enlarge with increasing responsibilities, opportunity to belong to informal associations in the workplace, a letter of commendation for best performance, long service award in appreciation of handwork, profit sharing as bonus to staff yearly, car loan/ allowances, handsome welfare package and monetary allowances, healthy inter-personal relationship within the organization, good work conditions, existence of harmonized and adequate reward/remuneration system and perfect internal control system are vital for any success driven organization. They should therefore be paramount to the management. Although management is responsible for day-to-day operation of the business, employees ought to be involved in the decision-making process, particularly in matters that will affect their jobs.

RECOMMENDATIONS

In the light of this thorough research study been carried out on how the effect of reward and compensation on employee performance a study of Asset Management Corporation of Nigeria, the researcher hereby suggests and recommends the following solution and remedy which will be meaningful and be of great value. Based on the findings and discussions of this study, the following recommendations are made:

- i. The management of FCC should improve on their monetary and non-monetary incentives scheme and to ensure that employee motivation is well articulated and executed at all level of the organization for the purpose of employee loyalty, job satisfaction and improved employee performance at all times.
- ii. Also, for the fact that fast moving changes in technology have direct relationship with employees work behavior, the management should introduce some level of innovation and flexibility into the company policies concerning employee's motivation.
- iii. There is need for better and healthy relationship between the management and its Employees at all level and between the employees themselves.
- iv. The management should go through the categories of incentives, compensation management and performance incentive plans presented in this research study and on regular interval, give orientation through seminars on issues bothering on motivation.

LIMITATION OF THE STUDY

One of the limitations of this study is the uneven selection of respondent because from all practical purposes the number of respondents selected cannot be said to represent all the staff in FCC. The number of questionnaires distributed among respondents cannot be said to be adequate with the total number of FCC staff. Also, the selection of the respondents is not randomly, since researcher used his discretion on the application. Again, there is a limit to which questionnaire can reveal all the needed information for research of this kind. Financial constrains is not an exceptional factor of these limitations and vice versa.

REFERENCES

- Abraham, S. (2010). *Inequity in social change, motivation and work behaviour*, McGraw Hill Book 10. New York.
- Adams, O. & Hicks, V. (2000). *Pay and non – pay incentives, performance and motivation*. Prepared for WHO's Global Health Workforce strategy Group, December 2000.
- Anam, I., Rab-Nawaz, L. & Mohammed, S. T. (2015). Employee organizational commitment in Pakistani organizations. *Global Journal of Human Resource Management*. 3(1), 1-11.
- Armstrong, M. (2003). *Performance management*, 3rd (ed.), Kogan Page, London.
- Armstrong, M. (2009). *Handbook of human resource management practice*, 11th (ed.) Kogan Page, London.
- Armstrong M., & Brown, D. (2001). *Pay: The new dimensions*. London: CIPD
- Banjoko, S. A. (2006). *Managing corporate reward system*. Lagos; Pumark Nigeria Limited.
- Baratton, A. (1999). *Social foundation of thought and action*, NJ: Prentice Hall.
- Boyd, D., Grossman, P., Lankford, H., Loeb, S., & Wyckoff, J. (2008). Who leaves? Teacher attrition and student achievement. NBER Working Paper 14022.
- Campbell, J. P., McCloy, R. A., Oppler, S. H., & Sager, C. E. (1993). A theory of Performance, In Schmitt N, Borman WC (Eds.) *Personnel selection in organizations*. 35-70. San Francisco, CA: Jossey-Bass.
- Carraher, R., Gibson, A., & Buckley, R. (2006). Compensation in the Baltic and the USA. *Baltic Journal of Management*. 1(1), 7-23
- Collins, P. (1995). *Motivating your organization*, UK: McGraw-Hill International
- Falola, H. O., Ibidunni, A. S, & Olokundun, A. M. (2014). Incentives packages and employees' attitudes to work: a study of selected government parastatals in Ogun State, South-West, Nigeria, *International Journal of Research in Business and Social Science IJRBS*, 3(1), 2147-4478.
- Gerhart, B., & Milkovich, G. T. (1990). Organizational differences in managerial compensation and financial performance. *Academy of-Management Journal*, 33, 663-691.
- Gerhart, B. & Rynes, O. (1987). How important are dispositional factors as determinants of job satisfaction? Implications for job design and other personnel programs, *Journal of Applied Psychology*, 72(23), 366-373.
- Gremler, D.D., & Brown, S.W. (1996). Service loyalty: its nature, importance and implications. *Proceedings American Marketing Association*, 171-180.
- Haque, N. (2005). Incentives and human resource Management in the design of public sector reform. In: *The Pakistan Development Review*, 38(4), 471-488.
- Hartman, D. (2014). *Types of finance-rewards and incentives*, 2011, Available at www.eHowmoney.com accessed on the 4th of May.
- Heneman, F. (2003). Behavioral management and task performance in organizations: Conceptual background, meta-analysis and test of alternative models. *Pers. Psychol.* 56, 1-10
- Hewitt, A. (2009). Managing performance with incentive pay. *J. Pers. Manage*, 7(1), 20- 31.
- Hongoro, C. & Normand, C. (2006). *Health workers: building and motivating the workforce*. The World Bank Group and New – York: Oxford University Press.
- Idemobi, E., Onyeizugbe, I., Chinedu, U. & Akpunonu, E. O. (2011). Compensation management as a tool for improving organizational performance in the public sectors, *International Journal of Human Resource Management*, 1(1), 109-120

- Ivancevich, J. M. (2004). *Human resource management*, New York: McGraw-Hill/Irwin
- Judge, T.A., & Hulin, C. L. (1993). Job satisfaction as a reflection of disposition: A multiple source casual analysis. *Org. Behav. Hum. Deci. Proc.* 56, 388-421.
- Luthans, K. (2000). Recognition: A powerful, but often overlooked, leadership tool to improve employee performance, *The Journal of Leadership Studies*, 7(1), 32-39
- Maslow, A. (1954). *Motivation and personality*, Harper & Row, New York.
- McConnell, C. R. (2003). The manger's approach for employee performance problems. *Heal. Ca. Manage.* 22(1), 63-69.
- Mohrman, M. & Odden, P. (1996). Motivating employees in a new governance era: the performance paradigm revisited, *Public Administration Review*, 66(35), 287-360.
- Mowday, R., Porter, L., & Steers, R. (1982) *Organizational linkages: The psychology of commitment, absenteeism and turnover*. New York: Academy press.
- Naukrihub, C. (2007). Performance management system (accessed Oct, 2 016).
- Ngethe, J.M., Irovo, M.E., & Namusonge, G.S. (2012). *Determinants of academic staff retention in public universities in Kenya*. Nairobi: Acts Press.
- Obisi, C. (1996). *Personnel management*. Freeman Publications, Ibadan, Nigeria.
- Oshagbemi, T. (2000). Correlates of pay satisfaction in higher education. *The Int. J. Educ. Manage.* 14(1),31-39.
- Oshagbemi, T. (2000). Correlates of pay satisfaction in higher education. *The Int. J. Educ. Manage.* 14(1),31-39.
- Osibanjo, A. O., Abiodun, A. J. & Fadugba, A. O. (2012). Executive perception of the impact of flexitime on organizational performance: evidence from the Nigeria Private Sector, *International Journal of Applied Behavioural Economics, IJABE*, 1(3), 16-27.
- Osuagwu, L. (2002). TQM strategies in a developing economy: Empirical evidence from Nigerian companies. *Business Process Management Journal*, 8(2), 140-160.
- Pearce, L. (2010). Managerial compensation based on organization performance. *J. Indus. Rel.* 52, 3-28.
- Quartey, S. H., & Attiogbe, E. J. (2013). Is there a link between compensation and job performance in the Ghana Police? *African Journal of Business Management*, 7(44), 4398-4406
- Roberts, R.L. (2010). Relationship between rewards, recognition and motivation at insurance company in the Western Cape, University of the Western Cape.
- Robbins, S. P. (2003). *Essentials of organizational behaviour* (7th eds.). Upper Saddle River, N.J.: Prentice Hall.
- Rothwell, R. (1992). Successful industrial innovation: Critical factors for the 1990s, *R&D Management*, 22(3), 221-239.
- Samad, S. (2007). Assessing the effects of job satisfaction and psychological contract on organizational commitment among employees in Malaysian SMEs. The 4th SMES in A Global Economy Conference.
- Scott, T. & Bruce, Y. R. (1994). The role of pay satisfaction and organizational commitment in turnover intentions: A two sample study. *Journal of Business and Psychology*, 22(3), 275 – 286.
- Stajkovic, O. F. & Luthans, S. R., (2006). *Show me the evidence! Proven and promising programs for America's schools*, Thousand Oaks, CA: Corwin Press.
- Teich, I. (1997). Holding on to customers: the bottom-line benefits of relationship building. *Bank Marketing*, 29(2), 12-13.
- The Society for Human Resource Management (2012). Separating the developmental and evaluative performance appraisal uses. *Journal of Business and Psychology*, 16(3), 391-412.
- Vroom, V. H. (1964). *Work and motivation*. New York: Wiley.

- Werner, A. (2001). *Motivation in human resource management*, Cape Town: Oxford University Press.
- Williams, S. D. (2004). Personality, attitude, and leader influences on divergent thinking and creativity in organizations, *European Journal of Innovation Management*, 7(3), 187-204.
- Yamane, U. (1964). *Statistics introductory analysis*. New York: Harper and Row Publisher.
- Yamoah, E. E. (2013). Relationship between compensation and employee productivity, *Singaporean Journal of Business Economics, and Management Studies*, 2(1), 110-114.
- Zaman, K. (2011). Relationship between rewards and employees motivation in the non-profit organizations of Pakistan. *Business Intelligence Journal*, (July), 327-334