

Reward Management System on Business Educators' Job Retention and Productivity in Higher Institutions of Learning in Delta State Nigeria

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Abstract

The study examined the reward management system and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria. Two research questions guided the study and one null hypothesis was formulated and tested at 0.05 level of significance. The study adopted a correlational survey research design. The population of the study comprised of 65 business educators in tertiary institutions where business education is offered in Delta State Nigeria. The entire population of 65 business educators was used as the sample because of its manageable size. The instrument for data collection was a structured questionnaire titled: "Reward Management System and Business Educators' Job Retention and Productivity Questionnaire" (RMSBEJPPQ). The instrument was organized into two sections, A and B. Section A contained the demographic characteristics of the respondents while section B was made up of 10 item statements graded on a four-point rating scale of Strongly Agreed (4 points), Agreed (3 points), Disagreed (2 points) and Strongly Disagreed (a point). The instrument was validated and the reliability of the instrument was determined using the Cronbach Alpha Statistical tool. A reliability coefficient of .79 was obtained which was considered reliable. Data collected were analyzed using Pearson's Product Moment Correlation Coefficient and Linear Regression statistical tools. The findings of the study revealed a positive but low relationship between organizational reward system and business educators' job retention and productivity. Based on the findings, the study recommended among others that management of institutions of higher learning should ensure that institution's reward policies be managed in such a manner that it would attract and retain high profile talented employees for higher productivity in institutions of higher learning in Delta State Nigeria, and that the organization' reward management policies should be employees' friendly in order to avoid or probably reduce the rate of attrition of staff who could contribute maximally to the achievement of goals in the institutions.

Keywords: Reward Management System, Intrinsic and extrinsic rewards, Employee Retention and Productivity

INTRODUCTION

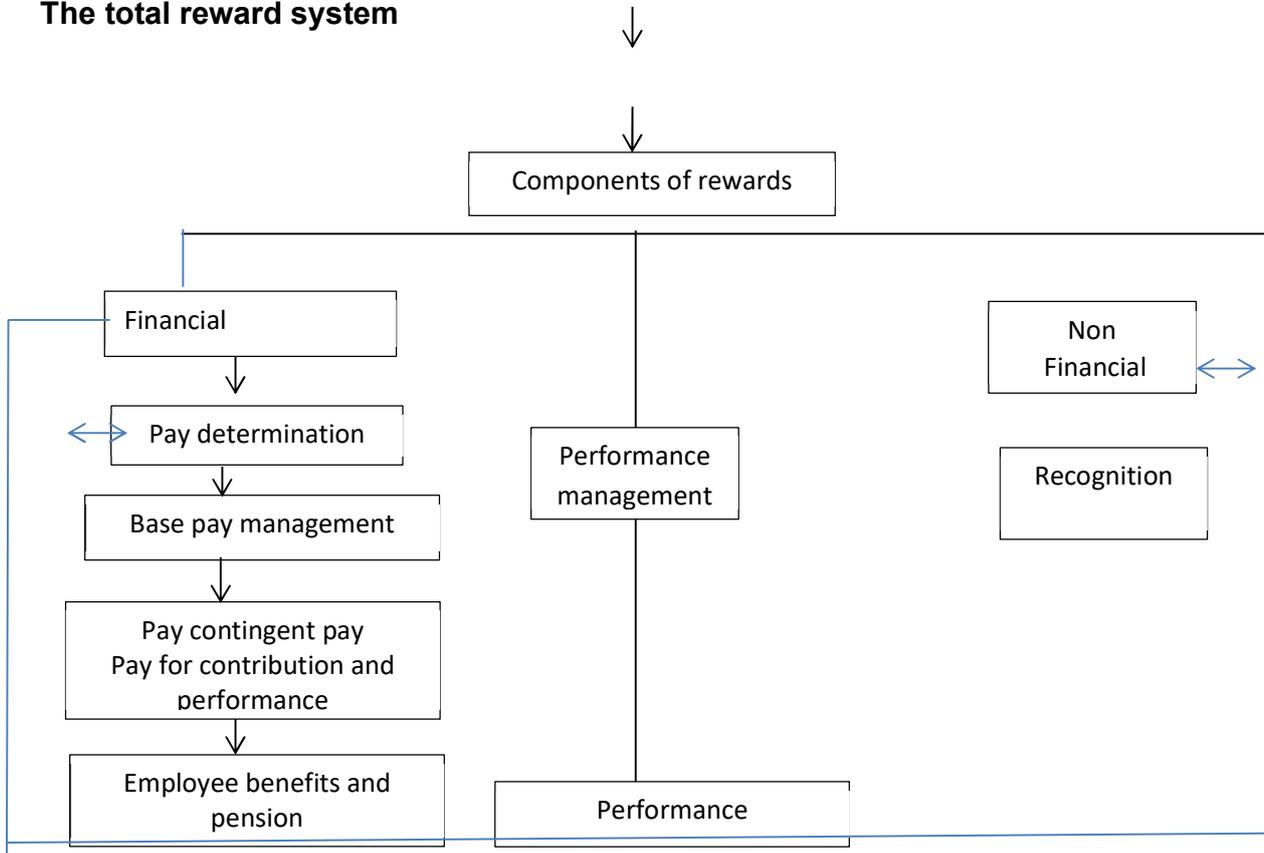
Reward management system is central to the attraction and retention of high profile talented individuals in any organization. In the global work-changing environment where millions of organizations seem to be scrambling for highly talented workforce, it would be profitable if institutions would make frantic efforts in ensuring that its workforce are adequately motivated and compensated for the work in which they do or otherwise be ready to stand the risk of staff attrition and brain drain. The structure and application of the reward system in organizations may stand as a major factor on employees' work behaviour and performance. Alan (2019) noted that the quality of evidence on the apparent significance of reward policies and practices are linked to organizational outcomes. This is largely as a result of the recognition that compensation practices are crucial in a world where increasing competition and awareness of the contribution of the human assets to the overall performance and success of organizations has become a norm. According to Wright and Davis (2020), reward management has become increasingly important in facilitating the attraction and retention of high profile talented employees as well as influencing the behaviours and performance outcomes.

Reward system acts as a motivational tool in enhancing job performance. It provides a platform for equity and fairness. According to Shields (2015), reward system develops organizational integrity and the practice of improving employees' job performance and productivity. Rewards are categorized into two broad spectrums: Extrinsic and Intrinsic rewards. Extrinsic rewards are basically rewards that have monetary values. According to Armstrong (2016), extrinsic rewards include all rewards that have monetary values which entails reward pay that relates to service, financial recognition schemes and benefits like pensions, sick pay and health insurance. The author stressed that extrinsic rewards are concrete and could be in the form of bonuses, salary rise, gifts, or promotions. However, extrinsic rewards could be simple as getting a good office, verbal praise, public recognitions, promotions and additional responsibility. Kenneth (2019) asserted that extrinsic rewards are significant to workers accepting a particular job, as unfair pay could discourage motivation to work. An extrinsic reward for a recipient may provide intrinsic reward for the same recipient.

Alternatively, intrinsic rewards tend to give personal satisfaction to individuals. As asserted by Kenneth (2019), intrinsic rewards are psychological rewards that employees get from meaningful work performance and it could be in the form of: Information/feedback, recognition and trust/empowerment. Intrinsic rewards create a strong form of motivation for both the employees and the organizations but do not depend on large outlay of money to generate extra effort as it is feasible even when funds are tight. A total reward management system also involves the development and implementation of strategies and policies that would help organizations to achieve its objectives. Significantly, this could be based on interest and value attached to the contributions of individual employees in achieving organizational goals. It is pertinent therefore that organizations, develop a reward system that would be able to provide answers to two fundamental questions: how do we value people and how to reward them according to their values. To answer these basic questions, all the components of rewards

should be explore for a possible performance outcomes. The components of rewards maybe grouped into financial and non-financial rewards but the integration of these elements in the organizations policies are seemingly significant to employees' retention of employees and enhance their performance.

The total reward system



Source: Adapted, Researcher 2023.

The core objectives of organizations perhaps are driven by the reward management policies of the institutions. These underlying drivers may include:

- The attraction of potential and competent employees in conjunction with the organization's reward system
- To retain employees and limit employees attrition
- To motivate employees to work hard
- To influence attitude and behaviour of employees positively
- To enhance performance outcomes of organizations.
- The compensation system to be related to employees' needs and bearing with individuals

Although, the influential drivers could be mostly guided by principles which may be needed to in achieving these core objectives. These principles may comprise the followings:

- Developing reward policies and practices that support the achievement of goals
- Providing rewards that help to develop a high performance culture and attract, retain and motivate staff
- Maintaining competitive rates of pay
- Rewarding people according to their contributions
- Recognizing the value of all staff who are making effective contributions not just exceptional performances
- Allowing a reasonable degree of flexibility in the operation of reward processes and in the choice of benefits by employees.

Retention and Employees' Productivity

. Retention is a voluntary move by institutions to create a serene work environment that could accommodate employees for a long term. The main purpose of retention is to prevent (attrition) potentials from leaving the organization in order not to create adverse effect on growth. Employee's retention policy like the reward management system allows institutions to attract and retain critical skills and high-performing employees like business educators for higher productivity. Retention of experienced employees such as business educators in institutions of higher learning is crucial in the effective service delivery and productivity. Dockel as cited in Mubarack, Wahab and Khan (2018) advised that institutions should pay special attention to employees' welfare and their job satisfaction if they are to expect the best out of them. The authors further affirmed that compensation and total reward are the most important factors that could guarantee employees' retention and higher productivity in higher institutions of learning.

Statement of the Problem

Recent development in some of the higher institutions of learning seem to reveal that a great number of academic experts have lost interest in teaching as a profession. This could be as a result of the poor remuneration and high cost of living in the country. Lecturers seem not to be adequately rewarded for their talents and the efforts that they put into the achievement of academic goals in institutions. Consequently there seems to be a paradigm shift in the Nigerian institutions of higher learning as majority of the young lecturers including business education lecturers have taken leave to some of the Western Countries where they could probably be rewarded according to the efforts and contributions in organizations. As a result of this exist syndrome, majority of the tertiary institutions in Nigeria seem not to have professionals/experts in most of the professions/discipline and as such, poor academic performance of students are being recorded with majority of the students graduating without the requisite skills, ability and professional confidence that would be needed to handle profession task when opportunity to explore and exhibit professional/expertise come their way. The problem of this study is stemmed from the fact that poor reward management policies may have negative

influence in retaining high profile and talented educators in institutions of higher learning and this could perhaps lead to staff attrition and consequently result in reduction of academic professionals with records of poor performance of students as there might not be enough expert hands that could help to facilitate the accomplishment of academic goals in many of such institutions. This ugly scenario if not checked could have adverse effect in academic programmes in tertiary institutions and may throw the Nation's Educational System into a state of quagmire resulting in producing incompetent and half-baked graduates that may not be able to fit into any work environment. It is against these backdrops that this study examined the relationship between reward management system and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria.

Research Questions

1. What is the relationship between extrinsic rewards and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria?
2. What is the relationship between intrinsic rewards and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria?

Null Hypothesis

There is no significant relationship between reward management system and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria.

METHODS

The study adopted a correlational survey research design. A population of 65 business educators was used for the study. The entire population of 65 business educators constituted the sample due to its manageable size. The instrument for data collection was the questionnaire titled: "Reward Management System and Business Educators' Job Retention and Productivity Questionnaire" (RMSBEJPPQ). The instrument was organized into sections A and B. Section A contained the demographic characteristics of the respondents that include; gender and name of institution while section B was made up of 10 item statements graded on a four-point rating scale of Strongly Agreed (4 points), Agreed (3 points), Disagreed (2 points) and Strongly Disagreed (a point). The instrument was validated and the reliability determined using Cronbach Alpha Statistic and the result yielded a reliability coefficient of .79 which was considered reliable. Pearson Product Moment Correlation Coefficient was used for data analyses while Linear Regression Statistic was used to test the null hypothesis at alpha level of 0.05.

RESULTS

Research Question 1

What is the relationship between extrinsic rewards and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria?

Table 1: Pearson's Correlation of Extrinsic Rewards and Business Educators Job Retention and Productivity

Variables	Number	Pearson r	Coefficient of Determination
Extrinsic Rewards	65	.326**	10.63%
Productivity			

Key: .00 - .33 = low; .34 - .67 = Moderate; .68 – 1.00 = High

The result in Table 1 shows a Pearson's correlation of extrinsic rewards and business educators' job retention and productivity in institutions of higher learning in Delta State Nigeria. The result reveals a Pearson r- value of 0.326 and a coefficient of determination of 10.63% indicating positive but low relationship. This implies that the relationship between extrinsic rewards and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria is positive but low.

Research Question 2

What is the relationship between intrinsic rewards and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria?

Table 2: Pearson's Correlation of Intrinsic Rewards and Business Educators' Job Retention and Productivity

Variables	Number	Pearson r	Coefficient of Determination
Intrinsic Rewards	65	.328**	10.92%
Productivity			

Key: .00 - .33 = low; .34 - .67 = Moderate; .68 – 1.00 = High

The data analysis in Table 2 shows a Pearson's correlation of intrinsic rewards and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria. The result reveals a Pearson r- value of 0.328 and a coefficient of determination of 10.92% indicating positive but low relationship. This implies that the relationship between extrinsic rewards and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria is also positive but low.

Null Hypothesis

There is no significant relationship between reward management system and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria.

Table 3: Linear Regression of Reward Management System and Business Educators' Job Retention and Productivity

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	.988	1	.988	18.156	.000
	Residual	8.328	153	.054		
	Total	9.316	154			

$\alpha = 0.05$

The linear regression analysis in Table 3 shows the linear regression of reward system management on business educators' job retention and productivity with an F value of 18.156 and a p-value of 0.000, tested at an alpha level of 0.05. The p-value of 0.000 is less than the alpha level at 0.05 which indicates that the null hypothesis which stated that there is no significant relationship between reward management system and business educators' job retention and productivity in tertiary institutions in Nigeria is false and rejected. Therefore, there is a significant relationship between reward management system and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria.

DISCUSSION

Research question 1 shows the relationship between extrinsic rewards and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria. The findings revealed a positive but low relationship between extrinsic rewards and business educators' job retention and productivity. Kenneth (2019) assertion that extrinsic rewards are significant to workers accepting a particular job, as unfair pay could discourage motivation to work which in turn influence their productivity is in consonance with the findings of this study.

Similarly, the findings from research question 2 show the relationship between intrinsic rewards and business educators' job retention and productivity in institutions of higher learning in Nigeria. The findings revealed also there is a positive but low relationship between intrinsic rewards and business educators' job retention and productivity. The opinion of Dockel as cited in Mubarack, Wahab and Khan (2018) that institutions should pay special attention to employees' welfare and their job satisfaction if they are to expect the best out of them is in consonance with the findings of this study.

The null hypothesis revealed that there is a low significant relationship between reward management system and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria. In line with this finding Wangare and Were

(2014) in a similar study revealed that poor compensation structure has profound impact on employees' retention. According to Wright and Davis (2020), effective integration of compensation and reward system enhance efficiency productivity of the employees.

CONCLUSION

Based on the findings, the study concluded that proper reward management system in institutions could be a good motivator for employees' job retention and productivity as it was revealed that there is a relationship between reward management system and business educators' job retention and productivity in tertiary institutions in Delta State Nigeria.

RECOMMENDATIONS

1. Based on the findings and conclusion drawn, the study recommended for management of higher institutions of learning to ensure that the institution's reward policies be managed in such a manner that it would attract and retain high profile talented employees for higher productivity in institutions of higher learning in Delta State Nigeria.
2. That the organization' reward management policies should be employees' friendly in order to avoid or probably reduce the rate of attrition of staff who could contribute maximally to the achievement of goals in the institutions.

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