

Evaluating Employee's Performance in Nigerian National Petroleum Corporation: A Reward System Approach

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Abstract

The study examined the effect of reward system on employees' job performance in Nigerian National Petroleum Corporation within a period of 2019. The research questions addressed the extent at reward system has improved employees job performance and secondly how reduced rate of industrial actions have influenced the implementation of reward system in Nigerian National Petroleum Corporation. The core aspect of the study is the use of cross-sectional survey research design in generating the required primary data. A sample of 390 (34 managers, 97 supervisors and 259 workmen) respondents determined at 5% level of significance for sample error, using Yamane's formula, was selected from a population of 40,568 employees using stratified random sampling method for the purpose of questionnaire administration. The data of the sample respondents was presented through tables and interpreted using simple percentages while the formulated hypotheses were tested using the chi-square (X^2). The results indicated that implementation of reward system in Nigerian National Petroleum Corporation to a large extent improved employees' job performance (82.05% response rate) and reduced rate of industrial action (80.77% response rate). The research recommends: regular review of organizational reward system to ensure fairness, maintenance of competitive rates of pay, flexibility in reward administration and rewarding people for the value they create.

Keywords: *Reward system, Employee performance and Nigeria National Petroleum Corporation*

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Background to the Study

Every organization all over the world needs effective human capital strategies to enhance their productivity. It is clear that employee's productivity in the expanding organization is a key factor in organization performance. Employees, technically known as human resources in modern organizations, are rightly considered as the most important assets (Torrington, 2011). In developed countries such as USA, JAPAN, UK and Germany organizations recognize employees as the important asset that needs high consideration in (Ajila & Abiloa, 2004). The rationale behind the use of rewards to employees is that motivated employees become satisfied in terms of fulfilling their wants, both financial and non-financial. Failure to do so, employees will be tempted to leave the organization. (Azasu, 2009). On one hand, employees prefer receiving intrinsic rewards in terms of praise and recognition for certain work accomplishments, while other employees are happy with extrinsic reward in terms of salaries, bonus and incentive offered to employees (Sajuyigbe, Bosede & Adeyemi, 2013). In developing countries such as China, India and Thailand also employees reward is one of highly demanded factors in influencing organization performance. One of the most important factors in rewarding employees for organization performance is through recognition and appreciation (Ajila & Abiloa, 2004).

In Nigeria like any other country employees are motivated by rewards. There is a need for organization to reward its employees for creating a successful competitive Environment. This is one of the essential for the organizations to achieve high work performance. Some employees are highly motivated by extrinsic rewards such as increase in pay, promotions and bonus, others employees are motivated with intrinsic rewards such as appreciation, praise and recognition on (Ali, 2013). Paying employees for productivity has been the cornerstone of industrial and business development for centuries. Financial reward has always been important in managing employee's performance, but over the last 25 years other elements of compensation have been developed to provide employers with more scope to reward, and thus, motivate employees. Performance management influences performance by helping people to understand what good performance means and by providing the information needed to improve it; While reward management influences performance by recognizing along with rewarding good performance as well as providing incentives to improve it. The productivity and success of every organization is highly dependent on its staff (Ali, 2013; Gabcanova, 2011; Markova & Ford, 2011; Vlachos, 2009). Thus maximizing the overall Organization performance requires an understanding of those factors that encourages the employees to put in extra effort at work and also in enhancing their performances (Hafiza, Shah, Jamseheed & Zaman, 2011). Reward system and management is one important Human Resource Management strategy for attracting and retaining high quality employee as well as facilitating them to improve performance (Dewhurst, Gutridge & Mohr, 2010).

According to Anku-Tsede & Kutin (2013) seen reward system; as a means of actively engaging and the renewing the employee's sense of community and mission of an organization. In this view, an effectively administered system of rewards can provide

incentive for quality workmanship and performance. Likewise, a poorly administered reward system can lead to low morale, unproductive performance and in the extreme cases a high percentage of employee turnovers. Organizations provide rewards to members in the form of wages and salaries, promotions, long service awards and certificates, end of the year bonus and other fringe benefits. These rewards are to motivate behavior that will contribute to the achievement of the goals of organizations. According to equity theory, the adequacy of such rewards will to a large extent depend on the value the employees place on the inputs they bring to the job in the form of education, experience, training, time, effort etc, with the outcomes (rewards) such as pay, promotions, praises and recognitions they receive as a result of performing the job (Ali, 2013). Reward systems is a broad construct that generally represents anything that employees may value and are willing to acquire in exchange for his or her contribution to work (Chiang & Birtch; 2008). From the definitions, one can described reward as tangible benefits one can receive from engaging in a specific task. As Torrington *et al* (2011) argue, although there are few people who claim to enjoy work for the sake of it, most people work in large part because it provides a means of sustaining livelihood. In other words, people are concerned with the amount of benefits (whether financial or non-financial) attached to their work. There are other commentaries that non-financial rewards are also important facilitators of organizational performance with the argument that financial performance on its own is incapable of effectively motivating employees towards optimum performance (Babakus, Yavas, Karatape & Avci, 2003; Perry, Mesch & Paarlberg, 2006; Neckermann & Kosfeld, 2008; Dewhurst *et al* (2009).The study therefore intends to investigate on the financial aspect of reward system in Evaluating Employee's Performance in Nigerian National Petroleum Corporation.

Statement of the Problem

Despite the important of reward attached to organizations, many employees has ignored that success of any organization depends on the influence of its manpower and the concept of reward system. Some organizations have ignored the motivating factor of their employees, not minding that each employee in an organization not only depends on his wage or package, but rewarding his organizational contribution to the growth of the organization increases performance. Research by other scholars in the Nigerian oil and gas sector have noted that many organizations tend to ignore the standards of reward system and the process makes it difficult for employees to perform maximally and improve on performance management and that is why employees elope or resign and join to other organizations for better condition and improvement of service. It is on this reason that the study tend to assess the effect of Reward System on Employee Performance in Nigerian National Petroleum Corporation.

Objectives of the study

The study intend to foreseen the following specific objectives as stated below:

- i. To determine the extent at which reward system has improved employees' job performance in Nigerian National Petroleum Corporation.

- ii. To determine the extent at which reduced rate of industrial action has influenced the implementation of reward system in Nigerian National Petroleum Corporation.

Research Questions

- i. To what extent has reward system improved employees' job performance in Nigerian National Petroleum Corporation?
- ii. To what extent has reduced rate of industrial action influenced the implementation of reward system in Nigerian National Petroleum Corporation?

Research Hypotheses

- H₀₁:** Reward system has no significant improvement on employees' job performance in Nigerian National Petroleum Corporation.
- H₀₂:** Reduced rate of industrial action does not influence the implementation of reward system in Nigerian National Petroleum Corporation.

Literature Review

Concept of Reward System

Reward system according to Armstrong (2009) can be described as an envelope of interrelated processes and activities that when put together ensures that reward management is carried out effectively for the benefit of the organization and the people working there. Pratheepkanth (2011) define reward system to include all organizational components including the people, process, rules and decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization". In both definitions, the emphasis is on reward system as a means of stimulating positive employees' work behavior towards the actualization of the organizational goals and objectives. Danish and Usman (2010) emphasize this line of thought by arguing that reward systems play an important role in determining how significantly the employees are performing their job tasks and it also acts as a stimulant for employee motivation. Pratheepkanth (2011) described reward system as an important tool that can be used by the management in challenging positive employee morale to work and in so doing help in achieving the desired organizational outcomes. Thus, reward systems can be seen as a tool for bringing to the employees' awareness of the measure of value that the organization attach to his or her work and the extent to which they are valued by the organization. This in turn is expected to boost the employees' morale which ultimately increases organizational productivity.

Employee Performance

Employee performance is a core concept within work and organizational psychology (Sonnentag & Frese, 2002). Despite the great importance of the individual employee performances and the widespread investigation into the correlation between job performance and organizational outcomes, very little effort has been put into developing a comprehensive definition for the construct and providing clarification on the metrics for its measurements. Elger (2007); defined the term performance as "the undertaking of

complex series of actions that integrate skills and knowledge to produce a valuable result; and a performer as an individual or a group of people engaging in a collaborative effort". From this definition, employee performance can therefore be defined as an activity engaged by the employee to produce a viable or valuable outcome. Shahzadi, Javed, Pirzada, Nasreen and Khanam (2014) describe employee performance to involve the quality and quantity of output, present at work, accommodative and helpful nature and timeliness of output. Sonnentag and Frese (2002) reviewing the definitions of employee performance conceptualized two distinctive but interrelated dimensions to it: action (or behavioral aspect) and an outcome aspect. The action or behavioral pertains to what the individual does at work that is relevant towards achieving the organizational goals, while the outcome aspect relates to the consequences of result pertaining to active behavior or action. The implication therefore is that Organizations are in need of employees possessing both attributes - which involves the capacity to meet up with the job demands and tailoring their efforts towards in such a way as to deliver products and services that enables the organization to actualize its objectives as well as gaining competitive advantage. Performance is also important for the individual. In turn accomplishing the job tasks and performing at a high level can be a source of satisfaction to the employee, prompting the feelings of mastery and pride. On the other hand low performing employees will generally feel a sense of dissatisfaction, which inevitably leads to low performance.

Relationship between Rewards and Performance

Rewards can be used to improve performance by setting targets in relation to the work given e.g. surpassing some sales targets. When the employee surpasses their target, he or she can be given an additional amount to their salary; this will make them strive to achieve more (Maund, 2001). Research has proven that when human beings are appreciated and praised they tend to improve their performance. This is another way an organization can apply as a reward so as to improve performance. Praise could be shown in the organization newsletter or in meetings. When managers take time to meet and recognize employees who have performed well, it plays a big role in enhancing employees' performance (Torrington & Hall, 2006). Organizations should reward employees more often. This greatly improves performance compared to having the rewards maybe only once a year. This is because frequent rewards are easily linked to the performance (Thomson & Rampton, 2003). Another way through which organizations can use reward systems to increase output is by personalizing the reward. When rewards tend to be so general, employees do not value them. Organizations can use rewards to improve employee performance by incorporating appraisal or promotion for employees who have a good record of performance. Managers should be on the lookout for employees who perform well.

Theoretical Review

The theoretical framework for this study is built on the Expectancy Theory as developed by Vroom in 1964, and later expanded and refined by the works of other scholars such as Porter and Lawler in 1968 and Pinder in 1987. Reason for this theory is to extend the

linkage between reward system and job performance in an organization. For this to work out there is need of much effort to put into work behavior by individuals with the following three things to consider such as valence, instrumentality and expectancy. All these factors are often referred to as 'VIE' and they are considered to influence motivation in a combined manner. Managers should therefore attempt to ensure their employees that increased effort will lead to higher performance which will hence lead to valued rewards. The relevance of this theory to the study is that NNPC has put up rewards that are supposed to be attractive so as to achieve a desired outcome which is employee performance. Thus employees have to exert effort in their work that will lead to a certain level of performance that is desirable by management, which will then result to a reward within the organization. It assume that the more reward an employee has the more chances the effort will lead him to a desired performance in a given organization.

Empirical Review

Axelsson and Bokedal (2009) carried out a study to examine how rewards motivating different generations at Volvo Car Corporation. The Research was based on a case study of Volvo Car Corporation in Goteborg. Empirical data was based on twenty interviews with managers at the company. Major findings showed that challenging work and non-monetary rewards motivate managers, bonuses and shares are not very motivating. Titles are not motivational at all. However, opportunities for growth are motivating for both generations. It was concluded that there exists generational differences. However, both generations considered salary as important and monetary rewards to be of great importance and can influence the behavior of the managers in a good way. Garlick (2009) carried out an online study of 1913 full-time employees and asked people to rank order 14 potential performance incentives in order of preference. These performance incentives included common extrinsic rewards such as salaries, cash bonuses, gift cards, award points, and travel awards, as well as intrinsic rewards such as having more freedom and autonomy at work, being able to choose interesting projects, and being assigned to mentor other employees. Not surprisingly, cash bonuses were listed as the most preferred incentive by three-out-of-four people (74%) surveyed. Nine-out-of-ten (89%) listed cash bonuses within their top three preferences. However, the primary issue the study investigated was whether offering cash bonuses really influenced employee behavior and attitudes, as well as other business outcomes. The results showed that offering a cash bonus exclusively does not seem to make much of an impact on performance, behavior and attitudes, despite the fact cash bonuses are nearly everyone's preferred reward. While cash bonuses are the most preferred reward for three-out-of-four, and among the top three rewards for nine-out-of-ten, those who only receive a cash bonus are just slightly more satisfied than those who get no reward at all. Furthermore, offering exclusively cash bonuses only seems to have very little impact on company performance, either in terms of increased customer service, or in increased profitability.

Ahmed and Ali (2008) carried out a research on the "impact of reward and recognition programs on employee motivation and satisfaction". Research design used was exploratory. Sample chosen for the study was 80 employees of Unilever companies and

data collection instrument used was a questionnaire. Pearson's correlation was used to analyze data to determine the degree of relationship between reward and satisfaction and motivation. Major findings indicated a positive relationship between rewards and work satisfaction as well as motivation. Factors affecting satisfaction were identified; payment 86%, promotion 74%, works conditions 61%, personal 37%. Analysis showed support for a positive relationship between reward and employee satisfaction. The researchers recommended that further studies can be done on 'impact of reward and recognition on motivation and satisfaction for diverse groups of people' example gender, race and disability. Jibowo (1977) carried out study on the effect of motivators and hygiene factors on job performance among a group of 75 agricultural extension workers in Nigeria. The study supports the influence of motivators/hygiene factors on job performance. In another study carried out by Centers and Bugental (1970) on the Relationship between rewards and employees performance in the cement industry in Pakistan by using Herzberg's two-factor theory of motivation, which separated job variables into two groups: hygiene factors and motivators. They used a sample of 692 subjects to test the validity of the two-factor theory. It was discovered that at higher occupational level, "motivators" or intrinsic job factors were more valued, while at lower occupational levels "hygiene factors" or extrinsic job factors were more valued. They concluded that an organization that satisfies both intrinsic and extrinsic factors of workers could get the best out of them.

The above studies reviewed have dealt with reward in organizations and its relationship with factors such as employee motivation, employee performance, employee satisfaction and effect on quality of work done. Overall the studies show reward to have a positive effect. However, different rewards seem to have a different impact on employee attitude, satisfaction and performance. This study will therefore find a way to fill in the gap by looking at how reward system has improved employees' job performance as well as how reduced rate of industrial action has influenced the implementation of reward system in Nigerian National Petroleum Corporation.

Methodology

The scope of this research is limited to the employees of Nigerian National Petroleum Corporation. It is assumed that responses obtained from the sample respondents of the Organization would be representative of the opinion of all employees of the company on the Assessment Effect of Reward System on Employee Performance: A Case Study Of Nigerian National Petroleum Corporation. The core aspect of the study is the use of cross-sectional survey in generating the required primary data. The population of study consists of the entire 40,568 (3,560 managers, 10,028 supervisors and 26,980 workmen) employees of Nigerian National Petroleum Corporation. A sample of 400 respondents was determined at 5% level of significance for sample error. According to Ogula (2005), when the population size is at least 40,000, the sample size is determined by using Yamane's 1967 statistical formula. The primary data for this research is by means of questionnaire which was administered to the employees of the Nigeria National Petroleum Corporation comprises of (Manager, Supervisor and Workman) that

constituted the case studies for this research. To assure the reliability and validity of the instrument, the researcher adopted standardized instrument through a stratified random sampling method in administrating the questionnaire. The questionnaire was designed to obtain a fair representation of the opinions of the 400 sample respondents from the three categories of employees' (managers, supervisors and workmen) using a three-point Likert type scale.

Data Analysis

The data of the sample respondents was presented through tables and interpreted using simple percentages while the formulated hypotheses were tested using the chi-square (X^2). A total of 400 copies of the questionnaire were administered, out of which 10 were not returned and 390 (98%) were used for analysis; Out of the 390 responses to the questionnaires (34 managers, 97 Supervisors and 259 workmen) in the organization. As stated earlier the response from managers, supervisors and workmen interviewed were categorized into two sections and based on the three questions the following response was gotten from the respondents.

- i. To what extent does your Organization implement reward system in compensating employees Job Performance for their contributions to the organization?

Table 1: Response on the extent organization implements reward system in compensating employee's performance.

Category of Respondents	Responses Provided			
	Large Extent	Mild Extent	Poor Extent	Total
Managers	4	8	22	34
Supervisors	10	17	70	97
Workmen	25	32	202	259
Total	39	57	294	390

Survey: Field Survey; 2019.

Table 1 indicates that a total of 39 i.e. 10.00 Percent of the entire respondents across the three categories of employees were of the opinion that their organization to a large extent implement reward system in compensating employees for their contributions to the organization. 57(14.62 Percent) respondents were of a mild extent opinion while 294 (75.38Percent) respondents were of the opinion that their organization to a poor extent implements fair reward system in compensating employees for their contributions to the organization. We therefore conclude that there is a strong evidence that Nigerian National Petroleum Corporation do not implement reward system in compensating their employees for their contributions to the organization as buttressed by the 75.38 Percent poor extent response of the sample respondents.

- ii. To what extent has reward system improved employees' job performance in Nigerian National Petroleum Corporation?

Table 2: Response on the extent reward system has improved employees' job performance in NNPC

Category of Respondents	Responses Provided			
	Large Extent	Mild Extent	Poor Extent	Total
Managers	21	5	8	34
Supervisors	75	15	7	97
Workmen	234	30	5	259
Total	320	50	20	390

Survey: Field Survey; 2019

Table 2 shows that a total of 320 i.e. 82.05% of the entire respondents across the three categories of employees were of the opinion that reward system has improved employees' job performance to a large extent in Nigerian National Petroleum Corporation; 50(12.82 Percent) respondents were of a mild extent opinion while 20 (5.13 Percent) respondents were of the opinion that reward system has improved employees' job performance to a poor extent in Nigerian National Petroleum Corporation. We therefore conclude that there is a strong evidence that improved employees' job performance in Nigerian National Petroleum Corporation is influenced by the implementation of reward system as buttressed by the 82.05% large extent response of the sample respondents. This suggests 82.05% of all the employees of Nigerian National Petroleum would most probably be motivated to improve their job performance by extrinsic (hygiene factors) than intrinsic rewards (motivational factors) since most of them are at low occupation level. This conclusion is supported by the empirical studies of Centers and Bugental (1970) which concludes that at higher occupational level, "motivators" or intrinsic job factors were more valued, while at lower occupational levels "hygiene factors" or extrinsic job factors were more valued.

- iii. To what extent has reduced rate of industrial action influenced the implementation of reward system in Nigerian National Petroleum Corporation?

Table 3: Response on the extent reduced rate of industrial action has influenced the implementation of reward system in Nigerian NNPC.

Category of Respondents	Responses Provided			
	Large Extent	Mild Extent	Poor Extent	Total
Managers	19	8	7	34
Supervisors	76	17	4	97
Workmen	220	32	7	259
Total	320	57	20	390

Survey: Field Survey; 2019.

Table 3 indicates that a total of 315 i.e. 80.77% of the entire respondents across the three categories of employees were of the opinion that reduced rate of industrial action is to a large extent influenced by the implementation of reward system in Nigerian National Petroleum Corporation. 57 (14.62%) respondents were of a mild extent opinion while 18(4.62%) respondents were of the opinion that reduced rate of industrial action is to a poor extent influenced by the implementation of reward system in Nigerian National Petroleum Corporation. We therefore conclude that there is strong evidence that reduced rate of industrial action in Nigerian National Petroleum Corporation is influenced by the implementation of reward system as buttressed by the 80.77% large extent response of the sample respondents. This conclusion is supported by the empirical studies of Jibowo (1977) which concludes that at higher occupational level, “motivators” or intrinsic job factors were more valued, while at lower occupational levels “hygiene factors” or extrinsic job factors were more valued.

Discussion of Findings

The questionnaires distributed among the 390 employees in NNPC comprises of (34 managers, 97 supervisors and 259 workmen) gave a valid response towards their understanding of the questions and as it relates to the development of the research questions, research objectives and development of research hypotheses. As stated in the analysis of findings, though the managers, supervisors and 259 workmen have different opinions on reward system on employees, but with response to the research question; the research hypotheses can be seen in the table below by using the expected frequency of Question 2 and 3 to calculate the calculated chi-square (X^2c) and compare with the tabulated critical value (X^2t).

Hypothesis 1

H_0 : Reward system has no significant improvement on employees' job performance in Nigerian National Petroleum Corporation.

Table 4: Expected Frequencies of Question Number 2 (from Table 2)

Category of Respondents/ workers	Responses Provided			
	Large extent	Mild extent	Poor extent	Total
Managers	21	5	8	34
Supervisors	75	15	7	97
Workmen	224	30	5	259
Total	320	50	20	390

Survey: Field Survey; 2019.

Table 4 shows the expected frequencies for (question 2 in table 2) where a total of 320 respondents across the three categories of employees were of the opinion that to a large extent reward system has no significant improvement on employee job performance in Nigerian National Petroleum Corporation; 50 respondents were of the opinion that to

mild extent reward system has no significant improvement on employee job performance in Nigerian National Petroleum Corporation while 20 respondents across the categories of employee were of the opinion that to poor extent reward system has no significant improvement on employee job performance in Nigerian National Petroleum Corporation. The study therefore concludes from the table that a gross total of 390 respondents of the three categories of employees comprises of 34 managers, 97 supervisors and 259 Workmen were of the opinion that reward system has no significant improvement on employee job performance in Nigerian National Petroleum Corporation.

Table 5: Computation of Chi-square Critical Computed Value (X^2_o) from Table 4

Fo	Fe	(Fo-Fe)	(Fo-Fe)/Fe	(Fo-Fe) ² /Fe
21	27.90	-6.90	-0.2473	0.0612
5	4.36	0.64	0.1468	0.0215
8	1.74	6.26	3.5977	12.9435
75	79.59	-4.59	0.0577	0.0033
15	12.44	2.56	0.2058	0.0423
7	4.97	2.03	0.4085	0.1668
224	212.51	11.49	0.0541	0.0029
30	19.92	10.08	0.5060	0.2561
5	13.28	-8.28	0.6235	0.3887
				$X^2_c=13.8863$

Survey: Field Survey; 2019

Degree of Freedom (df) = (r - 1) (c-1) = (3-1) (3-1) = 4.

Decision Rule: Reject H_o : if $X^2_c > X^2_t$,

Accept H_o : if $X^2_c < X^2_t$.

Chi- square critical table value (X^2_t) = $X_{0.05} = 9.49$

Chi-square critical computed value (X^2_c) from table 5 = $X^2_c = 13.8863$ (see appendix one).

Since $X^2_c > X^2_t$ i.e. $13.8863 > 9.49$, we reject the null hypothesis and accept the alternative hypothesis that reward system has improved employees job performance in Nigerian National Petroleum Corporation as buttressed by the 82.05% large extent response of the sample respondents in Table 2.

Hypothesis 2

H_o : Reduced rate of industrial action does not influence the implementation of reward system in Nigerian National Petroleum Corporation.

Table 6: Expected Frequencies of Question Number 3 (from Table 3)

Category of Respondents/Workers	Responses provided			
	Large extent	Mild Extent	Poor Extent	Total
Managers	19	8	7	34
Supervisors	76	17	4	97
Workmen	220	32	7	259
Total	315	57	18	390

Survey: Field Survey; 2019.

Table 6 shows the expected frequencies for (question 3 in table 3) where a total of 315 respondents across the three categories of employees were of the opinion that to a large extent reduced rate of industrial action does not influence the implementation of reward system in Nigerian National Petroleum Corporation; 57 respondents were of the opinion that to mild extent reduced rate of industrial action does not influence the implementation of reward system in Nigerian National Petroleum Corporation while 18 respondents across the categories of employee were of the opinion that to poor extent Reduced rate of industrial action does not influence the implementation of reward system in Nigerian National Petroleum Corporation. The study therefore concludes from the table that a gross total of 390 respondents of the three categories of employees comprises of 34 managers, 97 supervisors and 259 Workmen were of the opinion that reduced rate of industrial action does not influence the implementation of reward system in Nigerian National Petroleum Corporation.

Table 7: Computation of Chi-square critical computed value (X^2_c) from Table 4

Fo	Fe	(Fo-Fe)	(Fo-Fe)/Fe	(Fo-Fe) ² /Fe
19	27.46	-8.46	-0.3081	0.0949
8	4.97	3.03	0.6097	0.3717
7	1.57	5.43	3.4586	11.9619
76	78.35	-2.35	-0.0300	0.0009
17	14.18	2.82	0.1989	0.0395
4	4.48	-0.48	-0.1071	0.0115
220	209.19	10.81	0.0517	0.0027
32	37.85	-5.85	-0.1546	0.0239
7	11.95	-4.95	-0.4142	0.1716
				$X^2_c=12.6786$

Survey: Field Survey; 2019

Degree of Freedom (df) = (r - 1)(c-1) = (3-1)(3-1)=4.

Decision Rule: Reject H₀: if $X^2_c > X^2_{\alpha}$, Accept H₀: if $X^2_c < X^2_{\alpha}$

Chi- square critical table value (X^2_c) = $X^2_{0.05} = 9.49$.

Chi-square critical computed value (X^2 from table 7 = $X^2_c=12.6786$ (see appendix two). Since $X^2_c > X^2_i$ i.e. $12.6786 > 9.49$, we reject the null hypothesis and accept the alternative hypothesis that reduced rate of industrial action is influenced by the implementation of reward system in Nigerian National Petroleum Corporation, as buttressed by the 80.77% large extent response of the sample respondents in Table 3.

Conclusion

The study is aimed to assess reward system in N.N.P.C and its impacts on Job performance. As discussed at the beginning of this research, there has been a paradigm shift from a narrow based reward structure involving corporations making rewards with pay, to one which incorporates other rewards both intrinsic and extrinsic, which are valued by contemporary workforce that needs global attention. Assessing reward system within an organization can be said to be difficult and can easily go wrong with extremely bad consequences for both organizational performance and productivity. Performance output focused on quite a number of aspects of human resource management such as learning, training and development, coaching as well as reward schemes and structures and it also assumes that employees expect fairness when being rewarded for work done and may become dissatisfied whenever they feel their inputs are not being fairly rewarded which will reduce their input or seek change/improvement.

Recommendations

Arising from the findings of this Research, it is suggested that Nigerian National Petroleum Corporation should take the following measures as a recommendation to ensure fairness in its reward system; there should be Regular review of reward system to ensure that employees keep having a better perception of their work, their workplace and the people they work for, which may dovetail into increased productivity and profitability. Rewarding people for the value create encouragement by being more creative, innovative and entrepreneurial in discharging their duties. At this juncture, intrinsic factors are valued more than extrinsic factors. Alignment of reward practices with business goals and employee values create room for industrial harmony between the two parties in the employment contract because their expectations would be integrated and satisfied and Reward the right things convey the right message about expected behaviors and outcomes to the employees, since reinforced behaviors have a greater probability of being repeated.

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