Organizational Reward System and Staff Productivity in Nigeria Public Sector Organization: A Study of Nigeria National Petroleum Corporation (NNPC) Abakaliki

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ABSTRACT
The purpose of managing the system of rewards within an organization is to attract and retain the human resources the organization needs to achieve its objectives through staff productivity. This paper had as its broad objective to examine the relationship between organizational reward system and staff productivity in Nigeria public sector organization with the Nigeria National Petroleum Corporation (NNPC) Abakaliki as the focal study. The paper adopted descriptive survey design, with the theoretical Framework anchored on the Expectancy Theory propounded by Victor Vroom in 1964. The instrument used for data collection was structured questionnaire administered on a sample size of 81 staff of NNPC. Meanwhile, the Chi-square statistical tool was used in analyzing data gather from the survey. Findings revealed that performance appraisal is significant in boosting workers effort at improving their productivity in the public sector. That regular promotion of workers as at when due, give them a sense of belonging in the public sector to inject more effort towards higher staff productivity. Likewise, the payment of hazard allowance gives workers the morale to fully commit to the organization, thereby contributing substantially to the growth of public organization. Based on the findings, the study recommended amongst others that public organizations should constantly ensure that they carry out performance appraisal in order to reward the workers and gain more effort from them to improve productivity. Constant promotion of workers is needed to ensure that they attain their expected status in comparison with their other colleagues in other sector.
Keywords: Reward System, Staff Productivity and Public Sector Organizations.

INTRODUCTION
The optimum performance of corporate organization, which determines its survival and growth, depends to a large extent on the productivity of its workforce. [1] aver that because organizations have to perform optimally and compete effectively, they must make optimum use of the resources they have, of which human resources is deemed the most important. Hence, for any organization to enhance staff productivity and function effectively, it should have an in-depth understanding of the staff’s needs that should inform the organization’s appropriate reward systems. In order to get the best from the human resource, staff motivation through an effective organizational reward system is essential.
Organizational reward system refers to the ways by which workers in organization can be motivated to put more effort that will lead to attainment of organizational goals [2]. In other words, it depicts those motivational tools which an organization adopts to reward their workers for higher or improved productivity. [3] avow that these rewards or incentives vary from one organization to another and they include: good salary
and wages, job security, adequate medical care, canteen services, pension scheme, vacation and holiday practice, housing, transport and company attitude towards employee's physical working conditions such as office accommodation, etc. To retain the services of employees and maintain a high level of performance, it is necessary to increase their motivation and commitment through a better reward system. [4] argue the purpose of managing the system of rewards within the organization is to attract and retain the human resources since the organization has to achieve its objectives through its staff productivity.

Staff productivity according to [5] is the capability of the workers in attaining a level of activity or result at lesser resource consumption. Hence workers have to be motivated through rewards to put in their absolute best at work in achieving the necessary outputs from little resources, always with a view to maintaining optimum output. An effective organizational reward system is therefore an important tool that can lead to staff productivity. Consequently, the problem of how to make employees work harder for the interest of the organization and for their own interest becomes a fundamental one. In fact, the issue of low productivity and mobilization of the employees is one of the major problems that occupy the attention of the management and administration in most formal organizations like the Nigeria public sector organizations. It appears that one of (if not) the most undermining factors of staff productivity in Nigeria public sector organizations is that there is no effective rewarding system such as payment of hazard allowances, promotion, job security, adequate medical care, housing, etc. with productivity retarded.

The Nigerian National Petroleum Corporation (NNPC), Abakaliki is confronted with challenges of getting the best out of workers vis-à-vis an effective organizational reward system. Over the years, there were cases files got missed, cabined get jammed delaying the presentation of certain information about the staff, destruction of files and record in the case of fire outbreaks, time required to record as presenting an information and also the cost of purchasing files, papers, furniture and fixtures, especially electronic gadgets, lack of effectiveness in this method of handling sensitive document. The files of the members of staff contains bio data, productivity, assessment, information, previous achievements and work experience and inability either on the aforementioned situations to audit these files obstructs the rewarding system or its procedures like in promotion, increase in payments and other fringe benefits, payment of hazard allowance, etc.

The argument is therefore that productivity is on the increase or decrease relating on the system of reward the members of staff receive. If the member of staff is not rewarded either as a result of the aforementioned condition or no strategic
rewarding formula, productivity is affected. Therefore, in order to determine the relationship between reward and productivity in the organization, the following research questions were formulated to guide the study:

1. To what extent does NNPC conduct of formal appraisal assist her staff get the reward due to them?
2. To what extent does prompt promotion enhance the performance of NNPC Staff?
3. To what extent does payment of hazard allowances increase productivity level of NNPC staff?

**Objectives of the Study**

The broad objective of the study is to examine the organizational reward system on staff productivity in public sector organization using NNPC Abakaliki as the place of the study. The specific objectives derived include:

1. To determine the extent to which NNPC conduct of formal appraisal assist her staff get the reward due to them.
2. To ascertain the extent to which prompt promotion enhance the performance of NNPC Staff.
3. To find out the extent to which payment of hazard allowances increase productivity level of NNPC staff.

**Research Hypotheses**

The following hypotheses were formulated to guide the study:

1. NNPC conducts of formal appraisals have not significantly assisted her staff to get reward due to them.
2. Prompt promotions by NNPC have not enhanced the performance of NNPC Staff.
3. Payment of hazard allowances has not significantly influenced NNPC staff performance at work.

**METHODOLOGY AND THEORETICAL FRAMEWORK**

Accordingly, this study employed the descriptive survey research design with The Nigerian National Petroleum Corporation Abakaliki as the study area with a population of 81 staff. The Chi-Square statistical tool was employed in analyzing primary data got through structured questionnaire. Meanwhile, the paper’s theoretical framework is situated within the ambit of the Expectancy Theory by Victor Vroom (1964). According to the theory, the strength of a tendency to act in a certain way depends on the strength of an expectation in that act will be followed by a given outcome and on the attractiveness of that outcome to the individual, the theory tries to explain that an employee will be motivated to exert a high level of effort when he or she believes that effort will lead to a good performance appraising reward; that a good appraisal will lead to organizational rewards such as a bonus, a salary increase, or a promotion, and that the rewards will satisfy the employees personnel goals [6].

The theory therefore focuses on three relationships viz: effort-performance relationship, performance-reward relationship: reward-personnel goals relationship [7]. The relevance of Victor Vroom Expectancy Theory to this study is that it recognizes that reward of the staff of public organization encourages them to put more effort to work thereby improving organization performance. This has opened new vistas for NNPC and other public organization to place premium on rewarding their staff through formal performance appraisal, payment of entitlements, prompt promotion, provision and payment of hazard allowances.

**Conceptual Discourse**

**The Concept of Reward System**

Reward is a broad construct that has been said to represent anything that an employee may value that an employer is willing to offer in exchange for his or her contributions [8]. Reward system according to [9] 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 organisation and the people working there. [10] define reward system to include all organisational 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 organisation. In both definitions, the emphasis is on reward system as a means of stimulating positive employees’ work behaviour towards the actualization of the organisational goals and objectives. Reward systems can be traced back to the scientific management era where management principles and philosophies were developed some of which are still existing today [11]. Reward systems played an important role in this era in the success and implementation of this philosophy of scientific management. It all started with the American Society of Mechanical Engineers who was the first promoter of management. It was in 1895 that Taylor made the first formal presentation in a paper titled “A piece-rate system: A step toward partial solution of the labour problem” [12]. There are different parts of a reward system. The first include the monetary part which is the most common part of every reward system. It is not necessarily the most important part of the system but has a high motivating impact on employee performance. It is the financial part of reward [13]. There are three main categories of the monetary part of a reward system viz: ‘Performance base salary-increase’ whereby organizations pay salaries to their employees after every fixed period of time. There is also the ‘Short-term incentive plans’ which is a cash bonus given mostly to managerial level staff based on performance measured over a short period of time usually less than one year. Then the ‘Long-term incentive plans’ which describes rewards that are based on performance measures over longer time periods than.

The non-monetary aspects of reward refers to intangible non-cash rewards such as scope to achieve and exercise of responsibility, career opportunities, health care, learning and development, career progression, the intrinsic motivation provided by the work itself and the quality of working life provided by the organization. A word of appreciation and certificates of recognition are other forms of non-monetary part of a reward system. Nonmonetary part of a reward system creates a long term effect on employee commitment than the monetary part. However, an effective reward system must contain both monetary and non-monetary components [14]. Rewards systems can either result in intrinsic motivation or personal growth motivation. Intrinsic motivation is the type that comes from within the individual, a feeling of being proud of something, feeling content and happy by something that you have done. On the other hand, personal growth motivation is the type that is brought to you by another person or an organization [15]. Furthermore, extrinsic rewards can be monetary or non-monetary. The monetary part is usually a variable compensation which is separated from the salary. It is received as an outcome of extraordinary performance or as an encouragement. It can be either individually based or group based. The conditions to obtain these reward systems are often set in advance as well as the performance needs to be expressed in a measurable form [16].

**Staff Productivity**

Staff productivity is an assessment of an employee’s or a group of employees’ efficiency [17]. It is evaluated by looking at the total workforce or employee output in a given time. In most cases, the productivity of an individual will be assessed in comparison to the average output of other employees doing similar work. [18] aver that productivity is a measurement or calculation of input and output ratio. Inputs are the amount of resources such as human resources,
money, time, physical, technology and effort spent working in the organization, while output are the result. If the inputs are equivalent to the outputs, the worker is considered productive. Furthermore, according to [19], productivity is the relationship between output of goods and services and input of resources, and human, used in the production process. In order words, productivity is the ratio of output to input. The higher the numerical value of this ratio, the greater the productivity.

When staff is productive, it contributes other benefits to the organisation. For one thing, lazy employees who do not get disciplined and are otherwise treated the same as hard-working employees demotivate the others [20]. To the same purpose, a highly productive employee, particularly one who is rewarded for his hard work, can motivate other employees, boosting morale and making a better environment for the organisation as a whole. When employees are productive, it can increase the organization’s revenue, and in turn, the organisation may choose to offer incentives to its employees [21]. Failure to reward a productive staff can demotivate the whole team. Furthermore, in situation where organisation shares some of its success with employees in the form of pay rises, bonuses and improved benefits, employees can become more motivated and increase productivity. Additionally, this increased revenue can result in the organisation growing and bringing on even more employees. Productive employees can also benefit customers because highly productive employees provide speedier and higher-quality customer service than those who are unproductive. If employees are rewarded for their productivity and are highly motivated, this can result in even better customer service and interactions. Naturally, great customer service can result in customer loyalty and word-of-mouth advertising, which can in turn bring further revenue for the organization [22].

**Public Sector Organizations**

Public sector organizations are entities that have been formed to manage the policy and operating requirements that enable a government to achieve its goals of public governance [23]. The Public Sector is usually comprised of organizations that are owned and operated by the government and exist to provide services for its citizens. Similar to the voluntary sector, organizations in the public sector do not seek to generate a profit [24]. Funding for public services are usually raised through a variety of methods, including taxes, fees, and through financial transfers from other levels of government (e.g. from a federal to a provincial or state government). Different governments from around the world may employ their own unique method of funding for public services [25].

The public sector employs workers through the federal, state or local government. Typical civil service jobs are in healthcare, teaching, emergency services, armed forces, and various regulatory and administrative agencies [26]. Workers are paid through a portion of the government’s tax dollars. Public sector workers tend to have more comprehensive benefit plans and more job security than private sector workers; once a probationary period concludes, many government positions become permanent appointments. Moving among public sector positions while retaining the same benefits, holiday entitlements, and sick pay is relatively easy while receiving pay increases and promotions is difficult [27]. Working with a public agency provides a more stable work environment free of market pressures, unlike working in the private sector.

The Nigeria National Petroleum Corporation (NNPC) is an example of public sector organization which operates in the oil and gas sector of Nigeria economy. The body is responsible for regulating the activities of oil explorers and marketers in the sector. In addition, they have established retail outlets across...
Nigeria where petroleum products are sold on pump to car users and other categories of people that use their products. The Abakaliki Branch is located along Enugu Expressway just opposite the Nigeria Television Authority (NTA), Abakaliki.

Performance Appraisal and Public Sector Organizational Reward System

The importance of performance appraisal to organizational reward system cannot be overstated. According to [28], performance appraisals are often developed mostly in the public sectors to reward or recognize employee(s) for a job well done. The Author added further that once the performance appraisal is done, incentives follow immediately and beneficiaries are paid the necessary benefits. But when appraisal is delayed this hardly come across the away of the workers. The resultant effect of the formal situation is that the works show more commitment to work since they see before their very eyes the genuine care from management towards them. But in the later situation, the workers may feel demoralize and show less concern or commitment to work. This will retard productivity level of the organisation. [29] submits that performance appraisal is a kind of motivation for high performers and also serves as a challenge for the low performers. For the high performers there are reward they receive which could equally involve monetary gifts or materials. For the low performers, they are offered training and this allow such employees to acquire and obtain more and specific skills, capacities, knowledge, information and talents that will be needful in his/her subsequent task. However, both managers and employees of high performance should be continually trained as to be able to provide objective input. [30] indicated that employees are often satisfied with jobs only when it affords them the opportunity to apply their skills and abilities, freedom, as well as adequate training and seminars which creates avenues for their enhancement and self-development. In Nigerian public sectors, employees are given feedback on their level of performance with a realistic period and support in improving their performance through adequate training and developmental programmes. [31] explained that it has been a culture in Nigeria public sectors that when appraisal are done, they are often linked with bonuses which is given to workers without delay but if such appraisal had not been carried out, it would delay such benefits. Also, it was also observed that appraisal system in the Nigeria public sectors does not always ensure that high performer employees are treated fairly with regard to both the appraisal and resulting promotions. [32] pointed that employees get motivated to work when they get frequent promotions after appraisal system in their work place. While some also argued that that factors such as training, career development and appreciation are offshoot of performance appraisal. They give employees greater sense of belonging at work and this will either directly or indirectly influence their satisfaction on the job.

Impacts of Promotion on Staff Productivity in NNPC

Promotion is an increase in the responsibility and position of a labor or employee at a field. Promotions refer to some indicators according to [3] are as follows: (1) Increased Responsibilities, (2) Increased Duties, (3) Enhancement Rights, (4) Improvement Authority. Promotion comes with financial and material entitlement such as addition of wages or salaries as well as other allowances, provision of official cars, houses among others. [8] noted that promotion is evidence of recognition of employee performance and enhances their productivity. Someone who promoted will be considered to have a good performance on the job. Promotions are very important because the promotion means the stability of the organisation and employee morale will be more assured. Employees who are aware that they will never be promoted will degrade..
its performance, until they think there will be opportunities to be promoted in the future.

In addition to other factors of job satisfaction, job satisfaction is determined by satisfaction with the promotion [11]. Similarly promotion makes morale high, it will create employees who excel where jobs can be resolved quickly, absenteeism can be reduced, the damage can be reduced and the possibility of transfer of employees to other organisation can be minimized. Working morale and job satisfaction greatly affect the achievement of corporate goals [15]. [18] noted that promotion comes with good and improved remuneration and when the organisation adopt them it increase their workers performance and thereby increase the organization productivity. The author however noted that in order to exert the best from the employees' promotion should not only be considered as a means of merely rewarding employees but also should be taken as a means towards placement of employees in positions they fit. In this view, promotion touches not only the welfare of the employee but also that of an organization (employer). Therefore, Promotion of employees in organizations should be carefully implemented by following specific policies and procedures.

**Impacts of Hazard Allowance on Staff Productivity in NNPC**

Hazard Allowance is a form of extra compensation given to employees for performing dangerous duties [9]. Organisation may choose to give hazard pay to workers whose jobs involve extreme physical discomfort or distress – especially if protective devices will not entirely mitigate the danger or hardship involved. Hazard pay compensates an employee for duty that could result in serious injury or death. Generally, this payment is in addition to regular hourly wages or salary. An employee will generally only receive hazardous duty pay for the hours worked in hazardous conditions. There is no legal definition of when to pay hazard allowance but some common examples include: war zones, hostile locations, healthcare facilities, mining construction, dangerous or extreme weather as well as selling products whose odor is not good for health such petrol. In Nigeria, hazard allowance is paid to workers who work in the aforementioned areas.

[31] clearly notes that payment of hazard allowances to workers give them to courage to be dedicated at work and do not fear cost of any challenge that may arise as the bonuses paid to them as health allowance cushion off the effects. He however blamed the productivity of Nigerian workers on several factors among them is employer's failure to provide adequate compensation for hard work. This consequently reduce their productively rewards system cause increase in motivation and job satisfaction which also leads to increase in organizational performance. [12], explained that provision to cushion the effects of work hazard entice the workers to see the government as genuine caregiver to the workers and they provide the yardstick for the workers to commit fully into the place of work. This at the end encourages staff retention especially the quality staff whose input contributes the growth of the organization. The productivity level of the organization equally increases and the customers feel satisfied for the services they receive. [24] submitted that payment of hazard allowance to workers that works in places considered as inimical to life and health make the workers to feel at home and commit much effort the organization. The workers use the financial benefits given to them to meet their various need. Even at most time, they workers encounter no hazard at work yet they are paid the hazard allowance. In such situation, the fund paid is usually to meet other needs. This situation still encourages the workers to keep working with the organizations thereby adding their
DISCUSSION OF FINDINGS

The findings of the study show that NNPC conduct of formal appraisal make workers to be committed to work. This is because performance appraisal results to increment of salary paid to workers in the normal monthly salary attracts nonfinancial rewards such as official car for the management of public organization and make them grow, receive necessary incentives attached and contribute effectively to organisation growth.

Table 1: Chi-Square Table

<table>
<thead>
<tr>
<th>Oi</th>
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<td>8</td>
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<td>256</td>
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Degree of freedom (df) or critical value (r-1) (c-1) Cell x row = (C-1) ( R-1)
Where R = 4  C = 2
Therefore df= (4-1) (2-1)
= 3 x 1  df
Critical value at 3 df is 7.488

Since the tabulated value of x (28.45) is greater than the critical value 7.488, the null hypothesis which says that is NNPC conduct of formal appraisal have not significantly assisted her staff to get reward due to them is rejected. The views of the respondents agrees with [19] who avows that performance appraisal is a kind of motivation for high performers and also serve as a challenge for the low performers. Therefore NNPC conducts of formal appraisal have significantly assisted her staff to get reward due to them.

Table 2: Chi-Square Table

<table>
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<td>Total</td>
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Degree of freedom (df) or critical value (r-1) (c-1) Cell x row = (C-1) ( R-1)
Where R = 4  C = 2
Therefore df= (4-1) (2-1)
= 3 x 1  df
Critical value at 3 df is 7.488

Since the tabulated value of x (40.4) is greater than the critical value 7.488, the null hypothesis which stated that prompt promotions by NNPC have not enhanced the performance of NNPC Staff is rejected. The result of the second hypothesis revealed that greater number of the respondents agreed that prompt promotion enhance the performance of NNPC Staff. Specifically, they believed...
that promotion of NNPC staff give them the opportunity to grow and attain their desired status in the organization and inject knowledge garnered to improve the organization, make them at par with their colleagues and generates feeling at home with the organization and promotion benefits encourages the workers to be more committed to duty in work place. This view is in line with that of [27] explained that the main reason behind organization’s practicing promotion is first to enhance employee motivation and ultimately achieving organizational success; and second, to ensure achievement of the interests of individual employees. Therefore it is concluded that prompt promotion by NNPC have not enhanced the performance of NNPC Staff.

Table 3: Chi-Square Table

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<tr>
<th>Oi</th>
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<td>30</td>
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Critical value at 4 df is 7.488

Since the tabulated value of x (30) is greater than the critical value 7.488, the null hypothesis which says that payment of hazard allowances has not significantly influenced NNPC staff performance at work is rejected. From the foregoing, the responses of the respondent show that they agreed that payment of hazard allowances increase productivity level of NNPC staff. They believed that payment of hazard allowances encourages retention of experienced staff whose input help improve organization productivity, hazard allowance paid to workers due to hazardous nature of their work help them take care of their health and be punctual to work. Also, payment of hazard allowances eliminates indiscipline of the workforce which could hamper productivity and makes workers to avoid strike actions which is inimical to adequate service delivery in NNPC. Their suggestion is line with that of [6] who noted that payment of hazard allowances to workers give them to courage to be dedicated at work and do not fear cost of any challenge that may arise as the bonuses paid to them as health allowance cushion off the effects. This goes to show that payment of hazard allowances has not significantly influenced NNPC staff performance at work.

CONCLUSION AND RECOMMENDATION

Productivity is significant for the success, expansion and growth of every organization whether public or private. In order to actualize this set objectives, the organization take appropriate care of the workers who translate the goals and objectives of such organization to actions to promote productivity of the organization. One significant method to boost workers morale to contribute to improved productivity is provision of reward system. Reward system is a method of recognition of workers contribution to organisational growth. Performance appraisal, promotion and payment of hazard allowances have all been shown to contribute to growth of the organization. Hence the need for not only the public sector but also the private sector to see rewarding of their staff as significant to growth of the organization. Based on findings revealed, the study therefore recommends that Nigeria public sector organizations should constantly ensure that they carry out performance appraisal in order to reward the workers and exert more effort from them to improve productivity. Constant
promotion of workers is needed to ensure that they attain their expected status in comparison with their other colleagues in order sector. This will give them courage to work more in the organization. Most importantly, there should be upward review and constant payment of hazard allowances in order to motivate the workers to put more efforts at work. Promotion criteria should be easy in order to give room for many workers to be promoted on time as it will give them the morale to work more and government should ensure that all benefits associated with performance appraisal and promotion are paid to workers on time.

REFERENCES