



## REWARD MANAGEMENT AND EMPLOYEES PERFORMANCE IN MANUFACTURING FIRMS IN SOUTHEAST, NIGERIA

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### **Abstract**

*This study is on reward management and employees' performance in manufacturing firms in southeast, Nigeria. The broad objective of the study is to investigate reward management and employees' performance in manufacturing firms in southeast, Nigeria. While the specific objectives are to examine the effect of promotion on employees' productivity and evaluate the effect of recognition on employees' commitment in manufacturing firms in southeast, Nigeria. This study employed a longitudinal survey research design. The area of the present study is South-Eastern, Nigeria. The population of the study is 5,011 and the study sample size 895 respondents. The data were analyzed and presented in frequency and percentage tables. Regression statistical tools was used to test the hypotheses with the aid of SPSS Version 26. The findings of the study revealed that promotion does have significant effect on employees' productivity in manufacturing firms in southeast, Nigeria. And that recognition does have significant effect on employees' commitment in manufacturing firms in southeast, Nigeria. It concluded that promotion significantly influences employees' productivity, while recognition has a notable impact on employees' commitment within these organizations. Therefore, implementing effective reward management strategies tailored to the specific needs and preferences of employees in manufacturing firms in southeast Nigeria can lead to improved productivity and commitment levels among the workforce. The study among other things recommended that employers should establish a clear and transparent promotion system based on meritocracy and performance evaluation. This will motivate employees to work harder to achieve promotions, leading to increased productivity within the organization.*

**Keywords:** Reward, Management, Employees, Performance, Manufacturing firms.

### **Introduction**

#### **Background of the study**

Business organizations operate within a global landscape where retaining market share is a paramount challenge. To address this, effective rewards systems are utilized to attract, retain, and motivate employees, viewed as crucial tools for organizational success (Okeke et al., 2020). It is widely acknowledged that any reward system failing to motivate employees is deemed ineffective, as employees, in pursuit of their daily needs, seek compensation for their contributions to the organization (Okeke et al., 2020). Consequently, organizations without a genuine concern for their workers' welfare are perceived as destined for failure.

Diverse types of rewards, such as extrinsic and intrinsic, financial and non-financial, performance-based, and

member-based, are employed by organizations to incentivize employees for optimal performance, aligning with organizational objectives (Okeke et al., 2020). In the global age, the quest for competent and motivated employees is paramount for organizations aiming to secure a broader market presence. Consequently, understanding what motivates employees becomes crucial for organizations to harness their best contributions (Onuegbu&Ngige, 2018).

The performance of manufacturing firms is intricately linked to how their employees are rewarded, utilized, and provided with conducive working environments (Okoli I.E., 2018). In essence, employees constitute the foundation of an organization's existence, recognized as a critical source of competitive advantage in today's competitive environment (Mbah et al., 2015). The

willingness of employees to leverage their skills and knowledge significantly influences organizational success (D. Tuvei et al., 2016). Affirming this, Roshna and Rohan (2016) emphasize that employees are the assets and brains driving the processes within an organization, serving as the backbone of corporate survival.

However, the management of rewards becomes pivotal, as employees compare what they receive with their perceived contributions. When there is a perceived imbalance, where employees feel their efforts surpass the rewards received, it signals a flaw in the rewards management system. Such discrepancies can undermine employee commitment, potentially impacting organizational performance adversely (Okoli et al., 2020). Therefore, organizations need to carefully manage their rewards systems to ensure alignment with employee contributions, fostering a positive and mutually beneficial work environment. It is against this backdrop that the researcher seeks to investigate reward management and employees' performance in manufacturing firms in southeast, Nigeria.

### **Statement of the Problem**

The process of implementing an effective reward system is often thwarted by the complexities associated with choosing suitable motivational tools. Additionally, constraints related to financial resources pose a significant barrier to the execution of reward programs. Furthermore, the resistance of some organizational leaders to embrace and implement these initiatives further compounds the challenges faced in establishing an effective reward system.

It is evident that individuals within organizations draw motivation from both monetary and non-monetary rewards. Total remuneration encompasses financial rewards (both fixed and variable) and non-financial rewards such as praise, achievement, responsibility, freedom, job satisfaction, job security, and personal growth. Every employee possesses a unique set of motivations and incentives that drive their effort expenditure, ranging from financial considerations to non-financial aspects like recognition, career advancement, or job security.

The dichotomy between financial and non-financial rewards emerges as a crucial aspect of motivation, with both recognized as effective tools for inspiring workers and subsequently enhancing performance. Despite this understanding, there appears to be a reluctance among most employers to embrace and implement comprehensive reward systems. This reluctance contributes to a negative impact on employee performance, highlighting the need for organizations to overcome these barriers and actively adopt holistic reward strategies. By doing so, organizations can cultivate a motivational environment that caters to the diverse needs of their workforce, ultimately fostering improved employee performance and contributing to the attainment of organizational objectives. There is need therefore, to investigate reward management and

employees' performance in manufacturing firms in Enugu State.

### **Objectives of the study**

The broad objective of the study is to investigate reward management and employees' performance in manufacturing firms in southeast, Nigeria. Specifically, other objectives are:

- i. To examine the effect of promotion on employees' productivity in manufacturing firms in southeast, Nigeria.
- ii. To evaluate the effect of recognition on employees' commitment in manufacturing firms in southeast, Nigeria.

### **Research questions**

- i. What is the effect of promotion on employees' productivity in manufacturing firms in southeast, Nigeria?
- ii. What is the effect of recognition on employees' commitment in manufacturing firms in southeast, Nigeria?

### **Statement of Hypotheses**

**Ho1:** Promotion does not have significant effect on employees' productivity in manufacturing firms in southeast, Nigeria.

**Ho2:** Recognition does not have significant effect on employees' commitment in manufacturing firms in southeast, Nigeria.

### **Scope of the Study**

The topic of this study is reward management and employees' performance in manufacturing firms in southeast, Nigeria. Geographically, this study focuses on selected manufacturing firms in southeast, Nigeria. The independent variable of the study is reward management, which is proxied by promotion and recognition. The dependent variable of the study is on employees' performance which is proxied by employees' productivity and employees' commitment. The unit of analysis is the employees of the selected manufacturing firms in southeast, Nigeria.

## **REVIEW OF RELATED LITERATURE**

### **Conceptual Review**

#### **Reward**

Reward is defined as the compensations provided to employees by their superiors, constituting what employees receive in acknowledgment of their positive contributions to the organization (William and Werther, 2016). This compensation can take various forms, including monetary, non-monetary, or psychological payments granted to employees in exchange for their tasks in the workplace (Kreitner, 2014; Bratton & Jeff, 2012). It encompasses all financial returns, tangible services, and benefits that an employee derives from their employment relationship (Malhotra, Powan, & Peter, 2017). Furthermore, it is regarded as any valuable offering provided to employees in

recognition of their positive contributions to the organization (Okioga, 2012), acting as a form of "payback" for commendable actions within an organizational context. Serman (1994), as cited in Okioga (2012), emphasizes that organizations failing to reward creativity and originality are destined to face challenges. Thus, reward not only serves as an expression of appreciation for outstanding performances but may also instigate a heightened level of commitment, potentially enhancing employee retention within an organization.

Various forms of rewards recognized in the literature include promotion, pay increase, monetary incentives, employee benefits, status symbols, recognition, and praise (Okioga, 2012). Chiobiwa et al. (2010) also identify salary, promotion, bonuses, and other incentives as forms of organizational rewards. These rewards are often classified in different ways; for instance, Porter and Lawler (1968), as cited in Nujoo and Meyer (2012), classify rewards as extrinsic and intrinsic. Extrinsic rewards, external to the job, include competitive salaries, pay raises, and merit bonuses (Mahaney and Lederer, 2016). These are primarily associated with financial incentives. In contrast, intrinsic rewards are predominantly non-monetary and encompass elements such as status, recognition, praise, and personal satisfaction (Mahaney and Lederer, 2016). Intrinsic rewards are known to have a sustained impact on employees (Ali et al., 2016).

Weatherly (2012) offers another classification, categorizing rewards as either monetary or non-monetary. Monetary rewards involve tangible elements such as pay and bonuses, while non-monetary rewards consist of intangible aspects such as praise and recognition. This multifaceted nature of rewards underscores their importance as powerful motivators, influencing employee satisfaction, commitment, and overall organizational success.

### **Reward Management**

Agbaeze et al. (2017) define reward management as the comprehensive process encompassing the development and implementation of strategies, policies, and systems aimed at fostering organizational success in achieving its objectives. This involves the attraction and retention of necessary personnel, as well as the enhancement of motivation and commitment among employees, as articulated by Armstrong (2012). Armstrong further contends that reward management extends beyond the mere creation of strategies and policies; it is intricately tied to the cultivation of appropriate organizational cultures, accentuating core values, and improving employee motivation and commitment.

The holistic perspective on reward management, as presented by Mbah (2015), emphasizes that it is not solely concerned with the design and development of reward strategies or policies. Equally crucial is the fair and equitable implementation of these strategies, along with ongoing evaluation to identify areas for improvement,

addition, or reduction. This continuous assessment is essential for refining the process and contributing to enhanced overall organizational performance.

Reward management, according to Ndede (2014), serves as a multifaceted tool. Beyond its role in motivating employees and ensuring their engagement, it also plays a pivotal role in managing the expectations that employees hold regarding their employer or organization, and vice versa. In essence, reward management emerges as a dynamic and strategic function within an organization, influencing not only individual motivation and commitment but also contributing significantly to the establishment of a positive organizational culture and effective employee-employer relationships.

### **Components of Reward Management**

#### **a. Promotion**

Employee movement within an organization to a position characterized by increased responsibility and prestige is commonly referred to as promotion (Okioga, 2012). This organizational practice serves to incentivize individuals to exert additional effort, both for personal advancement and the overall benefit of the organization (Prasad, 2011). Promotion, as asserted by Gomez and Davis (2013), has the potential to foster greater organizational efficiency and elevate employee morale when implemented effectively. According to Das and Baruah (2013), talented employees actively seek career growth opportunities, particularly in the form of advancement and internal promotions, to reach the pinnacle of their professional journeys.

The significance of promotions extends beyond a mere change in job title. It provides individuals with avenues for personal growth, heightened responsibility, and an elevated social status within the organizational hierarchy. Recognizing this, promotions are considered effective tools for encouraging positive behavior among employees, contributing to a sense of job satisfaction by instilling the belief that career progression is attainable (Gomez and Davis, 2013). Reward structures that incorporate fair and ample opportunities for employees' contributions to be recognized through promotions are associated with positive job attitudes. Such structures create openings for increased responsibility, personal development, and an elevated social standing within the organizational context (Serena and Muhammed, 2014). Thus, a well-structured promotion system not only benefits individual employees but also contributes significantly to the overall positive atmosphere within the organization.

#### **b. Recognition**

Recognition is construed as a form of acknowledgment accompanied by a display of appreciation (Okioga, 2012). It takes the form of both informal and formal expressions, representing a timely acknowledgment of employees' behavior (Kiruthiga and Magesh, 2014). When employees receive such appreciation for their performances, it acts as a motivator, encouraging them to sustain or elevate their level of work (Prasad, 2001). Whether the recognition emanates from supervisors, team members, or coworkers,

it has the potential to enhance loyalty to the organization, as noted by Walker (2001), cited in Das and Baruah (2013). The absence of recognition within an organization can lead to employee attrition (Moncarz, Zhao & Kay, 2009). Praise is identified as a specific form of recognition, contributing to morale-boosting. The acknowledgment and praise received by employees may not only provide satisfaction but also contribute to employee retention (Shakeel & But, 2015). Moreover, the act of recognizing employees within an organization yields fundamental outcomes on employee productivity. Danish & Usman (2010) and Ngatia (2014) assert that when rewards, including recognition, are appropriately implemented, they foster a conducive working atmosphere capable of motivating workers to achieve high levels of performance. Recognition, whether verbal or written, serves as a means of appreciating an individual's work, acknowledging their efforts, and expressing praise for a job well done. It is a mechanism for signaling that employees' contributions are valued. When employees receive such appreciation for their efforts, it instills enthusiasm, satisfaction, and a sense of worth. This, in turn, boosts their productivity levels, contributing positively to the overall work environment within the organization.

### **Employee Performance**

Performance is the skillful completion of tasks within defined boundaries, influenced by numerous factors in the workplace. Saeed et al. (2013) define employee performance as the execution of job tasks according to the prescribed job description. Motowidlo (2003) argues that it represents the behavior expected of employees while on the job, encompassing their understanding of tasks, ability to perform them, and the effort exerted in completing them. Prasetya and Kato (2011) define employee performance as the achieved outcome of actions, reflecting the skills of employees in specific situations. Additionally, employee performance refers to the actions or tasks completed by individuals within a specific timeframe (Swasto, 1996, cited in Khan, Rehman, and Akran, 2012).

Dessler (2008) views employee performance as work-related tasks expected of employees and assesses how well these tasks are executed. Performance evaluations are conducted regularly, ranging from monthly to annually, to identify and address areas for improvement in the business (Dessler, 2008). Employee performance evaluation involves a comprehensive analysis of an employee's performance over a specified period, examining relevant documents to gauge the extent to which goals are achieved (USAID, 2009).

The commitment level of employees is directly linked to their performance, as an increase in commitment tends to enhance employee performance (Mwebi and Kadaga, 2015). Employee performance is reflected in their behavior toward their job, with various criteria used to assess behavior across different tasks (Mwebi and Kadaga, 2015). Muchiti and Gachunga (2015) highlight that employees with greater control over work schedules tend to exhibit

increased engagement, commitment, retention, and job satisfaction.

Yeh and Hong (2012) emphasize that employee performance manifests in both the quality and quantity of work, indicating a correlation between employee performance and productivity. The overall performance of an organization is intricately tied to the commitment level of its employees (Ivancevich, 2010). In essence, the behaviors, actions, and commitment of employees collectively contribute to individual and organizational performance, highlighting the interconnected nature of these elements in the workplace.

### **Components of Employee Performance**

#### **a. Productivity**

Employee productivity can be understood as the effectiveness with which organizations and their workforce generate value from the available inputs, as articulated by Cheese (2015). Joshi and Balyan (2011) provide a definition of employee productivity, also referred to as labor productivity, emphasizing it as the output per person or system. According to Samnani and Singh (2014), productivity can be defined as the ratio of outputs to inputs, representing the volume of output produced in relation to a given volume of inputs or resources. Improved productivity serves as an indicator of heightened efficiency within a firm.

The advantages of productivity for organizations are diverse. Chen et al. (2015) argue that productivity leads to tangible income, allowing the organization to fulfill its commitments to customers, suppliers, employees, shareholders, and the government (in terms of taxes and regulation). Additionally, it positions the firm to maintain competitiveness or even enhance its standing in the marketplace.

Onyije (2015) echoes similar sentiments, recognizing productivity as a key driver of success within organizations. Elevated levels of productivity result in lower unit costs, contributing significantly to the overall success of the organization. The significance of productivity extends beyond financial metrics; it is perceived as a mechanism for growing the business in a manner that satisfies the needs of both employees and employers, thereby fostering a harmonious and successful organizational environment.

#### **b. Efficiency**

Efficiency, in essence, refers to the productivity of estimated effects, specifically emphasizing productivity without any form of waste. It revolves around the capacity of workers to operate in a highly productive manner while minimizing waste in terms of energy, time, and cost. Efficiency can be seen as a contrast between the utilization of inputs in a clearly defined process and the resultant outputs. For example, when a decision-making entity, be it an individual, corporation, administrative institution, or a state, achieves a level of output considered the maximum achievable based on present conditions, it is deemed efficient. Conversely, if it produces less than what is

estimated, it is labeled as inefficient. Therefore, efficiency is derived from the relationship between inputs and outputs, essentially representing the degree to which outputs are generated while minimizing production costs (Harris, 2001).

### **Theoretical Review**

The equity theory of motivation was used as foundation of this study. The equity theory was developed by Adams in 1963. The equity theory centers on employees' perception so unfair and equal treatment in terms of general work conditions compared to other organizations. According to Jones and George (2003), equity theory is a theory of motivation that purely focus on employees' perceptions of the fairness of workers work outcomes relative to, or in proportion to their work inputs. Equity theory is focus on idea that employees are satisfied by fairness in rewards on input proportion, they will seek to change their input to reach their perceived equity. Adams suggested that the higher workers' perception of equity, the more motivated they will be; if a worker perceive unfair treatment, he will not be motivated, and will be ready to leave the organization.

### **Empirical Review**

Phelan and Zhiang (2016) evaluated Promotion Systems and Organizational Performance: A Contingency Model. This study made use of descriptive survey research, while a structured questionnaire and personal interview were used to collect data. Data were analyzed with the aid of measures of central tendency. Results revealed that an absolute merit-based system will consistently outperform a relative merit system, is confirmed by the aggregate results. The absolute merit system outperformed the relative merit system on mean, median, and maximum performance. However, due to the large sample size, any difference that is less than  $1/50^{\text{th}}$  of the standard error of performance will result in a statistically significant difference at the  $p = 0.05$  level. For instance, the standard error of our results in Table 2 is approximately 0.20 ( $= \text{standard deviation} / \sqrt{\text{square root of } N}$ ) so a difference of as little as  $.20/50 = 0.004$  will be statistically significant. As a result, it is the practical relevance of performance differentials rather than their statistical significance that should be assessed. In many real-world situations, including radar detection, we would argue that about 2–3% increase in accuracy could be very meaningful indeed. An up-or-out system should outperform a merit-based system. In our results, the up-or-out system performed better than the relative merit system but failed to match the performance of the absolute performance system (although the maximum performance of the up-or-out system exceeded that of other systems). Seniority systems should not perform as well as merit or up-or-out systems. In fact, the seniority system was only clearly beaten by the absolute merit system. It performed better than the relative merit system and is on par with the up-or-out system. Even more surprising was the performance of the random promotion system. Random promotion should be the worst performer, it actually

performed better than the relative merit system and was roughly equivalent to the up-or-out and seniority systems. Only the absolute promotion system was appreciably higher. The study concludes that the effectiveness of any promotion system is dependent on a range of factors including the nature of the task environment, the design of the organizational structure, the individual capability difference, the frequency of monitoring, the criteria of performance for promotion decisions, and the transferability of task knowledge.

Abdul et al (2018) investigated the Influence of Promotion and Job Satisfaction on Employee Performance. The method used is descriptive survey method and explanatory. The unit of analysis in this research is the employees of Makassar Government Region, with a sample of 50 people, and the method of analysis used is the frequency distribution and path analysis. Based on the results of the analysis, then obtained as follows, Promotion positions Makassar Government Region has in accordance with the field and expertise, Job Satisfaction employees of Makassar Government Region currently considered satisfied, Employees of Makassar Government Region is considered to have a high enough performance as well as job promotion and job satisfaction affect the performance of employees of Makassar Government Region, but when viewed partially, it turns out the promotion of dominant positions affects their performance.

Magajietal (2018) examined the effect of recognition and promotion on employees' job satisfaction of selected outsourced service providers in Jos Plateau State. A survey research design was adopted. The population of the study was 541 employees which consisted of all the employees of the five (5) selected outsourced service providers in Jos, Plateau State. The sampling technique used was census. A total of 541 copies of the questionnaire were distributed; out of which a total number of 448 (82%) were properly filled and returned. Data was analyzed using simple linear regression analysis and Pearson product moment correlation test the relationship between recognition, promotion and job satisfaction. The findings of this study revealed that Recognition ( $R^2 = 0.558$ ,  $p < 0.05$ ) and Promotion ( $R^2 = 0.683$ ,  $p < 0.05$ ) have positive significant effect on employees' job satisfaction of selected outsourced service providers in Jos, Plateau State. The study concluded that recognition and promotion factors had a significant positive effect on employees' job satisfaction of the outsourced service providers in Jos, Plateau State. It is therefore recommended, that management of these outsourced companies improve on recognition and promotion in order to reduce the level of dissatisfaction among employees.

Duru and Shimawua (2017) investigated the effect of work environment on employee productivity using Edo City Transport Service whether inadequacy of the various conditional factors can affect productivity of employee. The research used survey design as the strategy. Questionnaire was used as an instrument for data collection. Data collected were analyzed using chi-square from the research findings, if good office

environment is provided for employees, it will go a long way to enhance their morale and performance. Also, if office is neat, noiseless, properly arranged well lighted and ventilated, employees will feel a sense of belonging and this will make them to work efficiently and effectively. Good physical working environment inspires workers to spend more time in their various offices, employees responded emotionally better towards the provision of good office environment by not absenting themselves unnecessarily from work, lateness to work and other negative attitude will be drastically reduced. Good working environment increase individual output therefore leading to growth of the organization. Based on the research study findings, the researcher recommended the followings: The organization should map out programme for provision of good work environment to increase productivity and of promoting occupational safety and health of workers. The organization should ensure that the office of its workers is always clean, tidying up and properly arranged for easy movement and comfortable to the workers and customers.

#### **Methodology**

This study employed a longitudinal survey research design. The area of the present study is South-Eastern,

Nigeria; South East of Nigeria is one of the six geopolitical zones in the country, it is made up of five states which are Anambra, Imo, Abia, Enugu and Ebonyi. One bakery firm was chosen from each of these five states in Southeast Nigeria, which is made up of management, senior and junior staff of the bakery firms which gave a total population of five thousand, and eleven employees (5,011). To determine the sample for the study, the random sampling technique was applied since the population used is a homogenous one. On the basis of this, the population was random into firms registered with MAN and those not registered but has a capital investment of more than N10million. The study sample size was eight hundred and ninety-five (895) respondents. This sample size is justified because the population was huge and such a sample was sufficient to address the research problem. The actual population was five thousand, eleven employees (5,011) employees. The main instrument for data collection is a structured questionnaire and in-depth interview (IDI) as a means to explain more from the questionnaire. The data were analyzed and presented in frequency and percentage tables. Regression statistical tools was used to test the hypotheses with the aid of SPSS Version 26.

**Data presentation and analysis**

**Objective One**

**Table 4.1.1 To examine the effect of promotion on employees' productivity in manufacturing firms in southeast, Nigeria. (N=262)**

Options	SA Freq(%)	A Freq(%)	U Freq(%)	D Freq(%)	SD Freq(%)	Mean	Std
Employees in this manufacturing firm are more productive after being promoted.	158(60.3)	85(32.4)	9(3.4)	3(1.1)	7(2.7)	1.53	0.84
Promotion opportunities motivate employees to work harder in this manufacturing firm.	153(58.4)	76(29.0)	7(2.7)	17(6.5)	9(3.4)	1.68	1.04
Promotions are based on merit and performance in this manufacturing firm.	154(58.8)	91(34.7)	10(3.8)	2(0.8)	5(1.9)	1.52	0.78

*Source: Field Survey, 2024.*

Table 4.1.1 shows the responses of respondents on the effect of promotion on employees' productivity in manufacturing firms in southeast, Nigeria. It shows that 158(60.3%) of the respondents strongly agree that

employees in their manufacturing firm are more productive after being promoted, 85(32.4%) of them agree, 9(3.4%) were undecided to this assertion, 3(1.1%) of them disagree and 7(2.7%) of them strongly. This with the mean and

standard deviation of 1.53+0.84 implies that majority of the respondent strongly agree that employees in their manufacturing firm are more productive after being promoted. Furthermore, 153(58.4%) of the respondents strongly agree that promotion opportunities motivate employees to work harder their manufacturing firm, 76(29.0%) of them agree, whereas 7(2.7%) of them were undecided, 17(6.5%) disagree and 9(3.4%) of them strongly disagree. With a mean and standard deviation of 1.68+1.04, it implies that majority of the respondents strongly agree that promotion opportunities motivate

employees to work harder their manufacturing firm. The table finally show that 154(58.8%) of the respondents strongly agree that promotions are based on merit and performance in their manufacturing firm, 91(34.7%) of them agree, while 10(3.8%) of them were undecided to this assertion, 2(0.8%) disagree and 5(1.9%) of them strongly disagree. With the mean and standard deviation of 1.52+0.78, it implies that majority of the respondents strongly agree that promotions are ased on merit and performance in their manufacturing firm.

## Objective Two

**Table 4.1.2 To evaluate the effect of recognition on employees' commitment in manufacturing firms in southeast, Nigeria.(N=262)**

Options	SA Freq(%)	A Freq(%)	U Freq(%)	D Freq(%)	SD Freq(%)	Mean	Std
Recognition for good work increases my commitment to this manufacturing firm.	155(59.2)	77(29.4)	15(5.7)	9(3.4)	6(2.3)	1.60	0.92
I feel valued and appreciated when I receive recognition at work.	155(59.2)	78(29.8)	10(3.8)	6(2.3)	13(5.0)	1.64	1.02
Recognition motivates me to go above and beyond in my job responsibilities.	141(53.8)	94(35.9)	11(4.2)	12(4.6)	4(1.5)	1.64	0.88

*Source: Field Survey, 2024.*

Table 4.1.2 shows the responses of respondents on the effect of recognition on employees' commitment in manufacturing firms in southeast, Nigeria. It shows that 155(52.9%) of the respondents strongly agree that recognition for good work increases their commitment to their manufacturing firm, 77(29.4%) of them agree, whereas 15(5.7%) of them were undecided, 9(3.4%) disagree and 6(2.3%) of them disagree. This implies that majority of respondents strongly agree that recognition for good work increases their commitment to their manufacturing firm with the mean and standard deviation of 1.60+0.92. The table also show that 155(52.9%) of the respondents strongly agree that they feel valued and appreciated when they receive recognition at work, 78(29.8%) of the agree, while 10(3.8%) of them were

undecided, 6(2.3%) of them disagree and 13(5.0%) of them strongly disagree. This with mean and standard deviation of 1.64+1.02 implies that majority of the respondents strongly agree that they feel valued and appreciated when they receive recognition at work. Finally, the table show that 141(53.8%) of the respondents strongly agree that recognition motivates them to go above and beyond in their job responsibilities, 94(35.9%) of them agree, while 11(4.2%) of them were undecided, 12(4.6%) of them disagree and 4(1.5%) of them strongly disagree. This with the mean and standard deviation of 1.64+0.88 implies that majority of the respondents strongly agree that recognition motivates them to go above and beyond in their job responsibilities.

## Testing of Hypotheses

### Hypothesis One



**H<sub>1</sub>:** Promotion does have significant effect on employees' productivity in manufacturing firms in southeast, Nigeria.

**H<sub>0</sub>:** Promotion does not have significant effect on employees' productivity in manufacturing firms in southeast, Nigeria.

**Table 4.2.1 Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.722 <sup>a</sup>	.622	.620	.64449	.597

**Source:** SPSS Version 26

a. Predictors: (Constant), Promotion

b. Dependent Variable: Employees' productivity

**Table 4.2.2 ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	137.776	1	137.776	283.548	.000 <sup>b</sup>
	Residual	87.995	260	.415		
	Total	225.771	261			

**Source:** SPSS Version 26

a. Dependent Variable: Employees' productivity

b. Predictors: (Constant), Promotion

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.546	.078		7.010	.000
	Promotion	.698	.041	.722	16.839	.000

**Source:** SPSS Version 26  
a. Dependent Variable: Employees' productivity

### Result Summary

R = .722, R<sup>2</sup> = .622, F = 283.548, T = 16.839, DW = .597

### Interpretation of the Result

A linear regression analysis was conducted to examine the effect of promotion on employees' productivity in manufacturing firms in southeast, Nigeria. (table 4.2.1 – 4.2.3) shows that there is strong positive relationship between promotion and employees' productivity. (R- coefficient = .722). The R square, the coefficient of determination, shows that 62.2% of the variation in employees' productivity can be explained by promotion with no auto correlation as Durbin-Watson (.597) is less than 2. With the linear regression model, the error of estimate is low, with a value of about .64449. The regression sum of the square 137.776 is more than the residual sum of the square 87.995 indicating that the variation is due to chance. The F-statistics = 283.548 shows that the model is significant. The extent to which promotion affects employees' productivity. with .722 value indicates a positive significance relationship promotion and employees' productivity which is statistically significant (with t = 16.839) and p = .000 < 0.05.

### Decision Rule

Reject null hypothesis (H<sub>0</sub>) if P-Value < 0.05 and do not reject H<sub>0</sub> if otherwise

### Decision

Since the P-Value .000 < 0.05, we reject the null hypothesis (H<sub>0</sub>) and then conclude that promotion does have significant effect on employees' productivity in manufacturing firms in southeast, Nigeria.

### Hypothesis Two

**H<sub>1</sub>:** Recognition does have significant effect on employees' commitment in manufacturing firms in southeast, Nigeria.

**H<sub>0</sub>:** Recognition does not have significant effect on employees' commitment in manufacturing firms in southeast, Nigeria.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.808 <sup>a</sup>	.653	.651	.54912	.887

**Source:** SPSS Version 26

a. Predictors: (Constant), Recognition

b. Dependent Variable: Employees' commitment

**Table 4.2.5 ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	147.373	1	147.373	488.751	.000 <sup>b</sup>
	Residual	78.398	260	.302		
	Total	225.771	261			

Source: SPSS Version 26

- a. Dependent Variable: Employees' commitment
- b. Predictors: (Constant), Recognition

**Table 4.2.6 Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.428	.066		6.522	.000
	Recognition	.749	.034	.808	22.108	.000

Source: SPSS Version 26

- a. Dependent Variable: Employees' commitment

**Result Summary**

R = .808, R<sup>2</sup> = .653, F = 488.751, T = 22.108, DW = .887

**Interpretation of the Result**

A linear regression analysis was conducted to evaluate the effect of recognition on employees' commitment in manufacturing firms in southeast, Nigeria. (table 4.2.4 – 4.2.6) shows that there is strong positive relationship between recognition and employees' commitment (R-coefficient = .808). The R square, the coefficient of determination, shows that 65.3% of the variation in employees' commitment can be explained by recognition with no autocorrelation as Durbin-Watson (.887) is less than 2. With the linear regression model, the error of estimate is low, with a value of about.54912. The regression sum of the square 147.373 is more than the residual sum of the square 78.398 indicating that the variation is due to chance. The F-statistics = 488.751 shows that the model is significant. The extent to which recognition affects employees' commitment. with .722 value indicates a positive significance relationship recognition and employees' commitment which is statistically significant (with t = 22.108) and p = .000 < 0.05.

**Decision Rule**

Reject null hypothesis (H<sub>0</sub>) if P-Value < 0.05 and do not reject H<sub>0</sub> if otherwise

**Decision**

Since the P-Value 000 < 0.05, we reject the null hypothesis (H<sub>0</sub>) and then conclude that recognition does have significant effect on employees' commitment in manufacturing firms in southeast, Nigeria.

**Summary of Findings**

1. Promotion does have significant effect on employees' productivity in manufacturing firms in southeast, Nigeria.(f-statistics = 283.548, t = 16.839, p = .000 < 0.05).
2. Recognition does have significant effect on employees' commitment in manufacturing firms in southeast, Nigeria.(f-statistics = 488.751, t = 22.108, p = .000 < 0.05).

**Conclusion**

In conclusion, the research findings suggest that reward management plays a crucial role in enhancing employees' performance in manufacturing firms in southeast Nigeria. The study indicates that promotion significantly influences employees' productivity, while recognition has a notable impact on employees' commitment within these organizations. Therefore, implementing effective reward management strategies tailored to the specific needs and preferences of employees in manufacturing firms in southeast Nigeria can lead to improved productivity and commitment levels among the workforce.

**Recommendations**

1. Employers should establish a clear and transparent promotion system based on meritocracy and performance evaluation. This will motivate employees to work harder to achieve promotions, leading to increased productivity within the organization.
2. Employers should recognize and reward employees for their hard work and dedication. This can be done through bonuses, incentives, or public acknowledgment of their achievements. Regular recognition will enhance employee commitment and loyalty to the organization.

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