ORGANIZATION REWARD SYSTEM AND EMPLOYEE SERVICE DELIVERY: A STUDY OF ANAMBRA STATE CIVIL SERVICE

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Abstract

The study examined the effect of organization reward system on employee service delivery in Anambra State civil service. The underlying motive for the study is the recurring problem of poor service delivery in the state’s bureaucracy and the attendant consequences on the developmental initiatives of the state. The study adopted the survey design and the theoretical framework is anchored on Fredrick Herzberg’s two factor theory. The data generated for the study were presented and analyzed using descriptive statistics. Major findings are that organization reward system significantly affects employee motivation, job satisfaction and commitment towards the realization of organizational goals and thus, employee service delivery. It was recommended that the government should articulate and implement good reward system/welfare programmes for the workers so as to boost the morale and commitment of workers. This invariably will improve service delivery.

Keywords: Organization reward system, Service Delivery, Civil Service

Introduction

Employees are the human resources or the manpower of an organization that utilize material resources to achieve stated goals. According to Barney (1995), human resources include all the experience, skills, judgment, abilities, knowledge, contacts, risk-taking and wisdom of individuals and associates within an organization. Easily recognized as the most important of the resources required for the production of goods and services, the employees are the key to rapid socio-economic development and efficient service delivery. They combine all other factors of production to produce goods and services which are of benefits to mankind. Thus, the role of human resources is fundamental to any productive organization or service organization. Without an adequate, skilled and motivated workforce operating within a sound human resource management programme, production is not possible (Onyekwelu, 2012). An administrator or manager, whether in the public or private sector who, underrates the crucial role and underplays the importance of people in goal achievement, can neither be effective nor efficient. This is purely because, the efficiency with which an organization operates depends on how effective its human resources are managed and utilized.

Reward management is one of the strategies used by Human Resource Managers for attracting and retaining suitable employees as well as motivating them to improve their performance. As a result HR managers seek to design reward structures that facilitate the realization of organizations strategic goals and the goals of individual employees. The civil service is a typical organization or body in the public sector and a very distinctive part of the economy. In most cases the normal process of producing goods and services do not apply in the civil service as public services are not generally run to make profits and there is no competition in the sense of firms trying to entice customers away from their competitors. Since these basic features of a market are absent, many of the principles of management which apply in the private sector are
absent. As a public sector organization which is an indispensable machinery of government. It is the platform on which the formulation and implementation of government policies and programmes rests. Statutorily, it is the organ mandated with maintaining the machinery of governance effectively at all times. The civil service is a force vitale that drives service delivery and development in its entire ramification in a polity and it is expected to work towards abridging the ever underlying gap in national development through effective and efficient execution of policies and programmes.

However, there have continued to be the unlikelihood of the attainment of the purposes for which the civil service was established and despite all measures put in place to arrest the performance failure, the public service, is still faced with the problem of inefficiency. The public service reforms have not been able to correct the ills of the public service especially in the area of performance. Thus, the Nigerian public service has come to be associated with an abandonment of professionalism and bureaucratic ethics; and acts of corruption and other unprofessional acts have become the norm in the civil service. Tribalism, nepotism, embezzlement, influence peddling, use of position for self-enrichment, excessive centralization, partiality, dejected and denounced behaviours like moonlighting absenteeism, lateness to work...and all spices leading to inefficiency, ineffectiveness and poor level of satisfaction with the services provided by public agencies characterized the public service (Osawe, 2014; Arowolo, 2012 and Onyekwelu, 2016). This has accounted for the near collapse of the educational system, the increased wave of crime, the decadence in the health sector and the pervasive culture of greed, indiscipline and corruption in the public service (Adegoroye, 2005 Ezeibe and Iwuoha, 2011). The resultant of compromising on standard is that everybody in the society becomes the ultimate loser.

This decay has been attributed to so many factors rooted in the inability of the government to enshrine human resource policies and practices that will motivate and enhance commitment and competent performance from public employees. Human resource that constitutes part of the production process is critical to effective functioning of an organization. It is considered to have a substantial impact on the bottom line performance of organizations but in as much as human resource is the base; the realization of organizational goals can only be possible if human resources are empowered through training and development and motivated through the use of incentives and welfare / benefit programmes. This is because employee productivity is a function of ability, will and situational factors. An organization may have employees, equipment and managerial support yet productivity falls below expected standards. The missing factor in many cases, according to Nwachukwu (1988), is the lack of adequate skills and the will to execute tasks by employees. An administrator’s capacity to act competently can be undermined by several factors related to poor human resource practices. It is against this background that the study examined the effect of reward system on employee service delivery in Anambra state civil service between 2006 and 2013.

Conceptual Explanations

Organization Reward System

A reward is usually something valuable, such as money. Wilson (2003) describes rewards and their purpose as including systems, programmes and practices that influence the actions of people. Reward is the compensation which an employee receives from an organization as an exchange for the service offered by the employee or as the return for work done (Lin, 2007). Armstrong (2009) believes that reward policy is concerned with the development of appropriate organizational cultures, underpinning core values and increasing the motivation and commitment of employees. Organizational reward system can also be said to be the process of developing and implementing strategies, policies and systems which help the organization to achieve its objectives by obtaining and keeping the people it needs and by increasing their motivation and commitment.

Rewards serve many purposes in organizations. They serve to build a better employment deal, hold on to good employees and to reduce turnover. The principal goal is to increase people's willingness to work in one’s organization and to enhance their productivity. It constitutes an important element in Human Resources Management and is essentially about designing, implementing and maintaining pay systems which help to improve organizational performance, (Armstrong & Murlis, 2007). Consequently, organizational reward system in this regard is concerned with the formulation and implementation of strategies and policies, the purposes of which are to reward people fairly, equitably and consistently in accordance with their value to the organization and thus help the organization to achieve its strategic goals. Reward management is therefore not only about money, it can either be intrinsic or extrinsic.
According to McCormick and Tifflin (1979), rewards are of two types: intrinsic and extrinsic rewards. Intrinsic rewards are those that are inherent in the job and which the individual enjoys as a result of successfully completing the task or attaining his goals. An intrinsic reward actually fulfills employee’s intrinsic factors or motivators and thus motivates him. Examples include; giving challenging task, involving in decision making process, giving a higher rank in hierarchy etc. Ajila (1997) explained that extrinsic rewards are those external to the task or the job such as pay, work condition, fringe benefits, security, promotion, contract of service, and the work environment. Extrinsic rewards are predominantly used by most organizations. It should be noted that intrinsic rewards are mostly qualitative in nature and cannot be quantified, for example more respect, recognition etc., while extrinsic rewards are more quantitative in nature.

**Employee Service Delivery**

According to Oronsaye (2010), service delivery with respect to the public sector is the process of meeting the needs of citizens through prompt and efficient procedures. It presupposes that the interaction between citizens and government results in value creation. In essence, public service delivery involves the provision and implementation of government policies and programmes that will enable citizens to improve their living conditions. It simply means getting services as expected and as quickly as possible to the intended recipients and implies a degree of excellence. It is a process that generates benefits by facilitating a change in customers, a change in their physical possession, or a change in the intangible assets. It involves considerable human activity; hence, human resource management is important as the human factor is often the key success factor in service industries (Franz, 2011).

Employee service delivery can be said to be the effectiveness and efficiency at which employees of any given organization carry out their day to day duties in order to meet the management and customers expectations, (Pierce, 2004). It can also be said to be the level to which the employees apply their skills, knowledge and attitudes towards achieving the desired results and meeting the specified objectives, (Rehman, 2009). Bohnstedt & Larsen, (2008) points out that employee service delivery is often indirectly measured using aspects of employee behavior at work such as speed, courtesy, etiquette, precision, time management, consistency and influence on other employees.

Hashim (2000) suggests that the measure of employee service delivery should be the determination of financial profitability and growth attributed to the individual employee as a contribution to the firm. This is supported by Berridge (2001) who argue that the common measures of organizational performance such as profit margin, return on assets, return on equity and return on sales can be attributed to each individual as a contribution. This argument may not however work on the service industries such as the ministries where employee performance is seen more on the quality of service delivered to the customers, thus subjective to customer perception and satisfaction as given by the expectancy theory.

Employee service delivery however does not become an abstract concept but a concrete concept that can be measured using both SERVQUAL and SERVPERF models. SERVQUAL in this regard means a measure of the scale of quality in the service sectors. This service quality framework highlights the main requirements for delivering high quality service. It measures the gap between customer expectations and experience. The SERVPERF score represents the perceived performance on the components of service quality, (Hashim, 2000). Employee service delivery therefore is an assessment of the efficiency of a worker or group of workers. It is commonly used to refer to the volume and quality of goods and services produced per worker within some specified unit of the year, month, day or hour (Oloko, 1983).

**Literature Review**

**Reward system and Service Delivery**

Many scholars argue that there exists somewhat a kind of relationship between employee service delivery and the reward system/ employee welfare benefits. Onitiri (1983) opines that poor standards of living, bad health, lack of education, bad housing, poor transportation to and from work, bad conditions in the work place etc reduce workers’ productivity; and low productivity in turn reduces the capacity of the society. There is an obvious positive relationship between reward and service delivery. Yesufu (1984) and Ejiofor (1986) argue that organizational reward system and employee welfare benefits and services are capable of attracting and retaining employees, assisting employees in meeting their needs better, helping in lowering unit cost of production, improving morale, increasing employee security and blunting these sharp edges of managerial autocracy. All these, according to these scholars, have a positive effect on labour motivation and productivity.
According to Zare, (2012) job satisfaction of employees is increased in different manners by different tools and the two major factors that raise employee job satisfaction level are intrinsic and extrinsic motivational factors in form of rewards system. Job satisfaction is so important in that its absence often leads to lethargy and reduced organizational commitment (Levinson, 1997, Moser, 1997). Sometimes workers may quit from public to the private sector and vice versa. At the other times the movement is from one profession to another that is considered a greener pasture. This later is common in countries grappling with dwindling economy and its concomitant such as poor conditions of service and late payment of salaries (Nwagwu, 1997). In such countries, people tend to migrate to better and consistently paying jobs (Fafunwa, 1971).

Relating labour productivity to organizational reward system and welfare services, Kilby (1969) asserts that there is relative efficacy of incentive payment schemes in inducing increased labour productivity. Workers employed in places where the management made use of an incentive based payment system, are as productive as workers elsewhere. Similarly, Ekpiken (1983) believes that a worker will put in more effort and produce more goods and services if he knows that he will be paid more for his efforts. He quickly adds that this is more efficacious among junior workers in the industry. The limitation of this system is that purely financial view of productivity pays off for only a short while after which the effects of the traditional pay wear off and the workers return to their old pace of working.

Consequently, one observes that a combination of organizational reward system and welfare benefits and services could likely induce labour productivity. According to Oloko (1983), reward system and welfare benefits such as pension scheme, payment of salaries and wages and welfare services like health facilities, working conditions, vacations and holiday practices motivate workers to exert effort to achieve higher productivity. In some organizations, job behaviours have a more direct relationship to rewards than in others (Gray and Starke, 1988), due perhaps, as argued by Gannon (1979) and Reynolds (1971) to the employees’ needs (such as urgent need for money to meet certain obligations or the absence of this) and the comparison of his reward with that of his colleagues that perform similar task.

Stoner (2002) sees reward system as a motivational package designed by organizations to propel efficient service delivery. He believes that motivation is a human psychological characteristic that contributes to a person’s degree of commitment and which is very important in the consideration of the performance and output of employees in organizations. Employee motivation is essential to organizational effectiveness and is a predicator for performance of employees. Employees who are effective and efficient are likely to be limited if they are not motivated through the organizational reward system and welfare policies. Danish’s (2010) study on the subject matter revealed that there is a statistically significant relationship between reward and recognition respectively. In line with this view, Guest (2002) posits that reward is one of the keys that motivate employees to perform as expected. The reward can be in the form of cash, recognition and praise or a combination of both.

Organizations can motivate the workforce most through introducing appropriate reward and recognition programs and other benefits. Maire and Nick (2002) stated that, compensation systems deliver other objectives such as legal compliance, labour cost control, perceived fairness towards employees and enhancement of employee performance to achieve high level of productivity and customer satisfaction. Bishop (1987) suggested that, pay is directly related with productivity. An organization’s reward system plays a critical role in motivating employees to perform creatively (effective reward and recognition system can be a good motivator but inappropriate reward and recognition program increase de-motivation of the employees). Reward is a positive stimulus or incentive that can be presented in the process of reinforcing behavior. Carraher (2006) advocates that there should be an effective reward system to retain the high performers in the organization and reward should be related to their productivity.

Nwachukwu (1994) found out that the productivity of Nigerian workers depend on several factors, among which is employers failure to provide adequate compensation and the indiscipline of the privileged class that arrogantly displays their wealth, which is very demoralizing to working class and consequently reduced their productivity. Good remuneration package, which ties financial rewards to individual performance, can be expected to result in higher productivity. Rewards are utilized by managers to show employees that their behaviors are being observed by the organization that they work for, and if favorable, such behaviors shall be valued (Bartol & Srivastava, 2002). Eisenberger (1998) stresses that the rewards provided to employees (with cause), allows companies to ‘direct, sustain and motivate desirable ‘values and behaviors.’ Examples include: knowledge sharing, increase in employee creativity, increase in quality performance, and increases in customer satisfaction levels.
The level of worker’s motivation is highly affected by the reward system. De-motivated employees can be ineffective to the organizations and can lead to lower production level (Dewhurst, 2010). When an effective rewards and recognition are implemented within an organization, favorable working environment is produced which motivates employees to excel in their performance. Employees take recognition as their feelings of value and appreciation and as a result, it boosts employee morale which ultimately increases productivity of organizations. Thus, the concept of organizational reward system and employee welfare has been used by many organizations as a strategy of improving productivity of employees since work related problems can lead to poor quality of life for employees and a decline in performance (Manzini and Gwandure, 2011). Priti (2009) argues that the role of organizational reward system and welfare activities is to promote economic development by increasing efficiency and productivity with the underlying principle being making workers give their loyal services ungrudgingly in genuine spirit of co-operation and the general well-being of the employee.

It must however be noted that, organizational reward system and welfare services may not directly relate to an employee's job but the presence or absence of the services is notable through employee performance, attitude, high or low labor turnover (Mwiti (2007). Further, welfare facilities help in raising employees’ standards of living. This makes workers to pay more attention towards work and thus increases their productivity and foster better industrial relations, help organizations’ visibility and popularity (Priti, 2009). In summary, reward system is a significant issue for the design of work systems and it is important for organizations to develop suitable remuneration plans for their employees in order to attract and hold competent employees (Stevenson, 2002).

Theoretical Framework

This work is anchored on the Two Factor Theory which is also known as The Dual-Factor Theory, and also Hygiene-Motivation Theory. It was propounded by Fredrick Herzberg. The theory originated from a research conducted by an American Psychologist, Frederick Herzberg and two of his colleagues, Bernard Mauser and Barbara Snyderman. According to Herzberg, the factors that led to satisfaction (achievement, intrinsic interest in the work, responsibility and advancement) contribute very little to job dissatisfaction. Conversely, the dissatisfiers (company policy and administrative practices, supervision, interpersonal relationships, working conditions, and salary) contribute very little to job satisfaction.

Tenets of the Hygiene- Motivation Theory

- The theory states that job satisfaction and dissatisfaction are affected by two different sets of factors. Therefore, satisfaction and dissatisfaction cannot be measured on the same continuum.
- It was found that a great many things can be a source of dissatisfaction, but only certain factors can contribute to satisfaction.
- Factors that affect job satisfaction are divided into two categories. Hygiene factors surround the doing of the job. They include supervision, interpersonal relations, physical working conditions, salary, company policy and administration, benefits, and job security.
- Motivation factors lead to positive job attitudes because they satisfy the need for self-actualization. Motivation factors are achievement, recognition, the work itself, responsibility, and advancement.
- As separate independent dimensions, job satisfaction and job dissatisfaction are two dimensions that are not on opposite ends of the same continuum. Job satisfaction and job dissatisfaction represent two separate and distinct continua. Further analyses of the results of the research indicated that the opposite of satisfaction on the job is not dissatisfaction, as one might be inclined to conclude, but rather "no satisfaction." Conversely, the opposite of dissatisfaction is "no" dissatisfaction rather than satisfaction.
- The satisfaction of hygiene needs can prevent dissatisfaction and poor performance, but only the satisfaction of the motivation factors will bring the type of productivity improvement sought by companies (Herzberg, Mausner, and Snyderman 1959).
- That attitudes influence the way the job is done and that favorable attitudes affect performance more than unfavorable attitudes. In terms of turnover, negative attitude resulted in some degree of physical or psychological withdrawal from the job. In relation to attitude toward the company, the study showed that a company can expect the degree of loyalty to vary with the degree of job satisfaction.
- That job satisfaction consisted of two separate independent dimensions: the first dimension was related to job satisfaction and the second dimension to job dissatisfaction.
Herzberg’s Two Factor Theory is relevant to this study because it offers enough provision in creating an understanding of the specificities of the various variables that affect employee job productivity in the workplace. The study is important because today’s environment has placed increasing pressure on organizations both in government and industry to accomplish more with less. Meeting this challenge through higher productivity is possible if the individual workers can be properly motivated.

Methodology

The field investigation was carried out in the Anambra state bureaucracy (the civil service). Six Ministries with total staff strength of 1,157 were randomly selected and they constituted the study population. The sample size using Taro Yamane’s formula (Yamane 1967) for sample size determination is 297. The respondents were drawn from the various ministries chosen for the study using multi stage sampling technique. The questionnaire was the major research instrument for generating data for the study. The Likert scale type questionnaire comprising five response ratings of: Strongly agree (5); Agree (4); Undecided (3); Disagree (2); Strongly Disagree (1) was adopted. The respondents were requested to indicate their level of agreement with each of the items in the various sections. A theoretical mean value of 3.0 was taken as a criterion to judge the mean for the items in the respective sections. Therefore any item in the instrument which has a mean equal to or higher than 3.0 will be regarded as agreed while items with less than 3.0 was regarded as disagreed. Relevant information was also obtained from oral interview to supplement responses especially where the researcher sought for additional clarification on matters of research interest. The data generated from the administered and returned questionnaires was collated, presented in tables and analyzed using descriptive statistics.

Data Presentation and Analysis

Table 1: Mean Rating and Standard Deviation of the Respondents on Effect of Reward System on Employee Service Delivery.

<table>
<thead>
<tr>
<th>SS/N</th>
<th>Items of the Questionnaire</th>
<th>Mean</th>
<th>SD</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Employees strive to deliver services competently to specifications</td>
<td>4.07</td>
<td>1.62</td>
<td>Strongly Agreed</td>
</tr>
<tr>
<td>2.</td>
<td>Workers respond quickly, promptly and instantly to requests from the public</td>
<td>3.92</td>
<td>1.81</td>
<td>Agreed</td>
</tr>
<tr>
<td>3.</td>
<td>Compliance to rules relating to hours of work</td>
<td>3.75</td>
<td>1.68</td>
<td>Agreed</td>
</tr>
<tr>
<td>4.</td>
<td>Workers are ever ready and motivated to deliver services</td>
<td>4.01</td>
<td>1.72</td>
<td>Strongly Agreed</td>
</tr>
<tr>
<td>5.</td>
<td>Improvement in the ability to convey trust and confidence in the discharge of official duties</td>
<td>3.50</td>
<td>1.48</td>
<td>Agreed</td>
</tr>
<tr>
<td>6.</td>
<td>With such motivations, service to the people has improved</td>
<td>3.79</td>
<td>1.7</td>
<td>Agreed</td>
</tr>
<tr>
<td>7.</td>
<td>Reduction in the tendency to ask for bribe before services is rendered.</td>
<td>3.58</td>
<td>1.56</td>
<td>Agreed</td>
</tr>
<tr>
<td>8.</td>
<td>Maintenance of public utilities are routinely carried out</td>
<td>3.79</td>
<td>1.71</td>
<td>Agreed</td>
</tr>
<tr>
<td>9.</td>
<td>Employees are inclined towards offering public oriented service delivery</td>
<td>4.11</td>
<td>1.47</td>
<td>Strongly Agreed</td>
</tr>
<tr>
<td>10.</td>
<td>Workers carry out their duties with minimal supervision</td>
<td>4.10</td>
<td>1.65</td>
<td>Strongly Agreed</td>
</tr>
</tbody>
</table>

Source: Field survey, 2016
Grand mean = 3.86; standard deviation = 1.64

The opinion of the respondents as measured in the mean and standard deviation presented in Table 1 indicate that they strongly agreed with items 1, 4, 9, and 10 and merely agreed with the rest of the items. The average mean of 3.86 and 1.64 standard deviation show that all of them agreed with all the items. The implication of the results is that effective reward system for the employees has the capacity to motivate them towards enhanced and quality service delivery.

Discussion on findings

In this section of the analysis, efforts were made to discuss the findings there-in using the results of the test of analyses as the basis for the discussion. As could be seen from the result of the analyses, it was revealed that reward system can significantly affect employee service delivery. This observation is in line with Mendonca, (2002) who sees the reward and compensation system as being based on the expectancy theory and which suggests that employees are more likely to be motivated to perform when they perceive there is a strong link between their performance and the reward they receive. Reward system have traditionally been designed to attract and retain productive employees as well as to motivate them to increase their effort and output towards achieving the organizational goals (Phillips and Fox 2003; Bergmann and Scarpello, 2001). Lotta (2012), contends that motivated employees are more productive, more efficient and more willing to work towards organizational goals than the employees who are experiencing low levels of motivation.

Conclusion

The analysis of data and findings from this study reveals that employees cherish good reward system from their employers and that such incentives/benefits bring about stability in work environment and enhances employee job satisfaction and commitment to the goals of the organization. Workers commitment to their job is a function of perceived organizational reward swich also affects their attitude towards work and satisfaction level. Obviously, poor standard of living of the workers as manifested in poor housing conditions, poor or lack of transport facilities to and from work, poor or bad conditions in the work place, etc reduces workers’ productivity and it reflects negatively on service delivery to the people.

Recommendations

Drawing from the findings, the following policy options were recommended

1. Effective welfare programmes have been found to relate positively to job satisfaction of the employee. There is therefore the need for government to ensure that the welfare programmes are effectively tailored to the needs of employees. This will boost employee job satisfaction and promote stability in work environment.

2. When an employee enjoys a good welfare package, it makes him show commitment and undivided loyalty to the organization. The government should articulate effective welfare programmes for the employees to enlist their cooperation towards the realization of organizational goals which is efficient service delivery to the public.

References


