JOURNAL OF BUSINESS PRACTICE, ECONOMICS, AND FINANCE
A MONTHLY, INDEXED, REFEREED AND PEER REVIEWED OPEN ACCESS
VOLUME 5, ISSUE 2 (SEPTEMPER) 2025
RESEARCH ARTICLE ISSN: 3043-548

Reward System and Employee Commitment of Manufacturing Companies in South South State, Nigeria.

Dr. Omorogieva Anthony Agbonmwanre

Ag. Director of Academic Planning.Federal Polytechnic Ukana.

Corresponding Author's Email> anthonyomorogieva47@gmail.com
08032732897

ARTICLEINFORMATION

Received: 1th September, 2025
Accepted: 8th September, 2025
Published: 22st September, 2025

KEYWORDS: Reward system, employee commitment, pay, fringe benefits, recognition scheme, South-South Nigeria

Journal url:
https://ijois.com/index.php/jobpef

Editor-in-chief: Assist. Prof. Dr (C) Ari Riswanto

PUBLISHER: Empirical Studies and Communication – (A Research Center) Website: www.cescd.com.ng

ABSTRACT

This study examined how reward systems influence employee commitment in manufacturing companies in South-South Nigeria, addressing the problem of declining productivity linked to weak compensation structures. Using a cross-sectional survey design, primary data were collected through structured questionnaires from 185 respondents, drawn from a population of 360 employees across 20 firms. Spearman's rank order correlation at 0.05 significance level revealed that pay had a very weak but significant relationship with task accomplishment (r = –0.011) and contextual performance (r = 0.011), fringe benefits showed a weak negative relationship with task accomplishment (r = –0.108) but a moderate positive one with contextual performance (r = 0.530), while recognition schemes demonstrated a very weak negative link with task accomplishment (r = –0.045) and a weak positive link with contextual performance (r = 0.126). The findings indicate that although reward systems matter, their influence varies across dimensions of commitment. The study recommends that management adopt integrated strategies combining pay, fringe benefits, and recognition to strengthen both task-oriented and contextual outcomes. It contributes to knowledge by providing empirical evidence and a heuristic model specific to South-South Nigeria, offering guidance for managers and policymakers in enhancing employee commitment..

1.0 INTRODUCTION

Rewarding employees is one of the most critical functions of human resource management, as it involves assessing job value, designing and managing compensation, ensuring job satisfaction, and providing both financial and non-financial benefits. According to Mujtaba and Shuaib (2010) and Kock (2007), timely, appropriate, and market-driven rewards motivate employees and managers alike. Rewards represent an exchange between employees and employers, and when effectively administered, they improve motivation, job satisfaction, and overall organizational performance (Khalid, Salim & Loke, 2011; Negash, Zewude & Megersa, 2014; Rafikul & Ahmad, 2008; Milne, 2007). Modern organizations recognize rewards as a key motivational tool that encourages employees to willingly exert effort on behalf of their employers, thereby enhancing commitment and job satisfaction (Zaini, Nilufar & Syed, 2009). Reward management is a structured system comprising financial and non-financial packages designed to inspire performance and align employee efforts with organizational objectives (Ginbar, 2020; Obisi, 2003). It involves implementing strategies to reward employees fairly and consistently (Grewar, 2021). In today's competitive business environment, reward management has become central to attracting, retaining, and motivating skilled employees while enhancing productivity (Dalvi & Ibrahim, 2013; Datta, 2012).

Motivation is often highlighted as a critical factor influencing employee performance. Barney (1991) emphasized that performance depends not only on skills but also on motivation. Dessler (2003) further noted that high-performing employees are essential to organizational success, making motivation strategies indispensable. Several studies confirm that intrinsic motivation positively influences both job performance and satisfaction (Linz, 1990; Deci & Ryan, 2000). Conversely, monetary rewards can sometimes undermine intrinsic motivation, though when carefully structured, they remain essential to sustaining commitment. Employees are the lifeblood of organizations, as they harness other resources materials, machines, and money to achieve goals (Tamunomiebi & Wobodo, 2018). Reward systems, therefore, serve multiple objectives, including attracting and retaining talent, ensuring equity and fairness, and motivating employees to contribute meaningfully (Johnson et al., 2010). Effective reward programs typically involve immediate, short-term, and long-term components (Schoeffler, 2005; Yokoyama, 2010). For example, immediate rewards may include supervisor recognition, short-term rewards may involve cash or gifts, and long-term rewards may reflect loyalty and sustained performance.

Research further suggests that employee creativity, skills, and knowledge are key drivers of organizational success (Markova & Ford, 2011). Effective reward systems enhance job satisfaction, recognition, and a sense of competence, all of which increase productivity and commitment (Danish & Usman, 2010). While many organizations invest heavily in employee development, questions remain regarding the most influential factors that determine employee performance and commitment. This study, therefore, seeks to examine the impact of reward systems on employee commitment, focusing on manufacturing companies in South-South Nigeria.

1.2 Statement of the Problem

Employees are widely regarded as the most valuable assets of an organization. Sustainable productivity can only be achieved when employees are motivated and committed to organizational objectives (Armstrong, 2011). However, many organizations face declining performance due to employees' lack of commitment. Issues such as inflexible work schedules, inability to balance work and personal life, long working hours, low remuneration, absence of performance bonuses, weak supervisory relationships, and poor communication contribute to demotivation and reduced productivity. Demotivated employees often exhibit poor workplace relationships, declining job standards, and lower output. While other factors such as inadequate infrastructure, leadership style, and organizational culture may contribute, a weak reward system remains a central challenge. Against this backdrop, the present study investigates how reward systems can serve as a tool for enhancing employee commitment in manufacturing firms.

1.3 Conceptual Framework

The conceptual framework for this study highlights reward systems as the predictor variable, with dimensions such as financial rewards, non-financial rewards, recognition, and career development opportunities.

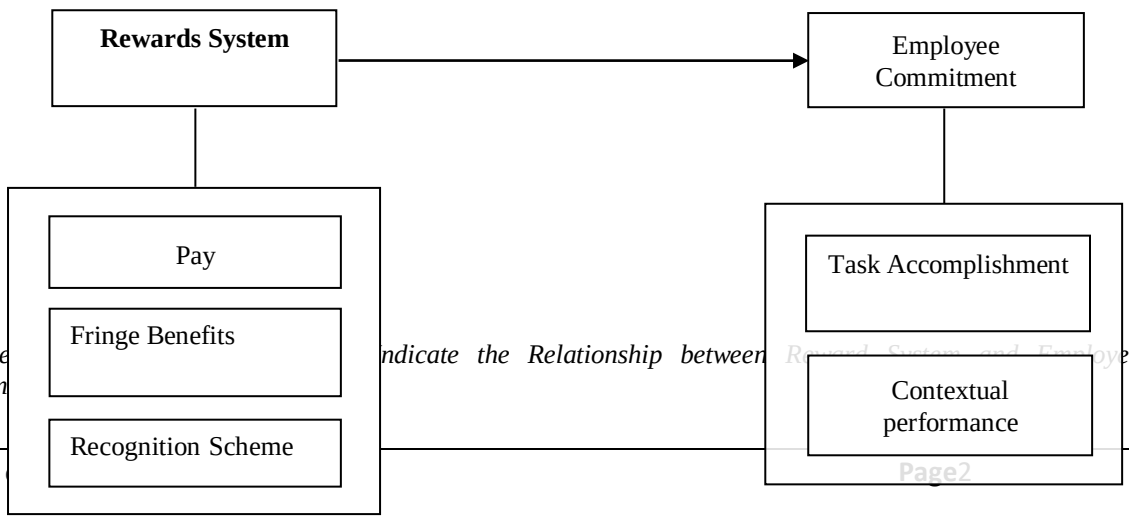

Figure *ndicate the Relationship between Reward System and Employee Comm*

Source: Researcher Desk, 2025.

1.4 Objectivesof the Study

i. To determine the relationship between pay and task accomplishment in of manufacturing companies in South South Nigeria.
ii. To determine the relationship between pay and contextual performance in manufacturing companies in South South Nigeria.
iii. To determine the relationship between fringe benefits and task performance in manufacturing companies in South South, Nigeria.
iv. To determine the relationship between fringe benefits and contextual performance in manufacturing companies in South South Nigeria.
v. To examine the relationship between recognition scheme and task accomplishment in manufacturing companies in South South, Nigeria.
vi. To examine the relationship between recognition scheme and contextual performance in manufacturing companies in South South Nigeria.

1.5 Research Questions

i. What is the relationship between pay and task accomplishment of manufacturing companies in South South, Nigeria?
ii. What is the relationship between pay and contextual performance in manufacturing companies in South South, Nigeria?
iii. What is the relationship between fringe benefits and task accomplishment of manufacturing companies in South South Nigeria?
iv. What is the relationship between fringe benefits and contextual performance in manufacturing companies in South South, Nigeria?
v. What is the relationship between recognition scheme and task accomplishment in manufacturing companies in South South, Nigeria?
vi. What is the relationship between recognition scheme and contextual performance in manufacturing companies in South South, Nigeria?

1.6 Research Hypotheses

Ho_1: There is no significant relationship between pay and task accomplishment of manufacturing companies in South South, Nigeria.
Ho_2: There is no significant relationship between pay and contextual performance in fast moving consumer manufacturing goods in South South, Nigeria.
Ho_3: There is no significant relationship between fringe benefits and task accomplishment of manufacturing companies in South South, Nigeria.
Ho_4: There is no significant relationship between fringe benefits and contextual performance of manufacturing companies in South South, Nigeria.
Ho_5: There is no significant relationship between recognition schemes and task accomplishment of manufacturing companies in South South, Nigeria.
Ho_6: There is no significant relationship between recognition schemes and contextual performance of manufacturing companies in South South, Nigeria.

2.1 Theoretical Foundation

The theoretical foundation of the study is anchored on the Social Exchange Theory (SET), which explains human relationships as exchanges of resources based on perceived costs and benefits. According to Homans (1958) and Blau (1964), individuals maintain relationships when the benefits outweigh the costs, and reciprocity ensures sustained commitment. In organizational settings, SET highlights the relationship between employers and employees, where fairness, reciprocity, and mutual benefits drive performance, citizenship behavior, and commitment. This makes the theory particularly useful in understanding how reward systems influence employee attitudes and behaviors.

In addition, need-based theories provide further insight into employee motivation. Maslow's hierarchy of needs emphasizes that individuals are motivated to satisfy physiological, safety, social, esteem, and self-actualization needs, which are highly relevant to organizational reward systems. McClelland's acquired needs theory complements this by identifying the need for achievement, power, and affiliation as key drivers of workplace behavior. Employees with high achievement needs seek challenging tasks and feedback; those motivated by power strive to influence others, while those with affiliation needs prioritize social relationships and teamwork. The theory underscore that effective reward systems must balance economic and social exchanges, while also addressing employee' diverse motivational needs, to strengthen commitment and enhance organizational performance.

3. Methodology

This study employed a cross-sectional survey design to provide a snapshot of reward systems and employee commitment in selected manufacturing companies in South-South Nigeria. The research population consisted of 360 employees drawn from twenty purposively selected manufacturing firms that had operated for more than ten years. From this population, a sample size of 189 respondents was scientifically determined using Taro Yamane's formula (1970) and proportionately distributed across the firms using Bowley's formula (1964). Data were generated primarily through a structured questionnaire, which combined both closed-ended and open-ended items. The instrument was divided into three parts to capture demographic information, reward system dimensions and employee commitment, and qualitative insights, with most items measured on a five-point Likert scale ranging from strongly disagrees to strongly agree. To ensure content and face validity, the instrument was reviewed by experts and adapted from previous studies, while reliability was tested using Cronbach's Alpha. The results indicated acceptable internal consistency with alpha values of 0.754 for pay, 0.807 for recognition, 0.720 for task accomplishment, and 0.799 for contextual performance, while fringe benefits recorded 0.633, which was minimally acceptable. Data analysis was conducted in three stages. Descriptive statistics such as frequencies and charts were employed for demographic variables, univariate analysis was applied to summarize individual variables using means and standard deviations, and bivariate analysis was carried out using Spearman's Rank Correlation Coefficient to test the study hypotheses. All analyses were executed with the aid of SPSS version 25.

4. Results

4.1 Uni-variate Analysis

Table 4.1 Descriptive Statistics for Pay

	N	Minimum	Maximum	Mean	Std. Deviation
I am someone who goes all-out to ensure I carry out my job.	185	1.00	5.00	4.3946	.84118
If I discover something new, I like, I usually continue doing it for a while.	185	1.00	5.00	4.3568	.86745
I do anything within my power to achieve my goals	185	1.00	5.00	4.4432	.83943
When I am successful at something, I continue doing it.	185	1.00	5.00	4.4649	.90296
When I go after something I use a "no holds barred" approach.	185	3.00	5.00	4.5622	.59680
Valid N (listwise)	185				

Source: SPSS Output version 25.0

The data in Table 4.1 illustrates that there is a high level of affirmation (where x>2.50) as compared to the indicators of pay which is the dimension of reward system. The study, investigated the context and manifestations of pay within the target organizations with indicators aimed at examining respondents' perception of observed phenomenon in the organizations and hence is largely on the acceptable range of the scale.

Table 4.2 Descriptive Statistics for Fringe Benefits

	N	Minimum	Maximum	Mean	Std. Deviation
When I see an opportunity for something I like, I get excited right away	185	1.00	5.00	4.4703	.78742
When I'm doing well at something, I love to keep at it because of my benefits.	185	2.00	5.00	4.5027	.66858
If I see a chance of something I want, I move on it right away	185	2.00	5.00	4.4324	.72007
My organization ensures that staffs are paid for overtime work which encourages me to work extra when required.	185	1.00	5.00	4.4216	.77007
Valid N (listwise)	185				

Source: SPSS Output version 25.0

The data in Table 4.2, illustrates that there is high affirmation (where x >2.50) as regards the indicators of fringe benefits which is dimension of reward system. The construct, examined the context and manifestations of fringe benefits in manufacturing companies with the indicators targeted at examining the respondents view of fringe benefits through its designed indicators. The results, affirm to all four indicators of fringe benefits within the target industries as also supported by the low disparity in response to (SD <2.00). The implication of these responses is that the respondents in manufacturing companies in SouthSouthNigeria, are strongly of the view that fringe benefits, is an observed process in their organizations and hence is largely on the agreement range of the scale.

Table 4.3 Descriptive Statistics for Recognition Scheme

	N	Minimum	Maximum	Mean	Std. Deviation
I receive formal and informal recognition for performing my job on schedule.	185	1.00	5.00	4.5027	.71570
The organization always grants me certificates of appreciation and recognition to efficient employees.	185	2.00	5.00	4.4865	.82164
I receive appropriate recognition for my contribution to the company.	185	1.00	5.00	4.4973	.84135
The organization chooses an awards best Staff of the month with monetary and certification awards this propels me to work harder.	185	2.00	5.00	4.4270	.75637
Valid N (list wise)	185				

Source: SPSS Output 25.0

The data in Table 4.3, confirms that there is high agreement (where x >2.50) as regards the indicators of recognition scheme which is dimension of reward system. The construct, examined the context and manifestations of recognition scheme within the target organizations with the indicators targeted at examining the respondents view of recognition scheme through its designed indicators. The results, affirms to all four indicators of recognition scheme within the target industries as also supported by the low disparity in response to (SD <2.00). The implication of these responses is that the respondents in manufacturing companies in South South Nigeria, are strongly of the view that recognition scheme, is an observed process in their organizations and hence is largely on the agreement range of the scale

Table 4.4 Descriptive Statisticsfor Task Accomplishment

	N	Minimum	Maximum	Mean	Std. Deviation
I am able to plan my work so that I finish it on time.	185	2.00	5.00	4.4541	.76563
I keep in mind the work results I need to achieve.	185	1.00	5.00	4.3351	.93023
I set priorities on my task.	185	2.00	5.00	4.5135	.78787
I carry out my work efficiently.	185	1.00	5.00	4.4432	.87742
I do manage my time well	185	2.00	5.00	4.5459	.73669
Valid N (listwise)	185				

Source: SPSS Output Version 25.0

The data in Table 4.4, confirms that there is high agreement (where x >2.50) as regards the indicators of mental stress which is measure of employee commitment. The construct, examined the context and manifestations of task accomplishment within the target organizations with the indicators targeted at examining the respondents

view of task accomplishment through its designed indicators. The results, affirms to all five indicators of task accomplishment within the target organizations as also supported by the low disparity in response to (SD <2.00). The implication of these responses is that the respondents in the manufacturing companies in South South Nigeria are strongly and in perfect of the view that task accomplishment, is an experienced challenge in their organizations and hence is largely on the agreement range of the scale.

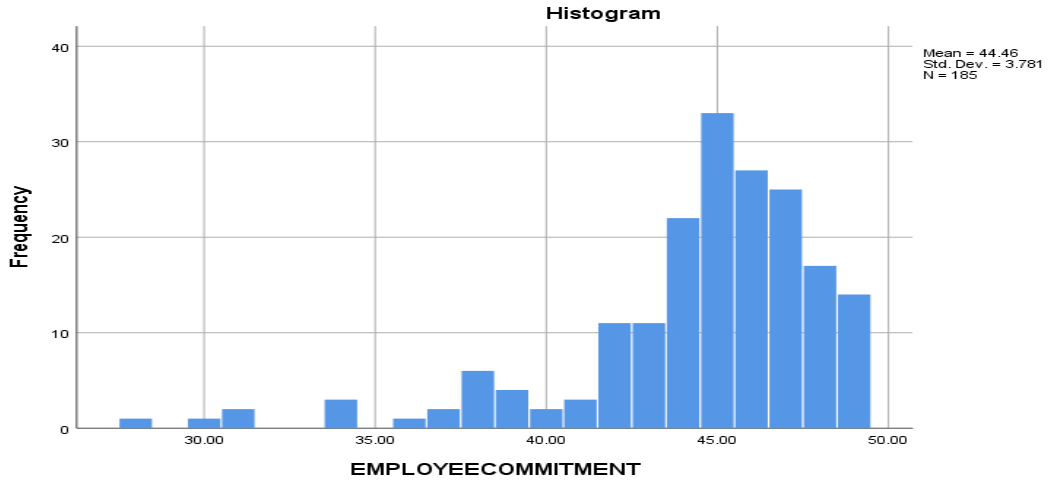

Figure 4.1 Histogram showing descriptive statistics for employee commitment

Figure 4.1 summarizes the distribution for the criterion variable- employee commitmentthe mean distribution for the variable, reveals the extent of the manifestations of employee commitment to be high (where x = 44.46) which is within the criterion of $3.5 < x < \geq 4.5$ for high manifestations. It shows that the questionnaires were not normally distributed. The reason spearman rank order was deemed fit and appropriate for carrying out this study. Also, this goes to show that employee commitment is an observed development amongst the workersin manufacturing companies in South-South, Nigeria.

4.2 Tests for Normality

Normality testing was conducted to determine whether the data followed a normal distribution. Following Myoung (2015), both graphical and numerical methods are commonly used; however, this study applied the Shapiro-Wilk test alongside graphical methods such as the Quantile-Quantile (Q-Q) plots. The Q-Q plots were employed to visually assess deviations of data points from the diagonal line, while the Shapiro-Wilk test provided statistical confirmation. The tests were carried out on both the predictor variable (reward system) and the criterion variable (employee commitment) to establish the suitability of applying either parametric techniques such as Pearson correlation and regression analysis or non-parametric alternatives such as Spearman's rank correlation. Since the data showed departures from normality, the study adopted non-parametric tools, justifying the use of Spearman's rank correlation in analyzing the relationship between the variables.

Table 4.5 Test for Skewness and Kurtosis

Descriptives

	Statistic	Std. Error

REWARDSYSTEM	Mean		67.4324	.32913
	95% Confidence Interval for Mean	Lower Bound	66.7831	
		Upper Bound	68.0818	
	5% Trimmed Mean		67.8769	
	Median		69.0000	
	Variance		20.040	
	Std. Deviation		4.47663	
	Minimum		48.00	
	Maximum		75.00	
	Range		27.00	
	Interquartile Range		4.00	
	Skewness		-1.736	.179
	Kurtosis		3.422	.355
EMPLOYEECOMMITMENT	Mean		44.4649	.27796
	95% Confidence Interval for Mean	Lower Bound	43.9165	
		Upper Bound	45.0133	
	5% Trimmed Mean		44.8559	
	Median		45.0000	
	Variance		14.294	
	Std. Deviation		3.78069	
	Minimum		28.00	
	Maximum		49.00	
	Range		21.00	
	Interquartile Range		4.00	
	Skewness		-1.775	.179
	Kurtosis		3.981	.355

Source: SPSS Output

Results, presented in Table 4.5 revealed that skewness coefficient for reward system and employee commitment was between -1.736 and -1.775 implying the variables, had both negative and negative skewness. Also, the Table 4.13 describes the result on the assessment of the kurtosis distribution of the data for both variables. Hence, results revealed positive distributions (where K> 2.00) with a positive and negative skewed data result (where S >0.05) for both variables. The evidence, established the manifestations of symmetric (symmetric) distributions for both variables. Based on the descriptive Table for each of the factors, it can be assumed that all factors are considered abnormally distributed, justifying the choice of the non-parametric inferential tests of Spearman Rank Order Correlation (to be used in the following section). Also, the normality test is further illustrated in the following Q-Q plots of figure 4.2

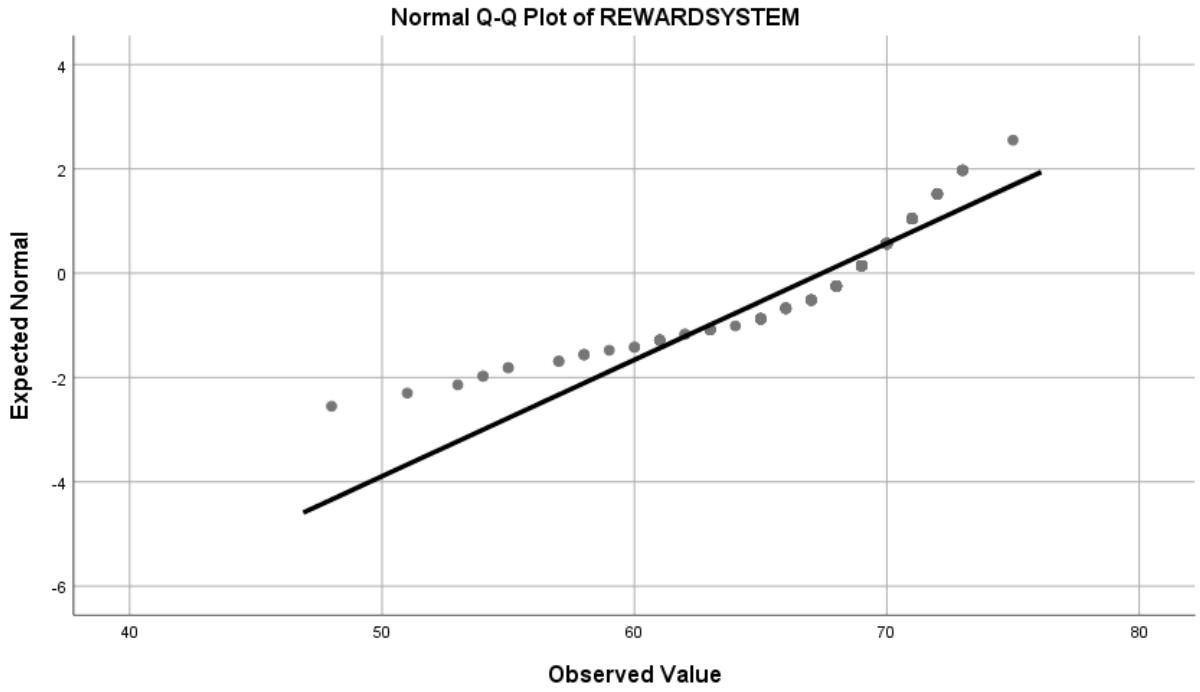

Figure 4.2 showing Q-Q plot for reward system

Source: SPSS Output 25.0

4.3 Bivariate Analysis

The study employed Spearman's Rank Order Correlation Coefficient (SROCC) to test the bivariate hypotheses due to its non-parametric features and suitability for interval and ordinal data. Hypotheses were tested at a 95% confidence interval with a 0.05 significance threshold, where P < 0.05 indicated a significant relationship and P > 0.05 indicated no significant relationship. Decision rules required accepting the null hypothesis if the significance value was greater than the P-value, and rejecting it otherwise. In line with Cooper and Schindler's (2014) correlation decision scale, relationships were classified as very weak (±0.00–0.19), weak (±0.20–0.39), moderate (±0.40–0.59), strong (±0.60–0.79), very strong (±0.80–0.99), and perfect (±1.00).

Table 4.6Pay and Measures of Employee Commitment

Correlations

			PAY	TASKACCOMPLISHMENT	CONTEXTUALPERFORMANCE
Spearman's rho	PAY	Correlation Coefficient	1.000	-.011	.011
		Sig. (2-tailed)	.	.883	.882
		N	185	185	185
	TASKACCOMPLISHMENT	Correlation Coefficient	-.011	1.000	-.069
		Sig. (2-tailed)	.883	.	.354
		N	185	185	185
	CONTEXTUALPERFORMANCE	Correlation Coefficient	.011	-.069	1.000
		Sig. (2-tailed)	.882	.354	.
		N	185	185	185

Source: SPSS Output

The results from Table 4.5 show that the relationship between pay and task accomplishment produced a Spearman correlation coefficient of r = –0.011 at p < 0.05, indicating a very weak and negative association, though statistically significant. Similarly, the relationship between pay and contextual performance yielded r = 0.011 at p < 0.05, reflecting a very weak but positive and significant correlation. Based on the decision rule, the null hypotheses were rejected and the alternates upheld, confirming that pay has a significant but very weak relationship with both task accomplishment and contextual performance of manufacturing workers in South-South, Nigeria.

4.3.1Fringe Benefits and Employee Commitment Measures

Table 4.7 Correlation Matrix Fringe Benefits and Employee Commitment Measures

Correlations

			FRINGEBENEFIT	TASKACCOMPLISHMENT	CONTEXTUALPERFORMANCE
Spearman's rho	FRINGEBENEFIT	Correlation Coefficient	1.000	-.108	.530**
		Sig. (2-tailed)	.	.142	.000
		N	185	185	185
	TASKACCOMPLISHMENT	Correlation Coefficient	-.108	1.000	-.069
		Sig. (2-tailed)	.142	.	.354
		N	185	185	185
	CONTEXTUALPERFORMANCE	Correlation Coefficient	.530**	-.069	1.000
		Sig. (2-tailed)	.000	.354	.
		N	185	185	185

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output Version 25.0

The findings in Table 4.7 show that the relationship between fringe benefits and task accomplishment produced a Spearman correlation coefficient of r = –0.108 at p < 0.05, indicating a very weak but significant negative association. In contrast, the relationship between fringe benefits and contextual performance yielded r = 0.530 at p < 0.05, reflecting a moderate and significant positive correlation. Consequently, the null hypotheses were rejected and the alternates upheld, confirming that fringe benefits significantly influence both task accomplishment and contextual performance of manufacturing workers in South-South, Nigeria, though the effect is weakly negative for task accomplishment and moderately positive for contextual performance.

4.3.2Recognition Scheme and Employee Commitment

Table 4.8 Correlation MatrixRecognition Scheme and Measures of Employee Commitment

Correlations

			RECOGNITIONSCHEME	TASKACCOMPLISHMENT	CONTEXTUALPERFORMANCE
Spearman's rho	RECOGNITIONSCHEME	Correlation Coefficient	1.000	-.045	.126
		Sig. (2-tailed)	.	.540	.089
		N	185	185	185
	TASKACCOMPLISHMENT	Correlation Coefficient	-.045	1.000	-.069
		Sig. (2-tailed)	.540	.	.354
		N	185	185	185
	CONTEXTUALPERFORMANCE	Correlation Coefficient	.126	-.069	1.000
		Sig. (2-tailed)	.089	.354	.
		N	185	185	185

Source: SPSS Output Version 25.0

The results in Table 4.8 reveal that recognition schemes and task accomplishment have a Spearman correlation coefficient of r = –0.045 at p < 0.05, indicating a very weak but significant negative relationship, while recognition schemes and contextual performance produced r = 0.126 at p < 0.05, reflecting a weak but significant positive association. Consequently, the null hypotheses were rejected and the alternates upheld, confirming that recognition schemes significantly influence employee commitment in South-South manufacturing firms, though the effect is negatively weak for task accomplishment and positively weak for contextual performance.

4.4 Summary of Tested Hypothesis

Table 4.9 Summary of Statistical Values and Decision

Hypothesis	Decision	Basis for Decision
Ho_1: There is no significant relationship between pay and task accomplishment in manufacturing companies in south south Nigeria	The null hypothesis was rejected	Relationship was weak and positive based on rho= -0.011; and significant based on p=0.000 <0.05.
Ho_2: There is no significant relationship between pay and contextual performance in manufacturing companies in South-South, Nigeria.	The null hypothesis was rejected	Relationship was very weak and positive based on rho= 0.011; and significant based on p=0.000 <0.05.
Ho_3: There is no significant relationship between fringe benefits and task accomplishment in manufacturing companies in South-South, Nigeria.	The null hypothesis was rejected	Relationship was weak and positive based on rho= -0.108; and significant based on p=0.000 <0.05.

Ho_4:	There is no significant relationship between fringe benefits and contextual performance in manufacturing companies in South-South, Nigeria.	The null hypothesis was rejected	Relationship was weak and positive based on rho= 0.530; and significant based on p=0.000 <0.05.
Ho_5:	There is no significant relationship between recognition scheme and task accomplishment in manufacturing companies in South-South, Nigeria.	The null hypothesis was rejected	Relationship was weak and positive based on rho= -0.045; and significant based on p=0.000 <0.05.
Ho_6:	There is no significant relationship between recognition scheme and contextual performance in manufacturing companies in South-South, Nigeria.	The null hypothesis was rejected	Relationship was moderate and positive based on rho= 0.126; and significant based on p=0.000 <0.05.

Source: Researcher's Desk, 2025

The study established a significant relationship between reward systems and employee commitment in South-South Nigerian manufacturing firms, confirming earlier studies that emphasize the role of effective rewards in sustaining motivation, job satisfaction, and organizational success. The analysis of pay revealed that monetary compensation remains a central driver of satisfaction and commitment, particularly in developing economies where financial demands are high, aligning with prior research that highlights pay as the most powerful motivator and determinant of individual and organizational performance. Findings on fringe benefits showed a significant but weak and negative relationship with employee commitment, consistent with studies indicating that while compensation packages influence performance, their impact varies across the dimensions of affective, normative, and continuance commitment. Recognition schemes also showed a significant relationship with employee commitment, with results supporting earlier research that recognition is a vital engagement driver and enhances performance when combined with fair compensation, although this study found both negative and positive relationships depending on the dimension of commitment considered. Overall, the findings suggest that while different components of reward systems significantly affect employee commitment, their influence varies in strength and direction, underscoring the need for a balanced and comprehensive reward strategy to foster a dedicated workforce in the manufacturing sector.

Conclusion

Reward systems have a significant influence on employee commitment in manufacturing companies in South South Nigeria, though the effect varies depending on the dimension of the reward applied. Pay was found to both positively and negatively influence commitment, fringe benefits showed a tendency to reduce commitment, and recognition schemes revealed a weak but significant relationship with employee performance. These findings suggest that while reward systems are crucial to organizational life, their design and implementation determine whether they strengthen or weaken employee commitment. When reward systems are poorly structured or unequally distributed, they discourage employees and reduce dedication to organizational goals. On the other hand, well-designed strategies that are fair, inclusive, and motivating foster stronger commitment, higher performance, and improved organizational outcomes.

The contribution of this research lies in providing empirical evidence on the relationship between reward systems and employee commitment within the unique context of manufacturing companies in South South Nigeria, a region with limited prior research in this area. By addressing this gap, the study has enriched existing literature and offered insights into how reward practices function in this specific socio-economic setting. Beyond theoretical contributions, the study has practical value for management, policymakers, and shareholders in designing reward strategies that encourage teamwork, creativity, and individual recognition. It has further advanced knowledge by developing a heuristic model to guide researchers and practitioners on how reward systems can be structured and applied effectively in organizations.

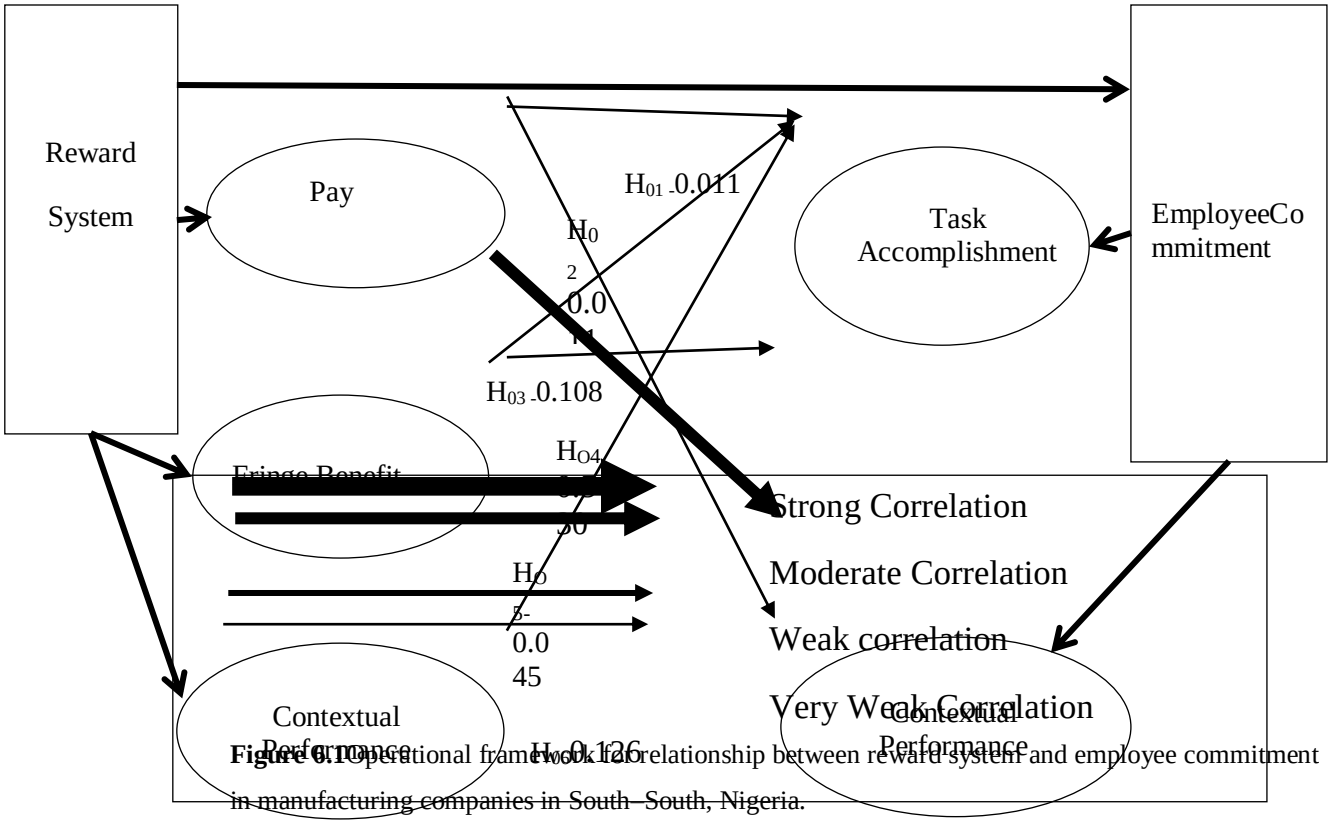

Figure 6.1 Operational framework for relationship between reward system and employee commitment in manufacturing companies in South- South, Nigeria.

Source: Researcher's Desk, 2025.

Based on the findings, it is recommended that management should adopt reward system strategies that include all categories of workers and ensure equity in allocation. Independent monitoring structures should be established to guarantee that both financial and non-financial resources are fairly distributed. Workers should be allowed to operate unions to strengthen their sense of security and representation, while continuous training opportunities should be provided to build skills, confidence, and commitment. A supportive work environment and adequate tools should be made available to enhance performance, and recognition practices should be strictly guided by fairness, free from favoritism, tribalism, or sentiments. Through these measures, manufacturing companies can create a reward framework that strengthens employee commitment and ensures organizational growth.

REFERENCES

Armstrong, M. (2011). Armstrong's handbook of human resource management practice (11th ed.). Kogan Page.

Barney, J. (1991). Firm resources and sustained competitive advantage. Journal of Management, 17(1), 99–120. https://doi.org/10.1177/014920639101700108

Dalvi, M. V., & Ibrahim, M. (2013). High-performance HR practices and employee performance: The mediating role of employee commitment. Journal of Management Research, 13(2), 55–63.

Danish, R. Q., & Usman, A. (2010). Impact of reward and recognition on job satisfaction and motivation: An empirical study from Pakistan. International Journal of Business and Management, 5(2), 159–167. https://doi.org/10.5539/ijbm.v5n2p159

Datta, B. (2012). Management by motivation: A study on employees in the service sector. Journal of Asian Business Strategy, 2(1), 31–35.

Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self-determination of behavior. Psychological Inquiry, 11(4), 227–268. https://doi.org/10.1207/S15327965PLI1104_01n

Dessler, G. (2003). Human resource management (9th ed.). Prentice Hall.

Ginbar, A. (2020). Reward management as a motivational tool for enhancing employee performance: Evidence from selected organizations. Journal of Human Resource and Leadership, 8(2), 45–56.

Grewar, J. (2021). Strategic reward management: Aligning reward systems with organizational performance. International Journal of Human Resource Studies, 11(3), 102–118.

Johnson, G., Scholes, K., & Whittington, R. (2010). Exploring corporate strategy (9th ed.). Pearson Education.

Khalid, K., Salim, H. M., & Loke, S. P. (2011). The impact of rewards and motivation on job satisfaction in water utility industry. International Conference on Financial Management and Economics, 11, 35–41

Kock, N. (2007). Systems analysis and design fundamentals: A business process redesign approach. SAGE Publications.

Linz, S. J. (1990). Motivating Russian workers: Reward preferences in a changing economy. Soviet Studies, 42(4), 759–779.

Markova, G., & Ford, C. (2011). Is money the panacea? Rewards for knowledge workers. International Journal of Productivity and Performance Management, 60(8), 813–823. [https://doi.org/10.1108/17410401111182206](https://doi.org/10.1108/17410401111118220

Milne, P. (2007). Motivation, incentives and organizational culture. Journal of Knowledge Management, 11(6), 28–38. https://doi.org/10.1108/13673270710832145

Mujtaba, B. G., & Shuaib, S. (2010). An equitable total rewards approach to pay for performance management. Journal of Management Policy and Practice, 11(4), 111–121.

Negash, R., Zewude, S., & Megersa, R. (2014). The effect of reward on employees' performance: A case of selected hotels in Addis Ababa, Ethiopia. European Journal of Business and Management, 6(38), 150–154.

Obisi, C. (2003). Employee performance appraisal and its implication for individual and organizational growth. Nigerian Journal of Human Resource Development, 3(1), 15–24.

Rafikul, I., & Ahmad, Z. (2008). Employee motivation: A Malaysian perspective. International Journal of Commerce and Management, 18(4), 344–362. https://doi.org/10.1108/10569210810921960

Schoeffler, M. (2005). Employee rewards and organizational effectiveness: An integrated approach. Journal of Business Strategy, 26(4), 36–43.

Tamunomiebi, M. D., & Wobodo, C. C. (2018). Reward system and employees' performance in Nigerian manufacturing firms: An empirical investigation. International Journal of Advanced Academic Research, 4(2), 55–74.

Yokoyama, K. (2010). The effect of reward systems on employee performance: A case study of Japanese companies. Asian Journal of Management Research, 1(2), 329–346.

Zaini, A., Nilufar, A., & Syed, S. (2009). The impact of human resource management practices on organizational commitment in Malaysian organizations. International Journal of Business and Management, 4(2), 147–154.