

ORGANISATIONAL REWARD SYSTEMS AND EMPLOYEE COMMITMENT OF BOTTLE WATER FIRMS IN PORT HARCOURT, RIVERS STATE.

Dr Dumo Nkesi Opara & Isioma, Dabota Emore
Department of Management, Faculty of Management Science
Ignatius Ajuru University of Education, Rumuolueni Port Harcourt, Rivers State,
Nigeria

ABSTRACT

This study was carried out to examine the relationship between Organisational Reward System and Employee Commitment of bottle water firms in Rivers state, Nigeria. The study also revealed that there is a significant relationship between financial rewards and measures of employee commitment, there is a strong significant relationship between non-financial reward and measures of employee commitment, there is significant relationship between fringe benefit and measures of employee commitment. The study concluded that reward systems is imperative and essential for enhancing employee commitment of bottle water firms in Rivers state, Nigeria. The study recommended that Management of bottle water firm should be adopt adequate financial reward by providing salaries, wages and other benefits as at when due in other to enhance employee commitment. Management of bottle water firm should be adopted adequate non-financial reward by providing proper recognition and appreciation in other to enhance employee commitment. Management of bottle water firms should provide adequate and appropriate fringe benefits such as Insurance and others which help boost employee commitment and productivity.

Keywords: Organisational Reward System, Employee Commitment, Financial Reward, Affective Commitment

INTRODUCTION

Employees who have a greater commitment towards their organization tend to outperform their colleagues or peers. They fit in well, they understand the organization's goal and they add value to the organization. Committed employees are committed to the organisation, but not engaged in their work. Affective commitment relates to how much employees want to stay at their organisation. If an employee is affectively committed to their organisation, it means that they want to stay at their organisation. They typically identify with the organisational goals, feel that they fit into the organisation and are satisfied with their work. Employees who are affectively committed feel valued, act as ambassadors for their organisation and are generally great assets for organisations. In the view of Mayer and Allen (1997) as cited Grant (2008) Employee commitment is the bond employees experience with their organization.

Normative commitment relates to how much employees feel they should stay at their organisation. Employees that are normatively committed generally feel that they should stay at their organisations. Normatively committed employees feel that leaving their organisation would have disastrous consequences, and feel a sense of guilt about the possibility of leaving. Reasons for such guilt vary, but are often concerned with employees feeling that in leaving the organisation they would create a void in knowledge/skills, which would subsequently increase the pressure on their colleagues. Such feelings can, and do, negatively influence the performance of employees working in organisations (Han et al , 2019).

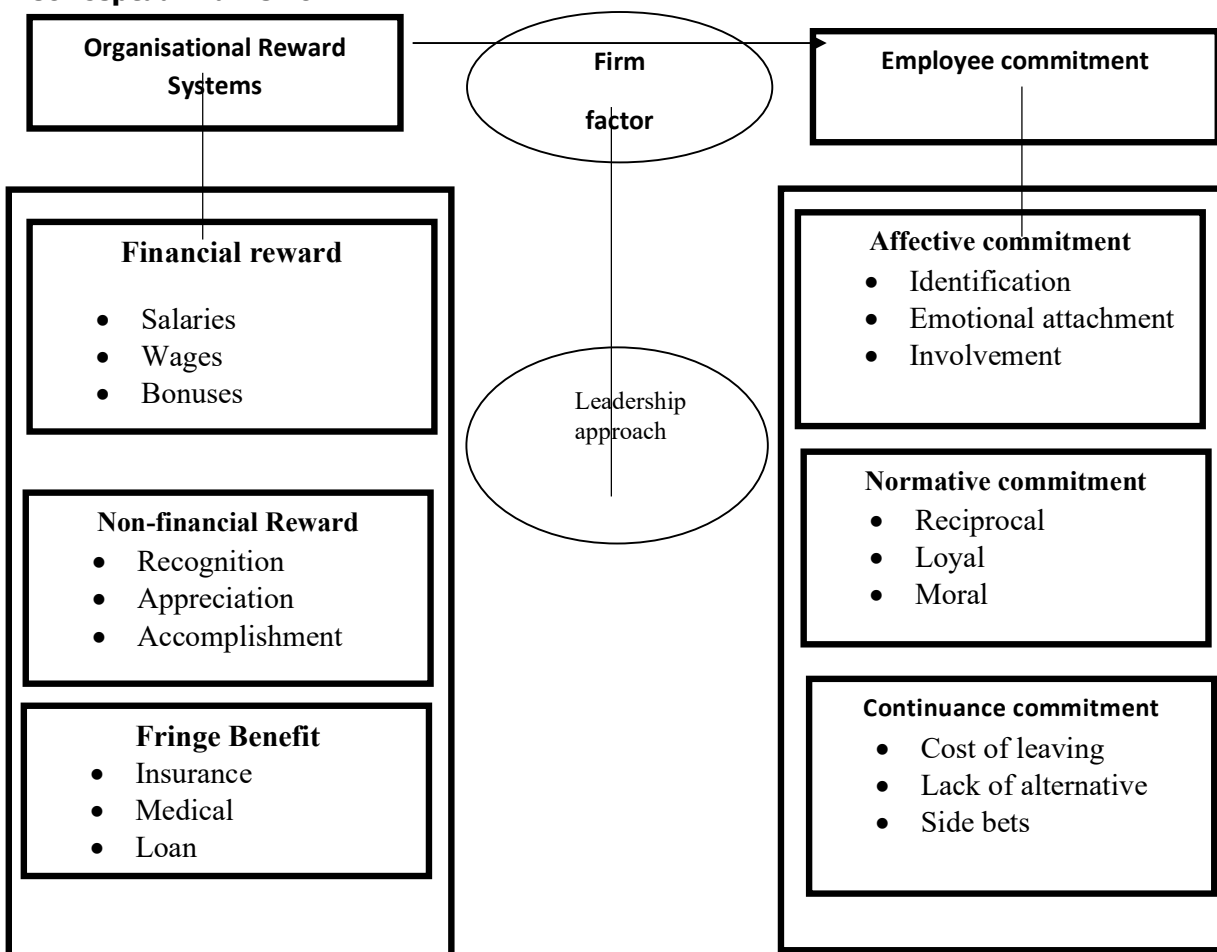
Continuance commitment relates to how much employees feel the need to stay at their organisation. In employees that are continuance committed, the underlying reason for their commitment lies in their need to stay with the organisation. Possible reasons for needing to stay with organisations vary, but the main reasons relate to a lack of work alternatives, and remuneration (Hafiza et al,2011). A good example of continuance commitment is when employees feel the need to stay with their organisation because their salary and fringe benefits won't improve if they move to another organisation. Such examples can become an issue for organisations as

employees that are continuance committed may become dissatisfied (and disengaged) with their work and yet, are unwilling to leave the organisation.

There are various problems associated with bottle water firms which thought affect the attainment of organizational goals. It has been observed that employee do not put in their best in working for the firm as their income or salaries is relatively low compare to the nature of work they do. Financial reward, none financial reward and fringe benefit have been observed not to be practice in bottle water firms as employee do not get bonuses, no leave allowance, no insurance or health scheme and no recognition of employee which affect employee commitment of bottle water firms.

Several people believe that employee commitment is because of the identity of the organization, and the high recognition of the organization which makes the employees commitment to their work, however employee will not be committed to bottled water firms if they are not motivated by means of providing an adequate reward system. Bottling of drinking water by the company poses a significant threat to the environment and human rights. High water prices have barred the sparse population from undeveloped countries from affording them, leading to the outbreak of infectious diseases such as cholera (WHO,2012). It is believed that if employee is motivated it will enhance their duty of care during the water production process. It is in the light of the aforementioned that his study intent to fill tis lacuna by providing adequate solutions to problem being faced by bottle water firms arising from poor reward system.

Conceptual framework



Source: Armstrong (2009); pratheepkanth (2011), Sameer (2015) and Researcher (2021)

Fig 1.1: conceptual framework showing the dimensions of organisational Reward system and measures of employee commitment.

Reward Systems

Asif et al (2020) Reward systems can be traced back to the scientific management era where management principles and philosophies were developed some of which are still existing today. Reward systems played an important role in this era in the success and implementation of this philosophy of scientific management. It all started with the American Society of Mechanical Engineers who was the first promoter of management. The most challenging problem they had was what they termed "wage problem". although scientific management is not a organisational Reward system as stated by Taylor in his testimony before the special committee when he defined what scientific management is not, it is the major concern of scientific management. Scientific management is not a pay scheme for employee neither is it a piece works system. It is not a bonus or premium system neither is it a scheme for paying men but under scientific management, the pay system is simply one of the subordinate elements. However, task and bonuses constituted the most important elements in scientific management. In this era, Cameron and Pierce (1994) pressed on the need for management to develop plans that offer high wages to workers and a relatively low labour cost to employers while fostering individual pay for performance.

Gibson and Van De-Vaart (2008) Reward systems serve several purposes in organizations. Effective reward systems help an organization be more competitive, retain key employees, and reduce turnover. Reward systems also can enhance employee motivation and reinforce the image of an organization among key stakeholders or future employees. Organisational Reward system is developed to make performance more effective. Reward is based on performance which is outcome of efforts and environmental factors. People are the most important resource for organizational competitiveness, and keeping them on the job is a key task for any manager. Competition to attract and keep the best employees is intense. For people looking for a career opportunity, that's great news, but as a manager of an organization needing to keep the best and brightest, it is a challenge. It may be even harder in the nonprofit and public sectors where flexibility in providing financial rewards may be more limited than in a commercial context. Retaining employees saves money on retraining costs, improves the consistency of services, and allows for relationships to develop between clients and the organization.

Employee Commitment

Employees who are engaged in their work and committed to their organizations give firms crucial competitive advantages including higher productivity and lower employee turnover. Thus, according to Zeb-Obipi and Agada(2018) it is not surprising that organizations of all sizes and types have invested substantially in policies and practices that foster engagement and attitude in their workforces. Though different organizations define engagement differently, some common themes emerge. These themes include employees' satisfaction with their work and pride in their employer, the extent to which people enjoy and believe in what they do for work and the perception that their employer values what they bring to the table. The greater an employee's engagement, the more likely he or she is to "go the extra mile" and deliver excellent on-the-job performance. In addition, engaged employees may be more likely to commit to staying with their current organization. Clearly, engagement and attitude can potentially translate into valuable business results for an organization (Megha,2011).

Attitude is a high level of attachment to an organization . Employee commitment is the emotional bond between the employee and the school. It can also lead to motivation to work (Meyer et al,2004). Attitude is one's attitude, including affect, belief, and behavioral intention toward his work (Qing et al,2019). Attitude as an attitude reflects feelings such as attachment, identification and loyalty to the organization as an object of attitude . Meyer, Allen and Best (1994) as cited in

Meyer et al,(2004) indicated that attitude as a behavior is evident when committed individuals enact specific behavior due to the belief that it is morally correct rather than personally beneficial. In terms of the motivational perspective, organizational attitude is a state of being in which organizational members are bound by their actions and beliefs that sustain their activities and their own involvement in the organization. Qing et al (2019) organizational attitude as a person's feeling with regard to continuing his or her association with the organization, acceptance of the values and goals of the organization, and willingness to help the organization to achieve such goals and values. Thus, organizational attitude is a bond the employee has with his/her organization. Attitude is regarded as the opinion that employee commitment is one of the major professional characteristics that influence an educator's success (Rai et al,2018). A three-component model proposed by Meyer et al,(2004) has implications for the continuing participation of the individual in the organization.

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Expectancy Theory

Expectancy theory was proposed by Vroom (1964) to target work motivation. It explains why people perform or fail to give off their best to an organization. The theory posits that performance depends upon the perceived expectation regarding effort expending in achieving the desired outcome. An employee who desires promotion will only achieve high performance if he/she believe his/her behaviour will lead to promotion or else he/she will not exert effort. Expectancy theory helped the study to understand how individuals are drawn to make decisions as regards various behavioral alternatives and perceptual differences among people. It also suggests that motivation

is based on how much one wants something and how likely he/she could get it. This is because the motivational force of every individual is influenced by his or her expectancies, valences all of which depend on a personal way of perception. The formal framework of expectancy theory was developed by Vroom (1964). This framework states basically that motivation plus effort leads to performance, which then leads to outcomes.

The expectancy theory explains that in any given situation, the greater the number and variety of rewards that are available to the employees the greater is the probability that extra effort will be exerted in attaining the set goals or targets in the hope of getting the desired rewards. Vroom focused especially on the factors that are involved in stimulating an individual to put an effort in doing something since this is the basis of motivation. Expectancy theory of motivation explains the link between motivation and performance. The theory proposes that performance at individual level depends on high motivation, possession of the necessary skills and abilities and an appropriate role and understanding of that role.

CONCLUSION

The study which appraised the relationship between Organisational Reward system and employee commitment of bottle water firms in Rivers state, Nigeria was undertaken using primary data. The objectives of the study sought to establish the effects of the dimensions of the independent on the measures of the dependent variable. The study revealed that there is a significant relationship between Organisational Reward system and employee commitment of bottle water firms in Rivers state, Nigeria. The study also revealed that there is a significant relationship between financial rewards and measures of employee commitment, there is a strong significant relationship between non financial reward and measures of employee commitment, there is significant relationship between fringe benefit and measures of employee commitment. The study concluded that reward systems is imperative and essential for enhancing employee commitment of bottle water firms in Rivers state, Nigeria.

RECOMMENDATIONS

In respect to the findings and conclusion of this study, the following recommendations were made.

- 1) Management of bottle water firm should be adopt adequate financial reward by providing salaries, wages and other benefits as at when due in other to enhance employee commitment.
- 2) Management of bottle water firm should be adopt adequate non-financial reward by providing proper recognition and appreciation in other to enhance employee commitment.
- 3) Management of bottle water firms should provide adequate and appropriate fringe benefits such as Insurance and others which help boost employee commitment and productivity.
- 4) Management of bottle water firm should develop an adequate leadership approach as it is observed that leadership approach significantly influences the relationship between organisational Reward system and employee commitment.

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