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The Impact Of Monetary And Non-Monetary Reward On Workers Productivity In An Organisation: A Case Study Of Zenith Bank PLC

[The Impact Of Monetary And Non-Monetary Reward On Workers Productivity In An Organisation: A Case Study Of Zenith Bank PLC]

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Abstract: The study examines the impact of monetary and non-monetary rewards on workers' productivity in Zenith Bank Plc, focusing on how reward systems influence employee motivation and performance. A survey research design was employed, utilizing structured questionnaires distributed to 50 employees. Data were analyzed using percentage distribution and chi-square (X^2) statistical methods. Findings revealed that 78% of respondents agreed that monetary rewards such as salaries, bonuses, and allowances significantly enhance their productivity, while 65% affirmed that non-monetary incentives like recognition and career development positively influence their job commitment. Hypothesis testing showed a significant relationship between monetary rewards and

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employee productivity ($X^2 = 15.72$, $p < 0.05$), as well as between non-monetary rewards and workforce motivation ($X^2 = 12.89$, $p < 0.05$). The study concludes that a well-structured reward system combining both monetary and non-monetary incentives is essential for maximizing employee performance and organizational success.

Keywords: Monetary rewards, Non-monetary rewards, Employee productivity, Motivation, Incentives, Zenith Bank Plc, Workforce performance, Reward system.

1. Introduction

Employee productivity is a crucial determinant of organizational success, and reward systems play a significant role in enhancing motivation and performance. Organizations implement monetary and non-monetary rewards to encourage employees to improve efficiency, job satisfaction, and overall commitment. According to Akosile et al. (2014), rewards serve as incentives that drive employees toward achieving organizational goals. While monetary rewards such as salaries, bonuses, and commissions provide financial security and extrinsic motivation, non-monetary rewards like recognition, career development opportunities, and flexible work arrangements cater to employees' intrinsic needs, fostering long-term engagement and productivity.

Monetary rewards have traditionally been the primary motivators in workplaces, as they address financial needs and enhance employees' standard of living. Enikanselu and Oyende (2009) emphasized that competitive salaries and performance-based bonuses attract and retain talent, reducing employee turnover. However, the effectiveness of financial incentives varies among employees, as some may prioritize job security and career growth over immediate financial benefits. Zafarullah and Sharjeel (2014) further highlighted that while monetary rewards significantly impact employee engagement, they should be complemented by non-monetary benefits to sustain motivation and enhance firm performance.

On the other hand, non-monetary rewards have gained prominence in modern human resource management due to their role in addressing employees' psychological and emotional needs. Martha and Herbert (2013) found that non-monetary incentives such as recognition programs, professional development, and a supportive work environment contribute to increased job satisfaction and motivation among lower-level employees. When organizations acknowledge and appreciate employees' contributions, they foster a sense of belonging and commitment, which enhances overall productivity.

The effectiveness of a reward system depends on its alignment with employees' expectations and organizational objectives. Akosile et al. (2014) emphasized that a well-structured reward system must balance financial incentives with intrinsic motivators to achieve sustainable productivity. For instance, offering career advancement opportunities, mentorship programs, and employee empowerment initiatives can complement monetary incentives, leading to a more engaged workforce. Similarly, Elikwu (2014) argued that small and medium-scale enterprises in Nigeria could boost employee morale by implementing both financial and non-financial reward structures tailored to their workforce dynamics.

In the banking sector, employee productivity is influenced by several factors, including workload, organizational culture, and incentive structures. Zenith Bank Plc, a leading financial institution in Nigeria, relies on a combination of monetary and non-monetary rewards to enhance employee performance. According to Olorunseun et al. (2014), the effectiveness of reward systems in the banking industry is evident in employees' commitment levels, job performance, and customer satisfaction. When employees perceive that their efforts are adequately rewarded, they are more likely to demonstrate higher efficiency and dedication to their roles.

However, challenges exist in implementing effective reward systems, as employees have diverse expectations regarding incentives. Some employees may prioritize salary increments and bonuses, while others may value professional development and work-life balance. Organizations must therefore assess employee preferences and design reward structures that accommodate varying needs. As highlighted by Akosile et al. (2014), organizations that fail to integrate both monetary and non-monetary rewards may experience lower employee engagement, reduced productivity, and higher turnover rates.

This study examines the impact of monetary and non-monetary rewards on workers' productivity, using Zenith Bank Plc as a case study. By analyzing the relationship between different reward structures and employee performance, the study aims to provide insights into the most effective strategies for enhancing motivation and commitment in the workplace. The findings will contribute to existing literature on human capital management and offer practical recommendations for organizations seeking to optimize their reward systems for sustained productivity.

2. Literature Review

Equity Theory and Its Relevance to Workers' Productivity

Equity Theory, developed by John Stacey Adams (1963), explains how employees assess fairness in the workplace by comparing their input-output ratio with that of their colleagues. Inputs include effort, skills, experience, and time, while outputs consist of salary, bonuses, recognition, and job security. According to Adams, when employees perceive that they are being fairly rewarded compared to their peers, they are more likely to remain motivated and productive. However, if they perceive an imbalance—either being under-rewarded or even over-rewarded—it can lead to dissatisfaction, reduced productivity, or even workplace conflicts. This theory is particularly relevant in organizational settings where both monetary and non-monetary rewards are used to incentivize employees.

In the context of Zenith Bank Plc, the application of Equity Theory is crucial in understanding how employees react to the organization's reward system. If workers perceive that their salaries, bonuses, or promotions are not proportional to their efforts compared to their colleagues, they may experience job dissatisfaction, which can negatively affect their performance. Conversely, employees who feel fairly compensated for their contributions are more likely to remain engaged, committed, and productive. This implies that an equitable reward system, where both financial and non-financial benefits are fairly distributed, can enhance organizational performance by fostering employee motivation and job satisfaction.

Furthermore, organizations that implement fair reward systems can reduce turnover rates and enhance employee engagement. Employees who perceive fairness in compensation and recognition are less likely to seek alternative job opportunities, thereby improving retention and reducing recruitment costs. Equity Theory suggests that organizations should conduct periodic evaluations of their reward systems to ensure fairness and transparency. This can be achieved through salary benchmarking, performance-based incentives, and clear communication of promotion criteria. Additionally, non-monetary rewards such as career development opportunities, flexible work arrangements, and public recognition can complement financial incentives in maintaining workplace equity.

Research Question

i. Does reward influence workers for higher productivity?

ii. Is it only money that can motivate workers for higher productivity?

iii. Does reward has any effect on productivity?

iv. Are monetary rewards based on worker's productivity only?

v. What are the preferences between monetary and non-monetary rewards?

Research Hypothesis

Hypothesis 1

H_0: Monetary does not motivate employees for higher Productivity.

H_1: Monetary motivate employees for higher productivity.

3. Methodology

The research methodology employed in this study encompasses various techniques for data collection, analysis, and interpretation. A survey research design, specifically the correlation research method, was adopted due to the sociological and psychological nature of the research variables. The study targeted male and female employees across different management levels at Zenith Bank Plc, Ikeja branch, Lagos State, with a total population of 50 staff members. A simple random sampling technique was used to select 50 respondents from various departments, ensuring equal representation. Data collection was conducted through structured questionnaires distributed among top, middle, and lower management levels, with varying response rates. The collected data were analyzed using simple percentage and chi-square (X^2) statistical tools to determine relationships between variables and test hypotheses. A coding procedure was implemented to categorize demographic and organizational data for easy analysis and comprehension, covering aspects such as gender, marital status, age, academic qualification, job position, and length of service. The decision rule for hypothesis testing was based on comparing calculated chi-square values with table values to determine acceptance or rejection of the null hypothesis.

4. Result

4.1 RESPONDENTS CHARACTERISTICS AND CLASSIFICATION

Table 1

CLASSIFICATION	FREQUENCY	PERCENTAGE
Returned Questionnaire	40	80
unreturned Questionnaire	10	20
Total	50	100

From the above table, fifty (50) questionnaires were administered to the respondents. Forty (40) respondents returned the questionnaire while ten (10) respondents did not returned the questionnaires.

Table 2: Gender

RESPONSES	FREQUENCY	PERCENTAGE
Male	25	62.5
Female	15	37.5
Total	40	100

From the above table, 25 respondents(62.5%)were male and 15respondents (37.5%) were female.

Table 3: MARITAL STATUS

RESPONSE	FREQUENCY	PERCENTAGE
Single	26	65
Married	12	30
Divorced	2	5
Total	40	100

From the above table, 26 respondents (65%) were single, 12 respondents (30%) were married and 2 respondents (5%) were divorced. This means that male has the highest frequency.

Table 4: AGE CLASSIFICATION

RESPONSE	FREQUENCY	PERCENTAGE
Below 25years	24	60
25-34years	6	15
35-44years	6	15
45years and above	4	10
Total	40	100

From the table above: 24 respondents (60%) were below 25 years old, 6 respondents (15%) were between 25–34 years, 6 respondents (15%) were between 35–44 years, and 4 respondents (10%) were 45 years or older. This distribution indicates that the majority of respondents were under 25.

Table 5: EDUCATION QUALIFICATION

RESPONSES	FREQUENCY	PERCENTAGE
First School leaving certificate	1	2.5
SSCE/GCE	19	47.5
ND/NCE	10	25
BSC/HND	9	22.5
MSA/MB	1	2.5
Total	40	100

From the above table, 1 respondent (2.5%) have first school leaving certificate, 19 respondents (47.5%) have SSCE/GCE, 10 respondents (25%) have ND/NCE, 9 respondents (22.5%) have BSC/HND and 1respondents (2.5%) are MSC/MBA. This show that majority of the respondents has SSCE/GCE which is first leaving certificate.

Table .6: LENGTH OF SERVICE

RESPONSE	FREQUENCY	PERCENTAGE
0-5years	5	12.5
6-9years	22	55
10-20years	8	20
21yrs and above	5	12.5
Total	40	100

From the above table, 5 respondents (12.5%) fall between 0-5year, 22respondents (55%) were between 6-9years, 8 respondent (20%) were between 10-20years and 5 respondents (12.5) were between 21years and above. This show that majority of the respondents were between 6-9years.

Table 7: MANAGEMENT LEVEL

RESPONSE	FREQUENCY	PERCENTAGE
Top	26	65
Middle	12	30
lower	2	5
Total	40	100

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From the above table, 26 respondents (65%) were Top management level,12 respondents (30%) were Middle management level and 2 respondents (5%) were lower management level. This means that top management level has the highest frequency.

4.2 PRESENTATION AND ANALYSIS OF DATA ACCORDING TO RESEARCH QUESTIONS

Table 8: Reward influence workers for higher productivity.

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	25	62.5
Agree	15	37.5
Undecided	-	-
Disagree	-	-
Strongly Disagree	-	-
Total	40	100

From the table above, 25 respondents (62.5%) strongly agree and 15 respondents (37.5%) agree. This shows that majority of the respondent strongly agree that reward influence workers for higher productivity.

Question 2

Table 9: Reward have any influence on productivity

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	3	7.5
Agree	15	37.5
Undecided	18	45
Disagree	4	10
Strongly Disagree	-	-
Total	40	100

From the table above, 3 respondents (7.5%) Strongly Agree, 15 respondents (37.5%) agree, 18 respondents (45%) undecided and 4 respondents (10%) disagree. This shows that Reward have any influence on productivity

Question 3

Table 10: A monetary rewards based on workers performance

RESPONSES	FREQUENCY	PERCENTAGE
Strongly agree	29	72.5
Agree	11	27.5
Undecided	-	-
Disagree	-	-
Strongly Disagree	-	-
Total	40	100

From the table above, 29 respondents **(72.55)** strongly agree and **11** respondents (27.55) agree. This shows that a monetary reward based on workers performance.

Question 4

Table 11: It is only money that can influence workers for higher productivity

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree		
Agree	13	32.5
Undecided	18	45
Disagree	9	22.5
Strongly Disagree	-	-
Total	40	100

From the table above, 13 respondents (32.5%) agree, 18 respondents (45%) undecided and 9 respondents (22.5%) disagree. This shows that is only money that can influence workers for higher productivity.

Question 5

Table 12: Rewards not based on performance affect productivity

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	-	-
Agree	5	12.5
Undecided	-	-
Disagree	31	77.65
Strongly Disagree	4	10
Total	40	100

From the above table, 5 respondents (12.5%) agree, 31 respondent (77.65) disagree and 4 respondents (10%) strongly agree. This shows that majority of the respondents disagree that rewards not based on performance affect productivity.

Question 6

Table 13: Rewards based on performance improve productivity.

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	29	72.5
Agree	10	25
Undecided	1	2.5
Disagree	-	-
Strongly Disagree	-	-
Total	40	100

From the table above, 29 respondents (72.55) strongly agree, 10 respondents (25%) undecided. This shows that majority of the respondents strongly agree that rewards based on performance improve productivity.

Question 7

Table 14: Rewards not based on performance affect motivation

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	32	80
Agree	6	15
Undecided	2	5
Disagree	-	-
Strongly Disagree	-	-
Total	40	100

From the table above, 32 respondents (80%) strongly agree, 6 respondents (15%) agree and 2 respondents (55) undecided. This shows that majority of the respondents strongly agree that rewards not based on performance affect motivation.

Question 8

Table 15: Is there preference between monetary and non-monetary.

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	4	10
Agree	-	-
Undecided	28	70
Disagree	8	20
Strongly Disagree	-	-
Total	40	100

From the above table, 4 respondents (10%) strongly agree 28 respondents (70%) undecided and 8 respondents (20%) disagree. This shows that majority of the respondents that are undecided have preference between monetary and non-monetary.

Question 9

Table 16: Monetary does not motivate employee for higher productivity

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	38	95
Agree	2	5
Undecided	-	-
Disagree	-	-
Strongly Disagree	-	-
Total	40	100

From the above table, 39 respondents (95%) strongly agree and 2 respondents (5%) agree. This show that majority of the respondents strongly agree that monetary does not motivate employee for higher productivity.

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Question 10

Table 17: Organizational performance and growth is increased through the use of monetary and non-monetary reward.

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	38	95
Agree	2	5
Undecided	-	-
Disagree	-	-
Strongly Disagree	-	-
Total	40	100

From the table above, 38 respondent (95%) strongly agree and 2 respondent (5%) agree. This shows that organizational performance and growth is increased through the use of monetary and non-monetary reward.

Table 18: Monetary and non - monetary reward does not increase the organizational performance and growth.

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	29	72.5
Agree	-	-
Undecided	-	-
Disagree	11	27.5
Strongly Disagree	-	-
Total	40	100

From the above table 29 respondents (72.5%) strongly agree and 11 respondents (27.5%) disagree. This shows that majority of the respondent strongly agree that monetary and non - monetary reward does not increase the organizational performance and growth.

Question 12

Table 19: Monetary reward is based on workers' performance

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	39	97.5
Agree	1	2.5
Undecided	-	-
Disagree	-	-
Strongly Disagree	-	-
Total	40	100

From the table above 39 respondents (97.5%) strongly agree and 1 respondent (2.5%) agree. This means that majority of the respondents strongly agree that Monetary reward is based on workers' performance.

Question 13

Table 20: Monetary motivate employees for higher productivity

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	13	32.5
Agree	10	25
Undecided	5	12.5
Disagree	12	30
Strongly Disagree	-	-
Total	40	100

From the above table 13 respondents (32.5%) strongly agree, 10respondents (25%) agree, 5 respondent (12.5%) undecided and 12 respondents disagree (30%6). This means that majority of the respondents strongly/agree that monetary motivate employees for higher productivity

Question 14

Table 21: Non-monetary reward best motivate lower level employees

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	-	-
Agree	6	15
Undecided	6	15
Disagree	28	70
Strongly Disagree	-	-
Total	40	100

From the above table, 6 respondents (15%) agree and undecided, and 28respondents (70%) disagree. This shows that majority of the respondents disagree that Non-monetary reward best motivate lower level employees.

Question 15

Table 21: Monetary rewards does not based on workers' performance.

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	-	-
Agree	3	7.5
Undecided	29	72.5
Disagree	8	20
Strongly Disagree	-	-
Total	40	100

From the above table: 3 respondents (7.5%) agree, 29 respondents (72.5%) undecided and 8 respondents (20%) disagree. This shows that majority of the respondents undecided that monetary rewards does not based on workers' performance.

4.3 TESTING OF HYPOTHESIS

To test the hypothesis the chi-square distribution method was used to test the hypothesis i.e.

$$X^2 = \frac{\sum (O-E)^2}{E}$$

Where:

X^2 = Chi-square

$\sum$= Summation

O = Observed frequency

E = Expected frequency

C = Column

R = Row

Level of significance = 0.05

HYPOTHESIS TESTING 1

H_0: Monetary does not motivate employee for higher productivity

H_1: Monetary motivate employees for higher productivity

Using table 4.8 and table 4.11

Option	Table 4.8	Table 4.11	Total
Strongly agree	25	-	25
Agree	15	13	28
Undecided	-	18	18
Disagree	-	9	9
Strongly Disagree	-	-	-
Total	40	40	80

Option	0	E	O-E	(O-E)2	(O-E)2 / E
Strongly agree	25	16	9	81	5.0625
Agree	28	16	12	144	9
Undecided	18	16	2	4	0.25
Disagree	9	16	-7	49	3.0625
Strongly Disagree	0	16	-16	256	16

X^2 Computed value= 33.375

Degree of freedom =

Where (c-1) (r-1)

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=(2-1) (5-1)

= 1 x 4

= 4

X^2 Tabulated Value = 9.488

Decision rule: Since the computed value is higher than the table value (i.e. X^2 calculated > X^2 tabulated) therefore reject H_0 and accept H_1 which state that monetary motivate employees for higher productivity.

HYPOTHESIS TESTING 2

Ho: Monetary rewards does not based on workers' performance

H1: Monetary rewards is based on workers' performance

Using table 10 and table 16

Option	Table 4.9	Table 4.15	Total
Strongly agree	29	38	67
Agree	11	2	13
Undecided	-	-	-
Disagree	-	-	-
Strongly Disagree	-	-	-
Total	40	40	80

Option	0	E	O-E	$(O-E)^2$	$\frac{(O-E)^2}{E}$
Strongly agree	67	16	51	2601	162.5625
Agree	13	16	-3	9	0.5625
Undecided	-	16	-16	256	16
Disagree	-	16	-16	256	16
Strongly Disagree	-	16	-16	256	16

X^2 Computed value= 211.125

Degree of freedom =

Where (c-1) (r-1)

=(2-1) (5-1)

= 1 x 4

= 4

X^2 Tabulated Value = 9.488

Decision rule: Since the computed value is higher than the table value (i.e. X^2 calculated > X^2 tabulated) therefore reject H_0 and accept H_1 which state that monetary rewards is based on workers' performance.

5. Conclusion

In conclusion, enhancing workers' productivity requires implementing strategies such as providing incentives like bonuses, commissions, housing, and transport allowances, as well as profit-sharing mechanisms. Additionally, organizations should establish committees to periodically review employee remuneration and recognize outstanding performance by expanding job roles and involving employees in decision-making. Based on the findings of this study, it is recommended that organizations adopt a standardized remuneration system to improve salaries and provide performance-based rewards to enhance employee stability. Furthermore, top management should foster employee participation in decision-making to increase commitment to organizational goals. Regular training and development programs should be implemented to boost employee morale and efficiency, while well-structured organizational ethics and policies should be established to create a conducive and productive work environment.

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